



European Agency for the Management of Operational Cooperation at the External Borders
of the Member States of the European Union

The impact of the global economic crisis on illegal migration to the EU

in cooperation with:
EU Joint SitCen



IOM International Organization for Migration



Risk Analysis Unit
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Executive summary

The global financial crisis has produced the most significant economic downturn after the Second World War. The ensuing economic recession in vast majority of Member States has led to a sharp increase in unemployment rates, prompting numerous governments to introduce measures to protect domestic labour markets. Combined, the measures have amounted to new immigration restrictions, aimed at reducing the influx of migrants and encouraging the efflux.



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In this Tailored Risk Analysis (TRA), supported by empirical research and available intelligence, illegal migration to Member States is analysed as mainly income-generating migration, regardless of the initial causes or push factors. In this respect, the two most important factors affecting the scale of illegal migration flows are:

- (a) availability of work in Member States and,
- (b) likelihood of crossing the border without being returned.

Other factors like the situation in the countries of origin seem to play, though important, a less significant role in determining the scale of illegal migration to the EU.

Both factors have been affected since the start of the recession in most Member States. Namely, economic sectors that have traditionally employed migrants have experienced significant reduction in labour demand. Moreover, the most affected Member States have also reinforced their internal measures against employers of illegal migrants, return programmes, stricter enforcement of residence laws and enhanced border management. In addition, rising unemployment rates in Member States have contributed further to a much more negative public opinion regarding migration in general and illegal migration in particular.

The employment crisis, given its impact on public opinion, political decisions and social cohesion, is considered the central factor linking the current recession with illegal migration, both influx and efflux, in the EU and border management as a part of immigration policy. The influx of illegal migrants is likely to be much more susceptible to the worsening employment opportunities in Member States than the efflux. Specifically, more illegal migrants are likely to postpone their migration decisions, while those already present in the EU are likely to weather the crisis there. Paradoxically enhanced border management probably keeps in Member States a number of illegal migrants who would have otherwise left.

Increased border enforcement at external borders represents a clear disincentive to return, given that possible re-entry would be riskier. This is especially true for those illegal migrants

who have entered the EU illegally. Visa overstayers are less likely to be affected by this factor. Unsurprisingly, the first half of 2009 has seen a sharp overall decrease in all relevant indicators of illegal migration apart from asylum applications. However, the decrease in the number of illegal border crossings cannot be attributed to reduced availability of work in Member States alone, given the existence of cooperation arrangements significantly affecting likelihood of being returned on particular routes.

In addition, a time-lag of three to twelve months is affecting detections at the external sea borders which, in turn, can explain some disparities in terms of detections between different border types. The overall effect of the crisis on the influx will be evident starting from the third quarter of 2009, when significantly reduced labour demand in Member States is expected to be fully taken into consideration by all would-be illegal migrants.

Importantly, this TRA managed to establish a strong negative statistical correlation between rising unemployment rates in Member States and detections of illegal migrants. The correlation seems to be similar to the one in the US, where in the period between 1991 and 2008 illegal migration responded to economic cycles in the US with steep increases in the influx towards the end of economic expansion phases and important decreases during economic downturns. Notwithstanding the complexity of the issue, the correlation could signal that illegal migration influx behaves mainly as a function of labour demand in destination countries and is largely predictable.

As a result, the current decreasing trend of illegal migration generates a kind of a pause, ending when labour demand in Member States starts to rise. The decreasing trend is likely to stabilise only in the latter part of 2010, though the significance of this finding needs to be studied further. Reduced regular passenger flows, largely occurring at the external air borders, are impacting directly on the work of Border Control Authorities (BCA) in all Member States. However, considerable differences between Member States and/or airports exist in relative terms. It is assessed that during the economic recession immigration policies including border management across Member States are likely to be driven by four factors;

- (a)** the number of illegal migrants already present,
- (b)** illegal migration pressure exerted at their external borders,
- (c)** unemployment rates and
- (d)** budgetary issues related to the economic crisis possibly affecting BCA such as deficit spending, loss of expected fiscal revenues, etc.

The effects of these factors on BCA range from strengthening border controls to budgetary measures or staff reductions, affecting for the time being mostly the three Baltic Member States.

1. Introduction

The world's economy has entered the most severe and contemporary economic downturn since the Second World War. This crisis is expected to impact a wide range of drivers for both legal and illegal migration, thus influencing the migration flows to the EU in the short and medium term.

In particular, the economic crisis is rapidly causing unemployment in many Member States. Cyclical sectors like commodity producers, steel and construction firms, travel related services and manufacturers of consumer good are affected the most by the recession. These sectors have traditionally employed substantial migrants' labour force, both legal and illegal.

Frontex already analysed the relationship between economic crisis and illegal migration in its Annual Risk Assessment 2009. It was expected that the economic crisis is likely to lead to a slowdown in the increase in the flow of illegal migrants to the EU. This expectation was based mainly on the assumption that (a) availability of work in destination countries is likely to be reduced, and that (b) economic decline usually leads to the introduction of additional immigration restrictions (legal and physical barriers) in Member States.

This Tailored Risk Analysis (TRA) further elaborates the relationship between the economic crisis on one hand and illegal migration and border management in the EU on the other. The scope is limited to the impact of the economic downturn in Member States on illegal migration to the EU, both in terms of scale, stock, direction and composition of the flow. The impact of the economic crisis on illegal migration flows to the EU is understood broadly, both in direct terms, that is, less availability of work in the EU, and in indirect terms, that is, governments reacting by introducing new entry and/or foreign labour restrictions or enhancing border management. Analysis of the economic crisis itself has only been undertaken to the extent required and in accordance with the overall aim of this assessment.


The complexity of the issue led Frontex to invite ICMPD¹, IOM² and EU SitCen³ to contribute, either in the form of a written contribution or in the form of the temporary secondment of one analyst to work with the team in Frontex.

Information sources used for this assessment were mainly monthly statistical and bi-monthly analytical reports contributed by Member States' Border Control Authorities (BCA) within Frontex Risk Analysis Network, information and intelligence from different Frontex coordinated Joint Operations, reports issued by Frontex Intelligence Seconded Officers, relevant open source reporting and information provided by the three participating partners. In addition, a questionnaire was sent to Member States' BCA soliciting their responses regarding the impact that the economic crisis is having or is likely to have on migration, labour

¹ The International Centre for Migration Policy Development

² The International Organisation for Migration

³ The General Secretariat of the Council of the European Union



markets and border management. The main findings of the TRA will feed into the planning of Frontex operational activities for the period up to 2012, during which the impact of the crisis on illegal migration to the EU is likely to be especially pronounced.

