Social Protection for Migrants during the COVID-19 crisis

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SP programs are core to the C-19 response around the world

- As of May 1, 2020, **159 countries** had planned or introduced SP responses to C-19
- Out of **752 programs**, most are Social Assistance measures, then Social Insurance and Labor Market Programs

3 reasons why migration matters for the COVID-19 response
1: Migrant health and livelihoods are at significant risk

- Migrants tend to live and work in crowded conditions that do not permit social distancing, putting them at increased risk of contracting the disease
  - In Singapore, 40% of COVID-19 cases in mid-April were low-skilled foreign workers; in Saudi Arabia more than 50% cases were foreigners

- Migrants are at high risk of income loss because they work in jobs affected by social distancing and stay-at-home orders
  - According to the UN, foreign workers are 30% of workforce in highly affected sectors in OECD

- Effects of job loss particularly significant for internal and international migrants
  - They often work in informal jobs and lack safety nets in case of job loss or illness
2: Migrants’ families and countries of origin face severe impacts

• Income losses will translate into **declines in remittances**
  – According to the WB, remittances to LMICs will drop by around **20 percent in 2020**, the sharpest decline in recent history

• Remittances represent a **crucial source of income** for families’ consumption and for investments in human capital and businesses
  – Remittances to GDP greater than 4% in **14 countries in Sub-Saharan Africa**, implying high risks when migrants lose their jobs
  – In a small country like **Tonga** remittances account for 20% of household income, implying potentially **significant increases in poverty**
3: Severe disruptions in certain sectors in destination countries

- Major migration destinations have **closed their borders** to international travelers
- Limited availability of migrant workers is a concern for **employers in certain sectors in receiving countries**, e.g. agriculture, food processing, health and elderly care

Source: IOM; Hale et al. (2020).
4 types of programs to address migration-related challenges as part of the COVID-19 response
1: Social Safety Net Programs

Three options to include migrants in Social Safety Net Programs

1. **Expand eligibility** of existing safety net programs to include migrants
   - **Australia** expanded access to financial assistance for people in financial hardship to some categories of migrants

2. **Implement** newly created C-19 response programs *irrespective of migration status*
   - Residence permit holders in **Italy** can apply for subsidy under the C-19 *Cure Italy* stimulus
   - Migrants in **Ireland** have access to the €350 weekly Pandemic Unemployment Payment

3. **Provide specific services** to migrants to help them address their distinct challenges
   - Virus testing and treatment, i.e. **Kazakhstan, Korea, Qatar, Saudi Arabia**
   - Food and accommodations, i.e. **Panama**
   - Transportation, i.e. **Indonesia** for emigrants, **Kuwait** for repatriation, **China** for internal migrants
   - Cash grants, i.e. **Philippines** for emigrants, **State of California** for undocumented migrants
2: Employment Retention Policies

Three options to apply Employment Retention Policies to migrants

1. Wage subsidies
   - In Korea, migrants under the Employment Permit System are eligible for C-19 wage subsidies
   - In New Zealand, self-isolated seasonal workers due to C-19 case are eligible for wage subsidies
   - China provided wage subsidies to stabilize employment including for internal migrant workers

2. Deductions in SI contributions
   - China introduced exemption and reduction of SI contributions including for internal migrants
   - Singapore and Saudi Arabia introduced cancellations and reductions of foreign workers levies

3. Changes to migration regulations in sectors facing shortages
   - Extensions to work permits introduced in several countries: Australia, Bahrain, Hong Kong, Italy, Japan, Korea, New Zealand, Poland, Spain, UK, etc.
3: Employment Promotion Policies

Two options to apply Employment Promotion Policies to migrants

1. Job matching and job search programs
   - **Australia** seeks to match some categories of temporary migrant workers with new employers where existing employment has ceased due to the crisis
   - **China** has developed an app and held online job fairs, interviews, and recruitment to help match workers, including internal migrants unable to travel to their workplaces, to jobs

2. Adjustments of rules regarding migration programs to facilitate employment
   - **Germany** relaxed travel restrictions to allow seasonal agricultural workers to enter the country
   - **Spain** announced that work permits will be provided to young immigrants with residency but not work permits to fill shortages in the agriculture sector
   - **Canada** and **Vietnam** created exceptions to restrictions on international entry to allow foreign workers to enter the country to address current shortages
4: Remittances

Two sets of actions to support the recovery of remittances

1. In the short-term:
   - Classify remittance service providers as essential services that are permitted to operate
   - Support the remittances industry with instruments to help it manage credit and liquidity risks

2. In the medium-term:
   - Promote digital models of remitting
   - Support universal financial access
   - Enhance payment systems
   - Help develop the regulatory capacity necessary to support these systems
3 main challenges and 2 opportunities for the design and implementation of these programs
Challenges for design and implementation

1. Migrants face **barriers to accessing social protection** including documentation requirements and language differences

2. **Identifying migrants** might be difficult, particularly where they have not used legal channels
   - Innovative approaches include **self-targeting, self-enrollment**, and **cooperation** with telecommunications companies and remittance services providers

3. **Delivery** will need to consider public health practices and the migrants’ circumstances
   - **Health screenings, guidelines** on how work should be undertaken, and **plans for responding** if a migrant worker falls ill will be key
   - **Accommodations** will need to be provided in cases in which job losses also result in housing loss
   - **Distributing benefits** may require reliance on **digital and mobile transfers**, and on **alternative delivery means**
Opportunities for design and implementation

1. Mainstreaming migrants into existing programs would have several advantages:
   – All groups are provided protections against getting and transmitting the disease
   – Less administrative complexity
   – Migrants can access benefits more quickly

2. Local governments could have an important role to fill emerging gaps:
   – These governments are well positioned to understand the unique needs of their residents and to create programs to address these needs when action is not taken at the national level
   – However, action at the local level should not replace comprehensive responses to the challenges faced by migrants by national governments
   – Examples include: City of Chicago and City of Minneapolis (USA), Regional Government of Campania (Italy), Regional Government of Tasmania (Australia)
What's next?
Longer term impacts of C-19 on migration are uncertain

Less migration?
• Negative economic conditions and less support for permissive migration
• Technological progress in sectors (agriculture, services) where shortages do arise

More migration?
• Some countries are liberalizing migration rules to fill or prevent shortages
• Technology unlikely to completely automate away the need for migrant labor

Irrespective of its impacts on future flows, the C-19 crisis highlights the importance of building migrant-sensitive social protection systems
Thank you!

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More info available at: