



International Labour Office
ILO Regional Office for Latin America and the Caribbean

OVERVIEW OF LABOR MIGRATION IN THE REGION

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Practically all the countries in the world today are points of departure, transit or arrival of international migration with main migratory flows that start in developing societies and travel towards more developed countries.

Three years ago I traveled on a Mexican airline directly from Montreal to the Federal District. Nearly everybody on board was a seasonal labourer going back home after having worked in Canada for a spell as allowed by the agreements signed by the governmental representatives of both countries. The passengers were highly qualified and experienced farm labourers. This is one example of decent migration which is strikingly different another case which happened around the same time that has to do with some Chinese immigrants who suffocated to death as stowaways in a container while traveling on the North Sea on their way to their destination in Europe.

Migration is an unanswered question to developing societies about their capacity to offer their citizens opportunities for progress and wellbeing; but it is also an unanswered question to developed societies concerning their capacity to accept foreigners and treat them decently.

One of the characteristics of globalization is that there are more individuals on the lookout and move for their wellbeing who migrate because of the exaggerated, persistent and evident different level of development between one country and the next and within one same country.

One of the main causes of migration is the quest of workers for higher wages and better opportunities than in their source country. At the same time, the choice of the host country usually depends upon the economic cycles and prospects of the source country and candidate host country.

Whichever the reason behind the choice, it is part of human nature to pursue a better future; we all expect the sweat of our brows to be well paid for, whether at home or abroad.

In 2005 an estimated 191 million people (nearly 3% of the world population) lived outside of their homeland, or country of citizenship¹. This represents an increase of 9% since 2000 (175 million) and an annual growth rate of 1.8% during this period. We must remember that this is happening in a world of a fast pace of capital flows while labour is greatly lagging, which is the precisely the opposite of what has happened in other moments of universal history.

Last year the European region had the largest number of international migrants (64 million) and as concerns **host** countries the United States received a vast number (38 million).

Labour migration has increased in the OECD countries over the last decade². In most of the countries entire families migrate (family reunification) and immigrants represent a growing share of their labour force (from 1.5% in Japan up to 25% in Switzerland and Australia).

According to a recent IDB report³ migrants are now an integrated element of the labour markets of industrialized countries and play a crucial role in the economy of the United States since they represent 23% of the workers of the manufacturing sector and 20% of the service sector. However sometimes migration is linked to the fact that more developed countries have fewer low skilled workers.

1. Trends and profiles of Latin American and Caribbean migrants

Up to 2005 some 25 million people migrated from Latin America and the Caribbean (4% of the total population) due to the large increase in migration

¹ División de Población de las Naciones Unidas, *Trends in Total Migrant Stock: The 2005 Revision*, Febrero 2006.

² OCDE, *Internacional Migration Outlook*, 2006.

³ BID; *Dinero a casa. Cómo apalancar el impacto de desarrollo de las remesas*, 2006

to the United States since the decade of the 90's and to the new flows towards Europe, particularly Spain, that has overcome Canada as the second best choice as host country by regional migrants. Migrants from Latin America and the Caribbean make up 13% of the world flow.

Despite the progress made in compiling information on remittances there is no sound updated statistical data on the flows and numbers of migrant workers nor their demographic, economic and social characteristics.

- In 2005 the numbers of migrant **women** were equal to migrant men in Latin America and the Caribbean and North America. Female migration has its specific characteristics since women are no longer mere companions and their migration is linked to getting a job and to fulfilling personal ambitions. This feminization is markedly noticeable among migrants from Central and South America towards Spain (nearly 60%) that has an unprecedented demand for labour in fields traditionally reserved for women, such as domestic workers and caretakers of the elderly. As concerns migration towards the interior of Latin America, women from poorer countries seek employment as domestic workers in neighbouring higher income level countries. Most of these migrant workers are mothers who leave their children behind under the care of their relatives as part of a family strategy to guarantee their economic survival.
- Argentina, Costa Rica and Venezuela continue to register a higher number of Latin American migrants. In the Caribbean, migration has a circular modality of movement, although there are big exceptions, such as the migration flow of Haitians to the Dominican Republic that represent a type of displacement which, aside from the ups and downs of events, are rooted in history. In high income level tourism economies of the Caribbean (for example, Bahamas and Barbados) there is a growing flow of **intra-regional migrants**, even from South America.