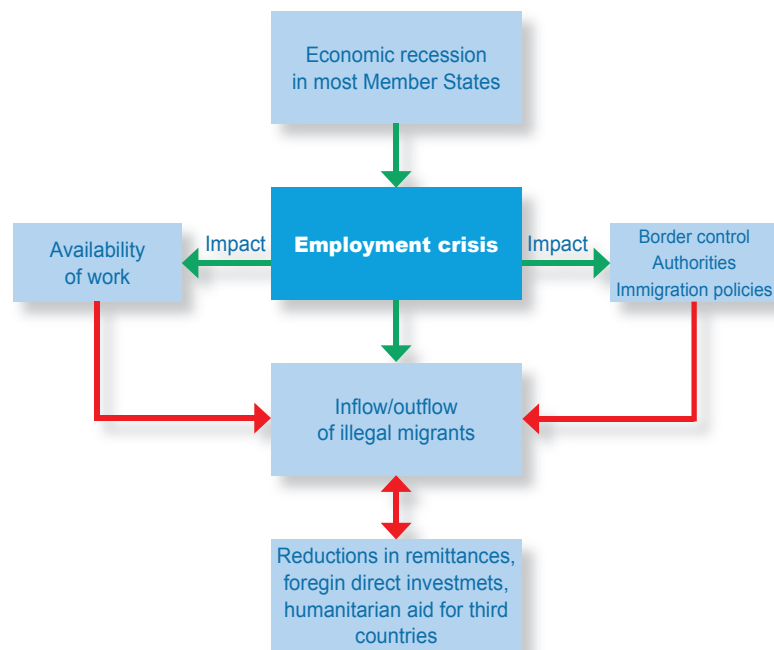
The analysis part of this TRA is divided among four major headings dealing with the size of illegal migration influx, the importance of generating income for illegal migrants, empirical analysis of indicators and illegal migration statistics and the impact of the crisis on Member States' BCA.

For the purpose of this TRA the term "Member States" includes all EU Member States and Schengen Associated Countries.

2. Analysis

Economic migration in general is driven mainly by demographic pressures and economics. Immigration policies in receiving countries are usually influenced by social, political and economical factors. Economic downturn is very likely to lead to stricter immigration policies across Member States⁴ as shown in the conceptual model⁵ below.

Figure 1: Impact of economic crisis on illegal migration



Illegal migration is clearly migration on a scale affected by immigration policies in receiving countries. In addition, illegal migration is in vast majority of cases related to income-generating/ labour migration. This conclusion is partly empirically based⁶, partly derived from available intelligence and partly logically deduced. Consequently, generating income in the destination country is the *raison d'être* for the major part of illegal migration to occur in the first place. As illegal migration to Member States is mainly income-generating migration, regardless of the initial causes or push factors, the focus of the analysis in this assessment is put on the nature of the relationship between illegal migration and labour demand indicators.

2.1 Potential and actual size of the illegal migration influx

Understanding the difference between the potential and the actual influx of illegal migrants is crucial for measuring the impact of the economic crisis correctly. To determine the potential size of the influx, a simple estimation of number of migrants that are contemplating illegal migration to Member States as a livelihood-coping strategy is used. As such, potential influx is governed mainly by a variety of factors such as income disparity, opportunity differential, age,

⁴ For the purpose of this TRA the term "Member States" includes all EU Member States and Schengen Associated Countries.

⁵ The model is based partly on "Economic theories of international migration and the role of immigration policy", Roel Jennissen, Research and Documentation Centre of the Dutch Ministry of Justice (WODC) and Netherlands Interdisciplinary Demographic Institute (NIDI).

⁶ Immigration in the United Kingdom: The recession and beyond, Migration Policy Institute, March 2009.

sex and social status of would-be migrants, demography in the countries of origin, existence of cultural, historic or linguistic ties with destination Member States, etc. The potential size of the influx remains thus large and it is not likely to be significantly affected by the global economic downturn.

On the other hand, the actual influx of illegal migrants is composed of people entering Member States clandestinely or without proper authorisation (detected and undetected). Its scale and direction are both significantly influenced by such factors as

- (I) costs relative to distance and expected economic benefits of migration,
- (II) advice from relatives or friends already present in the EU,
- (III) information or rumours about availability of income-generating activity (work) in destination countries,
- (IV) level of access to facilitation and
- (V) likelihood of crossing the border without being returned.



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This observation is supported by different studies⁷, suggesting that factors governing the scale of potential influxes are not in themselves sufficient causes of cross-border illegal migration to Member States.

In the case of sub-Saharan Africans, cultural factors are also linked to the decision to illegally migrate to the EU. According to the United Nations Research Institute for Social Development, in Senegal, Cameroon and Mauritania the decision to migrate illegally is often equated with masculinity, higher social status, and the ability to provide for one's family. Thus the motive to migrate is not linked merely to survival.

Even so, the main factors limiting the scale of the influx are by and large,

- (I) availability of resources to finance the journey relative to expected economic benefits and
- (II) likelihood of crossing the border without being returned.

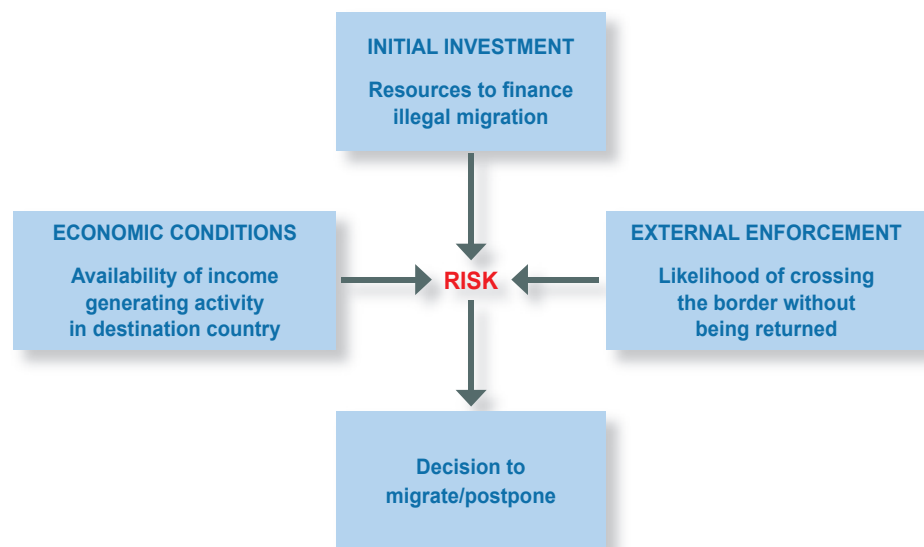
From the perspective of the illegal migrant, these two factors are a measure of the risk associated with illegal migration to Member States (excluding physical risks associated with illegal border crossings). The risk could be expressed in the following risk equation:

R = f (limited resources to finance the journey (costs), likelihood of being returned, likelihood of not finding income-generating activity once in a Member State).

⁷ Transit Migration in Turkey, trends, patterns and issues, Ahmet Icoygu, 2005.

The three elements are always measured subjectively and there are often correlations between them. The resulting higher or lower risk largely determines the overall scale of the influx. In the case of the Canary Islands, almost half of all arrivals in 2007 were returned, while in 2008 this percentage increased even further. Unsurprisingly, the scale of the illegal migration influx to the Canary Islands decreased in this period. Similarly, the number of illegal migrants arriving in Italy (Lampedusa) and Malta started to decrease rapidly after the May 2009 decision of Libyan authorities to start taking illegal migrants back to Libya.

Figure 2: Risk equation from the perspective of the illegal migrant



Therefore, the following observations are relevant:

1. Many of the direct costs associated with illegal migration to Member States are up-front costs. They are often mitigated by family and/or community networks already in destination countries and are considered as initial investment. Once in the destination Member State, illegal migrants' social safety net is narrowed down to fellow migrants, family members or different charity institutions. Generating income⁸ (or working) in destination country is vitally important for them.
2. Illegal migrants already present in Member States face an increased likelihood of losing their income-generating activity or are subjected to reductions in pay due to the economic recession. Their ability to send remittances and/or finance illegal migration is reducing accordingly.
3. By definition (since their status is illegal) illegal migrants can be economically active only in the informal sector⁹ or by illegal means in the formal one, if and as long as their status remains illegal. There is a tendency for some sectors of the economy that traditionally employ migrant labour to slip into the informal sector when economic conditions deteriorate. A study of migration and the informal sector in Colombia¹⁰ suggests that rising official unemployment

⁸ Income-generating activity is any activity for which illegal migrants receive financial remuneration.

