



UNITED NATIONS  
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AD-HOC EXPERT MEETING  
Contribution of Migrants to Development:  
Trade, Investment and Development Linkages

Geneva, 29 July 2009

**FROM GLOBAL RECESSION TO INCIPIENT RECOVERY:  
ECONOMIC FORCES AFFECTING MIGRATION**

*By*

***Richard NEWFARMER***

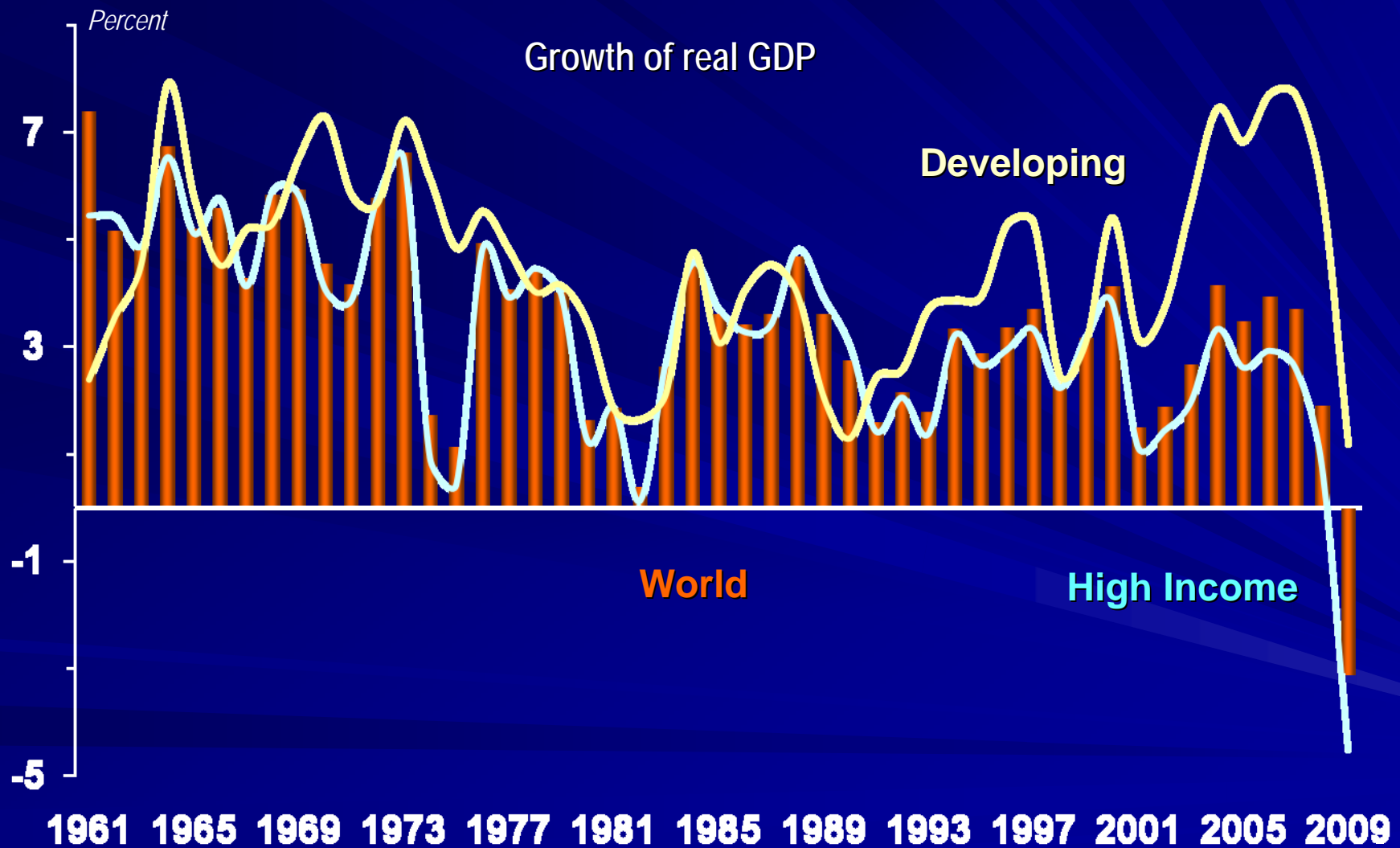
Special Representative to UN and WTO  
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# From Global Recession to Incipient Recovery: Economic Forces Affecting Migration

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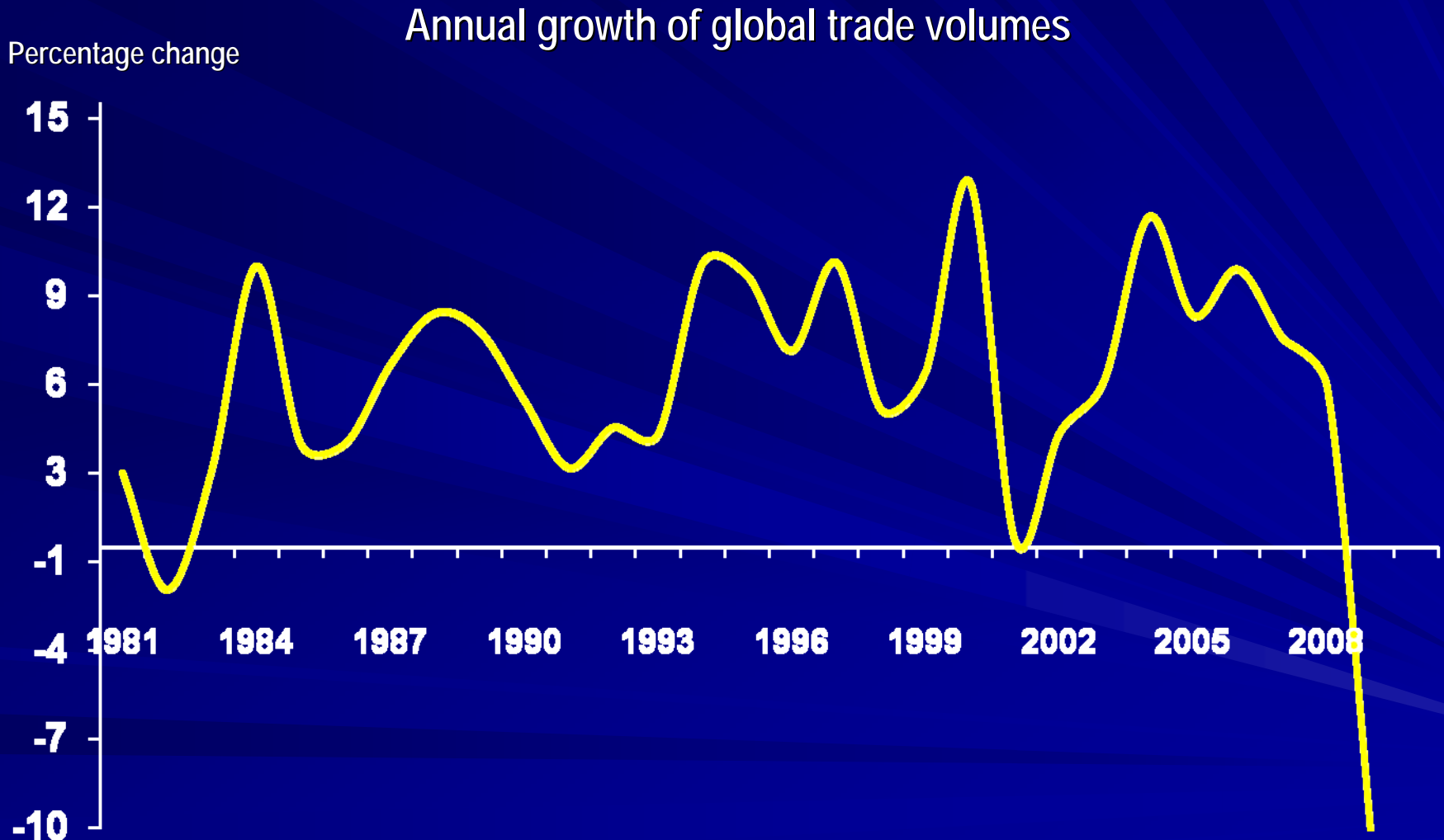
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# Financial crisis lead to global recession.... for the first time in the last 70 years



