



# Latin American and Caribbean Migration from Weak and Failing States

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## I. A Growing Pattern and a Larger Problem: State Fragility and Poor Economic Growth in the Americas

International human mobility from the Americas has increased dramatically to at least 40 million people in 2018, from 23 million in 2000. These migration flows respond to global demands for low-skilled foreign labor. They also respond to political challenges related to state fragility.

The scope of this phenomenon is considerable. There are more than 80 million transnational households, including some forty million migrants living in the U.S., Spain, Canada and elsewhere in Latin America and the Caribbean, coupled with roughly forty million families of migrants living at home in the region. These connections impact and benefit both home and host countries' economies. Among the many impacts of migration, the most well-known are remittances, which in 2018 represented over US\$84 billion dollars to the region. Furthermore, year-over-year remittances continue to grow.

Table 1: Family Remittances to Latin America and the Caribbean in 2018 (USD) – Categorized

| Countries                       | 2018 Remittances | Remittance growth |              |               | GDP Growth   | Remittances / GDP |
|---------------------------------|------------------|-------------------|--------------|---------------|--------------|-------------------|
|                                 |                  | 2016              | 2017         | 2018e         |              |                   |
| <b>Total selected countries</b> | <b>84,650</b>    | <b>7.90%</b>      | <b>8.20%</b> | <b>10.20%</b> | <b>1.90%</b> | <b>2%</b>         |
| <b>Fragile / Unstable **</b>    |                  |                   |              |               |              |                   |
| Haiti                           | 3,324            | 7%                | 20%          | 17.20%        | 1.60%        | 39%               |
| Colombia                        | 6,339            | 5%                | 13%          | 15.30%        | 2.70%        | 2%                |
| Guatemala                       | 9,288            | 14%               | 14%          | 13.40%        | 2.70%        | 12%               |
| Honduras                        | 4,751            | 5%                | 12%          | 10.40%        | 3.60%        | 20%               |
| El Salvador                     | 5,469            | 7%                | 10%          | 8.50%         | 2.80%        | 21%               |
| Nicaragua                       | 1,501            | 6%                | 10%          | 7.90%         | -3.80%       | 11%               |
| <b>Others</b>                   |                  |                   |              |               |              |                   |
| Brazil                          | 2,565            | 9%                | -3%          | 11.50%        | 1.20%        | 0%                |
| Mexico                          | 33,470           | 9%                | 12%          | 10.50%        | 2.10%        | 3%                |
| Dominican Republic              | 6,494            | 6%                | 12%          | 9.80%         | 5.80%        | 8%                |
| Ecuador                         | 3,030            | 9%                | 9%           | 6.70%         | 1.00%        | 3%                |
| Peru                            | 3,225            | 6%                | 6%           | 5.70%         | 3.90%        | 1%                |
| Panama                          | 457              | -10%              | 4%           | 2.90%         | 4.00%        | 1%                |
| Jamaica                         | 2,346            | 3%                | 1%           | 1.80%         | 1.70%        | 16%               |
| Bolivia                         | 1,370            | 2%                | 7%           | -1.60%        | 4.50%        | 3%                |
| Paraguay                        | 569              | 19%               | 7%           | -3.00%        | 4.00%        | 1%                |
| Costa Rica                      | 531              | 0%                | 3%           | -6.00%        | 2.70%        | 1%                |

Source: Remittances to Latin America and the Caribbean in 2018. Orozco, Porras, and Yansura, The Dialogue, 2019. \*\* Not available for Venezuela or Cuba

Some the highest level of remittance growth occurs among fragile and unstable countries.<sup>1</sup> Analyzing migration flows sheds light on this point. This article takes a look at recent migration patterns, with a special emphasis on migration from Central America, Venezuela, Haiti,

<sup>1</sup> Although Mexico has also grown significantly, we also know this growth is not necessarily associated with an increase in migrants.

and Cuba. It concludes by presenting several options for policy reform.

When analyzing current migration flows, two key trends emerge. First, the rise in migration is coming from a handful of countries, many of which face severe political problems related to state fragility and poor economic development. Second, intra-regional migration has grown in absolute numbers since 1990, and has at least doubled from 2000 to 2017.

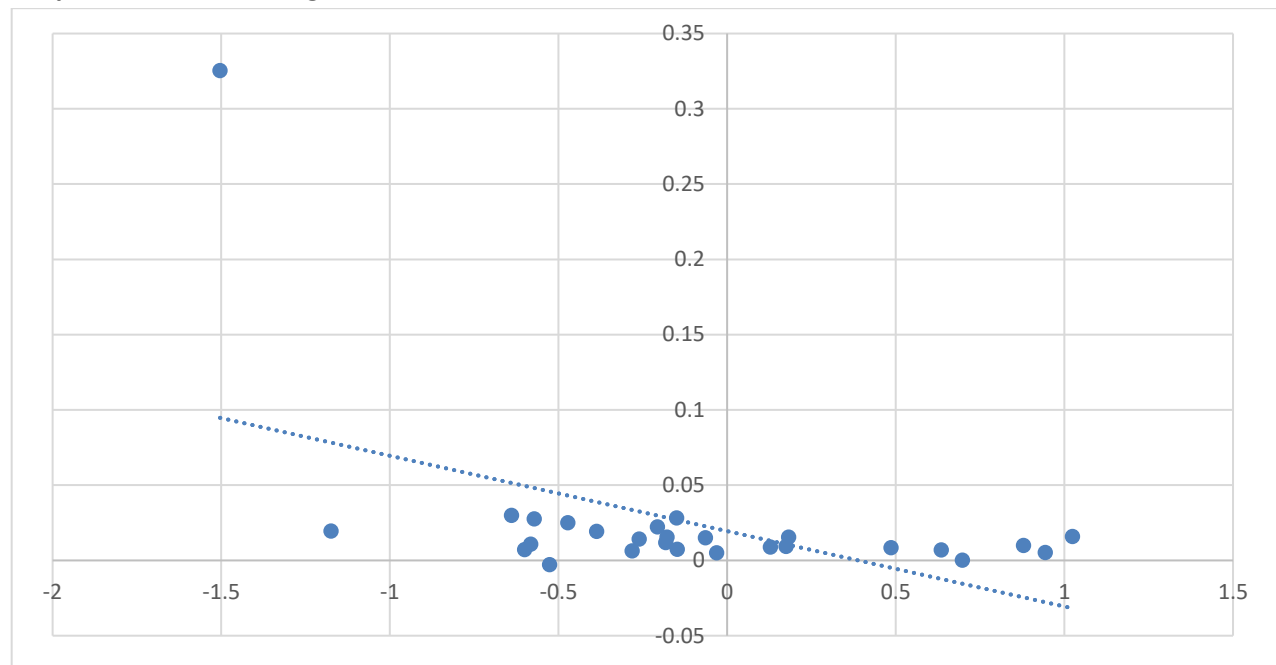
**Table 2: Latin American and Caribbean Migration, 2000-2017**

|                            | 2017      | 2010       | 2005       | 2000       |
|----------------------------|-----------|------------|------------|------------|
| Colombia                   | 2,736,230 | 2,518,915  | 1,880,422  | 1,434,868  |
| Cuba                       | 1,558,312 | 1,310,867  | 1,160,652  | 1,049,902  |
| El Salvador                | 1,559,924 | 1,337,703  | 1,118,900  | 949,091    |
| Guatemala                  | 1,117,355 | 924,525    | 736,531    | 578,503    |
| Haiti                      | 1,364,492 | 1,119,612  | 971,633    | 803,880    |
| Honduras                   | 722,430   | 587,662    | 449,102    | 342,259    |
| Nicaragua                  | 689,978   | 610,957    | 436,584    | 502,147    |
| Venezuela                  | 3,000,000 | 556,641    | 437,280    | 320,040    |
| Fragile/Unstable Countries | 2,748,721 | 8,966,882  | 7,191,104  | 5,980,690  |
| LAC                        | 9,726,446 | 34,230,284 | 28,907,723 | 24,340,655 |
| Fragile as a %             | 32%       | 26%        | 25%        | 25%        |
| Fragile States YOY Growth  | 4.7%      | 4.5%       | 3.8%       | 3.1%       |
| LAC Year on Year Growth    | 2.1%      | 3.4%       | 3.5%       | 4.6%       |