⁹ The informal sector includes all income-generating activities that are not regulated by public authorities.

¹⁰ Migration and the Urban Informal Sector in Colombia, Carmen Elisa Flórez, Universidad de Los Andes Colombia, June 2003.

Illegal migration influx reacting to rising unemployment – an US example

A study by the Center for Comparative Immigration Studies at the University of California in San Diego suggests there should be a re-examination of the current enforcement strategy. The flow of new illegal migrants from Mexico has slowed in 2008 and 2009, but the Center's research finds that the decision to postpone migration is not driven by increased border or interior enforcement, but rather by the lack of work in the US.

From October 2008 through February 2009, the US Border Patrol arrested 195,399 illegal migrants, a 24% decrease compared with the same period last year. The level of arrests is on track to dip to about 550,000 for this federal fiscal year, the lowest level since 1975, when 596,796 migrants were detected.

Mexican emigration dropped 13% in the first quarter of 2009 — an ongoing trend as the US economic recession discourages Mexicans from crossing the border in search of work.. Mexico's National Statistics and Geography Institute found that 137,497 people left Mexico in the first three months of 2009, compared with 159,024 during the same period of 2008.

Source: *Current Migration Trends from Mexico: What Are the Impacts of the Economic Crisis and U.S. Enforcement Strategy?*, Center for Comparative Immigration Studies at the University of California - San Diego

is coupled with rising informal employment. Likewise, empirical data from Argentina shows that the level of informal employment tends to increase in times of economic downturn.

4. A large part of illegal migration influx is particularly sensitive to the availability of income-generating activity in the informal sector of Member States' economies. Moreover, the size of the influx is likely to respond mainly to economic performance in receiving Member States and to a much lesser extent in sending countries.
5. Member States are able to influence the risk equation mainly by increasing the likelihood of migrants being returned and reducing informal employment opportunities by actively prosecuting those who employ illegal migrants.

It is important to stress that the scale, composition and the direction of illegal migration flow to the EU is likely to be affected differently both by reduced job opportunities in Member States and by immigration restrictions, including increased border enforcement. The precise relative importance of one or the other, however, remains difficult to measure. Consequently, disparities, explained in more detail further in the analysis, exist between different sections (and types) of external borders of the EU.

2.2 Initial investment and the importance of generating income



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Initial investment for facilitated illegal migration to the EU varies enormously, given the nationalities and distances involved. In the case of illegal migration from Mexico to the US, the Centre for Comparative Immigration Studies¹¹ estimates that almost 400 hours of work are needed just to repay the initial investment of roughly USD 2,800, which is what it costs to be smuggled into the US. The same study also indicates that the propensity to illegally migrate from Mexico to the US has been significantly affected by reduced job opportunities in the US. While no statistical difference has been observed between 2006 and 2007, by 2008, potential illegal migrants in Mexico were 54% less likely to illegally migrate. In 2009, potential migrants were already twice as unlikely to plan illegal migration, relative to the reference year of 2006. If the current economic recession in Member States has an especially negative impact on labour market sectors that have traditionally employed migrants (legal and illegal), the following can be concluded:

- (a) the average time needed to find income-generating activity after illegal entry is most likely increasing;
- (b) repaying the costs of illegal migration (initial investment) is becoming both more uncertain and is taking longer.

The second conclusion seems to suggest that facilitated illegal migration, involving longer distances or the need for fraudulent documents and consisting of several stages could be particularly affected by the economic recession in Member States. This holds true especially for nationals from the Horn of Africa and South Asia. However, measuring the impact will be made difficult by the extent of the nationality-swapping phenomenon widely associated with the above-mentioned nationalities. In the case where such initial investment is either unnecessary or negligible (relative to the possibility to finance it), the decision to illegally migrate or to postpone migration will be affected more by the expected time needed to find income-generating activity in the destination country.

There is a need for more detailed analysis of informal labour market conditions in Member States in terms of average time required between illegal entry and finding income-generating activity and the amount of working hours to repay initial investment. This would also better enable Frontex to assess how different nationalities are likely to be affected by the crisis in the future.



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¹¹ The study is based on 4,012 survey interviews and 1,500+ hours of in-depth life history interviews conducted in Mexico, California, and Oklahoma in the period 2005–2009. The study was presented in the US House of Representatives on 8 June 2009.

2.3 A short overview of detection data for the first quarter of 2009

In contrast to a huge drop in detected illegal border crossings at external land borders and a decrease in persons refused entry at the external air borders, an increase in detections was reported for the external sea borders in the Eastern Mediterranean compared to the first quarter of 2008. This fact should largely be attributed to the time-lag issue. This is because with illegal migration, a large portion of the sea-crossing occurs in multiple stages, with illegal migrants often spending three to twelve months travelling and/or working in different hubs along the route. Consequently, a lot of illegal migrants arriving in the first quarter of



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2009 have probably not yet fully taken reduced labour demand in Member States into their decision-making process. In addition, those already in the main embarkation countries (Libya, Turkey and Mauritania) have almost no other option but to try reaching the EU. Detections at external land and air borders are less exposed to the above-mentioned time-lag issue.

2.4 An empirical analysis of economic indicators and illegal migration statistics

The US border detection statistics for the period between 1991 until 2008 clearly suggests that illegal migration responds to economic cycles in the US with steep increases in the flow towards the end of economic expansion phases and significant decreases during economic downturns¹² Importantly, this observation could signal that illegal migration influx behaves mainly as a function of labour demand in destination countries and is largely predictable.

If this initial assumption that illegal migration tends to be especially sensitive to availability of work in destination countries, is accepted, a link between Member States' unemployment (a proxy of labour demand) and illegal migration statistics should exist. In particular, Frontex collects six illegal migration and one asylum indicator. In this respect the indicators detections of illegal entry between border crossing points, detections of illegal stay and refusals of entry are definitely the most important indicators and should be considered when trying to establish this empirical link.

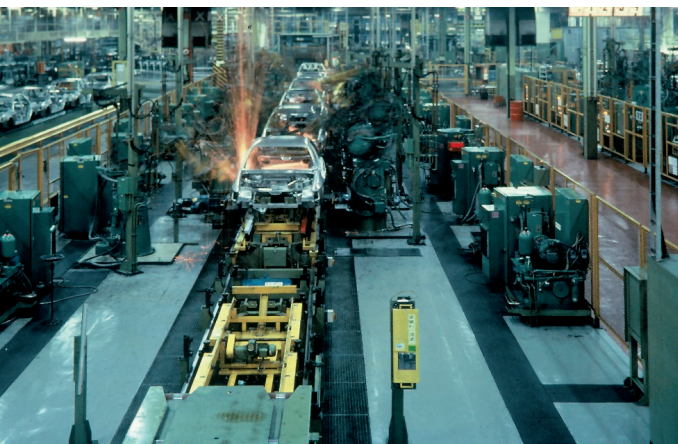
However, in studying the relationship between labour demand and illegal migration there are some limitations:

- As the economic crisis is a recent phenomenon with effects on the EU being visible from the third quarter 2008 and still ongoing, time-lag issues will prevent a general conclusion from being drawn on the effect of the crisis;

¹² Immigrants and the Current Economic Crisis, The Migration Policy Institute, January 2009

- Reliable data has been available since January 2008, a greater availability of historical data would allow to study in greater detail the link between labour demand and illegal migration before the recession;
- All illegal migration indicators are to some extent affected by seasonality; the lack of historical data does not allow “correction” of the data for the analysis. This problem is particularly evident for detections of illegal entry and results for this indicator will not be presented¹³.
- As mentioned above, immigration policies across Member States have changed in response to the employment crisis (i.e. stricter controls, different numbers of border officers or surveillance assets assigned to a specific border section, change in legislation, more or less focus on detecting those staying illegally) and this influences the influx of migrants. The relationship between illegal migration and unemployment is influenced by these policies and/or actions as well.

