

The Time Is Ripe to Clean up the Immigration Mess

By JinYing Li

May 2009

Immigration policy has always been a debatable topic. From the mid 1800's people around the world started seeking better opportunities for life overseas. Since then a profound immigrant movement has emerged. Immigrants from all around the world settled down in the U.S., where they could find a place for their future. However, through time, problems arose as the society became more complicated. Immigrants started having problems with sending remittances back home. A remittance is a transfer of money that is sent by a foreign worker to somebody in his or her home country in order to pay for something. Remittances provide food, or clothing, or housing or educational expenses or capital for small businesses for the families in developing or underdeveloped nations.¹ However, remittances can also be both socially disruptive and even politically dangerous.² Mexico, the third biggest recipient of remittances in the world, was forecasting that income would dip in 2008 by almost 8% from the estimated \$23.8 billion in 2007.³ The fall is thought to have been caused by a crackdown on illegal immigration and migrant job losses as the U.S. recession leads to widespread layoffs.⁴ Some migrants' American dream ended directly as a result of the economic downturn in the U.S.⁵ The crackdown on illegal immigration and migrant job losses caused by the U.S. recession has drastically decreased the amount of remittances immigrants send back to their home countries,

¹ Stephanie Holmes, *Migrant Workers under Pressure* [on-line]; available from http://news.bbc.co.uk/2/hi/in_depth/7774180.stm; Internet; accessed 22 February 2009.

² Ibid.

³ Ibid.

⁴ *Slowdown Hits Mexico Remittance* [on-line]; available from <http://news.bbc.co.uk/2/hi/business/7855021.stm>; Internet; accessed 22 February 2009.

⁵ Stephen Gibbs, *Heading Back Across the Border* [on-line]; available from <http://news.bbc.co.uk/2/hi/americas/7783688.stm>; Internet; accessed 22 February 2009.

especially Asian and Latin American nations; thus it hits foreign countries' income, and therefore, it has been one of the causes that has generated a worldwide economic recession.