- **Youth** is more willing to migrate and this is closely linked to difficulties in securing a means of livelihood, adequate income, better jobs and educational prospects, in their source countries. The United States is the country that attracts most of the youth migration, mostly men, due to the behaviour of the Mexican migration. However, as concerns South American and Caribbean migration it is mostly made up of adults while intra-regional youth migration is mostly made up of women who work as domestic workers.
- Most of the workers of the region who migrate to developed countries get poorly skilled jobs at the lower end of the occupational scale. Migrants from Latin America and the Caribbean provide a broad range of skills and occupations to developed countries, mainly to the United States. Researchers have observed that the smallest and least developed countries are burdened by the highest rate of exodus of their professionals. In 2000, more than 70% of people who have higher education have left Guyana, Haiti, Jamaica and Trinidad & Tobago and gone to live in OECD member countries irregardless of the fact that their source countries have had to cope with a loss of skilled labourers in certain fields.
- One of the most important effects of migration are the flows of **remittances** sent by men and women migrants to their families and source communities. Sixty billion dollars were sent as remittances in 2005 (as compared to US \$ 45,800 billion in 2004). This amount is more than direct foreign investments and official development aid for the region and represents a vitally important source of income.
- In Latin America and the Caribbean some 20 million households received remittances in 2005. Nearly 75% of the total number of these remittances came from the United States. Europe ranked second largest source of remittances. Japan continued to be an important source of remittances for Brazil and Peru, as well as Canada for Jamaica and Haiti. Mexico is the main destination of the remittances in the region and

received more than 16,613 billion dollars in 2004, followed by Brazil with 5,624 billion dollars and Colombia with 3,857 billion.

In some countries of Latin America and the Caribbean remittances represent more than 10% of the GNP and more than 30% of exports. According to the IDB, nearly two thirds of the migrants send remittances less than 10% of their income to their families however the percentage is much higher for the beneficiary households. It has been observed that sometimes the families who receive these remittances from abroad use this income to alleviate their poverty, to generate savings in case of health care expenses and the education of their children, to buy goods or set up a small business.

Incentives must be sought to promote the productive investment of the remittances in the fight against poverty, injustice, and social exclusion endured by the vulnerable groups. Resource allocation mechanisms must be studied to develop projects and programmes that generate or increase the creation of jobs as has been done in Mexico and Peru to construct houses. Other options that could be promoted are the transfer of capital and technology between migrant workers who exercise professional or business activities and transnational corporation initiatives. Although the transfer cost of remittances have gone down, technological and structural solutions must be sought to reduce them further since they are higher than the marginal cost of the remittance.

Remittances are proof of solidarity with families and communities of origin and reflect the human countenance of globalization. For some countries remittances are essential to narrow their current account deficit. However they also reveal the incapacity of our societies to retain and utilize a major source of entrepreneurship, labour and productive energy.

We should not overlook the fact that those who generate these remittances also help to create wealth in the host countries. Migrants are a major economic force for the host countries and societies.

In 2004, in Italy, migrant workers produced 27 billion euros, most of which were spent in the peninsula. Over the past 5 years in this country, migrant businesses went from 67,000 to more than 181,000. This is an increase of 170% as compared to the 2% growth of national businesses for that same period.

2. Towards a decent migration

At an international level there is a growing concern for the protection of the human rights of migrants since many signals indicate that present day international migration may result in vulnerability and being unprotected.