2.4.1 Relationship between detections of illegal stay and unemployment



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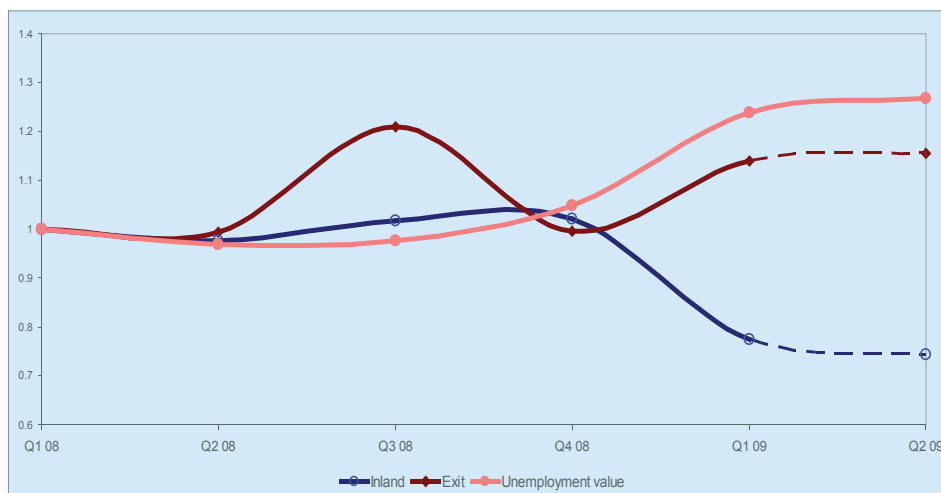
Detections of third country nationals not fulfilling or no longer fulfilling the conditions for stay or residence in the Member State are collected by Frontex under indicator illegal stay and exit. The total is broken down between detections of illegal stay inland and detections of illegal stay while exiting or attempting to exit the territory at external borders. The split is particularly valuable for this analysis because it allows two different phenomena to be distinguished: detections of people staying in the country or moving internally in the EU and detections of people exiting the EU probably to go back to their home country (efflux). The former are expected to be negatively correlated with the unemployment level because, as described in the previous paragraphs, the size

of the influx is likely to respond to economic performance and fewer illegal migrants trying to enter the EU (both detected and undetected) will result in fewer illegal migrants staying in the EU; the latter are expected to be constant or to marginally increase with unemployment in the short term and to significantly increase if the economy does not recover in the longer term.

Figure 3 shows the data for the three variables considered: interestingly enough, the number of people found to be staying illegally in Member States started to decrease during the last part of the fourth quarter of 2008, when the unemployment rate was on a sharp rise across the EU, while the number of illegal exits has been on a slight increase since then.

¹³ One simple way to eliminate the seasonality would be to calculate the difference between the number of detections for a month and the corresponding month of the previous year (i.e. the difference between April 2009 and April 2008 and so on). While this method is attractive due to its simplicity, it has the disadvantage of greatly reducing the number of observations available to five, thereby not allowing for a serious study.

Figure 3: Illegal stay and unemployment value by month as a percentage of Q1 2008 value(1)



(1) Illegal stay and exit data for the second quarter 2009 has been calculated estimating the month June 2009. Source: Frontex, Eurostat

Although the descriptive evidence supports the existence of a link, this is certainly not definitive and a regression analysis can be useful to confirm and provide further details. The estimation has been performed using a cross-sectional time-series model on monthly data for the period January 2008–May 2009

Results confirm once again our assumptions: the unemployment level has a negative impact on the number of detections of third country nationals staying illegally, and a moderate positive impact on the number of illegal detected trying to exit the EU illegally. In particular, results from the regression seem to suggest that on average during the period considered for every thousand people more unemployed, two people fewer are detected for staying illegally in the EU. On the other hand, there had to be an increase of five thousand in the number of people newly unemployed to produce an increase of one in the number of people trying to illegally exit the EU.

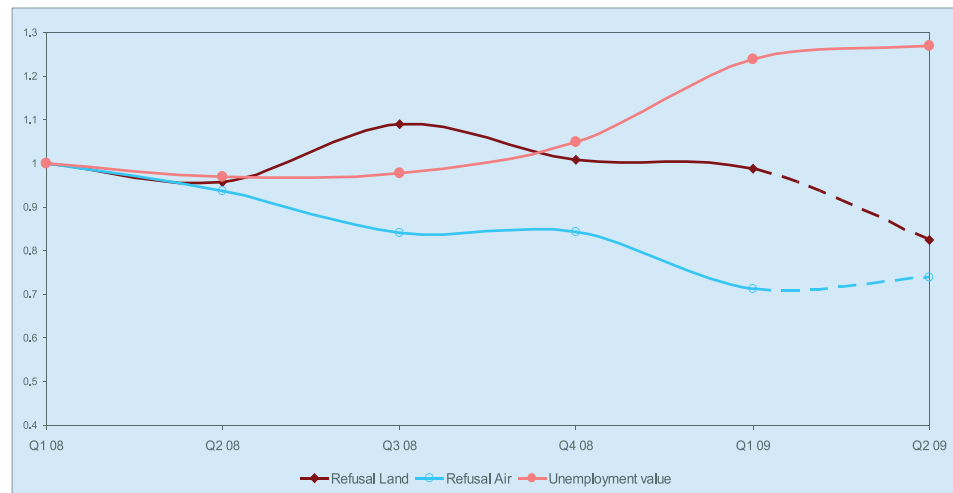
It is interesting to study whether the relationship is different between the period before and after the rapid deterioration in labour market conditions: as a demarcation point the month of October 2008 has been chosen when according to Eurostat an increase of 500,000 unemployed for the EU27 compared to the previous month was registered. For both inland and exit detections the effect of unemployment is much greater during the recession period¹⁴, a sign that labour demand probably plays a more important role when it is shrinking.

¹⁴ Looking at the results in more detail, the regression coefficient for unemployment is not significant during the period pre-recession and the model fit is poor. This suggests that for the period January–September 2008, when unemployment was stable and not a major topic, other variables were more important in influencing the number of detections for illegal stay and exit. Of course a longer period of data would be valuable for the purpose of corroborating this hypothesis.

2.4.2 Relationship between refusal of entry and unemployment

In addition, link very similar to the one between detections of illegal stay inland and the labour market should also exist between refusals of entry at the external borders and unemployment (See Figure 4).

Figure 4: Refusals of entry by border type and unemployment value by month as a percentage of Q1 2008 value (1)



(1) Refusal of entry data for the second quarter of 2009 has been calculated estimating the month June 2009. Sea borders data show a similar pattern to other refusal of entry data but were not included in the graph due to their limited size and in order to keep the graph as simple as possible. Source: Frontex, Eurostat

Even in this case there seems to be a negative relationship between the two variables considered with the number of persons refused entry starting to decrease during or after the third quarter of 2008, when the unemployment rate started to rise across the EU.

Some difference can be noted according to the border type; for instance the number of persons refused entry at the air borders started to decrease before the recession; however, the biggest drop happened during the first quarter 2009 in conjunction with the sharpest increase in unemployment while the number of refused entry at the land borders decreased mainly during the fourth quarter of 2008 and the second quarter of 2009 (some caution should be exercised in interpreting the results for the land borders since it is affected by local traffic issues).



Estimates from the regression analysis confirm again the assumptions, even if the impact of unemployment is considerably lower compared with the analysis done for illegal stay. Moreover, and consistent with the previous analysis, the impact of unemployment seems greater during the recession compared with the period prior to it.

2.4.3 Overall passenger flow and refusal of entry at air borders

The analysis presented in the previous paragraph suggests that unemployment is an important driver of the number of persons refused entry at the air borders and it can explain at least part of the decrease recorded during the last quarters. However, the decrease in the number of persons refused entry at the air borders has often been associated with a corresponding decrease in the regular passenger flow.

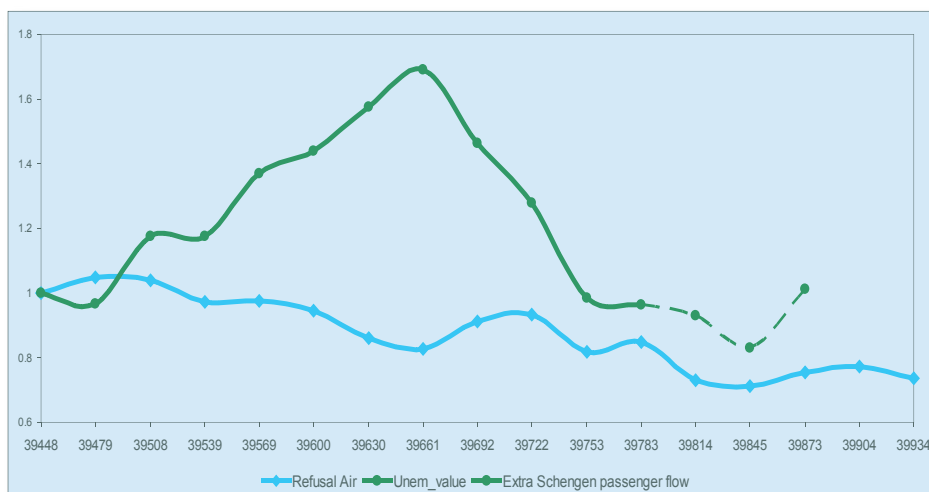
The airline industry has been reducing its capacity since the last quarter of 2008, when the numbers of air passengers began to drop significantly. There is a general agreement among experts that the drop in air passengers flows in Member States is directly linked to the onset of the economic crisis across the globe.

Figure 5 compares the number of third country nationals refused entry at the external EU air borders with the number of passengers coming from outside Schengen and checked on arrival: it seems visually clear that while the former has a negative trend, the latter exhibits a clear seasonal pattern. The contrast is evident during the summer period of 2008: while the passenger flow had the highest peak, refusal of entry showed an important decrease.



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Figure 5: Refusals of entry at the air borders and passenger flow from outside Schengen as a percentage of January 2008 value (1)



(1) Data for passenger flow from outside Schengen for January - March 2009 was estimated using available data for 10 Member States that represent 60% of the total traffic. Source: Frontex, Eurostat

As regards this apparent lack of relationship at EU level, two important points should however be borne in mind.

First, data show heterogeneity and differences between Member States. In Germany, for example, a change in number of people refused entry seems to be directly correlated to a change in passenger flow. Substantial differences between Member States and/or airports persist and this observation is important in terms of managing external air borders. Several reasons for the differences are possible:

- Human resources available to perform border checks and the level of entry conditions restrictions could be directly linked to the number of refusals. Even if there is a significant drop in passenger flow, BCA at some airports are already operating at maximum capacity. A constant number of refusals of entry might not be representative of a constant in illegal migration pressure but instead of a constant number of resources allocated. At some airports, the average number of people refused per week remained relatively stable regardless of the drop in passenger flows after the summer peak. This suggests that (a) illegal migration pressure has not changed or that (b) illegal migration pressure has decreased but BCA have applied more restrictive entry conditions since the start of economic downturn;
- Some Member States are being especially targeted by passengers not meeting EU entry requirements;
- Different types of airports (specialising in tourist traffic, transit or main destination) are present in Member states.

Second, removing the seasonality clearly present in the passenger flow data might be a more suitable way to study the relationship between passenger flow and refused entry, and would probably reveal more interesting results: unfortunately, no historical data for refusal of entry are available at the moment to allow such an approach.

2.4.4 Asylum applications

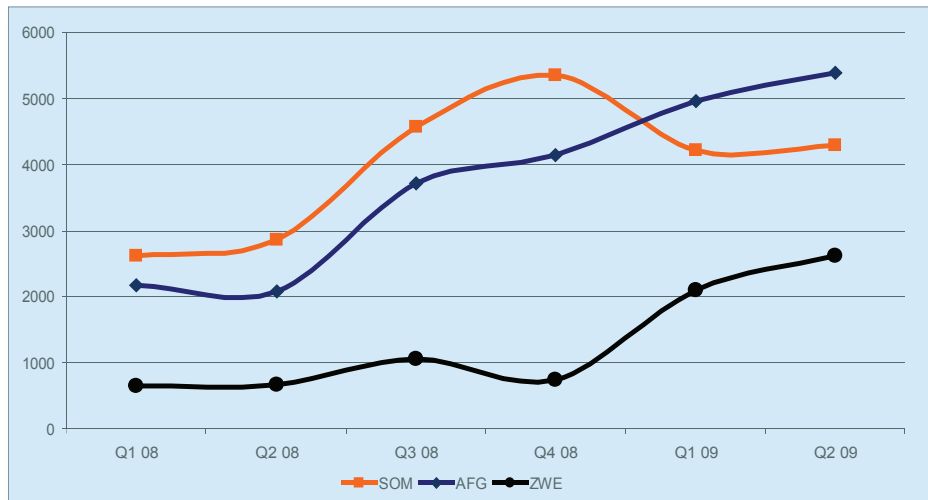
In the case of asylum applications the correlation with unemployment seems to be positive. This can be explained in the light of previous examples of significant economic downturns that suggested illegal migrants are likely to use asylum application as a way to circumvent new entry or labour restrictions put in place to protect domestic labour markets in Member States. A rise in asylum applications in the period immediately following the introduction of the above-mentioned new restrictions is likely.

In the first quarter of 2009 asylum applications in Member States increased by 10% compared with the same quarter of 2008. Asylum applications are the only indicator showing an increase, which in itself confirms previously mentioned assumptions. The increase is however not uniformly spread across Member States¹⁵ and it is largely due to applications made by migrants claiming to be from Afghanistan and Somalia. In addition, following the UK's Asylum and Immigration Tribunal (AIT) guidance decision from 19 November 2008, there has been a sharp

¹⁵ While Sweden reported a 22% drop in asylum applications in 2009, Norway saw a 50% increase in the first half of this year.

increase of asylum claims by Zimbabwean nationals in the UK. However, the increase could largely be attributed to asylum claims made by those Zimbabweans who have been residing illegally in the UK for some time. The same decision also clearly states that any Zimbabwean who had been refused asylum may be advised to consider making a fresh claim.¹⁶

Figure 6: Asylum applications from selected nationalities



Source: Frontex



When it comes to recognition rates, empirical evidence seems to suggest that significant economic downturns and rising unemployment rates in destination Member States are both associated with **(a)** lower recognition rates¹⁷ for the full protection status and **(b)** affording asylum migrants lower, more temporary protection statuses.

