

Migrating Workers Provide Wealth For The World



Vijay Prashad

06-18-2024 ~ Each year, the International Organization for Migration (IOM) releases its *World Migration Report*. Most of these reports are anodyne, pointing to a secular rise in migration during the period of neoliberalism. As states in the poorer parts of the world found themselves under assault from the Washington Consensus (cuts, privatization, and austerity), and as employment became more and more precarious, larger and larger numbers of people took to the road to find a way to sustain their families. That is why the IOM published its first *World Migration Report* in 2000, when it [wrote](#) that “it is estimated that there are more migrants in the world than ever before,” it was between 1985 and 1990, the IOM calculated, that the rate of growth of world migration (2.59 percent) outstripped the rate of growth of the world population (1.7 percent).

The neoliberal attack on government expenditure in poorer countries was a key driver of international migration. Even by 1990, it had become clear that the migrants had become an essential force in providing foreign exchange to their countries through increasing remittance payments to their families. By 2015, remittances—mostly by the international working class—[outstripped](#) the volume of Official Development Assistance (ODA) by three times and Foreign Direct Investment (FDI). ODA is the aid money provided by states, whereas FDI is the investment money provided by private companies. For some countries, such as Mexico and the Philippines, remittance payments from working-class migrants prevented state bankruptcy.

This year’s [report](#) notes that there are “roughly 281 million people worldwide”

who are on the move. This is 3.6 percent of the global population. It is triple the 84 million people on the move in 1970, and much higher than the 153 million people in 1990. “Global trends point to more migration in the future,” notes the IOM. Based on detailed studies, the IOM finds that the rise in migration can be attributed to three factors: war, economic precarity, and climate change.

First, people flee war, and with the increase in warfare, this has become a leading cause of displacement. Wars are not the result of human disagreement alone, since many of these problems can be resolved if calm heads are allowed to prevail; conflicts are exacerbated into war due to the immense scale of the arms trade and the pressures of the merchants of death to forgo peace initiatives and to use increasingly expensive weaponry to solve disputes. Global military spending is now [nearly](#) \$3 trillion, three-quarters of it by the Global North countries. Meanwhile, arms companies [made](#) a whopping \$600 billion in profits in 2022. Tens of millions of people are permanently displaced due to this profiteering by the merchants of death.

Second, the International Labor Organization (ILO) [calculates](#) that about 58 percent of the global workforce—or 2 billion people—are in the informal sector. They work with minimal social protection and almost no rights in the workplace. The data on youth unemployment and youth precarity is stunning, with the Indian numbers horrifying. The Centre for Monitoring Indian Economy [shows](#) that India’s youth—between the ages of 15 and 24—are “faced by a double whammy of low and falling labor participation rates and shockingly high unemployment rates. The unemployment rate among youth stood at 45.4 percent in 2022-23. This is an alarming six times higher than India’s unemployment rate of 7.5 percent.” Many of the migrants from West Africa who attempt the dangerous crossing of the Sahara Desert and the Mediterranean Sea flee the high rates of precarity, underemployment, and unemployment in the region. A 2018 [report](#) from the African Development Bank Group shows that due to the attack on global agriculture, peasants have moved from rural areas to cities into low-productivity informal services, from where they decide to leave for the lure of higher incomes in the West.

Third, more and more people are faced with the adverse impacts of the climate catastrophe. In 2015, at the Paris meeting on the climate, government leaders agreed to set up a Task Force on Climate Migration; three years later, in 2018, the UN Global Compact agreed that those on the move for reasons of climate

degradation must be protected. However, the concept of “climate refugees” is not yet established. In 2021, a World Bank [report](#) calculated that by 2050 there will be at least 216 million climate refugees.

Wealth

The IOM’s new report points out that these migrants—many of whom lead extremely precarious lives—send home larger and larger amounts of money to help their increasingly desperate families. “The money they send home,” the IOM report notes, “increased by a staggering 650 [percent] during the period from 2000 to 2022, rising from \$128 billion to \$831 billion.” Most of these remittances in the recent period, analysts show go to low-income and middle-income countries. Of the \$831 billion, for instance, \$647 billion goes to poorer nations. For most of these countries, the remittances sent home by working-class migrants far outstrips FDI and ODA put together and forms a significant portion of the Gross Domestic Product (GDP).

A number of [studies](#) conducted by the World Bank show two important things about remittance payments. First, these are more evenly distributed amongst the poorer nations. FDI transactions typically favor the largest economies in the Global South, and they go toward sectors that are not always going to provide employment or income for the poorest sections of the population. Second, household surveys show that these remittances help to considerably lower poverty in middle-income and low-income countries. For example, remittance payments by working-class migrants reduced the rate of poverty in Ghana (by 5 percent), in Bangladesh (by 6 percent), and in Uganda (by 11 percent). Countries such as Mexico and the Philippines see their poverty rates rise drastically when remittances drop.

The treatment of these migrants, who are crucial for poverty reduction and for building wealth in society, is outrageous. They are treated as criminals, abandoned by their own countries who would rather spend vulgar amounts of money to attract much less impactful investment through multinational corporations. The data shows that there needs to be a shift in class perspective regarding investment. Migrant remittances are greater by volume and more impactful for society than the “hot money” that goes in and out of countries and does not “trickle down” into society.

If the migrants of the world—all 281 million of them—lived in one country, then

they would form the fourth largest country in the world after India (1.4 billion), China (1.4 billion), and the United States (339 million). Yet, migrants receive few social protections and little respect (a new [publication](#) from the Zetkin Forum for Social Research shows, for instance, how Europe criminalizes migrants). In many cases, their wages are suppressed due to their lack of documentation, and their remittances are taxed heavily by international wire services (PayPal, Western Union, and Moneygram) which charge high fees to both the sender and the recipient. As yet, there are only small political initiatives that stand with the migrants, but no platform that unites their numbers into a powerful political force.

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