Brussels intends to investigate slavery in the province of Foggia in southern Italy. The European Community is contemplating suspending the 137 million euros of subsidies that it distributes among tomato producers until Italy does not demonstrate that it has put a stop to the inhumane use of thousands of immigrants in this sector. Of the 227 agricultural businesses in this province, 125 have been accused of violating labor and migration laws.

a) Regulations play a key role in decent migration. In order to make national labour migration policies and practices and the protection of migrant workers effective there must be a solid legal foundation based on national and international law. Many international labour laws enshrine principles and rights as guidance for national laws and policies concerning the management of labour migration and the protection of migrant workers. In particular, ILO Conventions N° 97 and N° 143 as well as Recommendations N° 86 and N° 151 urge cooperation among States and the adoption of measures to facilitate and control migratory flows (equality of treatment between regular migrant workers and national workers, minimum standards of protection for all migrant workers and the engagement of social actors in the formulation of national policies).

Migrant workers benefit from the protection foreseen in the **ILO Declaration** on the fundamental principles and rights at work and its sequel (1998). The 8 fundamental ILO Conventions (freedom of association, elimination of discrimination in employment and occupation, the abolition of forced labour and the elimination of child labour) are applicable to all workers, regardless of their status as migrants or not.

Moreover, other ILO standards for spheres such as employment, labour inspection, social security, protection of motherhood, salaries, safety and health at work, private recruitment agencies and other sectors such as agriculture, construction and hotel and restaurant administration that employ a vast number of migrants provide guidance for national laws and policies regarding the protection of these workers.

Proper attention should be given to the specific problems and vulnerability of irregular migrant workers. In particular, their human rights must be guaranteed.

In order to strengthen and effectively enforce labour laws strategic alliances must be adopted among the ILO constituents, international and national migrant organizations and other actors. Migrant workers and diplomatic and consular authorities should also receive training in human rights and the labour rights of migrants and how to a file claim. Employers should also be trained on their duties as concerns migrant workers and on migrant worker rights.

Upon the request of its constituents, the ILO has formulated a **Multilateral Framework on Labour Migration** to be used on a voluntary basis by the States (non binding principles and guidelines for a rights-based approach to labour migration⁴). It intends to contribute to the orderly management of the migratory process taking into consideration its effects on the source and host

⁴ <http://www.ilo.org/public/english/protection/migrant/download/tmmflm-sp.pdf>

countries, as well as the rights and duties of migrants. This framework has clear guidelines in the following areas:

1. Decent Work
2. Labour migration international cooperation
3. Global basis of knowledge
4. Efficient management of labour migration
5. Protection of migrant workers
6. Prevention of abusive migratory practices and protection against such abuse
7. Migratory process
8. Integration and social inclusion
9. Migration and Development

Annex I contains a list of international labour conventions and recommendations mentioned in the Multilateral Framework and Annex II provides examples of best practices for the nine areas listed above.

b) The general consent reached by the Heads of State and Government of the Americas in their Declaration of Mar del Plata concerning the protection of migrants irregardless of their immigration status (n. 26) and the promotion of decent work for migrant workers (n.27) and actions to reduce and discourage undocumented migration (n. 28). As has been pointed out by Secretary Salazar from Mexico: “The IV Summit of the Americas includes migrant workers in the agenda of the hemisphere ... (and therein) the topic of migration is considered as fundamental for the international relationships of

the countries of America.”⁵ The Mar del Plata Plan of Action proposes some lines of work (nn. 17s).