A strong negative correlation between aggregate recognition rates and the total number of asylum applications filed in Member States is derived from empirical data (period between 1982 and 2001).¹⁸ As a consequence, it is likely¹⁹ that changes in political and economic conditions in destination Member States will reduce the number of people afforded full refugee status and increase the number of those with temporary protection. Lower protection statuses are, in turn, likely to increase further the stock of illegal migrants in Member States in the short to mid-term. It is however not yet clear if the lowering of the statuses will significantly impact on the distribution of asylum applicants across Member States given persisting considerable disparities between one Member State and another concerning the forms of protection²⁰.

¹⁶ Zimbabwe Country Guidance, UK Immigration Law Practitioners' Association, December 2008.

¹⁷ There are two different types of recognition rate. The first is the rate of decisions granting full refugee status in accordance with the 1951 Geneva Convention. The second one is the rate of decisions granting either full refugee status or leave to remain for other, mostly humanitarian, reasons.

¹⁸ Vink and Meijerink (2003).

¹⁹ Asylum recognition rates in Western Europe – Their determinants, variation and lack of convergence, *Journal of Conflict Resolution*, 49 (1), 2005, pp. 43-66.

²⁰ Under the European Pact on Immigration and Asylum, a single asylum procedure comprising common guarantees and adopting a uniform status for refugees and the beneficiaries of subsidiary protection should be put in practice in all Member States by 2012 at the latest.

2.4.5 Alternative reasons for a decrease in detections

Analysis of the detection data and economic indicators clearly points to the existence of a link between the two. However, alternative reasons for a decrease in detections have to be considered also. The following, if confirmed, are among those factors that have an impact on border management at different sections of external borders:

- A new, as yet undetected modus operandi for illegal entry (new type of visa abuse, increase in bogus marriages, family reunifications...) is allowing a significant number of illegal migrants to enter Member States undetected;
- Facilitation networks have been able to increase the quality of look-alike or forged documents, allowing illegal migrants to avoid detection;
- More illegal migrants are able to enter Member States hidden in vehicles. Corresponding shift from green border entry modus operandi to clandestine entry at border crossing points could be particularly pertinent for the external land borders between Bulgaria, Greece, Former Yugoslav Republic of Macedonia and Turkey;
- Given the significantly increased likelihood of being returned to Libya, facilitation networks in Libya could be switching their operations from providing boats to focusing more on commercial vessels as the way to enter the EU. More illegal migrants could be hidden in ships that are bound for ports in the EU.

Nevertheless, it is unlikely that the above-mentioned alternative reasons significantly contribute to the decrease in detections.

2.5. Impact on Member States' BCA

Frontex also collected information on impact of economic crisis on Member States' border management in the first quarter of 2009. Altogether 20 Member States returned the questionnaire sent out in May 2009. Since the required information was mostly not in the mandate of BCA and the deadline for replies was rather short, some Member States were not able to answer all questions. It is unfortunate that most front-line Member States in terms of illegal migration (with the exception of France) did not return the questionnaire.

2.5.1 Member States' policy response

Most of the 20 Member States that replied did not report any policy responses in the field of border management or migration management caused by the economic crisis. The Czech Republic issued a resolution on securing a safety situation on the territory in relation to redundancy of foreign workers as a result of economical crisis and the UK took two steps, namely changes were made to the points-based system for migration and measures were also put in place to require the Resident Labour Market Test.

In Latvia the State Border Guard's posts, which are responsible for internal immigration controls, were abolished and the immigration units were amalgamated. More measures will follow later in 2009. All other Member States mentioned no changes or changes not related to the financial crisis.

With regard to budget cuts made or planned, reducing salaries or the number of staff, half of the Member States replied in the negative to all questions. Lithuania was the only country answering affirmatively to the three questions. Five Member States mentioned budget cuts made or planned, while four Member States mentioned the reduction in salaries and four other Member States mentioned staff reductions. Most of the actions planned or taken are mentioned by the Baltic republics, followed by other new Member States and Iceland.

2.5.2 Passenger traffic

Altogether 14 Member States were able to provide regular passenger data on a monthly basis; four of them could only provide annual data. Since most new Member States joined the Schengen Area on 1 April 2008 with their air borders, the data is not comparable with the first quarter of 2009.

The passenger flows showed a decline of 10% at land borders, 17% at sea borders and 33% at air borders. Germany is not included in these figures. Germany showed a decline only in January at the air border, but had a major increase in the first three months of 2009 at the sea border. The new Member States had the biggest decline. The air traffic flows were reduced up to 81%, but this is also related to the effect of joining Schengen. The old Member States also reported lower figures but mostly only around 10%.



2.5.3 Visas issued

It is not easy to compare the visa figures provided. For instance, some Member States gave the number of visas issued at the border and one Member State gave the number of visa extensions for longer than 90 days.

Overall, a 37% reduction in the number of visas issued was reported by eight Member States over the first quarter of 2009 compared with the first quarter of 2008. The most dramatic decline was reported by the Czech Republic (-72%), but these were visa extensions.

2.5.4 Residence permits and work permits issued

Only seven Member States were able to provide data on residence permits issued and also seven Member States were able to provide data on work permits issued. The trend in issuing residence permits and work permits does not show a clear picture. Where some countries reported a slight drop in residence permits issued, some other reported an increase in residence permits issued over the first quarter of 2009 compared with the first quarter of 2008. The effect of the economic crisis will probably manifest itself at a later stage.

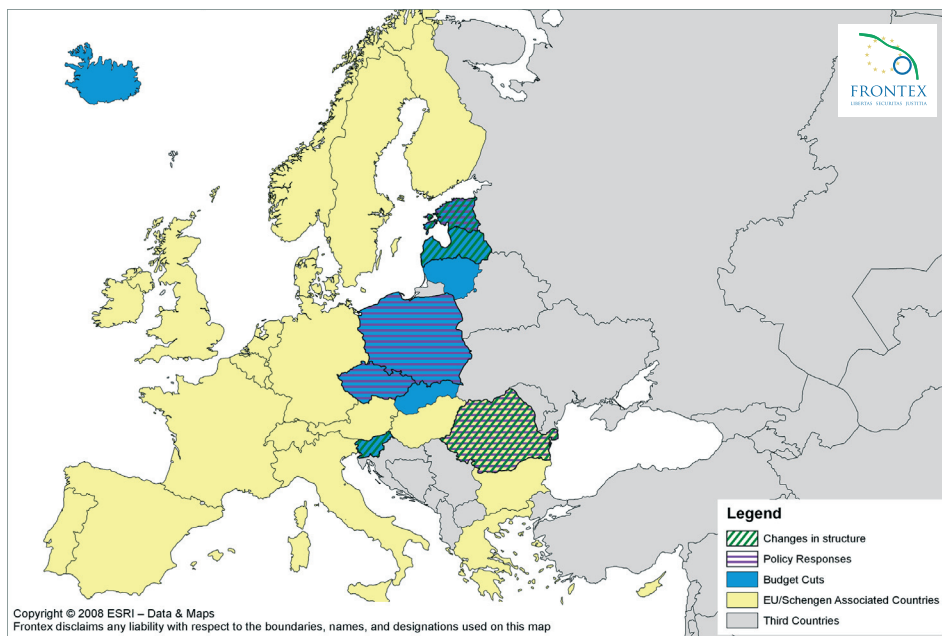


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2.5.5 Voluntary and forced return

Altogether 11 Member States were able to provide Frontex with monthly return data. The return figures show different trends within the Member States. Some Member States reported a significant increase in voluntary and forced return where other Member States reported a significant decrease in return figures. It seems that return is heavily influenced by the policy of the Member States on forced and voluntary return. The highest increase over the first quarter of 2009 compared with the first quarter of 2008 took place in the Czech Republic, namely 85% more forced returns, while the biggest decline over the same period took place in Poland. Voluntary and forced returns decreased in total by 44%.

