

## The Influence of Global Financial Crisis on the Migratory Project of Immigrant Family. A Case Study

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**Abstract:** The article analyzes the influence of global financial crisis on the migratory project of immigrant family. The empirical study is actualized in Italy, in province of Siena. The study methods is the qualitative one. 32 in-depth direct interviews have been administrated with Albanian migrants in this zone. The article is focused mainly on the short-term effects of the global financial crisis of immigrant family migratory project such as: reduced remittances (money transfers) from migrants to their home, reduced monthly expenses, return migration of some family members or the whole family to their homeland as a reaction to unemployment or lower earnings. The results of the analyses and discussions indicated that there exist some significant relationships between the losing of the job and the perception of the global crisis. More people think the global financial crisis have influenced their life, more they plan to come back to homeland.

**Keywords:** migratory project, immigrant family, global financial crisis

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### 1. Introduction

The current global financial crisis lead to a downturn in the global economy. Is true that migrants serve as a sort of safety valve for developed economies, by providing labor in times of expansion and going away in times of recession, but on the other hand immigrants are not just economic actors, who follow income maximization motives (Castels & Miller, 2009). They are social beings, who put down roots and form relationships in new countries. This is the reason why a special attention should be given to the migratory project of immigrants.

According to a report of International Organization of Migration on 2010, there is no concrete evidence available yet on the impact of the global financial crisis on migration, but the following largely negative effects have already been observed or are likely to occur:

(a) Job losses, especially in construction, manufacturing, finance, services, retail and tourism, thus affecting migrants in these sectors. (b) Possible reductions in wages and poorer conditions in the workplace as companies and so employers seek to make savings, as well as cuts in social services provision, impacting on migrants' quality of life and health. (c) The risk of discrimination and xenophobia as migrants are mistakenly perceived as taking the jobs of local workers particularly in low-skilled sectors of the labour market. (d) The return of unemployed migrants to countries of origin where they are also likely to face inferior economic conditions (e.g. high unemployment and poverty) and could affect economic and social stability. Such returns, however, are less likely to occur from those countries (e.g. European countries) where migrants (and their families) enjoy secure residence and the safety net of a strong social welfare system. (e) A decline in remittance flows to developing countries as migrants lose their jobs, thus increasing poverty and exacerbating development gaps. Migrants may also be more reluctant to send money through formal channels due to a lack of confidence in the stability of banking systems. (f) Adoption of more restrictive immigration policies to protect the local labour market and in response to a demand for fewer foreign workers. A reduction in labour migration flows as potential migrants choose to stay home and see out the crisis there. (g) An increase in irregular migration and the strengthening of the informal labour market as unemployed migrants in destination countries seek to work without authorization and as opportunities for regular labour migration decrease resulting in the emigration of more people from countries of origin more seriously affected by the crisis. (h) The crisis is expected to impact differently on male and female migrant workers especially in affected sectors of the economy dominated by one gender (e.g. construction in which male migrant workers predominate) (IOM, 2009).

This study aims to explore the influence of global financial crisis on the migratory project of immigrant family. Immigrants are generally not isolated individuals, but part of family systems and their actions are impacted and influenced by other family members. Migrant families face many difficulties on withstanding financial crisis and their migratory project become more complex under these conditions comparing to the individual migratory project.

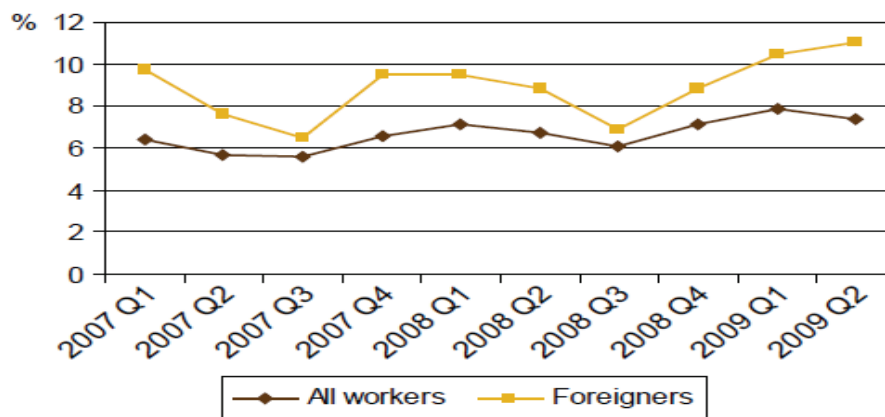
## 2. Literature review

The unprecedented crisis in global financial markets which struck the world economy in mid-2008 has led to the most severe recession since the Second World War. After many years of relatively high economic and employment growth, the global economic crisis has taken the world back to growth levels not seen for decades and has had a negative impact on the global labour markets (IOM, 2010).