Source: *Costa Rica*, [http://migracion.go.cr/integracion\\_desarrollo/Diagnostico%20Contexto%20Migratorio%20de%20Costa%20Rica%202017.pdf](http://migracion.go.cr/integracion_desarrollo/Diagnostico%20Contexto%20Migratorio%20de%20Costa%20Rica%202017.pdf); UNDESA; <https://www.laprensa.hn/honduras/1210397-410/puede-honduras-brindar-tps-venezolanos-crisis-humanitaria>; *Panama*: <https://www.migracion.gob.pa/inicio/estadisticas>; Chile: <https://gestion.pe/mundo/chile-otorgara-visa-especial-venezolanos-huyen-del-gobierno-maduro-231056>; [https://es.wikipedia.org/wiki/Inmigraci%C3%B3n\\_haitiana\\_en\\_Chile](https://es.wikipedia.org/wiki/Inmigraci%C3%B3n_haitiana_en_Chile); Colombia: [https://robuenosaires.iom.int/sites/default/files/Informes/Tendencias\\_Migratorias\\_Nacionales\\_en\\_Americas\\_Venezuela\\_EN\\_Julio\\_2018\\_web.pdf](https://robuenosaires.iom.int/sites/default/files/Informes/Tendencias_Migratorias_Nacionales_en_Americas_Venezuela_EN_Julio_2018_web.pdf); <https://www.lafm.com.co/colombia/en-medio-de-la-crisis-cuantos-venezolanos-hay-en-colombia>

**The Challenge of State Fragility**— Migration has grown since 2010 and is directly associated with political fragility and instability taking place in at least eight countries: Colombia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Venezuela. These countries exhibit major political challenges which in most cases approach state failure or poor rule of law. There is a negative relationship between the growth in migration in the region and state governance (a measure of fragility). As performance in governance deteriorates, migration growth increases from those countries that are most affected by state fragility.

**Graphic 1: Growth of Migration and Governance in Latin America and the Caribbean**



Source: World Bank Governance Indicators; World Bank Governance Indicators (the indicators are measured in a scale of -2.5 to 2.5, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1682130##](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1682130##)); Growth of migration measured by the change over time 2010-2017, data obtained from UNDESA.

Migrants from these fragile states amount to nearly 13 million people, or nearly 40% of all Latin American migration of any kind. Moreover, over seventy percent of migrants from these countries are hosted by the U.S., Colombia, Chile, Dominican Republic, Ecuador, Costa Rica, and Brazil.

Despite warnings from international groups regarding the emergence of forced or politically-related migration, human mobility has been a topic that is largely been neglected if not ignored for more than a decade by countries in the Western Hemisphere.

The current situation presents numerous risks and challenges. Instability is forcing people out and causing hardship for at least 13 million families, affecting their wellbeing as well as the personal safety of 50 million people. Among the consequences of mobility and separation are political, economic, and security problems.

As more people leave, options for political improvement diminish because many of those migrating had constituted a backbone for political change. Moreover, politically motivated migration is accompanied with economic insecurity and crisis in several countries, including Haiti, Nicaragua and Venezuela.

**Table 3: Migration from Fragile or Unstable Countries (2017)**

| Migrants from             | Brazil  | Chile    | Costa Rica | Colombia | Dom. Rep | Ecuador | Panama  | United States | All countries | Share |
|---------------------------|---------|----------|------------|----------|----------|---------|---------|---------------|---------------|-------|
| Colombia                  | 8,395   | 146,582  | 26739      | ..       | 3,687    | 200,539 | 98,253  | 753,847       | 2,736,230     | 47%   |
| Cuba                      | 2,544   | 3,173    | 5,791      | 1,945    | 3,927    | 3,083   | 2,917   | 1,251,037     | 1,558,312     | 83%   |
| El Salvador               | 279     | 242      | 13,984     | 409      | 273      | 537     | 3,330   | 1,392,663     | 1,559,924     | 94%   |
| Guatemala                 | 357     | 236      | 2,676      | 490      | 438      | 442     | 1,658   | 975,504       | 1,117,355     | 89%   |
| Haiti                     | 10,000  | 179,338  |            | 122      | 336,729  | 98      | 559     | 671,499       | 1,364,492     | 87%   |
| Honduras                  | 155     | 249      | 3,947      | 376      | 433      | 482     | 1,553   | 597,647       | 722,430       | 85%   |
| Nicaragua                 | 449     | 249      | 340,298    | 611      | 298      | 403     | 13,335  | 275,909       | 689,978       | 93%   |
| Venezuela                 | 57,000  | 288,233  | 39,000     | 870,000  | 5,539    | 200,000 | 79,990  | 351,144       | 3,000,000     | 74%   |
| Selected countries        | 79,179  | 614,153  | 432,435    | 873,953  | 351,324  | 405,584 | 201,595 | 6,269,250     | 12,048,721    | 76%   |
| Latin America & Caribbean | 286,092 | 1251,225 | 458,237    | 911,290  | 359,347  | 447,254 | 239,173 | 23,362,654    | 39,026,446    | 71%   |
| Share                     | 28%     | 45%      | 94%        | 96%      | 98%      | 91%     | 84%     | 27%           | 31%           |       |

Source: same as table 1. As of 2018 there are over 700,000 Venezuelans in Peru.

Countries with state fragility and high levels of emigration exhibit important development challenges and share some important characteristics.

One of the most important shared traits is visible in the presence of economic models based on labor-intensive activities in agriculture or low value-added resources, within highly informal economies. They are also countries with largely unskilled labor forces.

The table below examines some of these characteristics. For the most part, these countries are classified as low performing (with some like Haiti, being dangerously low performing). These are also economies that exhibit decreasing labor productivity among the more remittance-dependence countries and greater dependence on agriculture.

**Table 4: Characteristics of Fragile States**

|                          | Fragile States Index (Score Average) | Agriculture ss % of GDP | Labor Productivity | Trade as % of GDP | Rural share of population |
|--------------------------|--------------------------------------|-------------------------|--------------------|-------------------|---------------------------|
| Not remittance dependent | 50                                   | 5                       | 50,864             | 0.35              | 20                        |
| Under 1% of GDP          | 70                                   | 13                      | 12,615             | 0.37              | 48                        |
| Between 1 and 3% of GDP  | 74                                   | 17                      | 10,875             | 0.44              | 50                        |
| Between 3 and 5% of GDP  | 66                                   | 16                      | 8,331              | 0.45              | 53                        |
| Over 5% of GDP           | 70                                   | 16                      | 7,463              | 0.36              | 51                        |

Source: World Bank (agriculture, labor force, rural population and foreign trade indicators); The Fragile State Index uses a score that ranges from 120 to 10 and countries are classified as dangerously fragile (over 100), fragile (80-99), weak performing (60-80), performing above average (37-60), better performing (under 36). Fragile states: Fragile States Index, Fund for Peace, 2016.

Migration is being driven by several key factors, some of which are at the core of underdevelopment, including poorly performing economies, insecurity and, in some cases, natural disasters.