Figure 1

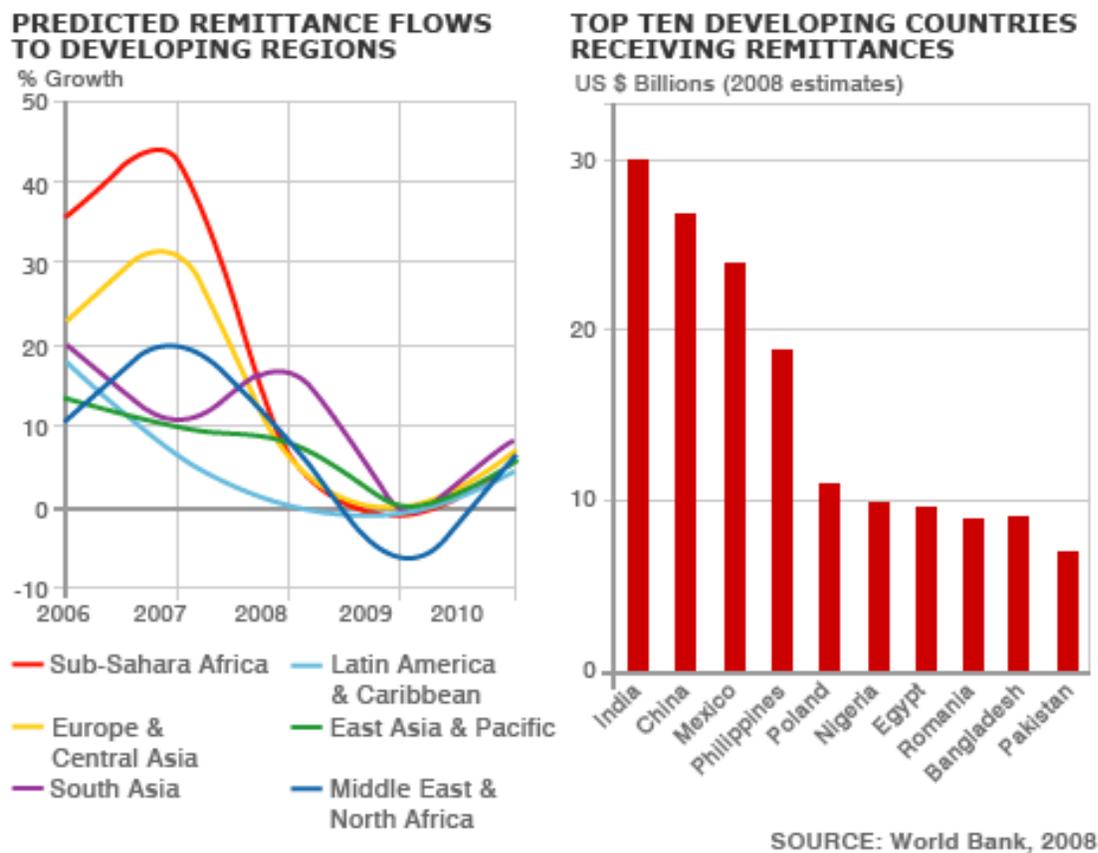


Figure 1: “Migrant Workers under Pressure” by Stephanie Homes.⁶

In figure 1, the graph vividly expresses the downturn of economies during 2006 to 2009, which has deeply affected the remittance flows to developing regions. India, China, Mexico and the Philippines are four nations among the developing countries that receive a large proportion of remittances from outside their own nations since these foreign states have the greatest number of immigrants living and working in the U.S. In East Asian and Pacific nations, such as China and

⁶ Stephanie Holmes, *Migrant Workers under Pressure* [on-line]; available from http://news.bbc.co.uk/2/hi/in_depth/7774180.stm; Internet; accessed 22 February 2009.

the Philippines, South Asian nations like India, and Latin America and Caribbean nations like Mexico, the remittance growth dropped from the rate of 10% to 20% in 2006 to near 0% in 2009. It is predicted that the remittance flow will not grow again until the end of 2010.

Immigrants from the developing nations are facing the problem of lack of opportunity in their own countries, which creates many social problems, so they are trying to find jobs outside their countries, where there is an acceptance of more immigrant workers. Most times, people living in developing or poor nations are unable to receive an education. In most situations, these people do not have the opportunity to obtain high-education level jobs, which pay higher wages. In order to escape from poverty, migrants immigrate to developed countries for better life opportunities. Some developed nations ease their immigration laws to allow more illegal migrants to stay in the country temporarily, which in turn encourages more workers to cross the borders to work in other richer nations. At the same time, developed nations face the problem of the lack of skilled workers in their own nations, which also creates the demand for skilled immigrant workers.

It is difficult to find a job in some developing or third world countries, where there is not enough work to support basic living needs. The job market even for college graduates in Mexico is very competitive. If people in Mexico do not graduate from other countries with transferable Spanish and international skills and proper contacts, it is arduous for them to find a graduated-level position in Mexico.⁷ In developing countries, like Mexico, people are less likely to receive even just basic education or higher education. There is not a high proportion of well educated workers in the country. Even though there are still some Mexican companies that desire well-trained graduates in various fields, the number of jobs available is still limited.

⁷ *Mexico: Job market* [on-line]; available from http://www.prospects.ac.uk/cms/ShowPage/Home_page/Explore_working_and_studying_abroad/Country_specific_information/Mexico/job_market/p!edLaLf; Internet; accessed 22 February 2009.