In general, the employment situation of migrant workers, deteriorated more rapidly than that of natives during the economic crisis.

In Italy the impact of the the economic downturn is sizable in the labour market, where the gap between the unemployment rate for foreign and native workers grew from the second half of 2008 until mid-2009 (Figure 1). In the first half of 2009, the unemployment rate among immigrant workers overtook – for the first time in recent years – the symbolic threshold of 10 per cent. In the third quarter of 2009, however, this trend halted, as the unemployment rate for foreigners decreased more markedly than the rate for natives (a -0.4% unemployment rate for foreigners against the general trend of -0.1%) (IOM, 2010).

**Figure 1: Unemployment rate for Italian nationals and foreigners in Italy, 2007-2009**



Source: [www.istat.it](http://www.istat.it)

According to a report of OECD on 2009, Italy has a significantly lower concentration of immigrants in low-skilled occupations, which certainly affects current variations in the increase in immigrant unemployment (OECD, 2009: 88). If concentration in low-skilled jobs is a plausible predictor of immigrants' vulnerability to economic crisis, an even more specific indicator is the concentration of foreign-born workers aged 15–64 in sectors which are more heavily and directly suffering from the downturn, primarily the construction sector. As female foreign workers are over-represented in sectors such as education and social and health care, which are less vulnerable to the economic recession, they have been less affected by lay-offs than their male counterparts (IOM, 2010).

The economic recession might have increased inter-sector mobility among migrant workers, as they sought new employment opportunities in sectors other than those in which they are employed.

Prior to the economic crisis, migrants were less likely than nationals to be welfare recipients in many of the new migrant-receiving countries. As far as data on 2009 remittances are available, remittance outflows seem to have declined in some EU countries during the crisis (IOM, 2010).

Over the past several years, Italy has gone through a phase of demographic rebalancing of its immigrant foreign population. Such a trend has two main causes: a) a constantly expanding wave of formal family reunions (as well as unauthorized family migration, followed by the regularization of spouses under periodical amnesty schemes); and b) a substantial increase in the phenomenon of autonomous female migration (with female migrant workers as first migrants) addressed mostly to the home and health care sectors (Catanzaro-Colombo, 2010).

But, as part of a broader reform of its immigration law in July 2009, Italy introduced more restrictive housing requirements for family reunification. Furthermore, more restrictions have been imposed through the so-called "security package" issued in July 2009. It has foreseen that foreign citizens have to pay a fee (from EUR 80 to EUR 200) to obtain or renew their resident's permit; foreigners have to sign an "integration agreement", foreseeing the knowledge of Italian language

and culture before applying for citizenship; each bureaucratic act or social provision will be furnished only upon presentation of a valid stay permit in order to ensure that only regular migrants receive these benefits (IOM, 2010). According to the IOM report (2010) calls to reduce migration in destination countries tend to be based on the false perception that “migrants take jobs” or “compete for welfare benefits”, when in fact the majority of migrants create economic activity and jobs. Human mobility, as underscored in IOM's 2008 World Migration Report, makes economies more dynamic and more efficient. Migration may also be a positive force in alleviating various aspects of the financial crisis and potentially make an important contribution towards overcoming the economic downturn. Trying to combat the financial crisis by simply cutting immigration may make the situation worse. Nevertheless, countries of origin are likely to experience some influxes of returning migrants, which may result in economic and social instability in poorer countries. Reduced labour migration flows and increases in irregular migration and trafficking in human beings are also possible outcomes. Therefore, flexible, coherent and comprehensive migration management policies are needed to maximize the benefits of migration, protect migrants and take their needs into account in measures addressing the crisis (IOM, 2010).

### 3. Research methodology

#### 3.1 Participants

32 Albanian immigrants, 17 females and 15 males, who live in the province of Siena in Italy, participated in the study. The age of the respondents was from 18 to 65 years old. The participants varied greatly in terms of the length of their immigration experience and in terms of educational level. From 32 immigrants who participated in study, 25 are married and 7 single. The aim I chose more married immigrants than single ones, was that to study the tendencies of immigrant families in time of financial global crisis.

#### 3.2 Instrument

The methodology used was qualitative one. A partially-structured questionnaire have been used as an instrument in this study. In this form of in-depth interview few questions have been asked to all interviewees, indeed, the supplementary questions have varied between different respondents. To induct the interviews, the snowball technique have been used. Each interview lasted approximately 45 minutes. The questionnaire have been based on three main sections of questions: (a) section of questions about general demographic data (b) section of questions about the influence of the economic crisis in the respondent life (c) section of question about the future planning. Interviews data have been recorded by a voice-recorder and then taped.

