

# ***Labor Migration Policies in the Americas***

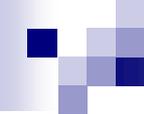
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- **Presentation drawn from a study on  
`International Labor Mobility in the Pacific  
Americas – Issues, Policies and Implications  
for Cooperation`**
  - **Study carried out for the PECC in 2008 and  
presented to APEC; published in volume on  
*Labour Mobility in the Asia-Pacific Region*,  
ISEAS Publishing**
  - **PECC members: Canada; U.S.; Mexico;  
Chile; Colombia; Peru**

## Overview

**Two types of countries in the Americas with respect to labor movement:**

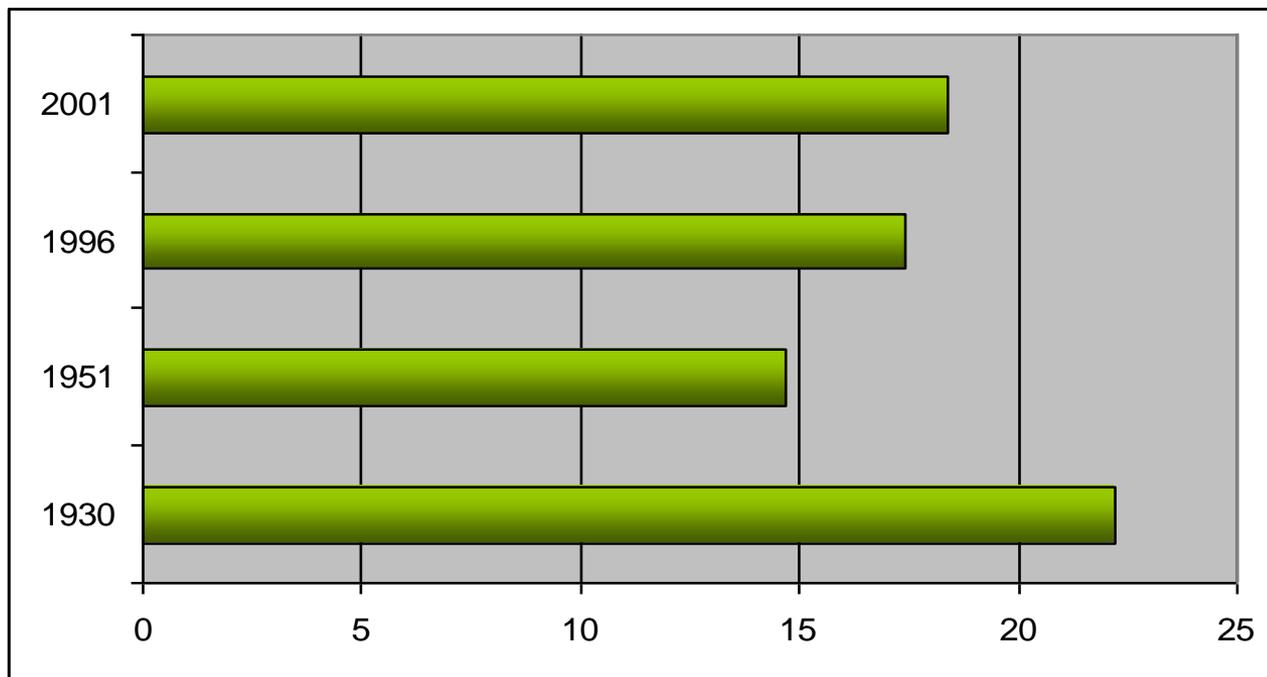
- **Labor recipient countries (Canada; United States)**
- **Labor sending countries (Mexico; Colombia; Peru; Chile)**