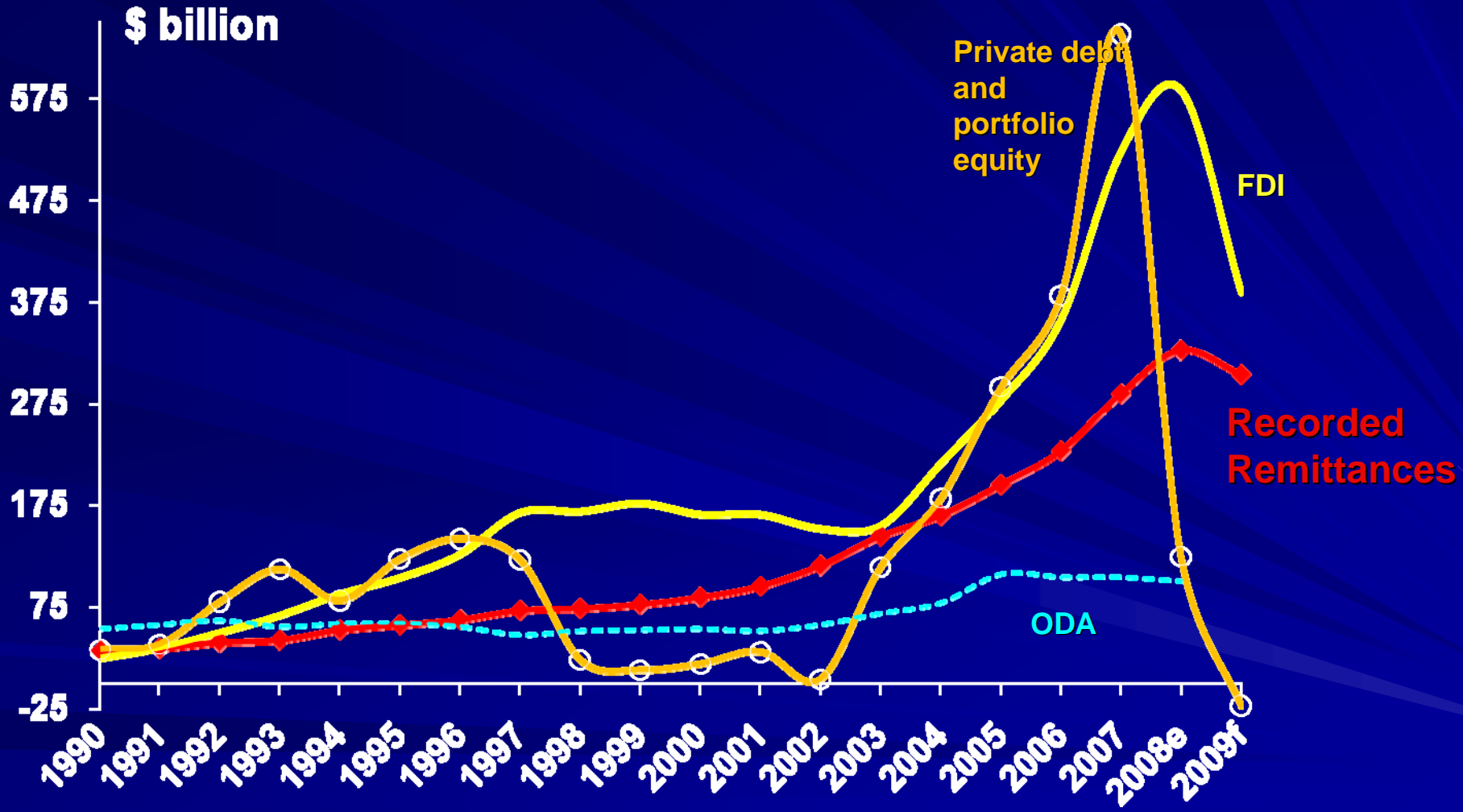
Source: World Bank, DEC Prospects Group, Consensus Forecast,  
May 2009.

# Contracting consumption in rich countries transmits recession to poor countries – as world trade collapses



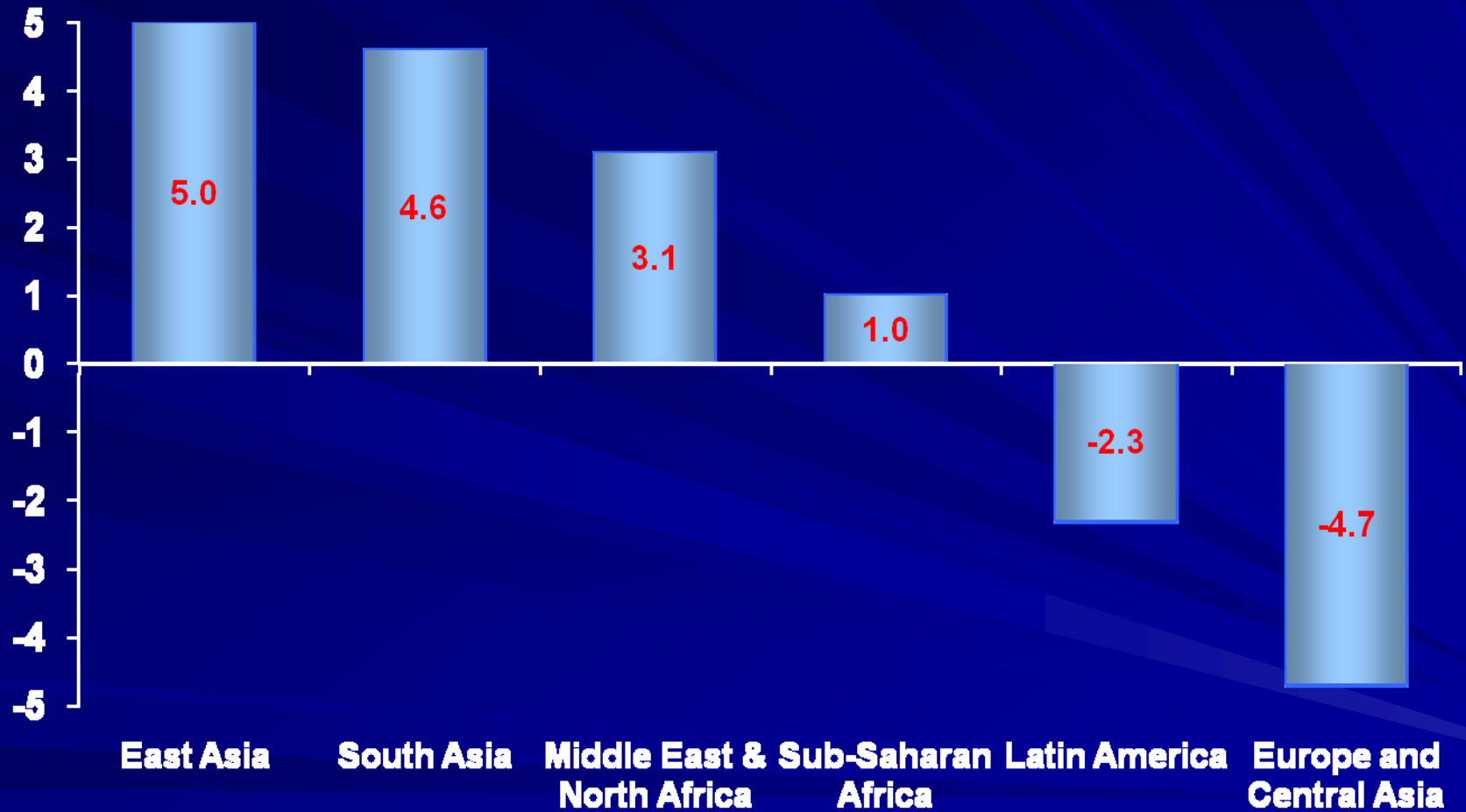
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# Remittances are down -- and private capital flows fall even more dramatically