**Table 5: Macroeconomic Indicators for Selected Latin America and the Caribbean (2016, as % of GDP)**

| País                 | Maquila | Remittances | Tourism | Energy/<br>Oil | Agr.<br>Expt. | Mining | Share<br>Of<br>GDP | Labor<br>Force in<br>Informal<br>Economy | Labor<br>Force<br>in<br>Agric. |
|----------------------|---------|-------------|---------|----------------|---------------|--------|--------------------|--|--------------------------------|
| Haiti                | 5%      | 23%         | 7%      | 0%             | NA            | NA     | 42%                | 52%                                      | 47%                            |
| El Salvador          | 10%     | 17%         | 5%      | 2%             | 6%            | 0%     | 40%                | 69.5%                                    | 19%                            |
| Honduras             | 10%     | 17%         | 3%      | 2%             | 22%           | 1%     | 55%                | 80.3%                                    | 30%                            |
| Jamaica              | NA      | 16%         | 16%     | 3%             | 2%            | 1%     | 38%                | 38.8*%                                   | 18%                            |
| Guyana               | NA      | 11%         | 3%      | 2%             | 26%           | 13%    | 55%                | 40%                                      | 19%                            |
| Guatemala            | 5%      | 10%         | 3%      | 2%             | 15%           | 2%     | 37%                | 80.1%                                    | 32%                            |
| Nicaragua            | 11%     | 10%         | 4%      | 2%             | 22%           | 3%     | 52%                | 88*%                                     | 25%                            |
| Dominican Rep.       | 8%      | 7%          | 9%      | 9%             | 4%            | 2%     | 39%                | 55.5%                                    | 13%                            |
| Bolivia              | NA      | 5%          | 2%      | 2%             | 6%            | 11%    | 26%                | 84.1%                                    | 30%                            |
| Ecuador              | NA      | 2%          | 1%      | 1%             | 9%            | 9%     | 22%                | 61%                                      | 25%                            |
| Paraguay             | NA      | 2%          | 1%      | 7%             | 20%           | 0%     | 30%                | 72.2%                                    | 20%                            |
| Colombia             | NA      | 1%          | 1%      | 3%             | 2%            | 8%     | 15%                | 61.7%                                    | 14%                            |
| Costa Rica           | 10%     | 1%          | 6%      | 2%             | 8%            | 0%     | 27%                | 42.4%                                    | 12%                            |
| Peru                 | NA      | 1%          | 2%      | 2%             | 5%            | 10%    | 20%                | 68.7%                                    | 25%                            |
| Trinidad &<br>Tobago | NA      | 1%          | 0%      | 1%             | 0%            | 31%    | 33%                |  | 4%                             |
| Surinam              | NA      | 0%          | 2%      | 2%             | 1%            | 7%     | 12%                |  | 3%                             |
| Venezuela            | NA      | 1%          |         | 10%            |               |        | 11%*               |  |                                |

Source: Central Banks of each country. Atlas of Economic Complexity, MIT. \*As of 2018 oil exports represented 40% of GDP, after the economy collapsed and yield only 100 billion.

However, transnational linkages and the demand for foreign labor are also key factors explaining migration. Economic development problems create the conditions for sustained migration.<sup>2</sup> In places where low productivity exists but no demand for foreign labor or transnational family linkages are present, for example, migration will tend to be minimal

## II. Migration in the Americas: Three Cases

In the following sections, we take a closer look at migration trends in three examples that showcase current trends: Central America (subdivided between the Northern Triangle and the Southern region, which have different dynamics), the Venezuelan case, and migration in the Caribbean. On the last part, we also take a look at specific recommendations to address migration.

### 1. Recent Trends in Central American Migration

From 2000 to 2017, the number of Central American migrants practically doubled, from 2.6 million people to 4.3 million people.

To better understand this phenomenon, it's helpful to divide the region into two smaller sub-regions: the so-called Northern Triangle, which includes Guatemala, Honduras and El Salvador, and the Southern region, which includes Nicaragua, Costa Rica, and Panama.

<sup>2</sup> See for example, Orozco, Manuel and Julia Yansura, *Centro America en la Mira: la migración en su relación con el desarrollo*, Teseo, 2016.

Migration patterns can be understood within the context of overall trends in these sub-regions. The Northern Triangle is considered a region exceedingly affected by the ravages of violence associated with dense waves of transnational organized crime, particularly narco-trafficking, with migration occurring as a result. The second region is mostly defined by intra-regional migration networks, with Costa Rica and Panama acting as labor importing countries for Nicaraguans working in domestic labor, security, transportation, and construction activities (particularly in the case of Panama).

**Table 6: Geographic Destination of Central American Migration (2017)**

| Country of Origin | Destination Countries and Regions |     |            |     |                       |        |               |
|-------------------|-----------------------------------|-----|------------|-----|-----------------------|--------|---------------|
|                   | United States                     |     | Costa Rica |     | Other Central America |        | Total - World |
|                   | (#)                               | (%) | (#)        | (%) | (#)                   | (%)    | (#)           |
| Costa Rica        | 90,455                            | 63% | -          | -   | 23,161                | 17.8%  | 143,465       |
| El Salvador       | 1,392,663                         | 89% | -          | -   | 61,177                | 4.0%   | 1,526,093     |
| Guatemala         | 975,504                           | 87% | -          | -   | 79,790                | 7.6%   | 1,049,865     |
| Honduras          | 597,647                           | 83% | -          | -   | 54,778                | 8.3%   | 659,606       |
| Nicaragua         | 275,909                           | 42% | 340,298    |     | 41,996                | 51.90% | 658,203       |
| Panamá            | 114,181                           | 76% | -          | -   | 17,235                | 11.5%  | 149,220       |
| Central America   | 3,446,359                         | 80% |            |     | 576,326               | 14%    | 4,350,597     |

Source: United Nations, Department of Economic and Social Affairs. Population Division (2017). Trends in International Migrant Stock: The 2017 revision (United Nations database, POP/DB/MIG/ Stock/Rev.2017).

#### a) Drivers of Migration from the Northern Triangle

Central American migration, particularly from the Northern Triangle countries, underwent changes in the post-2009 period, in large part due to increased insecurity coming from transnational organized crime. The slow economic recovery, the effect of the military coup in Honduras, as well as the expansion of youth gang violence and narcotrafficking networks in El Salvador and Guatemala had broad and devastating effects on emigration. To understand the increase in migration, it is important to understand what has driven it.

Waves of severe violence and insecurity associated with an ecosystem of organized crime networks have informed decisions to emigrate. A larger number of people have sought to leave their home countries, including many applying for political asylum, to escape persecution from narco-trafficking networks, gangs, or extortion rings. For example, in a 2014 study of Salvadorans, at least 20% expressed interest in emigrating, particularly among those between the ages of 18 and 24, and 28% stressed that insecurity was the primary reason.

Insecurity is not accidental; the Northern Triangle is affected by violent crime and extortions that intimidate people and push them out of their communities and their country. Since the mid-2000s, for example, there have been between 40 and 38 homicides a day for the three countries



combined. They are accompanied by thousands of cases of extortion a year, and the intimidation and turf wars of an estimated 100,000 youth gangs (over half in El Salvador).

**Table 7: Daily Homicides in the Northern Triangle**

| Country     | 2009 | 2016 | 2017 | 2018 <sup>a</sup> | Youth Gangs | Extortion                                  | Political Landscape   |
|-------------|------|------|------|-------------------|-------------|--|---|
| El Salvador | 12   | 14   | 11   | 11                | 60,000      | 42% of small businesses                    | Highly polarized, including human rights violations                       |
| Guatemala   | 18   | 12   | 12   | 10                | 15,000      | At least 3 reported extortion cases a day. | Government on the brink of collapse from chronic political corruption     |
| Honduras    | 14   | 14   | 10   | 13                | 36,000      |  | Contested elections with questions of legitimacy, human rights violations |

Source: government data, news stories (for extortion).

In addition to insecurity, economic factors are also central to this situation. Within a macroeconomic context, Central American economies are split between two poles of growth and wealth generation, with a ‘missing middle.’ First, the growth in the region has been driven by its dependence on the global economy, specifically on merchandise exports (predominantly agriculture and “maquilas”) and tourism (much of which comes from the diaspora itself). In terms of merchandise exports, less than 20 products accounts for more than 60% of exports by 50 top companies, which in turn employ only a fraction of the total labor force.<sup>3</sup>

The second pole of growth is linked to migration. Remittances, nostalgic trade,<sup>4</sup> diaspora tourism and other services represent nearly 20% of GDP, on average. Remittances alone amounted to \$17 billion in 2015 and represented over 50% of household income in some 3.5 million households in the region. Moreover, remittance recipient households have a total stock of savings of over US\$ 3 billion, the majority in informal, “under the mattress” savings.

In fact, between these poles is a vast informal sector, comprised of more than two thirds of the labor force and the business sector together. It is euphemistic to talk about a private sector in Central America when most of these enterprises are one-person businesses that make less than two minimum wages in revenue but earn only one. In turn, low income levels are the byproduct of an economic model based on agriculture or other low-performing products that rely on unskilled, uneducated and underpaid labor.

Therefore, the consequences of an obsolete growth model, accompanied by high rates of informal work, as well as the significant security issues previously described, have triggered emigration.