**Experiences with migration differ according to this perspective**

# *Labor Recipient Countries (Canada)*

## **Magnitude of inward migration**

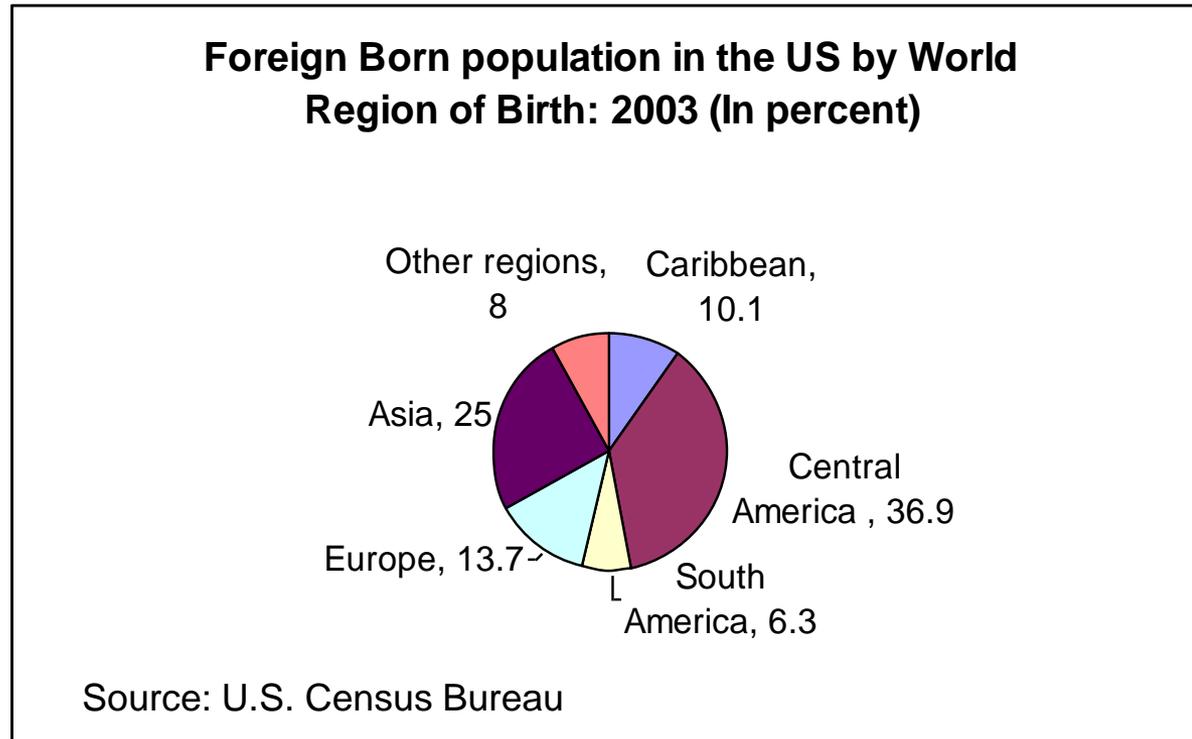
- ✓ Foreign born population represented 18.4% of the Canada population in 2002 (both permanent & temporary migrants)



Source: Statistics Canada

# *Labor Recipient Countries (U.S.)*

Foreign born population represented 11.7% of the U.S. population in 2003 (and 15% of the work force)



# Migratory Flows in the Americas

- Migrants represented 13.5% of total population of Canada & U.S. In 2005 but only 1.2% of population of Latin America
- Primarily South to North phenomenon
  - 87% of all migration flows are from South America, Central America, Mexico and the Caribbean to the U.S. and Canada
  - 13% of migration flows are between LAC

## Can we distinguish temporary from permanent immigrants?

- ✓ **Trade agreements do, but immigration officials often blur these categories**
- ✓ **Not always separated in statistics, so the number of temporary immigrants often mixed with the number of permanent foreign residents**

## Inward and Outward Migration Trends and Magnitudes in the Americas

Country	% Foreign population	Migrants as % population	Growth in inward migration	Growth in outward migration
Canada	18.4%			
United States	11.7%			
Mexico		19.0%		
Colombia		8.0%		
Peru		12.5%		
Chile		5.2%		

# ***Reasons behind Labor Movements in the Americas***

- **For labor receiving countries**
  - Previous strong dynamism of U.S. & Canadian economies creating labor shortages in all areas
  - Need for people to carry out 3D jobs but also for skilled professions – both end of labor spectrum
  - Demographics: lower birth rates; aging populations; labor deficit