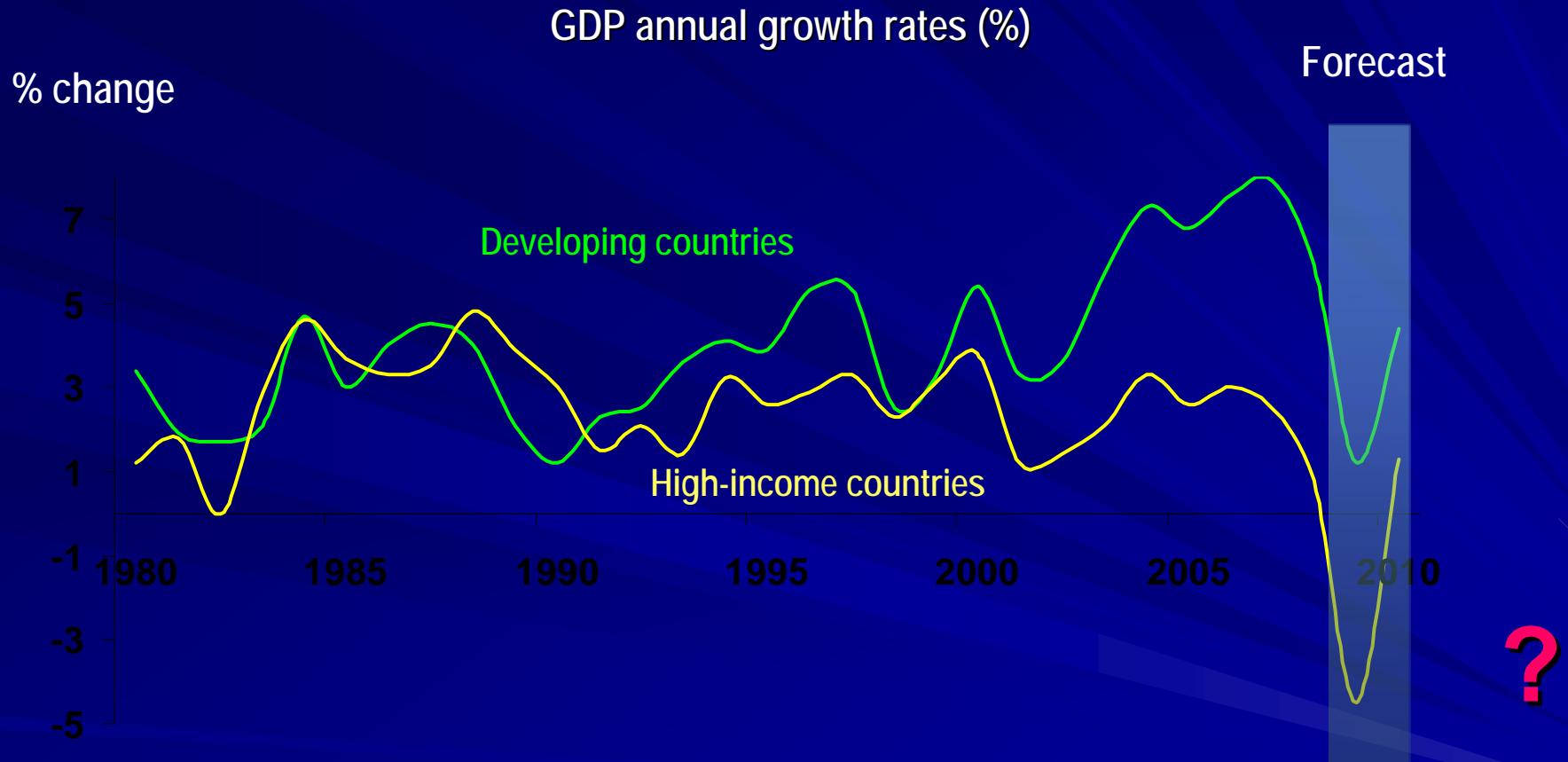
# Crisis affects regions differently in 2009

GDP growth, percent

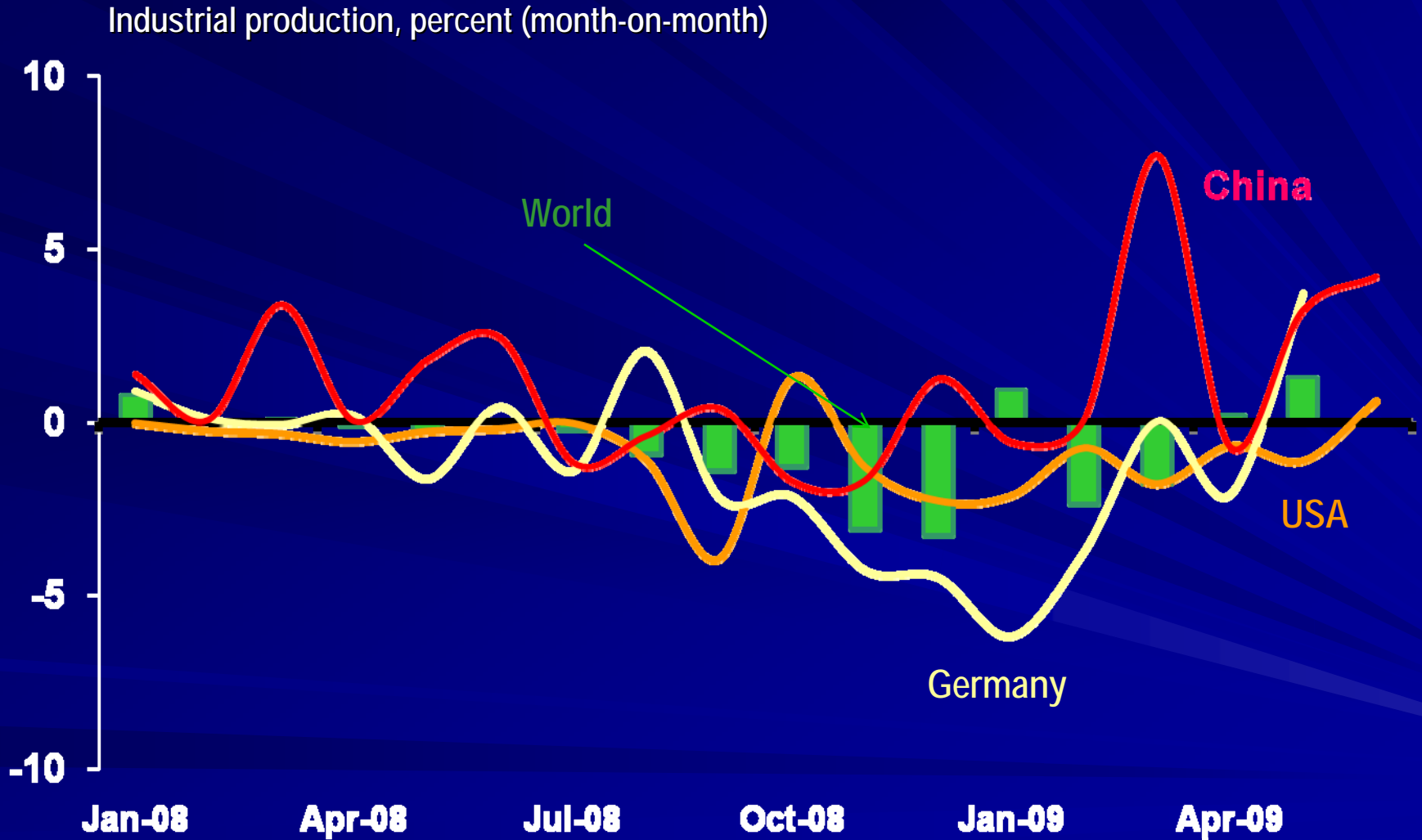


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# Outlook? Recovery could begin late this year or next ...but strength and duration is uncertain