During the interview conduction problems of imposition have been eluded by letting people expressing themselves in their own words.

#### 3.3 Study Limitations

*First.* This part of the study was based mainly on the qualitative method, so its results show only some tendencies not the generalization of findings.

*Second.* Looking that the immigrants have not always time to give a long interview, some interviews have been stoped and continued another day.

*Third.* The use of snowball technique created the tendency of the interviewing a homogeneous group. So, I selected people by respecting the criteria of equal representation of gender, age, educational levels etc.

### 4. Findings and discussion

The information gathered from 32 Albanian immigrants in province of Siena, allowed me to have a more clear idea about the influence of the financial crisis on the family migratory project.

I divided immigrants in three groups:

*First group:* The immigrants who think their life have been strongly influenced by the financial crisis

*Second group:* The immigrants who have had a kind of influence by the financial crisis

*Third group:* The immigrants who think their life has not been influenced by the financial crisis

*First group:* *The immigrants whose life have been strongly influenced by the financial crisis.*

This group is composed mainly by immigrants that have lost the job (themselves, or at least a member of their family), have had reduction of working hours, or have had problems with their own businesses. In terms of length of their immigration experience, the group is composed mainly by immigrants who have 5-10 years of experience in Italy. In terms of educational level, the group is heterogeneous (from 8 to 14 years of education).

From 32 respondents who participated on the study, 9 of them told their life have been strongly influenced by the financial crisis. 3 males from 6 (5 married and 1 single), who have been working at the construction sector told they have lost job and have difficulties on finding another one. 3 females (2 married and 1 single) told that themselves or their husbands have lost job and have difficulties on finding another one. The category of people who worked at entrepreneurship and family businesses, told their monthly earnings have been evidently reduced.

	Number of respondents of the first group	Total number of respondents
<b>Total</b>	<b>9</b>	<b>32</b>
<b>Females</b>	<b>3</b>	<b>17</b>
<b>Males</b>	<b>6</b>	<b>15</b>
<b>Married</b>	<b>7</b>	<b>25</b>
<b>Single</b>	<b>2</b>	<b>7</b>

Let list some short term effects of financial crisis on this group of immigrants:

- Looking that their monthly incomes have been reduced, some of them have changed houses. They have rent a smaller house with a low monthly renting rate. Some others who have planned to buy a house, have changed that plan. The weakening of the labour market position of immigrant workers has immediate repercussions for all dimensions of everyday life, starting from housing conditions. From this point of view, the mid-2000s was marked by strong growth in the number of real estate purchases by foreigners in the Italian housing market. Such trend is to be interpreted, at least in part, as a consequence of a precise adaptive strategy by immigrant families, who seek to buy a house as soon as possible in order to avoid severe obstacles in the home rental market, obstacles that stem from heavy and diffuse ethnic discrimination (Ponzo, 2009).

- They have stopped sending money or have reduced the amount of remittances to their home in Albania.

*"During 2004-2007, I sent to my parents 150 euros per month. Now I sent to them only 50 euros. I'm sorry for that, because I know their situation, but I really can't help them more than this. Is a very difficult situation even here in Italy. It is not a meadow with flowers..."* (A.S, male 37, married)

- They are planning seriously the whole family to come back to homeland or in some cases a member of the family is planning to come back first and then to come back the other members of the family.

- They are planning to interrupt the university studies and try to restart them in Albania. Was the case of a girl 23 years old, single, who studied at Università degli studi si Siena, on political sciences, who think that, because of the financial crisis, she couldn't find job to support the monthly expenses of living in Italy, so she have decided to come back home and restart the studies at Tirana University.

*Second group: The immigrants who have had a kind of influence from the financial crisis*

This group is composed mainly by immigrants that have not lost their jobs (themselves, or at least a member of their family), or only in some cases have had a reduction of working hours. In terms of length of their immigration experience, the group is composed mainly by immigrants who have 10-15 years of experience in Italy. In terms of educational level, the group is heterogeneous (from 8 to 16 years of education).

From 32 respondents who participated at the study, 17 of them told their life have had a kind of influence by the financial crisis. 10 females (9 married and 1 single) said that, independently from the global financial crisis, they were still working mainly as cleaning-house woman, as elderly caregivers, as saleswoman or entrepreneurs at family businesses. 7 males (5 married and 2 single) told that they were still working in the sector of bar-restaurant services, agriculture, entrepreneurship and family businesses, and even construction. The category of people who work at entrepreneurship and family businesses, told their monthly earnings have had a kind of reduction.