<sup>33</sup> <http://www.thedialogue.org/blogs/2016/02/a-new-strategic-approach-for-el-salvadors-economic-development-challenges/>

<sup>4</sup> In many cases, the diaspora purchases home-country products -- such as food, beverages, clothing or handicrafts -- while they are living abroad. This is known as the “nostalgic trade.”

**Table 8: Sources of Economic Growth in the Region**

| Indicator  | El Salvador | Guatemala | Honduras | Nicaragua |
|--|-------------|-----------|----------|-----------|
| Global economic integration indicators as percent of GDP |             |           |          |           |
| Remittances  | 17%         | 10%       | 17%      | 10%       |
| Maquila (outsourcing economy in free trade zones)        | 10%         | 5%        | 10%      | 10%       |
| Tourism  | 4%          | 3%        | 4%       | 4%        |
| Agricultural exports                                     | 6%          | 15%       | 22%      | 22%       |
| Energy/ Oil  | 2%          | 2%        | 2%       | 3%        |
| Mining   | 0%          | 2%        | 1%       | 3%        |
| Share of six sources                                     | 40%         | 40%       | 55%      | 52%       |
| Merchandise Exports                                      | 21%         | 19%       | 42%      | 44%       |
| Exports of Goods & Services                              | 26%         | 24%       | 48%      | 42%       |
| Labor force indicators                                   |             |           |          |           |
| Labor Force - % Informal Workers                         | 67%         | 78%       | 75%      | 70%       |
| Labor Force - % Skilled Workers                          | 27%         | 25%       | 32%      | 11%       |
| Population with Higher Education                         | 11%         | 6%        | 7%       | 10%       |
| Labor force in informal economy                          | 70%         | 80%       | 80%      | 11%       |
| Labor force in agriculture                               | 19%         | 32%       | 30%      | 10%       |

Sources: For Growth, World Bank Data. For Labor Force, “Evolución de los principales indicadores del mercado de trabajo en Centroamérica y República Dominicana, 2006-2010,” ILO, 2011. For economic indicators, see Atlas of Economic Complexity.

A statistical analysis of municipal-level data for the Northern Triangle countries confirms the importance of both insecurity and economic factors as triggers of out-migration. Specifically,

- In Honduras, a 1% increase in homicides drives migration by 120%; increases in the size of economic informality drive migration by 12%;
- In Guatemala, a 1% increase in homicides drives migration by 100%; increases in economic informality drive migration by 4% and a decline in human development index increases migration by 5%;
- In El Salvador, homicides drive migration by 188% and economic informality by 27%;

A similar pattern was found between the migration of minors and violence in the three countries. These trends have continued in 2016 and 2017. Surveys of migrants in 2016 and 2017 show that 20-30% of Central American respondents cited insecurity as a reason for having left their country.<sup>5</sup>

Another driver of migration is the US demand for foreign labor. Central American migrants meet

<sup>5</sup> Orozco, Inter-American Dialogue. Surveys to Central American migrants in 2016 and 2017.

an important demand for certain low-skilled or labor-intensive sectors of the US economy, particularly construction, domestic work, and food and hospitality services. For example, one important sector of growth for the US economy is in real estate and construction. Only 4% of US labor force works in this sector. However, more than 25% of migrants work in construction and may represent at least one third of workers in that industry. A similar case is that of female domestic workers. Though only about 2% of the US labor force works in domestic labor, about a third of migrants work in this sector.

Moreover, foreign labor represents important savings vis-à-vis the native-born labor force, and in the context of a low unemployment rate, the demand for these workers is even greater.

#### b) The Southern Region: Migration of Nicaraguans

As with the Northern Triangle, Nicaraguan foreign labor migration is a byproduct of the poor model of growth, one which precedes the 1980s period when thousands of Nicaraguans left escaping the civil war.<sup>6</sup> Given the economic asymmetries between Nicaragua and Costa Rica (Costa Rica's minimum wages are at least five times that of Nicaragua's) and a growing international demand for foreign labor in strategically important areas, there are more than 700,000 Nicaraguans living and working abroad, particularly in Costa Rica and the United States. These migrants are sending over a billion dollars in remittances annually. Nearly half of those flows come from Nicaraguans in the United States and the other half from Nicaraguans in Costa Rica.

These flows are only a part of a larger set of economic engagements that this community establishes with their homeland. Nicaraguan immigrants in the United States not only send money home but also consume nostalgic products (beans, tortillas, cheese, etc.), call home, visit the country or donate to charitable projects in their home community. All of these transnational linkages have economic impacts. In addition, remittance recipients have important stocks of savings and investments they make in their own initiatives.

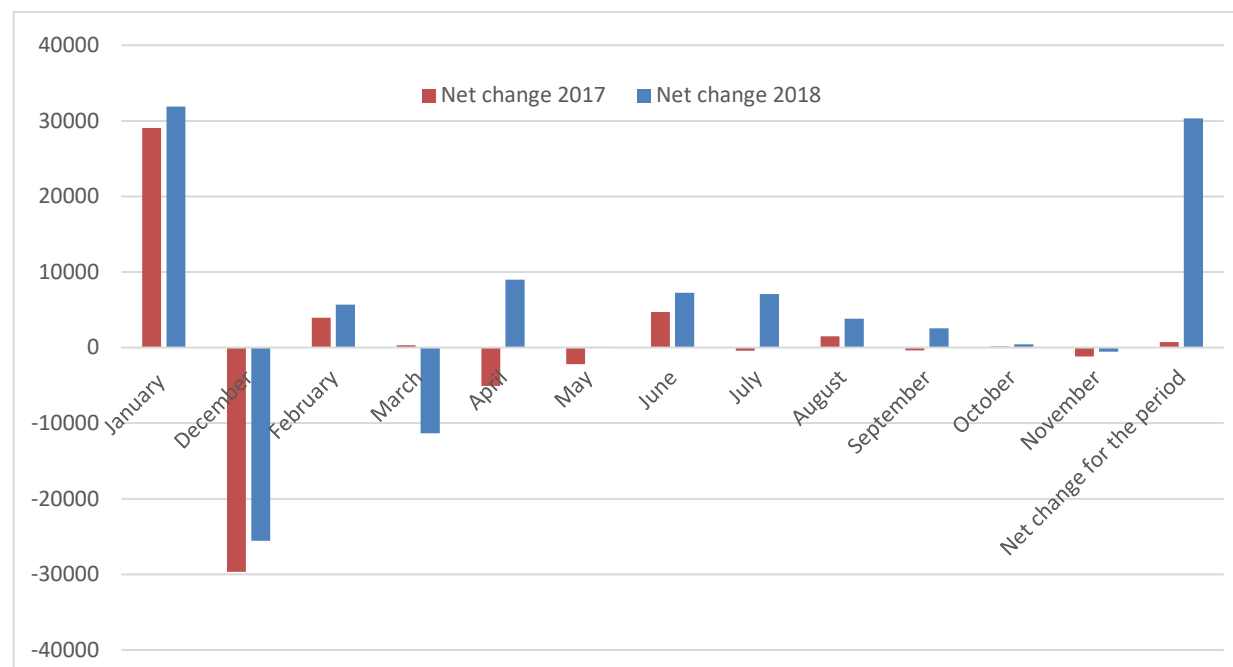
However, despite these numbers, labor migration is not integrated into the government's national development plans. Given the magnitude of informality and the extent of wealth generated through migration-related transnational activities, is important to consider new development approaches.

Moreover, after the 2018 political crisis, an outflow of Nicaraguans to other countries, Costa Rica in particular, has increased. Between April and August the number of people staying in Costa Rica increased to 27,000. In addition, 25,000 refugee applications were submitted by September 2018.

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<sup>6</sup> This is excerpted from the Inter-American Dialogue's Country Profile on Nicaragua. For more detail, see Manuel Orozco, "Country Profile: Nicaragua," Inter-American Dialogue, March 2019.

**Graphic 2: Net Balance Between Entry and Exit to Costa Rica, 2017 – 2018**



Source: DGME, Costa Rica, 2018.