# "Green shoots" ... signs of recovery are beginning to appear

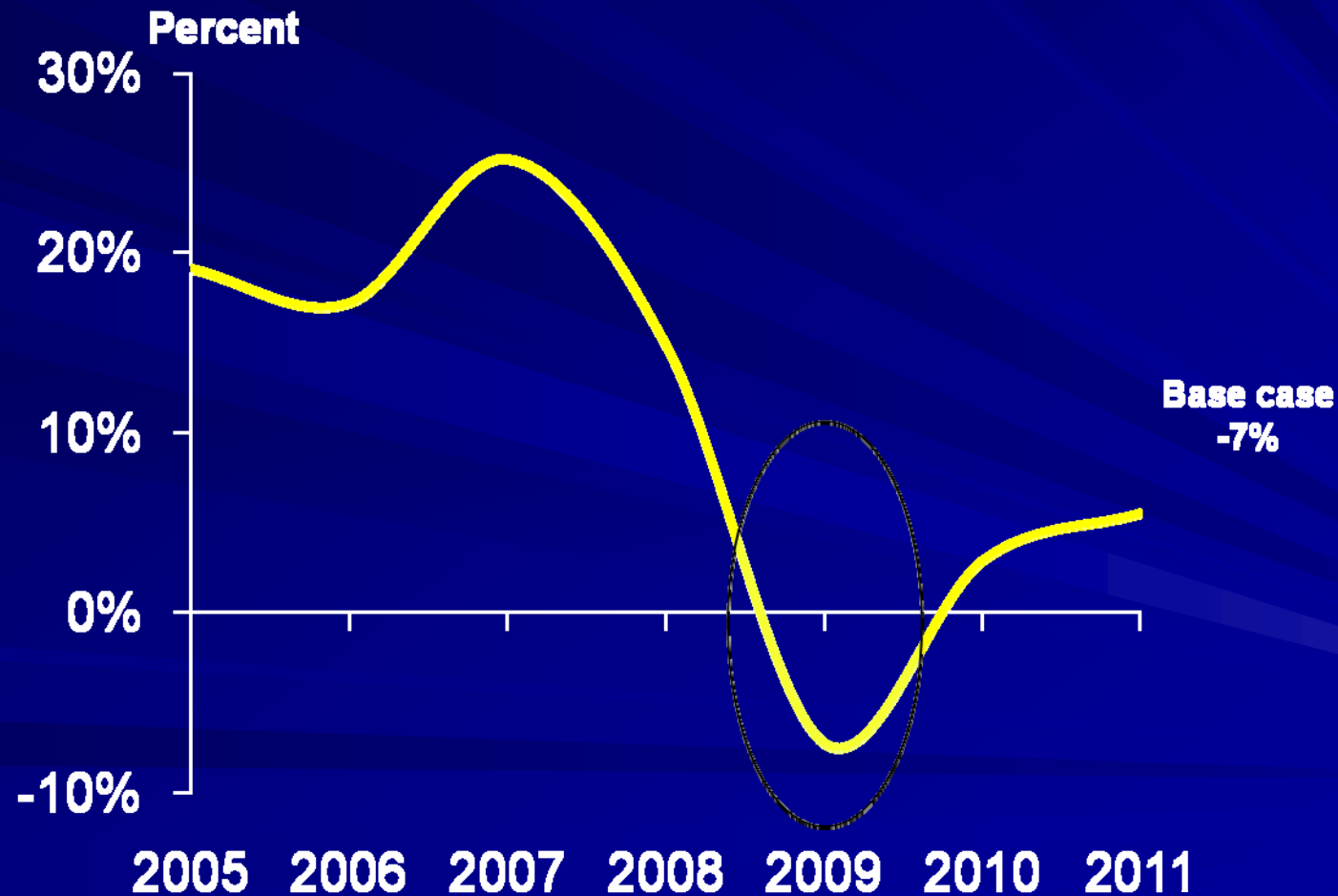


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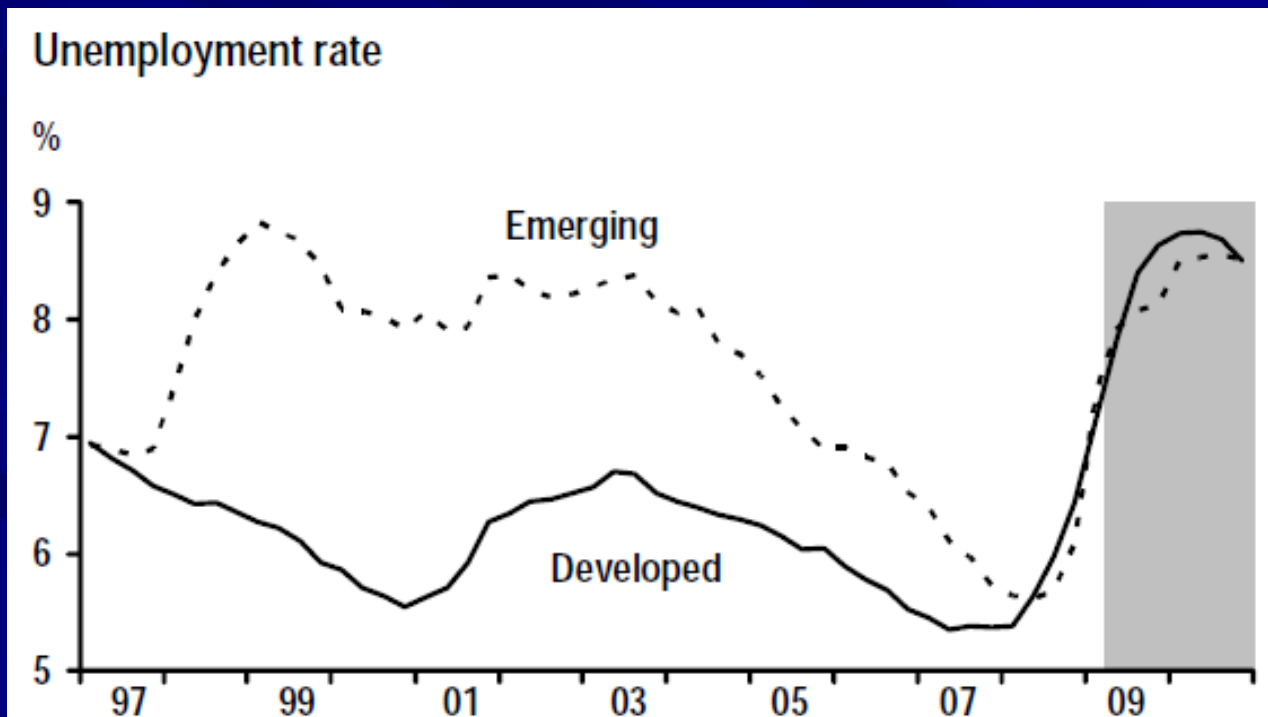
# Daunting challenges: Providing support to workers and the poor in developing countries

- Widening fiscal deficits will put pressures on social safety nets
- Poor households suffer declines in remittances



# Daunting challenges: Providing support to workers and the poor

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- Poor households suffer declines in **remittances**
- ...and continued **higher food and fuel prices**
- Firms will face tighter credit conditions and weaker demand, so they will be slow to create new jobs... and **unemployment will rise**