# ***Reasons behind Labor Movements in the Americas***

- **For labor sending countries**
  - Economic incentives first and foremost (better job opportunities; higher salaries)**
  - Family reasons second; large network of relations in host country to draw upon**
  - Demographics third: population pressure at home (more than 50% under 15 years of age in Mexico, Colombia and Peru)**

# ***Policies Relevant to the Movement of Labor : US VISA Policies***

- **Several categories for TEMPORARY IMMIGRANT VISAS**
  - E visa for traders and investors (bilateral treaties)
  - H1-B for specialty workers (capped at 65,000 /year)
  - H2-A for agricultural workers;                      --O for talent
  - H2-B for other seasonal workers;                      --P for artists
  - L for intra-company transfers;                      --Q for cultural
  - J for exchange scholars;                      --R for religious, etc.
- **Temporary working visas more than doubled from 1997 to 2006, from 212,000 to 454,000 (Asia largest single source)**

# ***Policies Relevant to the Movement of Labor : CANADIAN VISA Policies***

- **No separate category for TEMPORARY MIGRANTS**
  - Business Visitors**
  - Intra-company Transferees**
  - Work Permits**
  - IT Worker Program;   --Students (off-campus work)**
  - Low-skilled Worker Program**
  - Agricultural Worker Program**
- **All Work Permit Visas need the LMO (LABOR MARKET OPINION) before approval is given**

## **Mexico: Instituto de los Mexicanos en el Exterior**

- ✓ **The “Instituto de los Mexicanos en el Exterior”, (Institute for Mexicans Abroad, part of Mexico's Secretariat of Foreign Affairs) was created 2002 to promote strategies aimed at improving the standards of living of Mexicans abroad; over 100 consular offices for Mexicans in U.S.**
- ✓ **Law on Migratory Policy but needs to be updated**
- ✓ **Ongoing bilateral discussions with the US since 2001 on immigration reform and possibility of a shared agreement on migration policy**

# Colombia: “Colombia Nos Une” Program

- ✓ **“Colombia Nos Une” Program was created in 2003**  
**Responsible for:**
  - **Managing and coordinating actions for Colombians abroad and strengthening home ties**
  - **Coordinating the “Comprehensive Migration Policy”**
- ✓ **Colombia also created the “Temporary and Circular Labor Migration” Program to facilitate temporary employment abroad for 6 to 9 months; program regulated and approved by both origin and destination countries**

## Peru: “Ley de Incentivos Migratorios”

- ✓ In 2004, Peru enacted the “Ley de Incentivos Migratorios” (Law on Migration Incentives) with the aim at promoting the return of Peruvians living abroad; includes tax incentives and mechanisms to facilitate the incorporation of returning Peruvians in professional and economic activities in the country
- ✓ “Mi Vivienda” (My Home) Program provides financial incentives for returning Peruvians to purchase homes in Peru through their remittances

# Chile: Policy towards migration

- **No specific legislation for migrants**
- **Restriction in Chile on hiring – no more than 15% of foreigners can be employed by firms**
- **22 bilateral agreements on social security to ensure pension portability with countries of Latin America and Spain; scheme signed at the XVII Iberoamerican Meeting of Presidents in November 2007**

## Summary of Government Policies towards Migration in the Americas

Country	Active stance on immigration	Cautious stance on immigration	Active stance on outward migration	No policy on migration
Canada	✓			
United States		✓		
Mexico			✓	
Colombia			✓	
Peru			✓	
Chile				✓

# *Main Impediments to International Movement of Labor*

**Viewed primarily as being on the side of the recipient countries**

➤ **For UNITED STATES**

**--Hardened stance towards immigration**

➤ **--Reluctance to increase number of H1-B visas**

➤ **For CANADA**

**--Each request for temporary visa considered against criteria for permanent residence status**

**--Requirement to obtain “labor market opinion”**

**--Time to process requests, on average 6 to 7 months**

# ***Benefits and Costs of Labor Migration***

## **From recipient country point of view**

- **Benefits: Receipt of fresh talent and skills to add to labor pool; stimulus to economic growth; Fills gap in labor shortage and adds flexibility to labor market; Fiscal impact: U.S. takes more in taxes from immigrants than it provides in social services**
- **Costs: Downward pressure on wages of less skilled strata from influx of low-skilled labor; Greatest adverse impact on native low-skilled workers and other immigrants**