These migrants maintain very close transnational links, and deeply impact the economies of both countries. These links include remittances, communications and visits. A recent survey of Nicaraguans in Costa Rica shows the following transnational linkages:

**Table 9: Transnational Engagement of Nicaraguans in the Region**

| Nicaraguans in: | Frequency of Cash Remittances | Frequency of In-kind Remittances | Visit Nicaragua | Want return to Nicaragua | Communicates with family |
|-----------------|-------------------------------|----------------------------------|-----------------|--------------------------|--------------------------|
| Costa Rica      | 15.2 times/ year              | 6.8 times/ year                  | 66%             | 49%                      | 100%                     |
| Panama          | 10.2 times/ year              | 2.8 times/ year                  | 36%             | 48%                      | 100%                     |

Source: Surveys by the Inter-American Dialogue, 2018-2019. Includes 50 Nicaraguans in Panama and 220 Nicaraguans in Costa Rica.

### *Declining Trend in Central American Immigration to the U.S.*

The United States has historically been an important recipient of immigrants from Central America, and especially Mexico and the Northern Triangle. Lately, however, emigration from the region has not directly translated into a dramatic increase in immigration to the United States. Rather we find that from 2009-2017, migration growth to the United States has seen mixed patterns. For the Northern Triangle the growth in the number of migrants for this period was 1.9%.

Two main factors are at hand. First, immigration enforcement may have had an effect in terms of more apprehensions and difficulties entering the US, especially with Mexican authorities detaining prospective migrants. Second, there has been a steady pattern of deportations.

The table below shows people entering the US, the majority (89%) by crossing the US border, with the exception of the Salvadorans, over half of whom entered legally. In addition, many unaccompanied minors have sought to come to the US in numbers that are comparatively as large as or larger than the annual growth in the enrollment rate in secondary school within their home countries. In 2014, more than 50,000 unaccompanied minors crossed the US border, and by the first half of 2018 the number was over 30,000.

**Table 10: Estimated Annual Migration from the Northern Triangle to the United States**

| Year | El Salvador* | Guatemala | Honduras | Northern Triangle |
|------|--------------|-----------|----------|-------------------|
| 2009 | 61,000       | 43,485    | 50,205   | 154,690           |
| 2016 | 42,455       | 48,954    | 60,513   | 151,922           |
| 2017 | 25,465       | 60,139    | 48,478   | 134,082           |
| 2018 | 26,547       | 67,069    | 58,492   | 152,108           |

Source: Author's estimates. \*In 2009, 23% of migrants entered via authorized legal entry, and 61% in 2017.

The magnitude of this migration is measured by considering the number of people who are apprehended along the Mexico and U.S. border as well as by those who eventually enter. Thus, there are still large numbers of people who attempt to leave their countries but remain in transit trying to enter the US.<sup>7</sup> Total migration outflows from these countries may be two or three times higher than number of people crossing the U.S.-Mexican border.

While migration has continued, it is doing so at a declining rate (see Table 5 above). This decline is particularly noticeable because the pattern of deportations has remained steady. Eventually, because most migration to the US is irregular, the continued numbers of deportations effectively reduce the number of people in the country. In turn, the replenishment ratio of migrants from the Northern Triangle declines because the number of entries is quite modest. In fact, net migration – which is calculated as the difference between new migrant entries and deportations – was 67,000 in 2017. If we add to this continued border enforcement and the termination of Temporary Protected Status for more than 300,000 Central Americans from El Salvador and Honduras, the size of the migrant population will decline even further.

## 2. The Venezuelan Case: From Migration to a Refugee Crisis

As the political and economic crisis in Venezuela deepens to critical conditions approaching state failure, migration has spiked. Migrants are leaving as a direct consequence of what goes on daily in the country. Venezuela's economic growth collapsed between 2010 and 2018, from US\$420 billion to US\$250 billion, while crime and political conditions worsened dramatically.

<sup>7</sup> Estimate of people leaving the region. Crossing Mexico:  $(10\% \cdot 177,949/3) + (40\% \cdot 177,949/x2) + (45\% \cdot 177,949/1) + (5\% \cdot 177,949/4) = 120,000$ ; Apprehended in the US:  $(60\% \cdot 117300/1) + (35\% \cdot 117300/2) + (5\% \cdot 117300/3) = 92,863$ . Total possible people who attempt to enter the US, 230,000, of which 130,000 make it.

As a result, the number of Venezuelans migrating has exploded. The figures are uncertain to some extent. However, the existing information points to a large-scale outmigration similar to mass refugee movements of people escaping from fear and hunger. The United Nations currently places the number of Venezuelan migrants at an estimated 3 million. This number may be higher and has been constantly rising for the past 10 years as country conditions deteriorate.

A 2014 study showed that 6% of Venezuelans had emigrated that year. By 2016, a LAPOP public opinion survey already was reporting 13% of Venezuelans have a family member who had emigrated. A year later, Consultores21 reported that 29% of Venezuelans had someone leaving the country.<sup>8</sup> This latter number places the total estimate at 4 million people, compared to an estimated 2 million using the LAPOP's data point.

Moreover, in addition to survey numbers, the pattern of migration is supporting these figures. News reports and government statistics show that more than a million Venezuelans are in Colombia, many of whom are already settled, not including those in the border. There are another 200,000 in Ecuador, 80,000 in Panama, 85,000 in Chile, and 40,000 in Costa Rica, over 600,000 in Peru, from among several countries in the Americas.

In the case of migration to the U.S., the numbers are in flux. US Census figures pointed to 140,000 in 2004, to 170,000 in 2013, and 350,000 in 2017. The number of applications for asylum in the US alone illustrate the growing emigration pattern escaping from political turmoil. In 2017, at least 57,000 Venezuelans applied for asylum.<sup>9</sup>

### *Sending Money to Venezuela: An Emerging Life Line*

In countries with extreme economic crises, cash remittances do not follow the same patterns as in other countries. First, using formal money transfer systems (if authorized) is prohibitively expensive because exchange rates are set to transfer money at official rates. Second, businesses struggle to operate in places with difficult circumstances and strict transfer controls, making exchange rate costs very expensive to them. Third, cash remittances are less useful when extreme hardship is shaped by scarcity of all sorts. Therefore, most migrant families focus their attention on sending things "in kind," such as food, toiletries, or medicines. Because of scarcity, the price of goods is extremely expensive, and sending money to buy them would make less sense because it would still cost a lot of money.

For countries like Venezuela, about half of its migrant population is sending money due to lack of prevailing payment systems, lack of regular access to a trusted money carrier, and/or the fact that

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<sup>8</sup> <http://talcualdigital.com/index.php/2018/01/17/calculan-en-4-millones-la-diaspora-venezolana/>

<sup>9</sup> Camilleri, Michael J. and Fen Osler Hampson. *NO STRANGERS AT THE GATE Collective Responsibility and a Region's Response to the Venezuelan Refugee and Migration Crisis*. 2018. p10.

money is not as practical as “in kind” materials. The Consultores21 study pointed to 40% people receiving remittances regularly. That would equal 1.6 million recipients, with amounts ranging between US\$1700 and US\$2400 a year. Typically, countries with severe economic crises or with state fragility issues receive no more than US\$2400 a year.

The amount is higher than in other places with severe violent internal conflict, such as Zimbabwe, Haiti, Somalia, and South Sudan, among others. Moreover, given the current economic conditions in Venezuela, with a dramatic loss of per capita income, as well as with a significant loss through exchange rate controls, amounts sent would reflect cost of living conditions. Because the need for foreign currency has grown in light of a drastic decline in oil revenue, Venezuela is becoming a dollarized economy, and family remittances are increasingly taking on more importance as a source of money.

Currently, field work research shows that two thirds of Venezuelan migrants are sending remittances, and that the total value of remittances sent amounts to \$2.23 billion annually, reaching 2 million recipient households. Because the economy is cash strapped, money received from relatives, even in small amounts, is contributing to survival.