People living in emerging nations struggle to get out of poverty. Poor people's lack of hope in the future may lead to poverty. The governments cannot provide any help to change the situation or stop children from receiving poverty from their parents.⁸ Many people have a difficult time dealing with poverty, especially disempowered females, who tend to encounter life problems. Tina Rosenberg in her article "A Payoff Out of Poverty?" mentions, "Forty-nine years ago, the anthropologist Oscar Lewis published a book called 'Five Families: Mexican Case Studies in the Culture of Poverty,' detailing a single day in these families' lives. One family, headed by Jesús Sánchez, a food buyer for a restaurant, continued to tell its story in a second Lewis book, the widely read 'Children of Sánchez.' Lewis singled out elements of a culture that, he argued, keep those socialized in it mired in poverty: machismo, authoritarianism, marginalization from organized civic life, high rates of abandonment of illegitimate children, alcoholism, disdain for education, fatalism, passivity, inability to defer gratification and a time orientation fixed firmly on the present.

"⁹ Psychological and emotional traumas can appear from this severe poverty for the destitute. Parents may not be able to escape from bringing poverty to their next generation. Children growing up in poverty-stricken families are less likely to receive an education or live in suitable living conditions; thus this leaves them with the inability to escape poverty. The poor conditions of a faulty infrastructure system are based on the underlying fact that most developing countries have weak ineffective governments. These countries lack basic necessities, such as running water, sewer systems, electricity, accessible roads for transportation, health services, and schools. And most of these nations still have ancient agriculture methods. Because of not being educated,

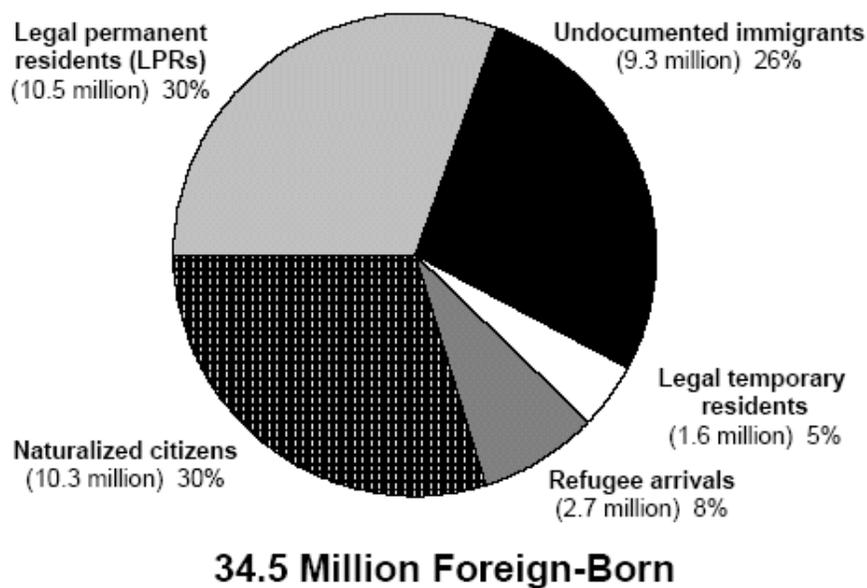
⁸ Tina Rosenberg, *A Payoff Out of Poverty?* [on-line]; available from http://news.bbc.co.uk/2/hi/in_depth/7774180.stm; Internet; accessed 22 March 2009.

⁹ Ibid.

and unavoidably accepting and tolerating their painful and rigid lifestyle, they are not able to evade poverty. It is a concern that parents who are poor bring poverty to children, which it also creates a severe repeating cycle to society.

Figure 2

FIGURE 1. LEGAL STATUS OF THE FOREIGN-BORN POPULATION, 2002



SOURCE: Urban Institute estimates based on March 2002 Current Population Survey.

Figure 2: “Undocumented Immigrants: Facts and Figures” by Randolph Capps, Michael E. Fix, and Jeffrey S. Passel.¹⁰

Table 1. Undocumented Immigrants by State, 2002

U.S. total (in millions)	9.3
California	2.4
Texas	1.1
Florida	0.9
New York	0.7
Illinois	0.4
New Jersey	0.4
All others	3.5

¹⁰ Randolph Capps, Michael E. Fix, and Jeffrey S. Passel, *Undocumented Immigrants: Facts and Figures* [on-line]; available from <http://www.urban.org/publications/1000587.html>; Internet; accessed 21 March 2009.