	Number of respondents of the second group	Total number of respondents
<b>Total</b>	<b>17</b>	<b>32</b>
<b>Females</b>	<b>10</b>	<b>17</b>
<b>Males</b>	<b>7</b>	<b>15</b>
<b>Married</b>	<b>14</b>	<b>25</b>
<b>Single</b>	<b>3</b>	<b>7</b>

Let list some short term effects of financial crisis on this group of immigrants:

- The immigrants of this category said that, even because they have not lost their job, their standard of living have been kept down, because of the raise of the product prices and the high level of inflation.
- This category of people told they have reduced the monthly expenses because of the insecurity of general financial situation.
- They also have reduced the amount of remittances to their home in Albania.
- The interviewers of this second group are seeing the coming back to homeland as an *alternative*, but have not make concrete plans about it. They think it is a big dilemma "to stay or to go", because of the insecurity they felt on this time of global crisis.

*"It's not a simply decision, but a very hard one. Is difficult to think about the future when you feel insecure for the present. In Albania at least we have our home, we don't have to pay the house rent, but on the other hand we don't have a job in Albania. Even there is very difficult to live. The prices are higher than in Italy...Let's see and do"* (P.G, female 53, married).

*Third group: Immigrants who think their life has not been influenced by the financial crisis*

This group is composed mainly by immigrants that have not lost their jobs (themselves, or at least a member of their family). In terms of length of their immigration experience, the group is very heterogeneous and is composed by immigrants who have 5-20 years of experience in Italy. Some of them have Italian nationality. In terms of educational level, the group is heterogeneous (from 8 to 16 years of education).

From 32 respondents who participated at the study, 8 of them said their life has not been influenced by the financial crisis. 4 females (2 married and 1 single) said that, independently from the global financial crisis, they were still working mainly as clining-house woman, as elderly caregivers, as saleswoman or entrepreneurs at family businesses. 4 males (3 married, 1 not married) told that they were still working in the sector of bar-restaurant services, agriculture, entrepreneurship and family businesses, and even construction. The category of people who work at entrepreneurship and family businesses, told their monthly earnings is the same as before the crisis.

	Number of respondents of the third group	Total number of respondents
<b>Total</b>	<b>8</b>	<b>32</b>
<b>Females</b>	<b>4</b>	<b>17</b>
<b>Males</b>	<b>4</b>	<b>15</b>
<b>Married</b>	<b>6</b>	<b>25</b>
<b>Single</b>	<b>2</b>	<b>7</b>

Let list some reactions of this group of immigrants about global financial crisis:

- This category of people think that immigrants have always made a modest life, so the financial crisis can influence more Italians than the immigrants. Many of them think that financial crisis have had a psychological influence, more than a practical one.

- They have not reduced the amount of remittances, because they said they haven't sent remittances to their homes even before.

- All immigrants of this category see their future in the host country, but for different reasons. Some of them don't think to come back to homeland, not because they see very fruitful the experience on emigration, but because they think the situation in Albania is worst than in Italy.

*"For immigrants in the host country is always crisis. We deny our selves many things, we cannot make the life as Italians do. That's why me and my family do not feel the crisis"* (M.P, male 43, married)

The others think that is better living "in crisis" in Italy that "not in crisis" in Albania. This is the category of optimistic people who see the crisis as a temporary phenomenon.

*"I just finished the specialization degree at economics here in Siena. Me and my fiancee have opened a bar and have decided to skip the idea of crisis. I see myself in Italy. The crisis will pass and we do not want to make a decision in a wrong moment. We like the Italian style of living instead of the Albanian one"* (D.LL, male 27, not married)

- In cases of students (2 females single), who followed the university studies, they think to finish university studies in Italy, get married and stay in Italy, instead of return back home. The main reason is that they prefer the way of Italian living.

## 5. Concluding remarks

The results of the analyses and discussions indicated that there exist some significant relationships between the losing or not of the job and the perception of the global crisis. More people think the global financial crisis have influenced their life, more they plan to come back to homeland. The study showed that there is not a clear relationship between the length of the immigration experience and perception of the influence of the financial global crisis and the educational level of immigrants and again the perception of the influence of the financial global.

The study results showed that, independently of loosing job, the biggest part of the interviewers think their lives have been influenced by the global financial crisis directly or indirectly. The category of people who think their life have not been influenced by financial crisis, is divided on them who do not have an optimistic view, but a pessimist one and them who have an optimistic view. The first ones think that "for immigrants in the host country is always crisis" and the second ones see the crisis as a temporary phenomenon and prefer living in the host country.

In terms of gender, the study showed that the crisis impacts differently male and female migrant workers especially in affected sectors of the economy dominated by one gender (e.g. construction in which male migrant workers predominate), but the situation of married males and females impacts the other family members and influences the migratory project of the whole family.

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