**Table 11: Venezuelan Migration and Remittances**

| Country where migrants reside |                     |                                       |
|-------------------------------|---------------------|---------------------------------------|
|                               | Venezuelan migrants | 65% send 20-25% of their income, US\$ |
| Costa Rica                    | 36,000              | 16,087,500                            |
| Panama                        | 79990               | 77,990,250                            |
| Brazil                        | 50,000              | 48,750,000                            |
| Chile                         | 84,586              | 82,471,350                            |
| Colombia                      | 870,000             | 292,500,000                           |
| Ecuador                       | 200,000             | 48,750,000                            |
| United States                 | 400,000             | 650,000,000                           |
| Peru                          | 700,000             | 455,000,000                           |
| Rest of countries             | 579,424             | 564,938,400                           |
| World                         | 3,000,000           | 2,236,487,500                         |
| Households receiving          |                     | 1,950,000                             |

Source: Manuel Orozco, 2018. Data based on surveys conducted in Chile, Colombia, Panama to Venezuelan migrants. Interviews with money transfer operators.

As mentioned, Venezuelan migrants are unable to send money through formal mechanisms such as remittance agencies, banks, or mobile or online remittance platforms. Many Venezuelan migrants are sending through “other” mechanisms, including third-party accounts.

**Table 12: Venezuelan Migrants and Remittance Sending Behavior (Money Sent)**

|                           | Remittances              |                   | Ave. Cost |      | Sending Method (%) |          |      |        |          |                               |
|---------------------------|--------------------------|-------------------|-----------|------|--------------------|----------|------|--------|----------|-------------------------------|
|                           | Average Remittance (USD) | Average Frequency | In USD    | As % | Agency             | Traveler | Bank | Mobile | Internet | Other, Incl. Third Party Acc. |
| Venezuelans in Chile      | \$92.3                   | 17.4 times/ year  | \$6.61    | 8.0% | 23.2               | 2.0      | 1.0  | 0.0    | 0.0      | 73.7                          |
| Venezuelans in Colombia   | \$33.7                   | 11.7 times/ year  | \$2.03    | 6.1% | 70.9               | 0.6      | 10.1 | 1.0    | 1.1      | 16.5                          |
| Venezuelans in Panama     | \$110.2                  | 11.8 times/ year  | \$1.94    | 2.7% | 57.3               | 6.7      | 30.7 | 0.0    | 0.0      | 5.0                           |
| Venezuelans in Costa Rica | \$117.6                  | 18.1 times/ year  | \$9.71    | 7.7% | 14.7               | 2.7      | 4.0  | -      | 6.7      | 72.0                          |

Source: Surveys of Venezuelan Migrants, 2018-2019. Includes 99 Venezuelans in Chile, 436 Venezuelans in Colombia, 75 Venezuelans in Panama, and 75 Venezuelans in Costa Rica. Do note Banks and agencies may include third country transfers and at least one web-based operator is likely informal.

Given the difficulties in sending money to Venezuela and the very profound issues related to currency devaluation and the lack of goods in the country (including basic goods like food and medicines), in-kind remittances (goods such as food and clothes that are sent to families in parcels) play an important role. For example, 40% of Venezuelans in Panama are sending in-kind remittances roughly four times per year. The table below provides additional detail.

**Table 13: Venezuelan Migrants and Remittance Sending Behavior (In-Kind Remittances)**

|                           | Yearly value (USD) | Average Frequency | Cost of Sending (USD) | % Using |
|---------------------------|--------------------|-------------------|-----------------------|---------|
| Venezuelans in Chile      | US\$300            | 3 times/ year     | \$21.97               | 11.0%   |
| Venezuelans in Colombia   | US\$390            | 9.2 times /year   | \$3.44                | 6.9%    |
| Venezuelans in Panama     | US\$285            | 3.5 times /year   | \$57.32               | 40%     |
| Venezuelans in Costa Rica | US\$200            | 4 times /year     | \$45.00               | 36%     |

Source: Surveys of Venezuelan Migrants, 2018-2019. Includes 99 Venezuelans in Chile, 436 Venezuelans in Colombia, 75 Venezuelans in Panama, and 75 Venezuelans in Costa Rica.

Venezuelan migrants in Colombia, living in Bogota and Cucuta, are an example of the blurred lines between refugee and migrant. They continue to send money home, even amidst a severe situation of vulnerability. Hundreds of thousands of Venezuelans have crossed the Colombian border through places like Cucuta. Cucuta is a transit location where Venezuelans stay temporarily whereas Bogota is a destination for many.

Within this population, people have a variety of legal statuses, from irregular to legal temporary stay.

Those in Bogota have been there for less than two years, on average, and the majority send money to their parents. They are mostly working in low paid positions, the majority of which are in the informal economy living on earnings that are one fifth that of Colombians.



Those Venezuelans in Cucuta are facing a dire situation and are exposed to many anti-immigrant sentiments. They are overwhelmingly working in the informal economy, with less than ideal labor conditions. Their presence is overcrowding an already large informal economy in the midst of high unemployment. They don't send money as much, because many go back and forth, and many others only stay temporarily en route to another city or country.<sup>10</sup>

Across different countries, we can observe Venezuelans tend to send less amounts in higher frequencies, probably in support of very vulnerable recipients in their host country.

**Table 14: Remittances sent by Venezuelans – Country comparisons**

| Populations                                     | Frequency<br>(Times per year) | Average Sent<br>(USD) | Sent per Year<br>(USD) |
|---|-------------------------------|-----------------------|------------------------|
| <b>Migrant Remittance Senders in Chile</b>      |                               |                       |                        |
| All   | 12.4                          | 165                   | 2,046                  |
| Venezuelans                                     | 17.4                          | 92                    | 1,601                  |
| <b>Migrant Remittance Senders in Panama</b>     |                               |                       |                        |
| All   | 8.8                           | 213                   | 1,874                  |
| Venezuelans                                     | 11.8                          | 110                   | 1,298                  |
| <b>Migrant Remittance Senders in Costa Rica</b> |                               |                       |                        |
| All   | 15.3                          | 128                   | 1,958                  |
| Venezuelans                                     | 18.1                          | 117                   | 2,118                  |
| <b>Migrant Remittance Senders in Colombia</b>   |                               |                       |                        |
| All   | 12.2                          | 130                   | 1,586                  |
| Venezuelans                                     | 11.7                          | 34                    | 398                    |

Source: Surveys of Venezuelan Migrants, 2018-2019. Includes 99 Venezuelans in Chile, 436 Venezuelans in Colombia, 75 Venezuelans in Panama, and 75 Venezuelans in Costa Rica.

### 3. Migration in the Caribbean: Haiti and Cuba

#### a) Haitian Migration

The outflow of people from the Caribbean is also a significant reality, particularly among Haitians and Cubans. In the case of Haiti, migration from the island occurs in various stages and continued after the 2010 earthquake.

Haiti's political history is shaped by long-standing periods of dictatorship and repression followed by a difficult and highly contested transition. The transition has been truncated due to poor consensus and deep-rooted divisions among elites throughout the end of the XX century to the present.<sup>11</sup> In turn, the state has failed to protect its citizens, either from violence or from violations

<sup>10</sup> Survey of Venezuelans in Colombia. Inter-American Dialogue, 2018.

<sup>11</sup> Fatton, Robert., Jr. Haiti's Predatory Republic: The Unending Transition to Democracy  
© 2019 Inter-American Dialogue

of civil liberties. For example, homicides in Haiti reached their peaks during times of military unrest, and the country is regularly affected by civil disobedience and at times from threats coming from para-military organizations. The authority of the Haitian state is also curtailed by widespread corruption stemming from high opportunity costs to break laws without the presence of police enforcement or a functioning court system.<sup>12</sup> Moreover, Haiti's economic performance is severely limited both in terms of its economic activities and its labor force.