Source: JP Morgan, *World Financial Markets*, June 2009

# The crisis requires a multilateral response... and the G20 leaders strive to coordinate actions...

G20 Summit  
April 2



Agreed:

- Accelerated restructuring of banks and **increased regulation**
- Pledge to **avoid protection**
- **Fiscal stimulus** and expansive monetary policy
- Mobilization of **more capital** for developing countries
  - IMF – \$700- b. New arrangement to borrow (NAB)
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- Reform of the IMF and World Bank – Increased capital , new voting, merit selection of leaders

# Improving the multilateral response requires...

- Fulfilling pledges for **development assistance**, and maintaining flows
  - Need for social safety nets, labor –intensive infrastructure, SMEs, “aid for trade”
  - Financing gaps may be between \$200-700 billion
  - Problem: 2010 when fiscal pressures in rich countries become more acute
- Resisting pressures for **trade protection** will require vigilance and determination – and renewing a commitment to the Doha Development agenda
  - Including “mode 4”: e.g., Malaysia and South Korea
- Improving **regulation of financial markets** will require careful balancing of national regulatory authorities with international cooperation

Now is not the time for complacency...



... we have to move fast on the multilateral agenda

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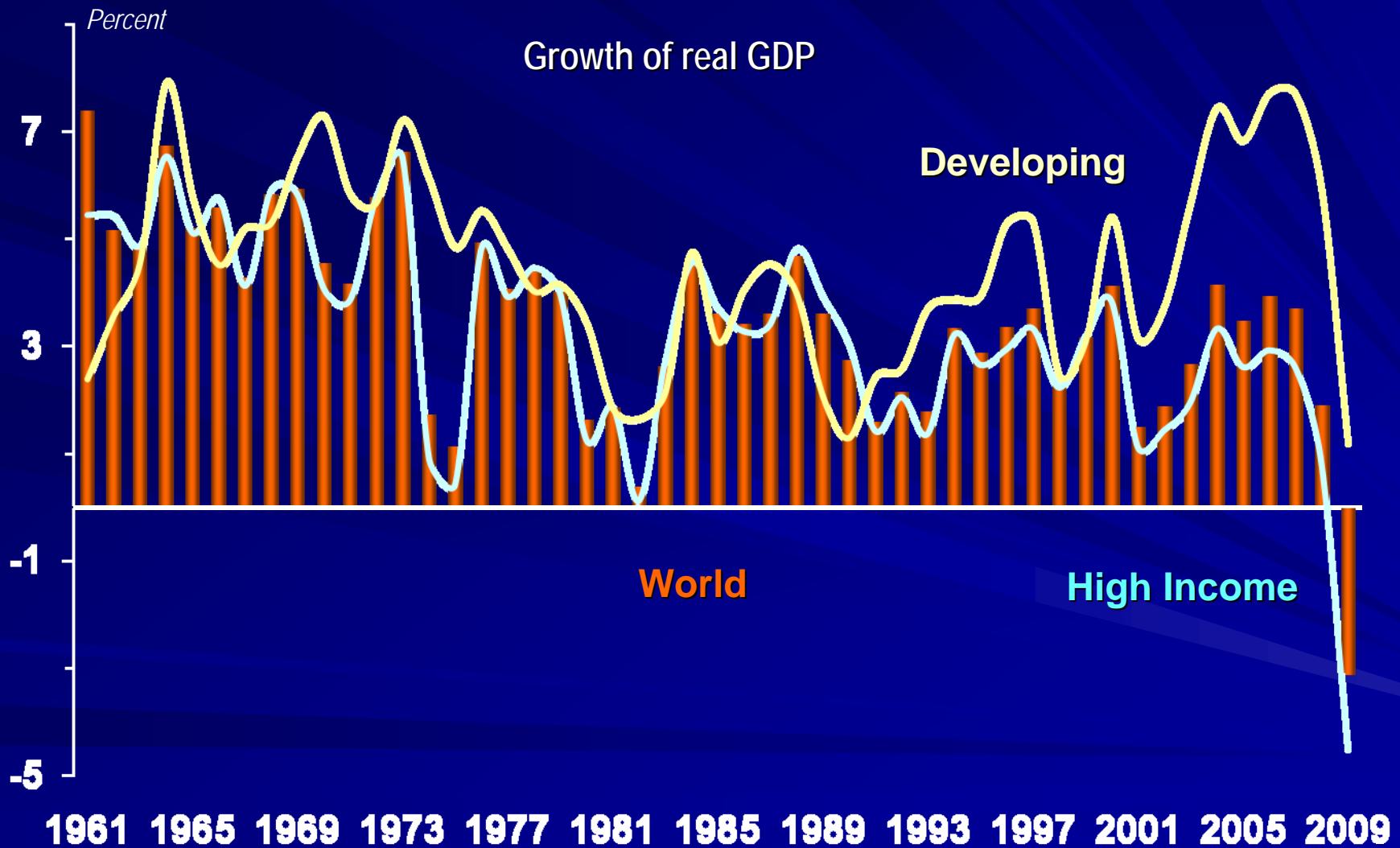
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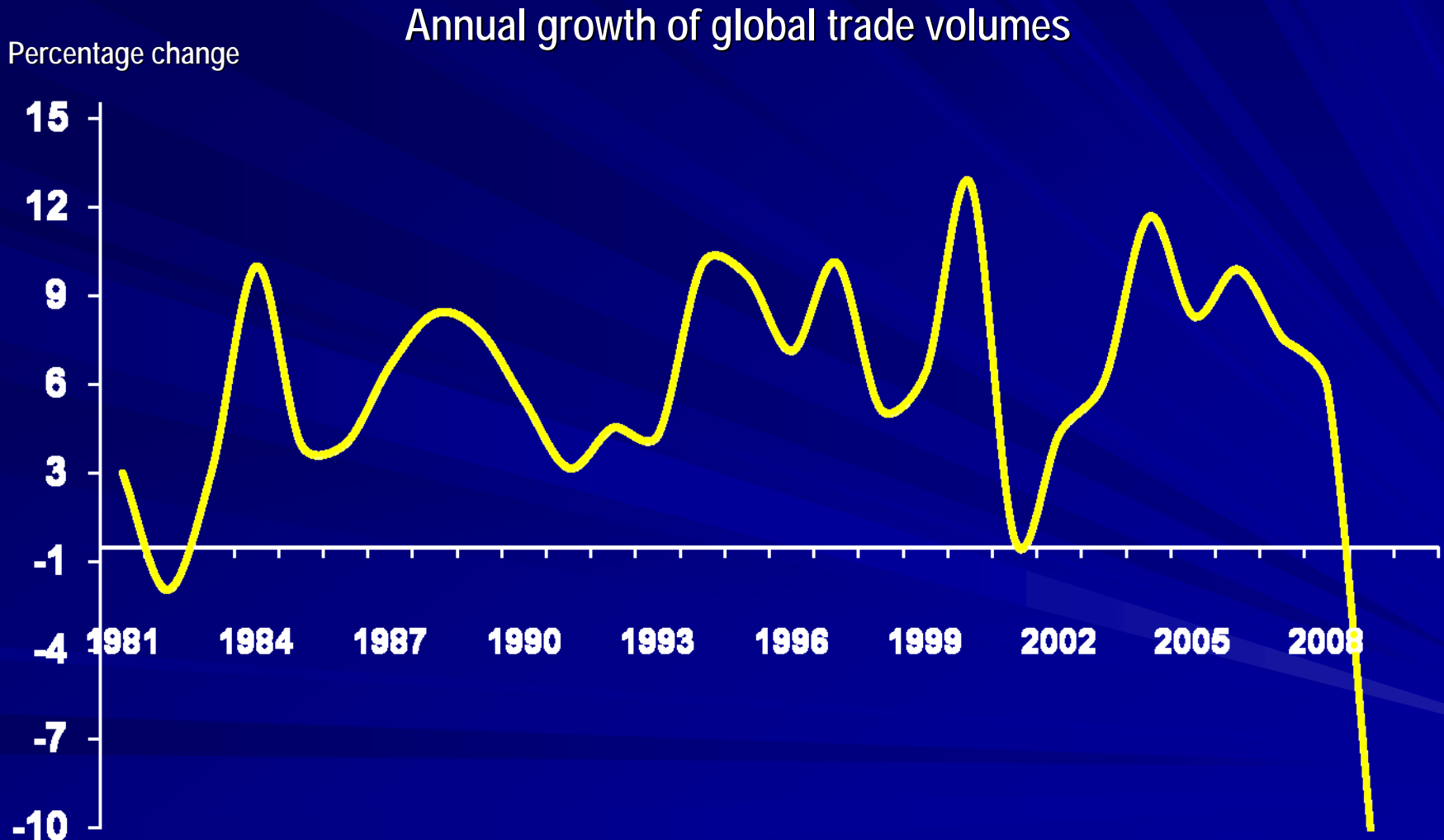
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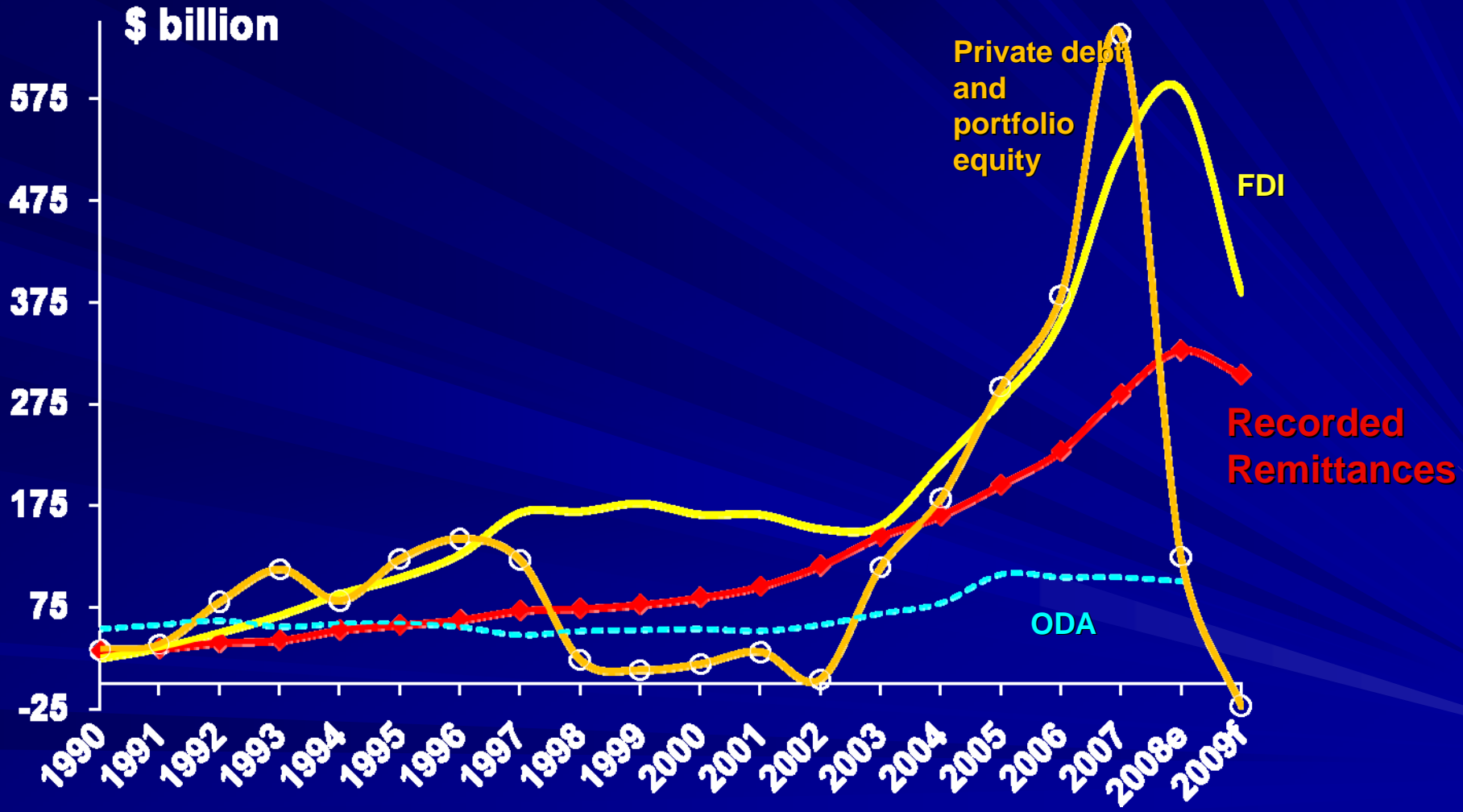