Table 1: “Undocumented Immigrants: Facts and Figures” by Randolph Capps, Michael E. Fix and Jeffrey S. Passel.¹¹

Because of not enough work and poverty, many people emigrate from undeveloped nations to developed nations for better life opportunities, which in most cases consequently leave undocumented migrants with little legal status in society. From Table 1, in March 2002, the number of undocumented immigrants living in the United States was 9.3 million, which was near 26% of the total number of foreign-born population. Mexicans were more than 50% of these undocumented immigrants, which was 5.3 million or 57%. From the information presented on table 1, about two-thirds of these undocumented immigrants were mainly living in six states, which were 26% in California, 12% in Texas, 10% in Florida, 8% in New York, 8% in Illinois, and 4% in New Jersey. Among the 9.3 million undocumented workers, about 6 million were gainfully employed, which was about 5% of the total number of workers in the United States. Congress and The Bush Administration relaxed the migrant worker laws to allow undocumented immigrant workers temporary legal status to live and work in the country.¹² This law encouraged more illegal workers to go across the borders or overseas to look for job opportunities. Among these workers, most are young people who are less likely to be educated or have transferable skills. Undocumented workers are usually paid less than the legal minimum wage. Illegal workers, including children, work under austere working conditions. However, due to fewer restrictions in immigrant laws, the increased number of illegal immigrant workers permits employers with cheap labor to provide cheaper services. Meanwhile this causes many social problems, such as crime, alcohol abuse, illegal drug transfer, prostitution and pretty theft.

In addition to immigration laws, some developed nations are encouraging foreigners to

¹¹ Ibid.

¹² Ibid.

come to their countries as workers to reduce unemployment and political pressure. Australia is encountering a serious decline in skilled workers because many people are leaving the country to look for better job opportunities in other countries. Among these people, about 50% of them were engaged in skilled jobs in Australia.¹³ The nation is suffering a shortage of general practitioners, teachers, nurses, electricians, carpenters, engineers, construction workers, management consultants, and cardiac and diabetic specialists.¹⁴ Therefore, the Australian government is trying to encourage the immigration department to reduce worker demands by allowing more skilled immigrants to have legal status to live and work in the country. Increasing immigrant workers are contributing to the nation's shortages of skilled labor-force, which are also a reflection of global demand for skilled labors and the high-speed development of the international labor market.

Developed countries provide more opportunities for jobs, and better life for immigrants. A considerable number of immigrants are working in service industries in developed nations, mainly in hotels and restaurants. The global Gross Domestic Product report of the early 21st century showed that the service industries were more than three-fifths of GDP, and provided employment for more than one-third of the worldwide labor force.¹⁵ The increasing demand of workers for service industries directly results in enlarging the number of immigrants. The service sector represents more than 50% of the Gross Domestic Product in the United States.¹⁶ A big proportion of the immigrant workers in service industries are Hispanics from Mexico and Latin America. The history of Mexican American has been a wide-ranging topic since four hundred

¹³ *Australian Skills Shortage Increases as Workers Emigrate* [on-line]; available from <http://www.workpermit.com/news/2008-10-07/australia/skills-shortage-increases-as-workers-emigrate.htm>; Internet; accessed 20 March 2009.

¹⁴ Ibid.

¹⁵ *Service Industry* [on-line]; available from <http://www.britannica.com/EBchecked/topic/535980/service-industry>; Internet; accessed 26 March 2009.

¹⁶ Ibid.

years ago when early immigrants of the United States started interacting with the country of Mexico. In 1900, the entire Hispanic population living in New Mexico, California and Texas was more than 500,000, which were mostly Mexican, Spanish, and other European-Hispanics who settled in the Southwest during Spanish colonial times.¹⁷ The California Gold Rush period attracted tens of thousands of Hispanic immigrants from Mexico who were looking for a better life. Mexicans and their descendants started working in service industries ever since. Many immigrants are working in areas of public needs, which require a large labor force in service functions of finance, management, distribution and retail sales. The increasing number of immigrants is a direct result of the growth of the service sector.