## From sending country point of view

- **Benefits: REMITTANCES (significant economic benefit for nearly all Latin American countries); Training of work force abroad; Return of better qualified labor**
- **Costs: BRAIN DRAIN significant for some countries - loss of semi-skilled and skilled professionals after cost of formation; Export of “best and brightest”**



# ***Scope of Policy Cooperation on Labor Migration in the Americas***

## **Forms of existing cooperation**

- A. Provisions of Free Trade Agreements (FTAs)**
- B. Bilateral Agreements for Temporary Worker Programs**
- C. MOUs to protect Migrant Rights**
- D. Pension Portability Agreements**

# Free Trade Agreement Provisions

- **MAIN FOCUS: PROFESSIONALS AND SKILLED WORKERS**
- **NAFTA pioneer 1994: Chapter Sixteen on “Temporary Entry for Business Persons” : covers 5 categories of traders, investors, business visitors, intra-corporate transferees and professionals (list in Annex)**
- **Mechanism to discuss facilitation of Professional Workers set out in Annex in U.S. FTAs with Canada, Mexico (NAFTA); Chile; DR-CAFTA; Peru; Colombia**

# Free Trade Agreement Provisions

- **Same NAFTA format in FTAs negotiated by Canada, Mexico and Chile**
- **Examples: Canada-Chile FTA; Canada-Peru FTA; Chile-Mexico FTA; Chile-Central America FTA; Mexico-Central America FTA**
- **In Peru-Canada FTA, categories of ``temporary entry` broadened to include certain types of technical workers**

## **Additional Quotas for Labor Movement negotiated in FTAs signed by United States**

- **NAFTA: TN Visa; uncapped for both Canadians and Mexicans – employment with unlimited renewal**
- **Chile FTA: H-1B1 visa ; capped at 1,800 professionals**
- **Singapore FTA: H-1B1 visa ; capped at 5,400**
- **Australia FTA: E-3 visa; capped at 10,500professionals**

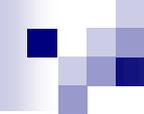
**BUT: No provisions on labor mobility or quotas included in more recent FTAs with DR-CAFTA, Peru, Colombia or Panama**

## **Bilateral Labor Agreements**

- **Focus on semi-skilled and unskilled workers**
- **Sector and region specific**
- **Programs attractive : flexible; short-term**
- **Examples of Bilateral Labor Agreements:  
Canada-Caribbean (agriculture); Colombia-Spain (agricultural workers); Colombia-Canada (food-packing)**
- **Temporary Foreign Worker Programs**

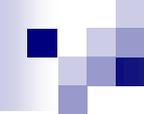
# ***Concerns about Labor Migration/ Policy in the Americas***

- **Hardening of immigration policy in U.S.**
- **Inability to conclude a bilateral agreement on migration (Mexico)**
- **Impact of long-term outward migration of highly qualified professionals (Peru; Colombia)**
- **Length of visa processing procedures & LMOs (Canada)**
- **Chronic shortage of skilled and unskilled workers (Canada and the United States) and inability of current migration policies to respond to these**



## ***Recommendations for Improving Policies related to Labor Migration***

- **Establish Training Programs for Migrant Workers; certification of skills; language**
- **Develop Agreements on Pension Portability**
- **Eliminate Quantitative Ceilings on the Hiring of Foreign Workers**



## ***Recommendations for Improving Policies related to Labor Migration***

- **Compile and Exchange more complete Information on Migrants and Migration Flows**
- **Develop a Model for Bilateral Agreements to Foster Temporary Movement of Lower-skilled Workers**
- **Exchange ‘Best Practices’ for Implementation of Temporary Worker Programs**