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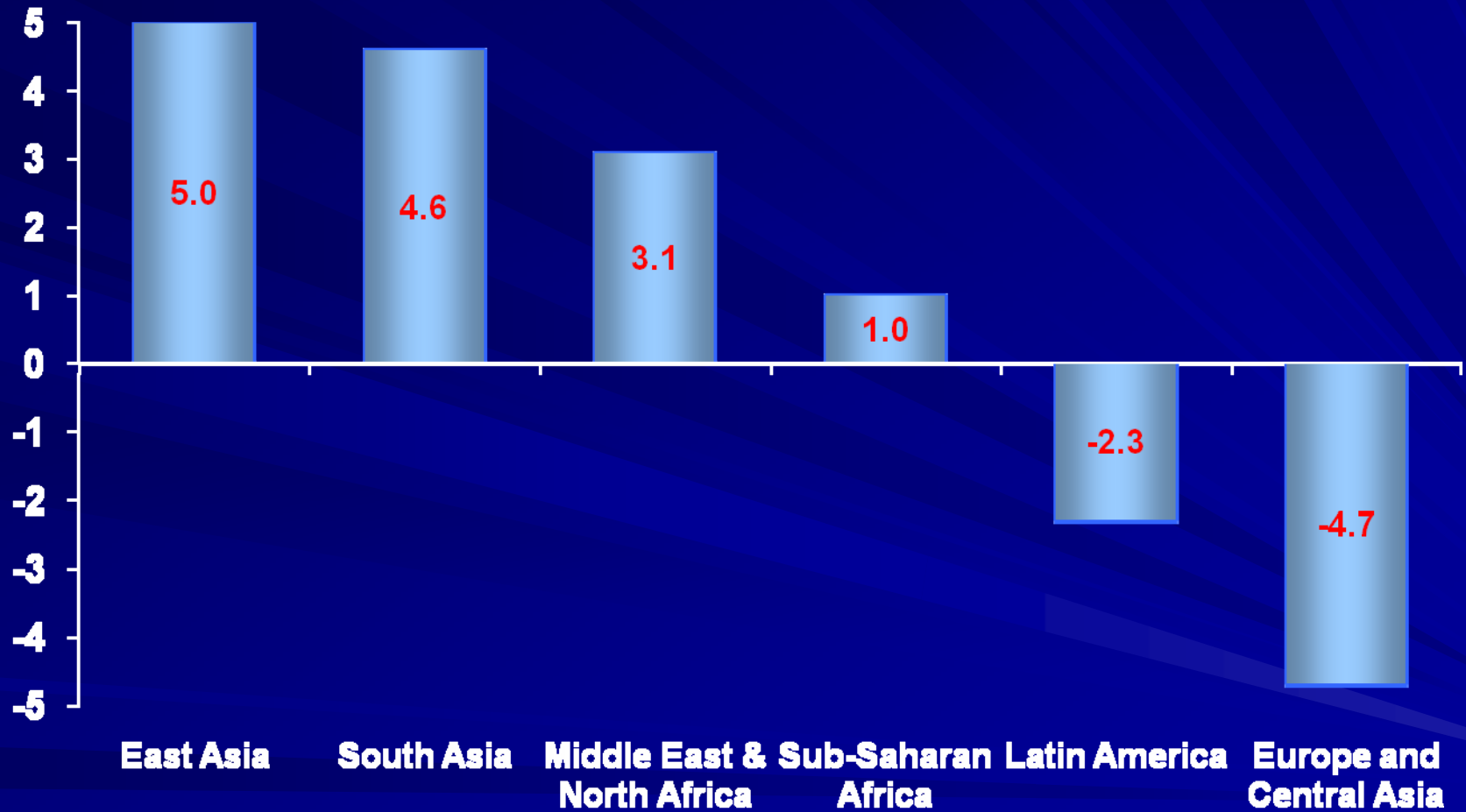
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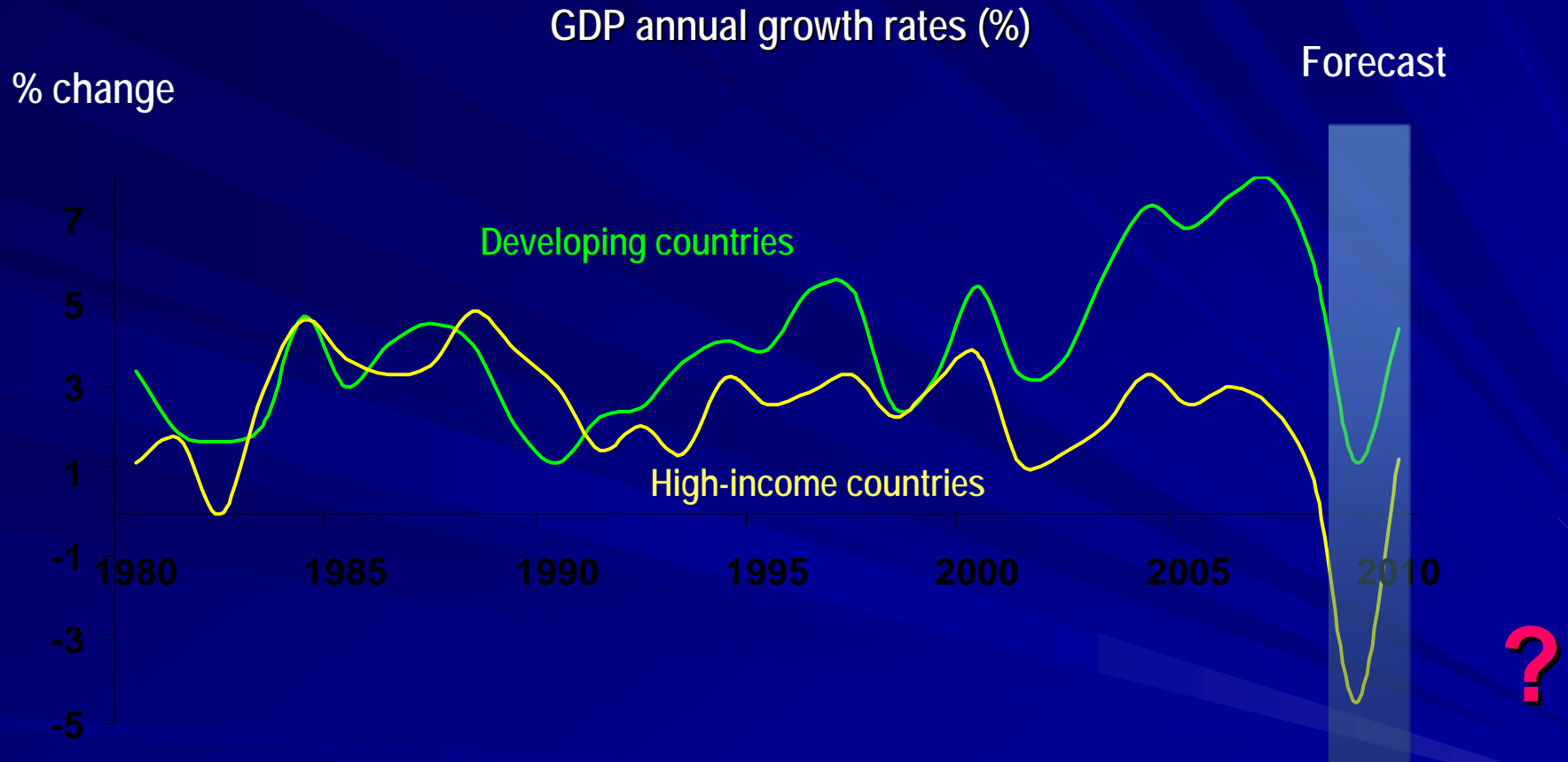
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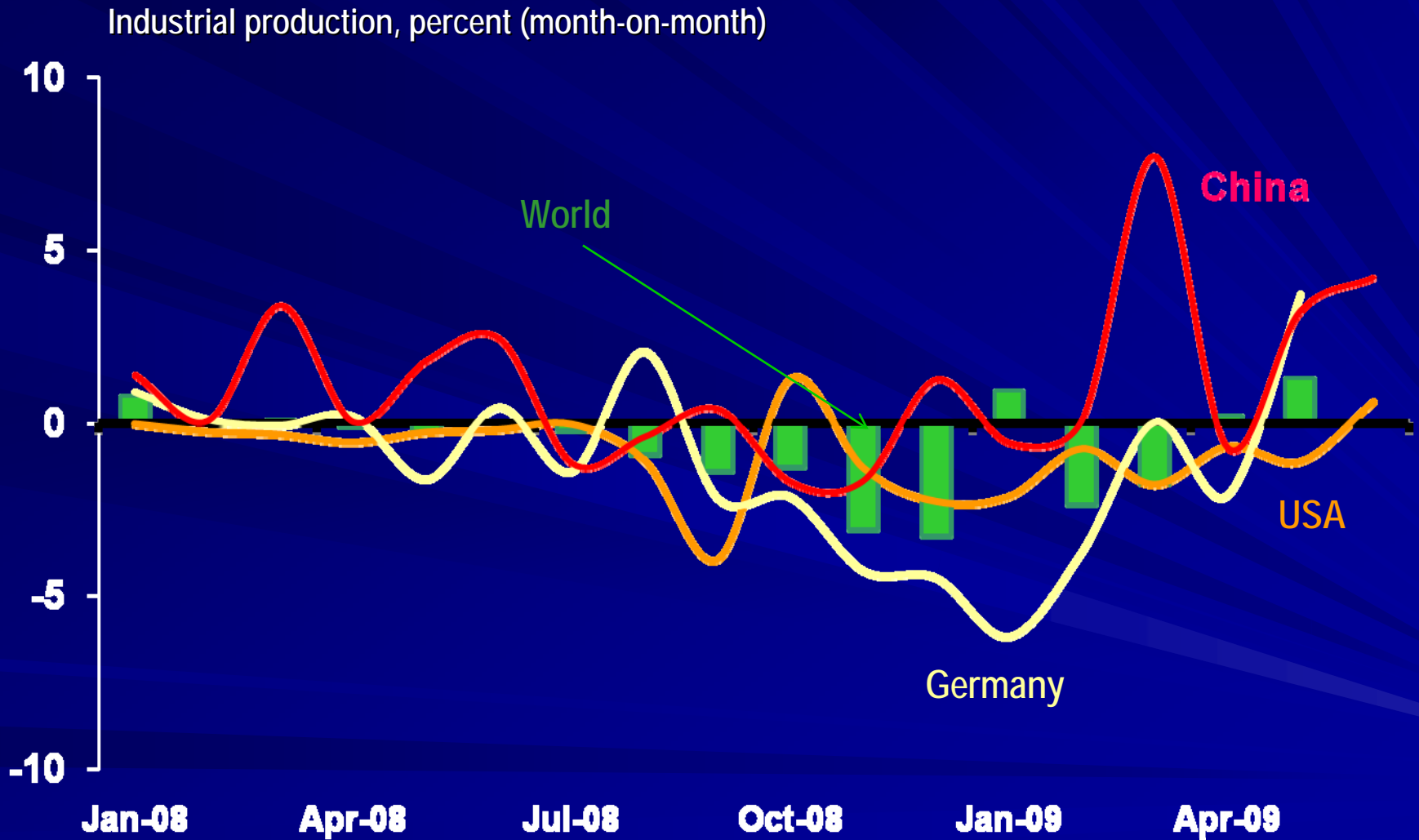