Despite of the fact that developed nations provide efficient job opportunities for immigrants, when it comes to financial crisis, the United States slowdown hits immigrants and families in their home countries. The country has encountered economic slowdown since the early 21st century, which was during President Bush's governance from 2001 to 2009. The slowdown is still continuing. The U.S.'s economic downturn directly hits migrant workers, and gradually affects the amount of remittances migrant workers send back to the families in their home countries. The Inter-American Development Bank (IDB), which started analyzing remittances in 2000, declared that the total remittances growth from the United States was less than 10% in 2008.¹⁸ Remittance fell by near 6% in January 2008, its most severe drop since the mil-1990's.¹⁹ The decline of remittances brings survival predicaments to migrant workers because they have to cut back their spending to save enough money to send back to their home countries. When they are not able to break the impasse due to work hour cuts or lay-offs, they

¹⁷ Rogelio Saenz, *Latinos and the Changing Face of America* [on-line]; available from <http://www.prb.org/Articles/2004/LatinosandtheChangingFaceofAmerica.aspx>; Internet; accessed 20 March 2009.

¹⁸ James Painter, *US Woes Slow Migrant Remittances* [on-line]; available from <http://news.bbc.co.uk/2/hi/americas/7292216.stm>; Internet; accessed 23 March 2009.

¹⁹ Ibid.

have less money to send back to their families.

Mexican economics are an exemplifying illustration that demonstrates the harsh outcome of the U.S. economic turndown. The Mexico's central bank reported that the remittances that migrant workers sent back to Mexico dramatically fell down by 6.9% in July 2008 compared to the same month in 2007.²⁰ The amount of remittances from January to July in 2008 was 2.9% lower than the previous year.²¹ The drop-off of the remittances has intensely affected the Mexican economy since it is the country's second largest foreign income besides oil revenues.²² Because of the U.S. recession, Mexican migrant workers are facing more challenges in their job search. Thus, Mexicans are experiencing survival difficulties due to the U.S. recession. This slack economic period reduces the amount of remittances that Mexican migrant workers send back to their hometowns. About 600,000 Mexicans are not able to receive remittances from their migrant family numbers overseas.²³ If the recession continues to decline, it will affect the Mexican economy in the long-term.

The recession of the U.S., in turn, also gradually impacts other Latin American countries' economies. The slowdown has rapidly spread from the U.S. to Mexico, and accelerated to all Latin American countries. Countries like El Salvador and Jamaica, whose economies strongly rely on remittances, are struggling in poor survival conditions after the fall in remittance.²⁴ It is assumed that the recession will automatically turn into global economic chaos if the fall of remittance continues spreading out to other Latin American nations. The U.S. recession,

²⁰ *Mexicans Sending Home Less Money* [on-line]; available from <http://news.bbc.co.uk/2/hi/business/7593424.stm>; Internet; accessed 22 March 2009.

²¹ *Ibid.*

²² *Ibid.*

²³ James Painter, *US Woes Slow Migrant Remittances* [on-line]; available from <http://news.bbc.co.uk/2/hi/americas/7292216.stm>; Internet; accessed 23 March 2009.

²⁴ *Annual Remittances in Mexico down for First Time* [on-line]; available from <http://ourlatinamerica.blogspot.com/2009/01/remittances-in-mexico-down-for-first.html>; Internet; accessed 23 March 2009.

specifically, has deep consequences on Mexico and Brazil's economies. Since these two countries receive a large amount of remittances in a worldwide range, any movement regarding remittance diminutions will result in severe economic outcomes and repercussions for survival. In 2008, Brazil's remittance growth fell by 4%, and these was only a small growth of 1% in Mexico.²⁵ In addition, countries like Guatemala, El Salvador, Honduras and Nicaragua are intensely dependant on remittance for their economic growth.²⁶ Once the economic condition of the U.S. incurs any slight commotion, the countries that have close economic connections with the U.S. will be embroiled in economic slowdown, which thus adds to the worldwide economic meltdown.