The Director General’s Report to the last Meeting of American States Members of the ILO contains a proposal for a Hemispheric Agenda to Promote Decent Work and as concerns international migration its objective by 2015 is to: *Improve the level of protection of migrant workers through the management of migrations.*

Bearing this in mind three goals are needed:

- Before 2010 to have a statistical information system on migrant workers to sustain the formulation of policies in this field.
- To make progress in using the general framework that the ILO must formulate upon the request of the International Labour Conference (ILC) and to ratify Conventions Nos. 97 and 143 in order to bring about an orderly management of the migratory process.
- Before 2010 all the migrant source and host countries must have a strategy and a plan of action for an orderly management of migration.

c) The issue of migrant labour has been included in different degrees in the Latin American and Caribbean integration process and there are some instruments. For instance, in Central America the Declaration of Tegucigalpa, June, 2005; in the Caribbean, the agreements of the XI Meeting of the Council for Human and Social Development of the Caribbean Community (CARICOM) of 2004; in the Andean Sub-Region, Decision 545 or the Andean Instrument of Labour Migration, June, 2003; and, finally the Social and Labour Declaration of MERCOSUR, December, 1998. These are useful intra-regional migration instruments; however only the declaratory mechanisms regarding extra-regional migration, which is by far the most important migration, have been foreseen.

⁵ Cancillería Argentina y OIT; *El Consenso de Mar del Plata. IV Cumbre de las Américas 2005. Análisis y Perspectivas*; Buenos Aires, 2006; pág. 29

The coordination of bi-lateral and multi-lateral agreements among source and host countries is imperative in order to address different aspects of migration and to harmonize provisions regarding migration, labour laws and codes in integration processes, in addition to improving the exchange of information on vacant posts and the demand for foreign worker skills.

d) The formulation of policies for decent work and development in coordination with the host countries is a major challenge. To this regard the Americas has good examples of commitments to respect the labour rights of migrant workers and to improve their employment conditions.

The Ministers of Labour signed a Joint Ministerial Declaration between Mexico and the United States of America concerning the labour rights of migrant workers (April, 2002) whereby they ratified their commitment to promote as much possible, within the sphere of their direct responsibility, the fulfillment of labour laws to protect all workers. In April, 2005, the Federal Government of Canada announced an initiative for skilled workers in the international scope and a commitment to improving the integration of migrants into the Canadian labour market. This initiative focuses on improving the integration of health sector professionals who have degrees that are recognized at an international level, to establish a programme to recognize foreign credentials, to develop an initiative to provide immigrants with language training, to design a website that provides information to people to wish to emigrate to Canada and to formulate a plan of action against racism.

Governments of the main source countries of migrant workers of the region should have a strategy and a plan of action that focus on the generation of decent work for migrants in coordination with the main host countries. On the one hand, these plans of action should bear in mind provisions for people who are indicted due to illegal activities, protection and assistance to the victims, and the coordination of the national and international investigations; on the other hand, activities to address the causes of the problem in the source

country and access channels to regular labour migration and decent work in these countries, bearing in mind the dimensions of gender, race or ethnic group. Moreover, policies that promote integration and social inclusion and that eliminate labour discrimination of migrant workers as well as measures to promote access to health care of migrant workers and their families and to fight against discrimination and xenophobia if necessary, should also be taken into account, amongst others.

With the exception of Canada, the United States and Mexico, as has already been mentioned, that have a tradition in the field of migratory processes research and attention to migrant workers, countries of the region are just beginning to formulate policies to manage migration and support national émigrés.

3. The medium and short term

Migration will continue to be important over the next decade. A number of structural factors will continue to promote migration among countries; amongst these, the modernization of communications and transportation with the subsequent reduction of transfer costs. The economic and psychological cost linked to migration will continue to dwindle. Moreover, the relative aging of the population of the most developed countries will generate a demand for workers in general, for instance, labour-intensive and highly specialized jobs.

- Migration towards the **US** will continue to be a fundamental issue for Latin America and the Caribbean and will continue to change their societies and host countries. Although migration could be slowed down in relative terms, the migratory flow will continue to be outstanding in absolute terms. By 2015 another 4 or 5 million Latin Americans could be added to those already living in the US. In that same year - due to the rate of its population growth - an estimated 3%, and to the migratory flows foreseen - the US could harbour a population of 60 million people with Hispanic roots. Consequently, more than 17% of the

total population will have a Latin background, an amount that will be equal to an estimated 10% of the total Latin American population.