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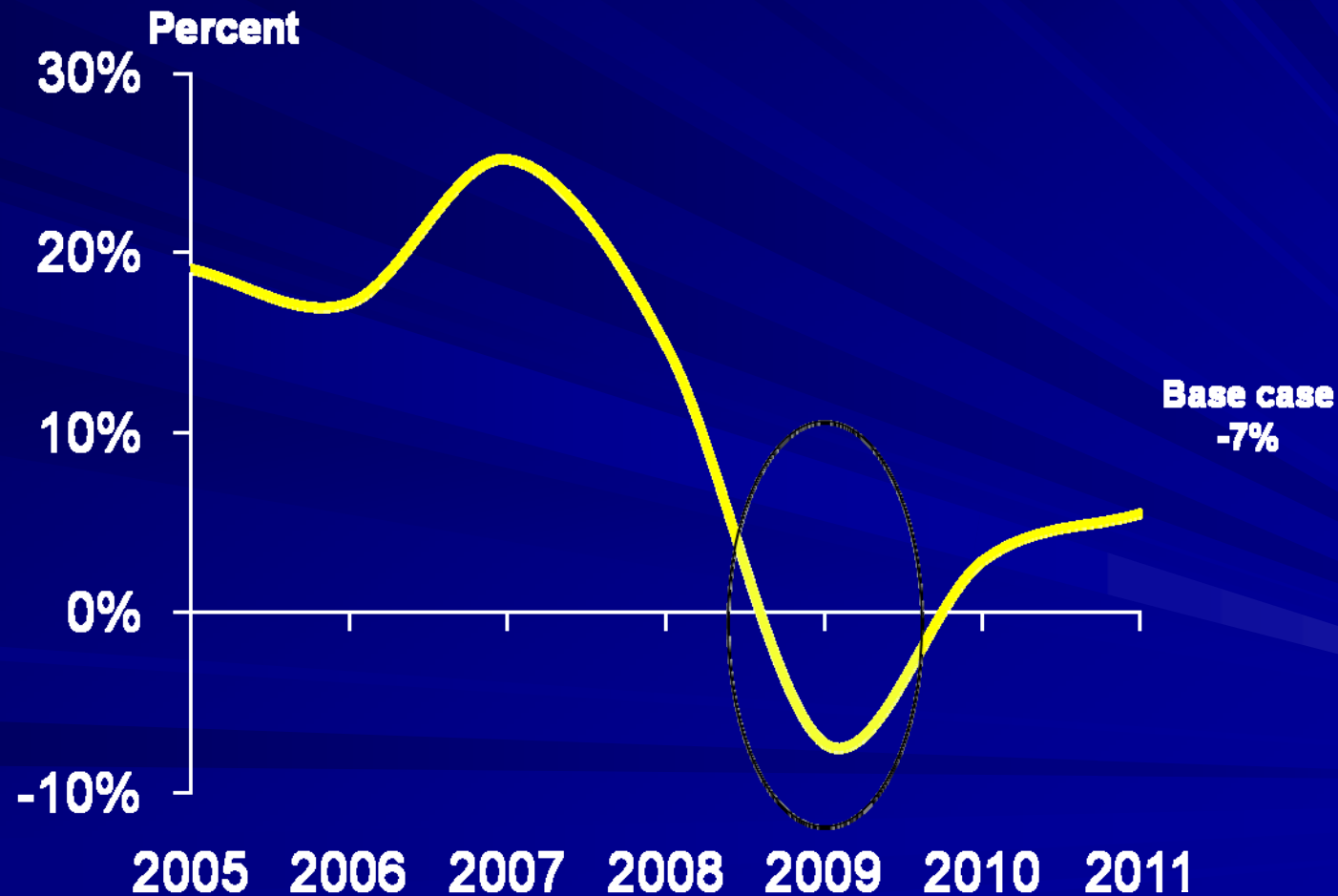
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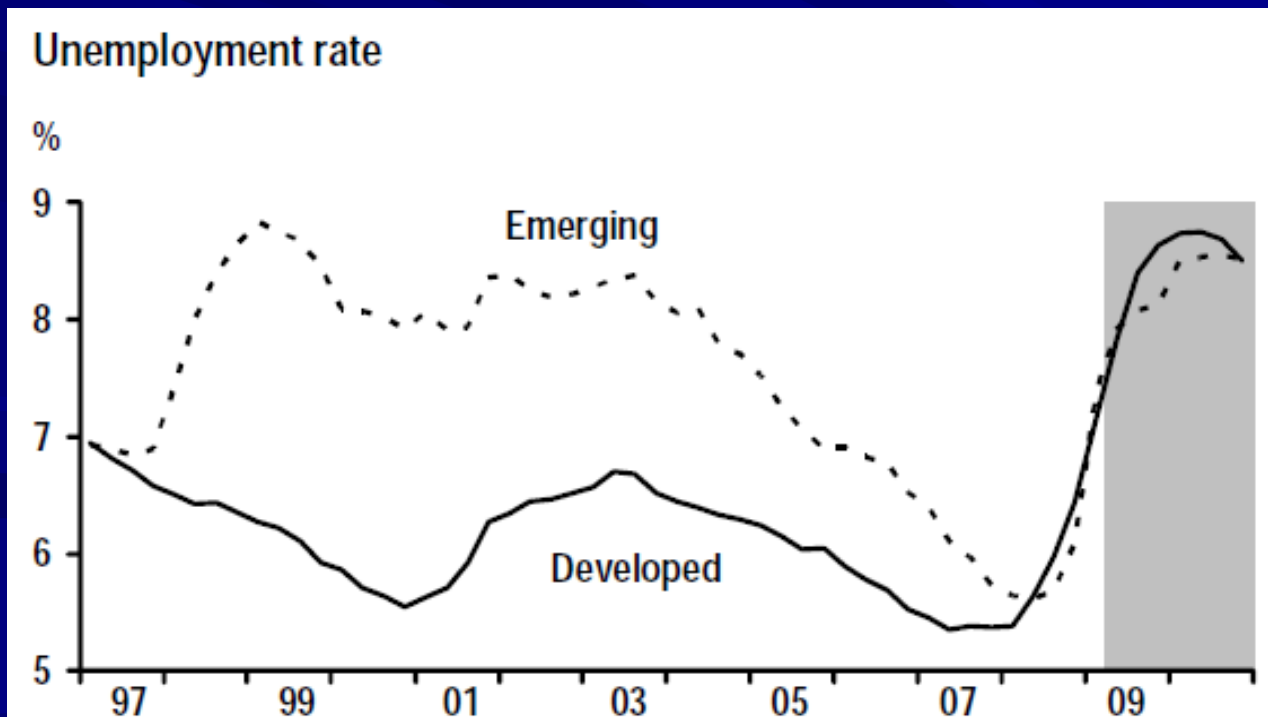
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