Haitian migration has turned out to be a consequence of the gradual failure of state performance. After the 2010 earthquake, people who initially migrated to Brazil have subsequently been moving to Chile. There were less than 5,000 Haitians in Chile in 2010, but the number has increased exponentially to more than 100,000 today. Thus, the increase in Haitian remittances is predominantly the result of a significant outflow of migration to South America, Canada, and the United States. Remittance growth between 2016 and 2017 reflects an increase of more than 100,000 migrants making transfers to Haiti.<sup>13</sup>

**Table 15: Haitian Migration and Remittances to Selected Countries**

| Country of migration | 1990    | 1995    | 2000    | 2005    | 2010      | 2015      | 2017      | Estimated flows to Haiti (2017) |
|----------------------|---------|---------|---------|---------|-----------|-----------|-----------|---------------------------------|
| Canada               | 38,271  | 45,292  | 53,390  | 66,504  | 80,100    | 137,000   | 137,000   | \$258,930,000                   |
| Chile                | 36      | 41      | 45      | 37      | 28        | 53,630    | 73,098    | \$86,793,025                    |
| Dominican Republic   | 187,210 | 207,931 | 228,652 | 271,273 | 311,969   | 329,281   | 336,729   | \$271,538,265                   |
| France               | 26,253  | 27,102  | 27,950  | 67,078  | 68,723    | 75,616    | 75,467    | \$190,176,840                   |
| U.S.                 | 225,393 | 326,669 | 429,964 | 491,772 | 570,290   | 649,941   | 671,499   | \$1,269,133,110                 |
| Rest of the world    | 50,144  | 56,437  | 63,879  | 74,969  | 88,502    |           | 50,000    | \$88,200,000                    |
| World                | 527,307 | 663,472 | 803,880 | 971,633 | 1,119,612 | 1,245,468 | 1,378,325 | \$2,164,771,241                 |

Source: UN/DESA, 2017. Author's estimates from interviews and press sources. Differences between the official volume and this table relate to research that shows that up to 20% of transfers recorded are not family remittances, but rather business transactions.

Haitians in Chile earn, on average, 10% less than other migrants in the country and they have lower educational attainment; they also must face the language barrier.

## b) Cuban Migration

Cubans have historically emigrated for political reasons, though more recently this pattern of mobility has shifted to economic reasons. The political conditions in Cuba have been a key factor in the emigration of more than 40,000 people each year. In turn, the United States allowed any Cuban that set foot on US soil to obtain legal residency through refugee status up through 2017.

However, as the Cuban economic situation worsened at the end of the 2000s and the Obama administration ending the 'wet foot, dry foot' policy, a new trend of migration emerged, whereby Cubans are now using different routes to come to the U.S. seeking a better standard of living

<sup>12</sup> Freedom House. *Freedom in the World, 2015. Countries at the Crossroads: Haiti*.

<sup>13</sup> <http://www.latercera.com/voces/la-migracion-haitiana-chile-estado-pasmado/>

abroad.

Today, it is estimated that there are 1.5 million Cuban migrants living abroad.<sup>14</sup> The United States is home to roughly 80% of them. More recently, Spain has emerged as an important destination, and today approximately 7% of Cuban migrants reside in Spain. Other destinations include Italy, Mexico, Canada and Venezuela.<sup>15</sup>

**Table 16: Cuban Migrants by Country of Residence**

|               | 1990    | 2000      | 2010      | 2015      | 2017      | Share |
|---------------|---------|-----------|-----------|-----------|-----------|-------|
| World         | 835,546 | 1,049,902 | 1,310,867 | 1,511,294 | 1,558,312 |       |
| United States | 736,971 | 894,876   | 1,055,229 | 1,210,873 | 1,251,037 | 80%   |
| Spain         | 21,854  | 45,738    | 103,189   | 131,134   | 132,378   | 8%    |
| Italy         | 1,444   | 11,659    | 33,463    | 33,469    | 34,057    | 2%    |
| Mexico        | 2,660   | 7,267     | 11,822    | 17,653    | 18,111    | 1%    |
| Canada        | 1,737   | 5,269     | 13,340    | 14,918    | 15,509    | 1%    |
| Germany       | 2,734   | 7,251     | 11,753    | 12,246    | 14,576    | 1%    |
| Puerto Rico   | 19,579  | 19,054    | 12,882    | 13,321    | 12,988    | 1%    |
| Venezuela     | 11,559  | 9,928     | 10,813    | 11,423    | 11,601    | 1%    |
| Costa Rica    | 4,504   | 4,391     | 5,669     | 5,756     | 5,791     | 0%    |

Source: UNDESA

There are three key points with regards to how the Cuban government approaches the migration issue. First, remittances have represented a very important source of income for the Cuban economy and depend on a continued flow of migrants. Remittances to Cuba, which are estimated at US\$1.6 billion, are one of the primary sources of income and support for an estimated 700,000 households on the island.

Second, with declining economic performance and the loss of more than half million jobs between 2009 and 2016, outmigration became a matter of urgency and even constituted a very important “escape valve” for the Cuban economy. Moreover, economic reforms have actually relied on the increase of remittances, as well as investment by Cubans abroad and remittance recipients, to develop the local economy.

Third, rising unemployment, increases in the issuing of passports, the Ecuadorian policy of not requiring visas for Cubans contributed to additional migration. When the United States renewed its diplomatic relations with Cuba in 2015, rumors that the so-called “Wet feet, dry feet” policy would disappear caused fear among many Cubans. In turn, these events gave rise to a new wave of migration.

In fact, Cuban migration abroad, and to the United States specifically, has increasingly followed a

<sup>14</sup> United Nations, Department of Economic and Social Affairs (2013). Trends in International Migrant Stock: Migrants by Destination and Origin (United Nations database, POP/DB/MIG/Stock/Rev.2013).

<sup>15</sup> United Nations, Department of Economic and Social Affairs (2013). Trends in International Migrant Stock: Migrants by Destination and Origin (United Nations database, POP/DB/MIG/Stock/Rev.2013). Note that part of this migration includes guest worker programs between the Cuban government and other countries.

trend of traveling by land from Quito, Ecuador. The journey is extensive, departing from Cuba towards Quito, Ecuador and passing through Colombia, Panama, Costa Rica, Nicaragua, Honduras, Guatemala and Mexico. Although thousands of Cubans have been passing through Central America for years, what changed was a breakdown in the trafficking networks that emerged as a result of the growing demand itself. In 2015, the network fell apart and many migrants became stranded in Panama or Costa Rica.

Costa Rica's initial response was to grant them a temporary transit visa for 7 days such that, for humanitarian reasons, they could continue their journey. Nicaragua responded by closing their borders and claiming a variety of justifications, such as that the Costa Rican decision was a provocation, and the Nicaraguans could therefore not let them pass through for national security reasons. A temporary solution was reached, with Costa Rica working with Mexico, Guatemala, El Salvador and the International Organization for Migration (IOM) to provide flights for Cuban migrants to Mexico.<sup>16</sup>

The situation of Cuban migration cannot be resolved with one or two steps. It requires complex joint actions as well as sustained work at multiple stages. Ecuador's decision to require visas, while it partially closed a door, also creates a space for the countries involved, and Costa Rica in particular, to look for alternatives. However, as the United States increased its maritime patrols and the "wet feet, dry feet" policy ended in January 2017, Cubans increasingly have opted to migrate by land, via Central America.

In the long term, the United States and Cuba must try to agree on migratory mechanisms and controls considering the Cubans that have already left and those that still wish to migrate. This requires recognizing that there is a refugee crisis, with more than 25,000 Cuban migrants entering by land so far this year.

### III. A Much-Needed Policy Dialogue

Two underlying issues shape this outmigration: first, that people are not leaving out of a temporary need; and second, that the source factor of emigration is tied to state fragility, whether it be social, economic and/or political.

As noted earlier, many of these migrants are not seeking short-term relief, posing a policy problem and a migration management challenge for countries like Colombia, Panama, Costa Rica, the Dominican Republic, Panama, and Ecuador. For example, our research shows that while one quarter or more of people migrating from the Northern Triangle did so due to insecurity and fear,

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<sup>16</sup> For more information, see [http://www.nacion.com/nacional/politica/cubanos-salida-Costa\\_Rica-Panama-Estados\\_Unidos\\_0\\_1544245689.html](http://www.nacion.com/nacional/politica/cubanos-salida-Costa_Rica-Panama-Estados_Unidos_0_1544245689.html)

the rest have done so due to economic necessity resulting from the instability (and an ecosystem of organized crime) governing their nations.

Here the underlying issue is state fragility, that is a situation where economic and political institutions are not strong enough to provide basic provisions to its citizens. The ability of many Latin American and Caribbean states to deliver public goods to their society is weak. When a state struggles to deliver the most basic public goods, such as protection, shelter, or food, it is poorly performing. Poor performance can yield to state failure.