- During the next ten years it is estimated that Latin America and the Caribbean will receive between 400 and 450 billion dollars in **remittances**, and this will truly stoke the fire of their economies.
- There are four types of **migration of talent**: the loss or flight, circulation, recovery and exchange of brains. Each category will become more acute over the next few years, generating challenges and opportunities for the development of the region. Skilled workers who return to their homelands (*brain recovery*) generate investment and employment, train and form competent labour. They often combine the formation of capital and the skills developed in the host country. Due to the current economic and political stability and to a certain critical mass of economic development reached by migrants recently, in the next few years a return migration to source countries is expected. Non-physical migration of skills will grow the most over the next years and this may retain talent.
- Migration from developed countries towards Latin America and the Caribbean due to demographic, climatic conditions and economic advantages are being recorded and it is expected to grow considerably over the next decade. Some of the millions of citizens of developed countries who retire each year are toying with the idea of taking up residence abroad. Latin America may discover that it can offer economic opportunities and generate employment. In Costa Rica for example, the **retired** represent a major portion of the 1.4 billion dollars spent by US citizens in that country each year. This amount could increase to 4 billion dollars, about 25% of the country's GDP. The wave of retired people generates synergies. Several countries, mainly Central American, are studying the potential benefits that stem from situation and are setting up systems to attract the elderly.

- In order to take advantage of the opportunities of globalization, as concerns accessing markets more efficiently and improving the level of productivity of their processes, companies are interested in relocating a part of or all of their business operations in an intelligent manner. The decision about where to set up business knows no geographic or geopolitical boundaries and depends upon two modalities: *outsourcing* y *offshoring*.⁶ Aside from logistical advantages, the cheapest price of labour is no longer a critical factor to localize a business but rather the availability of a skilled labour force with expertise and a specialized know how and skills that matches the job profiles in demand. Around the world China and India are the most attractive destinations for *offshoring* y *outsourcing* because they are large countries and have a competitive approach that will continue to attract direct foreign investment and situation will oblige the Caribbean and Latin America to take up the challenge to compete. *Software, call centers*, accounting and other administrative processing services, as well as technical support or client service, will continue to be in high demand. As concerns US or Canada as investment promotion sources or destinations the geographical proximity of Latin American and Caribbean countries place them in an advantageous position as compared to the rest of the world. Countries in the region that are not very close to the US practically share the same GMT. Therefore operations and/or logistics can be checked and controlled in real time. The Caribbean also has the advantage of sharing the same language. The growing numbers of Spanish speaking people in the US is a potential advantage for Latin America.

4. By way of conclusion

⁶ Outsourcing: Estrategia de negocios en la cual se encarga a un tercero el desempeño de funciones no estratégicas, dando un alto grado de efectividad en áreas en las que no conviene invertir tiempo que puede dedicarse a los aspectos críticos que le permiten ser competitiva. Offshoring: Reubicación de las funciones empresariales en un lugar o país distinto con la intención explícita de disminuir o aumentar la productividad. Por las características del proceso, implica decisiones de largo plazo.

Immigrants seek attractive labour markets; however only those who are better qualified can chose a destination that has a more favourable admittance policy and also offers better labour conditions and higher standards of living. Millions of Latin Americans and Caribbeans move to developed countries for economic reasons irregardless of the fact that they will earn 25% to 50% less than the citizens of the host country.

There is still a long way to go to achieve international rules that guarantee decent labour migration that respects workers' rights irregardless of their migratory status.

In addition to this there is also much to be done to enable remittances sent by migrants to their source countries to be exploited in their full potential.

Remittances and immigration are two sides to the same coin – the mobilization of people - that has acquired a new profile in globalization and, as any human reality, has its good and bad points that must be pondered adequately.

In any case, the reception of this meeting is an indication of the level of attention given by the Americas to the movement of our fellow country men and women who go to other societies to get jobs and get ahead in life.