Map 1: Geographical distribution of reported impact of economic crisis on border management



Source: Member States' responses to the Frontex questionnaire in May 2009.

3. Conclusions

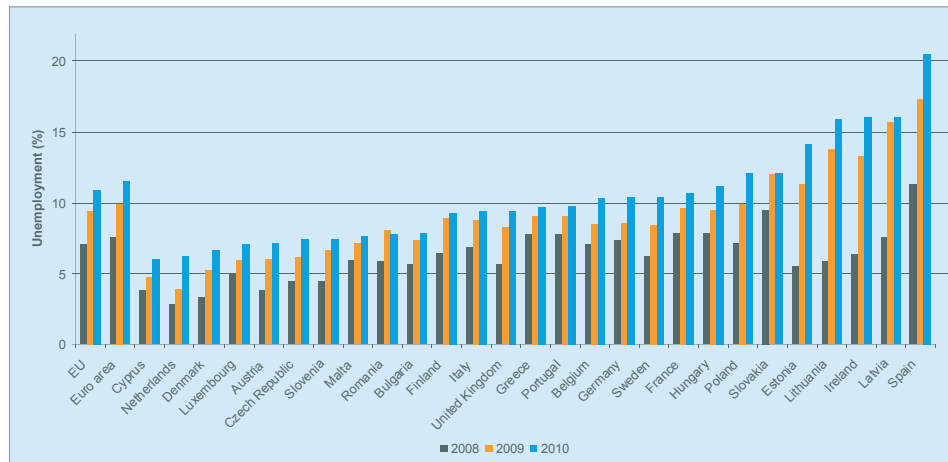
The short to mid-term effects of the current economic crisis on illegal migration are to be seen mainly in the light of how the reduced labour demand in Member States affects the overall scale of the flow (in/ef flux), its composition and border management in general.

3.1. Influx

Having established a negative correlation between unemployment and overall detections of illegal migrants, reduced availability of work in labour intensive sectors, the increased entry restrictions put in place and enhanced cooperation with some of the main transit countries will significantly increase the risk for illegal migrants trying to enter the EU. Would-be migrants preferring risk aversion strategy are likely to postpone their migration decision.

Given that there is a roughly three to twelve month time-lag affecting the number of arrivals at the external sea borders, the third and fourth quarters of 2009 should reflect the full extent of the impact of the economic downturn.

Figure 7: Unemployment rate forecast by Member State



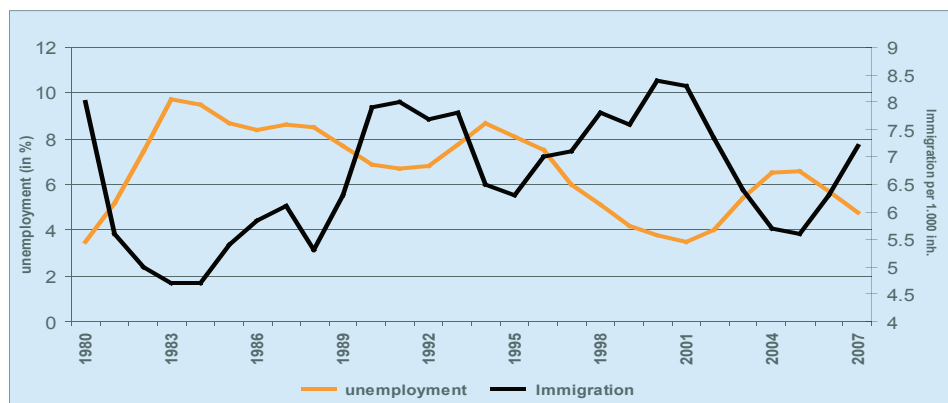
Source: European Commission

The temporary nature of the economic downturn suggests the effects on the size of illegal migration influx will also be temporary. The current decreasing trend could be considered as a kind of illegal migration pause, ending when labour demand in Member States starts to rise. As a result, the decreasing influx trend is likely to stabilise only in latter part of 2010.

Figure 8 shows this relationship in the case of the Netherlands, where legal migration flows have historically responded positively to decreasing unemployment rates. Importantly, the Dutch empirical data suggests that overall migration flows (including illegal migration) only start to increase six to twelve months after unemployment starts to decrease.

Newly introduced migration restrictions or measures against illegal migration are likely to remain a more permanent feature in the most affected front-line Member States such as Italy, Spain, Greece, Malta and Cyprus.

Figure 8: Historic correlation between unemployment and legal migration to the Netherlands



Source: Migratie naar en vanuit Nederland, Een eerste proeve van de Migratiekaart, Cahier 2009-3

A possible growth in informal employment opportunities in Member States will probably not act as a pull factor affecting the influx. However, informal employment will continue to provide income-generation for illegal migrants already in Member States.

The decrease in the influx will not be uniformly spread throughout different sections or types of the external EU borders. Likewise, nationalities involved in illegal migration and different labour sectors traditionally employing illegal migrants will continue to be affected differently by the economic downturn in Member States.

Special case – domestic service labour sector

In contrast to other labour sectors, demand for domestic work is expected to remain relatively strong in Member States such as France, the UK, Austria, Italy and Spain where the domestic service sector is believed to be the most important employment category for migrant women. In Germany alone some three million private households regularly employ cleaning personnel and domestic workers.²¹

There is a coincidence of interests between those who employ migrant domestic workers and the workers themselves. They both avoid state control, thus gaining in flexibility and accommodation. Legally, a large majority of migrant domestic workers are believed to be in various degrees of illegality, without either a valid residence permit, work permit or both. Some²² estimate that 70-80% of jobs in the sector are undeclared. When trying to understand how economic crisis could affect domestic work in Member States, it is important to clearly point out differences between this and other labour sectors:

- 1. Domestic work cannot be easily outsourced or discontinued since the work is necessarily performed in the country and for the benefit of mainly private individuals, who often have no other alternative (care for elderly people or child care).*
- 2. Given the rigidity of labour markets across the EU, the higher labour force participation of women, the ageing population in the EU and increased geographical mobility, any labour shortages in this sector are likely to be filled mainly by migrants.*
- 3. The largely informal nature of domestic work is explained by the fact that it is performed mainly in private homes, which are not usually seen as workplaces and for the benefit of private individuals who are not usually considered employers. Consequently, domestic work is for most part not considered as 'work', which often leads to migrants having limited options for regularising their stay in Member States.*
- 4. Migrant domestic work is usually not in the forefront of the migration debates across Member States. Public pressure (i.e. migrants are responsible for job losses or increased criminality) is not focused on this sector given the above-mentioned coincidence of interests. In addition, most migrant domestic workers probably enter Member States legally (under false pretences) and simply overstay or breach other legal provisions. Consequently, migrant domestic workers are less likely to be targeted directly by the stricter border controls, emigration and migrant labour restrictions currently being introduced in the Member States with relatively large domestic work sectors.*

Migrant domestic work is likely to be less directly affected by economic crisis in Member States. However, its size and the actual impact of the crisis remains difficult to measure given the frequent exclusion of domestic work from labour statistics and the informal nature of this sector. Prior to the onset of the economic crisis, the sector increasingly employed illegal third country migrants, mainly women from the CIS (Ukraine, Russian Federation and Belarus), Western Balkans (Bosnia and Herzegovina), parts of Asia (Philippines) and Africa (Eritrea) and Latin America (Peru, Ecuador).