Figure 3

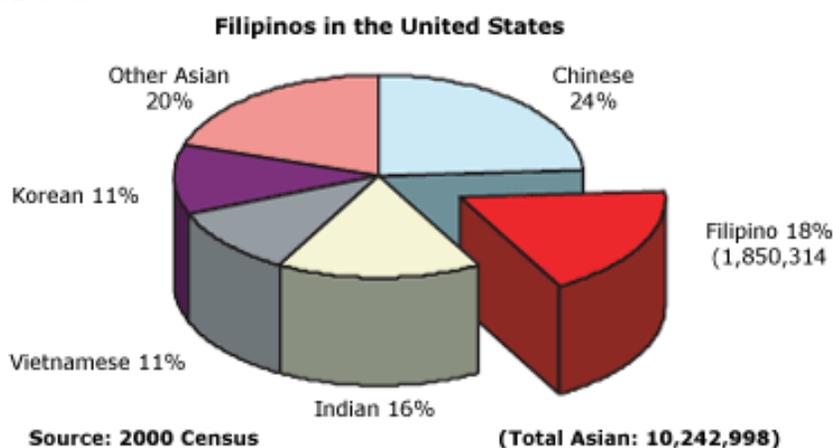


Figure 3: “Filipino-American Population” by ABS-CBN International.²⁷

Economic slowdown in the U.S. also affects the economic developments of Asian nations that have close historical or economic connections with the U.S., meanwhile disheartening migrant workers and the spending confidence of people in their home countries. Figure 3

²⁵ James Painter, *US Woes Slow Migrant Remittances* [on-line]; available from <http://news.bbc.co.uk/2/hi/americas/7292216.stm>; Internet; accessed 23 March 2009.

²⁶ Ibid.

²⁷ *Filipino-American Population* [on-line]; available from <http://www.abs-cbnglobal.com/Regions/USA/Products/AdSales/FilipinoAmericanPopulation/tabid/630/Default.aspx>; Internet; accessed 23 March 2009.

explicitly explains the role of Filipinos in the U.S.. The Philippines is one of these nations that is strongly affected by the slowdown. Filipino Americans have settled in the U.S. for more than 400 years as early as 1587, when they were the first Asians to go across the Pacific Ocean to the U.S.²⁸ Filipinos made their first permanent settlement in America in 1763, and the first Filipino immigration wave began after 1812, followed by the second wave of immigration from 1906 to 1934 with a high concentration in California and Hawaii.²⁹ According to the 2000 U.S. Census report of figure 3, Filipinos were reported as the second largest Asian group in the U.S. with a 1,850,314 population.³⁰ With a considerable population as a minority community in the U.S., the U.S. recession can bring severe economic disorder to Filipinos both in the U.S. and Philippines. The Philippines' consumer spending is described as “vulnerable to the vagaries of the outside world” when the country’s remittances growth falls by 15%.³¹ Filipinos have started cutting their spending as the economic slowdown is getting closer inch by inch. Relatives in the U.S. have started sending less money back to Philippines, which leads people in Philippines to cut back their expenses on every day purchases.

Besides affecting consumption, decline of remittances also affects investment. Filipinos working overseas send less money home because of job loss or work hours being cut. Workers working overseas keep remittances afloat amid a slowdown.³² Instead of sending stable amounts of money back to their home countries, they keep their earning as “afloat money” for survival back-up. The money that Filipinos send back to Philippines for investment is decreasing. Less

²⁸ *Filipino American History* [on-line]; available from <http://www.csuchico.edu/ncpaso/filipino.htm>; Internet; accessed 23 March 2009.

²⁹ Ibid.

