

These COVID-19 Analytical Snapshots are designed to capture the latest research, information and analysis in a fast-moving environment. Topics will be repeated from time to time as analysis develops. If you have an item to include, please email us at research@iom.int.



New research & analysis on the economic impacts of COVID

[Potential Responses to the COVID-19 Outbreak in Support of Migrant Workers](#) by the World Bank

[Neglect of low-income migrants in covid-19 response](#) from the BMJ

[International remittance flows and the economic and social consequences of COVID-19](#) by Guy Abel and Stuart Gietel-Basten

The economic impacts of COVID-19 and human trafficking

In a recent [research brief](#), the UNODC has warned that the sharp increase in unemployment rates caused by the pandemic is likely to increase cross-border trafficking in persons from countries experiencing the fastest and longest-lasting drops in employment.

However, they argue that these risks can be mitigated by investments in job creation and economic recovery, across both developed and developing countries.



The economic impact of COVID-19 on migrant workers

Research has found that migrants in high-income countries across the world are more likely than other workers to be exposed to the economic impacts of the pandemic:

⇒ [Garrote-Sanchez et al.](#) (2020) create several measures of labour market exposure to the pandemic in the European Union, and find that migrants are overrepresented in occupations that are exposed to COVID-19-related job losses

⇒ [Gelatt](#) (2020) looks at the prevalence of migrants in industries that are essential and in industries that are hard-hit by the outbreak in the US, finding that migrants are overrepresented in both types of job.

The negative effects of job losses are also likely to be more significant for migrant workers because they often work in informal jobs and so lack safety nets in case of job loss or illness. This is particularly the case for migrants in [developing countries](#) and [temporary migrants](#) where social protection tends at most to be limited to work injury compensation or health benefits.

These challenges are even more profound for [irregular migrants](#), who in addition to often being ineligible for social protection benefits, are easy for firms to fire due to their lack of employment protections.



COVID-19 and international remittances



In 2019, migrants are estimated to have sent [\\$551 billion](#) in international remittances to family in low- and middle-income countries, over three times the amount of official aid received. These remittances are a crucial source of income for the world's poorest, often making up [60%](#) of family household income, with [75%](#) of the money received used to cover essentials, such as food, school fees, and medical expenses.

However, with the [20 countries](#) with the most cases of COVID-19 (as of mid-May) hosting 55% of the world's migrants who send 54% of the world's remittances, remittance flows are predicted to fall by [20%](#) in 2020. This decline is largely due to the fall in wages and employment of migrant workers resulting from the economic disruption caused by [measures](#) enacted to curb the spread of the virus. Even in cases where migrants have money to send home, it has become more difficult to do so — around [80%](#) of remittances are sent physically via a Remittance Service Provider, but many of these money transfer networks have partially or totally [shut down](#).

10.7%

The decline in working hours in the second quarter of 2020 relative to the final quarter of 2019 estimated by the [ILO](#), equivalent to 305 million full-time jobs.



Economic support for migrants around the world

Across the world, governments are providing economic support to migrants. In some countries, this support is being provided through an expansion of eligibility of existing social protection [programmes](#), while in others new programmes have been created that are available to migrants. Migrant workers holding residence permits in [Italy](#) and [Ireland](#), for example, can apply for income subsidies, while foreign workers in [Uzbekistan](#) are eligible for skills training and, in [Myanmar](#), internal and returning international migrants are among the vulnerable groups eligible for an emergency cash transfer.

The long-term economic impacts

Persistently depressed economic conditions could mean lower [demand](#) for migrant workers in the longer term, such as in [Singapore](#), where migrant workers supplement the workforce when there is a labour shortage but are cut back when the economy is weak. This could be exacerbated if prolonged travel restrictions induce [technological progress](#) that replaces human labour,

However, there is evidence that households do not consider migration to be viable in the longer term either: a survey by [Listening to Citizens of Uzbekistan](#) found that the number of household members considering seasonal migration fell by 95% compared to the previous year.

This COVID-19 Analytical Snapshot has been produced by [IOM Research](#) (research@iom.int).

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