²¹ Jurgen Schupp, 2002:65.

²² Out of the Shadows, Organising and protecting domestic workers in Europe: the role of trade unions, November 2005.

3.2. Return migration

It is believed that the influx of migrants is much more sensitive to the worsening employment opportunities in Member States than the efflux. Going back to the country of origin is often not an option for most illegal migrants. There are basically four reasons for this:

- Increased border enforcement at external borders represents a clear disincentive to return, given that possible re-entry would be riskier. This is especially true for those illegal migrants who have entered the EU illegally. Visa overstayers are less likely to be affected by this factor. Paradoxically, by reducing circularity in migration²³, enhanced border management probably keeps in Member States a number of illegal migrants who would have otherwise left.
- Returning to the country of origin is both costly and/ or linked to cultural prejudices. Migrants who return without visible signs of newly gained wealth or are still in debt are often considered failures by relatives or the broader community.
- Illegal migrants who had covered the financial cost of migration up-front consider migration as an investment and are likely to try to wait for the crisis to pass rather than return home empty-handed;
- Illegal migrants are well informed about economic realities in their country of origin. According to a study in the UK²⁴, non-white migrants from low-income third countries have significantly higher stay rates (85% are believed to be aiming at permanent migration) compared with other migrant groups.

Should the current crisis progress into a prolonged recession, return migration could pick-up pace. There are already some signs that this might be happening in the case of migrants who are eligible for the voluntary return programme in Spain. According to the Spanish Ministry of Labour, the rate of applications has increased in May 2009 with an average of 181 migrants departing every week. However, overall numbers are still low

(2,176 since the start of the programme in September 2008). Unsurprisingly, Latin American nationals (Ecuador, Colombia, Argentina, Peru, Brazil, Chile and Uruguay) represent 91% of returns.

Illegal stay detected on exit could be used as a measure of whether illegal migrants, who are not eligible for any return programme, will switch from weathering the crisis to moving back to their country of origin.



© UN Photo/Tim McKulka

²³ In the case of illegal migration from Mexico to the US, the average length of stay per individual illegal border crossing has gone up from an average of 14 months to 24 months, following enhanced border security in the US.

²⁴ Immigration in the United Kingdom: The recession and beyond, Migration Policy Institute, March 2009.

3.3. Secondary movements between Member States

Moving to another Member State, where informal employment opportunities are perceived as better, could be seen as a more attractive option than returning to the country of origin. It has to be stressed though that secondary movements of illegal migrants have been occurring in parallel to the onset of economic crisis and are not necessarily linked to the crisis itself.

There is currently little reliable information available on the extent and the size of the secondary movements induced by migrants' loss of income. However, there are some indications that secondary movements motivated by loss of income could increase in the second half of 2009.

It should be noted that differences regarding asylum procedures between Member States also contribute to secondary movements of illegal migrants. Detecting the extent of the movements will only be possible through analysis of EURODAC data, which however, is not (yet) possible.

3.4. Policy responses and border management

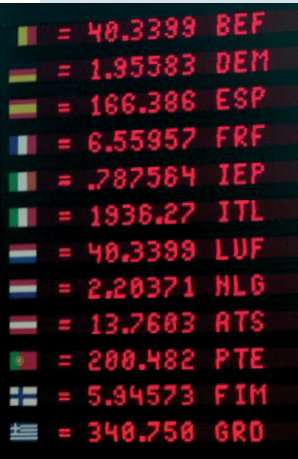
The type and the scope of Member States' immigration policy reactions will continue to be driven mainly by four variables;













- (a) the number of illegal migrants already present,
- (b) illegal migration pressure exerted at their external borders,
- (c) unemployment rates and
- (d) budgetary issues related to the economic crisis, possibly affecting BCA.

The four variables are likely to shape Member States' responses also in terms of border management. The Member States being the main entry-points with a substantial stock of illegal migrants are likely to lead the efforts against illegal migration.

Negative effects of previously described budgetary cuts or staff reductions for BCA in some Member States will continue to be minimal. Member States facing these measures are positive about the future of border control at their borders. When threats arise, action will be taken to counter them. Only Latvian BCA believed that budgetary cuts or staff reductions could have negative effects in the future.

3.5. Persisting uncertainties



	= 40.3399	BEF
	= 1.95583	DEM
	= 166.386	ESP
	= 6.55957	FRF
	= .787564	IEP
	= 1936.27	ITL
	= 40.3399	LUF
	= 2.20371	HLG
	= 13.7603	ATS
	= 200.482	PTE
	= 5.94573	FIM
	= 340.750	GRO

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Lessons learned from past economic crisis

First, there are limits to the extent to which the current global economic crisis is comparable to earlier crises. While all of the earlier crises had global ramifications, their impact was most keenly observed at the regional level. During earlier recessions one region tended to benefit economically at the expense of another, thus allowing migrants to shift to alternative destinations. In contrast, the current crisis takes place in a world more interconnected than ever before, and is predicted to have impacts on global migration patterns and trends. In addition, it is too early to gauge how long and deep the current crisis will be, and whether for example it is more appropriate to compare it with the relatively short-term and acute recession resulting from the Asian financial crisis, or the longer-term and chronic depression in the 1930s.

Second, migration policy-making takes place today in a very different context than it has previously. The global economy is more dependent on migrant labour than ever before, especially in certain sectors. There is a greater dependence on remittances at the individual and household, sub-regional, and even national levels in some poor countries. International migration has also become more explicitly integrated into debates about national security, and is now a foreign policy concern in many states.

A third reservation is that there is very limited evidence of the migration impacts of earlier financial/economic crises. With the exception of the oil crisis and the Asian financial crisis, there is very little data or research on the migration impacts of the crises reviewed here, and in particular of policy responses to them

Illegal migration

Severe immigration restrictions in Europe, triggered by the first Oil Crisis (1973) and continuing through the 1980s and 1990s are considered by some analysts as the start of “bogus” asylum claims and later increased illegal migration. Likewise, the flourishing of smuggling and trafficking networks is likely to be linked to this phenomenon.

Change to other destinations

After the first and the second oil crises, a global shift of production processes from developed (US, Europe, Japan) to developing countries in Asia (Vietnam, China and India for example) and Latin America started. World manufacturing output for industrialised countries dropped from 95% to 77% between 1953 and the late 1990s while for developing countries economies it quadrupled from 5% to 23%.- New industrial centres in Asia and Latin America are now attracting substantial labour migration flows

Source: IOM

Given the complexity of the issue, the accuracy of the conclusions or forecasts is negatively affected by the following persisting uncertainties:

- (a)** Limited extent to which the current global economic crisis is comparable to earlier crises.
- (b)** The actual timing of significant economic recovery in the EU; There have been signs of a stabilisation of economic activity in the EU after the earlier dramatic contraction. However, unemployment rates across most of Member States are expected to increase throughout 2009, only to stabilise sometime in 2010. Previous significant recessions show that employment rates (labour demand) are usually the last economic indicator to show recovery.
- (c)** Time-lag in migration- related indicators; Given that the financial crisis started to impact on the real economy in the EU starting from the last quarter of 2008, some latest (first quarter of 2009) indicators such as the number of assisted voluntary returns or illegal border crossings at certain border sections are not yet fully taking into account the impact of the crisis itself. In addition, administrative delay is also a factor to consider when it comes to the numbers of visas issued.



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