³⁰ *Filipino-American Population* [on-line]; available from <http://www.abs-cbnglobal.com/Regions/USA/Products/AdSales/FilipinoAmericanPopulation/tabid/630/Default.aspx>; Internet; accessed 23 March 2009. (Figure 3)

³¹ Ruby Anne M. Rubio, *Lower remittances to cut consumer demand in RP* [on-line]; available from <http://www.gmanews.tv/story/152928/Lower-remittances-to-cut-consumer-demand-in-RP>; Internet; accessed 23 March 2009.

³² Ibid.

money is going to be used in public investment, which includes education, health care, transportation, and public entertainment services. The decline in foreign investment will not only prevent the economy from recovering, but also weaken the country's economic and social systems in a long-range effect.

Singapore, one of the most thriving Asian countries with highly developed market-based economy, is also impacted by the economic downturn. Singapore, after London, New York, and Tokyo, is the world's fourth largest foreign exchange trading center.³³ Based on these foreign exchange relations with the United States, which has one of the biggest foreign exchange trading centers, Singapore is involved in the economic downturn when its stabilizing foreign partners suffer from recession. One of the Development Bank of Singapore (DBS), predicted consumer spending would drop to 4.3% compared to 4.5% in 2008 according to its economic report as of March 12, 2009.³⁴ People are cutting their expenditures as remittances are lower from the U.S. Therefore, the country's economy is expected to contract greatly and unemployment rate is getting higher as the consumption rate is slowing down.

Because of the economic slowdown in the United States, and inability to supply enough remittances for families, migrant workers are returning home or migrating again to other countries to seek for better job opportunities. For the past ten years, remittance of Latin American migrant workers from the United States has fallen to a lowest rate as a result of the financial crisis in the U.S. A great proportion of immigrants have gone back to their home countries. Rafael Novarro, an El Salvador immigrant resident in Carbondale, Colorado, stands

³³ *MAS Annual Report 2005/2006* [on-line]; available from http://www.mas.gov.sg/about_us/annual_reports/annual20052006/index.htm; Internet; accessed 23 March 2009.

³⁴ Ruby Anne M. Rubio, *Lower remittances to cut consumer demand in RP* [on-line]; available from <http://www.gmanews.tv/story/152928/Lower-remittances-to-cut-consumer-demand-in-RP>; Internet; accessed 23 March 2009.

out on the street early every morning to look for part-time work.³⁵ He is self-debating that if he cannot get any work to support his living, he will go back to El Salvador. It is getting harder to find jobs, even though migrant workers are looking for jobs in cities like Los Angeles or Houston, where jobs used to be plentiful and were provided for immigrant workers to fulfill labor needs. However, the economic downturn has seriously hit migrant workers, especially in construction and service industries. Migrant workers are the most vulnerable group that is more likely to be unemployed once the economic slowdown gets bigger and bigger over time. Among the illegal immigrants, the unemployment rate of 6.5% is higher, compared to 5.6% for other labor groups.³⁶ More unemployed workers are looking for jobs while many work positions are disappearing in the job market. Unemployment caused by the U.S. financial crisis leads many immigrants to set out to other states to search for jobs, or cross the borders or overseas back to their home. More immigrants plan to return home after they realize that the unfriendly economic climate does not allow any postponement to stay in the country. In some situations, migrant workers are turning their eyes on looking for jobs in Western Europe, especially Spain.³⁷ Countries like Spain, provide opportunities to most migrants from Latin American nations since they are able to use Spanish to seek for jobs.

The U.S. economic slowdown, in addition, mercilessly affects high-educated and skilled migrant workers from Mexico and other Latin American countries, as well as most parts of Asia. A large proportion of immigrants came to the United States with high levels of education and skills, which elevated the U.S. economic development. Nevertheless, a large amount of well

³⁵ David Frey, *Feeling Recession's Sting, Some Immigrants Going Home* [on-line]; available from http://www.newwest.net/city/article/feeling_recessions_sting_some_immigrants_going_home/C108/L108/; Internet; accessed 22 March 2009.

³⁶ Ibid.

³⁷ James Painter, *US Woes Slow Migrant Remittances* [on-line]; available from <http://news.bbc.co.uk/2/hi/americas/7292216.stm>; Internet; accessed 23 March 2009.

educated immigrant workers have started to plan a return back to their home countries. These highly skilled migrant workers include people from low-income countries, such as India and China, where historically people in areas like these tend to stay in the U.S. for a long period of time. These immigrants brought big contributions to the tech boom period in the U.S. when the U.S. was in need of high-tech skilled workers to adapt the growth of outsourcing of back-office processes.³⁸ Restrictive immigration policy is one of the causes of the skilled workers' returning. However, the most effective factors of returning home are career opportunities and life quality. Since the U.S. recession, unemployment in immigrant workers, not excepting skilled workers, has raised dramatically. Because of being unemployed, these workers suffer from economic and emotional pressure, which lower down their quality of life.

In addition to economic effects, remittances can cause social and political problems. The money transfers of business are being used for money laundering. Although money transfers are usually legal, the massive transfer processes can easily lead illegal money transfers to become invisible. Remittances from migrant workers can be involved in terrorist finance or criminal activities as more immigrant workers appear due to the development of labor force globalization.

Based on the main features of remittance transfer, there are many ways that can cause illegal money transfer. First of all, the cost of remittance transfer from migrant workers that crossed the boarder and poor individuals is not expensive.³⁹ This means each individual remittance transfer will just cost a small amount of money to make it go through the money laundry process, and "transfer small money to big money" under illegal criminal activities. Second, the massive undeveloped banking system in developing and third world countries makes

³⁸ Ibid.

³⁹ Steve Schifferes, *Migrants, Money Flows and Terrorism* [on-line]; available from <http://news.bbc.co.uk/2/hi/business/7764823.stm>; Internet; accessed 24 March 2009.

cash transactions more common.⁴⁰ There are fewer banks built in emerging nations, even though these nations have banks, the banking systems are usually under developed. This inconvenient of banking transfers provides convenience to money laundry processes. Illegal money can be easily transferred to legal money once it carries the status of “remittance” in cash.

Remittances can also be transferred through an electric system, which allows money laundering to have greater acceptance. The uses of mobile-payments in less developed nations often have undeveloped functions in anti-money laundering and anti-terrorist financing regulatory frameworks. This poor mobile-payment system is more likely to increase money laundering. Mobile-payment is an electric money transfer system that does not require any banking account, credit card or government approved identification to activate and use, except it requires cash.⁴¹ Easy money can be made by using mobile-payment. Undeveloped mobile technology, which operates international money transfer between different nations with different development levels, heightens the risk of money laundering and terrorist financing.

Furthermore, recession of the U.S. of will bring inflation to countries that strongly depend on remittance income, which creates severe social and political problems. In Mexico, the overall consumer price inflation was 4.96% in 2007, but the food price inflation was much higher at 8%.⁴² The U.S. recession lowered Mexican consumption rate, which the Mexican government tried to raise the price of goods to stimulate the public expenditures. In a short term, the price inflation prompted the disheartened public to spend money. Nevertheless, in the long term, price controls will be harmful rather than helpful to the recovery of economy. Price inflation conceals the fact that inflationary pressure will destroy the economy further down the dead end.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² *Mexico caps price of basic foods* [on-line]; available from <http://news.bbc.co.uk/2/hi/business/7463097.stm>; Internet; accessed 22 March 2009.

Most importantly, we can see the intimate relationships between the United States, immigration, and the world economy. The economic, social, and political effects of immigrant laws and administrations can affect both immigrants' lives and their home countries' economic, social, and political prospects. Any changes in the United States, which are difficult to predict or control, will result in weakening other nations, especially nations with substantial amount of connections with the U.S. It is important to analyze the impact of immigration on social changes in the U.S., while at the same time, illuminating the devastation that is going on with worldwide economies. Based on the analyses, there are no simple or optimal policies to resolve the problem. A balanced way to help in multilateral development should be used to handle sudden global economic chaos.