In fact, over the past 20 years a literature on what is referred to as fragile states has emerged in response to an emerging number of states unable to deliver to its citizenry. Now, fragile states in the Americas are responsible for large outflows of migrants. **States have now facilitated an 'exit' strategy as the third choice available to citizens using Hirschman's analysis.**<sup>17</sup>

Few countries in the Americas have historically had a migrant or refugee host tradition, and thus it makes it difficult to find policy solutions, even for countries like Costa Rica, with a history of hosting refugees since the 1970s.

All these patterns are creating widespread tensions, ranging from extreme xenophobia to border disputes, to public intolerance toward immigration. These tensions will not lead to the expulsion of migrants, but rather to their vulnerability and marginalization.

One way to look for solutions is to consider the central and immediate challenges that migrants and migration represent for the Western Hemisphere. There are four challenges that seem to be pervasively touching on these nationalities and those host countries:

### **Legal Status**

The matter of legal status of migrants has become a critical problem. Central Americans in the Northern Triangle entering the United States are confronted by closed boundaries that assume these nations are opportunistically entering the country. At least three quarters of Central Americans migrating to the United States are undocumented. Similarly, many Venezuelans that have entered several countries have irregular or temporary status. For example, according to a survey of Venezuelans in Colombia, in the cities of Bogota and Cucuta, more than two thirds had irregular status, and only one third had a temporary permit.

More importantly, **this approach needs to problematize the assumption that migration from fragile countries is temporary.** Instead, an alternative policy narrative is necessary to prevent backlash as well as vulnerable populations from emerging. It does not mean to offer an immediate

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<sup>17</sup> Hirschman, Albert. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. 1970.

path to permanence, but to offer a reasonable temporary stay with at least three years of duration.

In the United States, the debate about immigration reform has predominantly focused on a two-tiered context; one, providing a legal path to US citizenship, and two, enforcing migration laws by strengthening the border and reducing undocumented workers in the labor force. However, the benefits of legalizing a large portion of those with irregular status will have a positive effect on diplomatic efforts to mitigate state fragility. Simply put, organized diaspora groups are far more effective when they have legal status. Moreover, the economic contributions in the host country of those with legal status are greater than among those who with undocumented status.

### *The Issue of Relief*

Asylum and refugee solutions are central to any effort to deal with the outflow of people from fragile states. In fact, there are more than 100,000 asylum applications from unaccompanied minors coming from Central America alone in the United States. There are also more than 50,000 asylum applications of Venezuelans and the number of applications from Nicaraguans in the U.S. is on the rise. In Costa Rica, more than 20,000 people applied for refugee status in the first four months of the political crisis.

Their claims for asylum need a fair hearing and due process. Currently, a large number of these applications in the U.S. are denied; in fact, only 5% are adjudicated for asylum.

Many people in the United States (over 50%) apply for asylum without legal representation and face immediate deportation once denied. Their claims are coming from some of the most dangerous places in the world, places from which more than 350,000 attempts to enter the US occurred in 2016. The problems asylum seekers face are not limited to due process and lack of legal counsel, but also relate to their social and psychological needs. In order to deal with these issues, it is important to provide greater weight to asylum claims, clarify the claims for asylum, improve the training of judges, improve legal counsel, and provide better information about regional insecurity.

### **Labor Vulnerability**

People who have left their homelands escaping the fragility that shapes the conditions in their home country settle in host nations to confront serious vulnerabilities. In the economic front, the labor force faces significant losses vis a vis the local economy. Migrants from Central America in the U.S. often earn 35% less than their counterparts in construction, domestic work, and other economic activities.

**Table 17: Earnings in Selected Occupation vis-à-vis Migrant Earnings, 2017**

| Occupation — annual income | DC | LA | NYC | Miami | Chicago | USA | Undoc. Migr. | Relative |
|----------------------------|----|----|-----|-------|---------|-----|--------------|----------|
|----------------------------|----|----|-----|-------|---------|-----|--------------|----------|

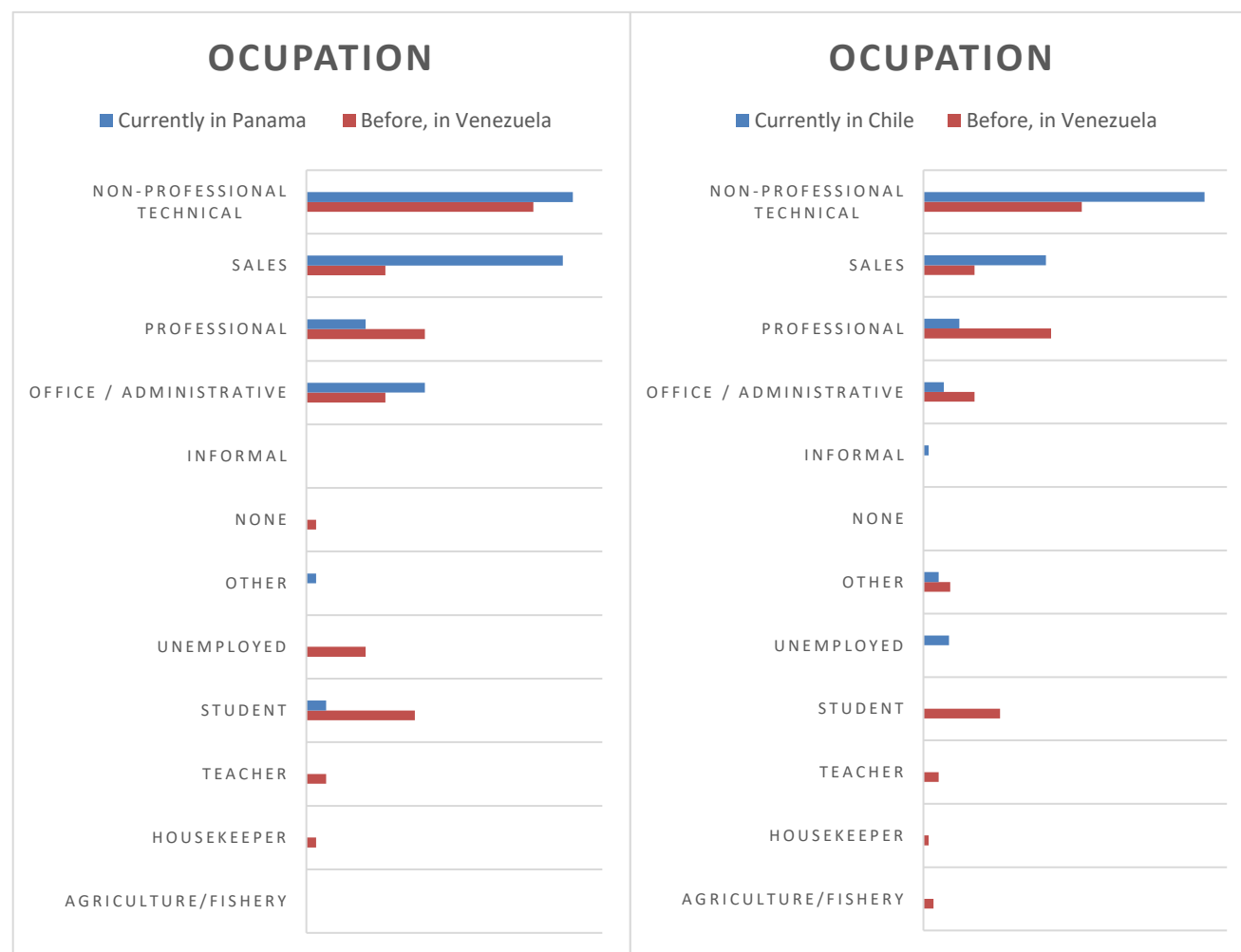
|   |        |        |        |        |        |        |        | To<br>nation |
|---|--------|--------|--------|--------|--------|--------|--------|--------------|
| <b>Restaurant Industry</b>                            | 26,340 | 27,570 | 29,290 | 29,034 | 21,980 | 23,020 | 18,798 | 82%          |
| <b>Construction Industry</b>                          | 34,430 | 42,660 | 50,980 | 73,488 | 56,890 | 31,000 | 22,229 | 72%          |
| <b>Child/Elder Care Industry</b>                      | 25,780 | 24,416 | 22,850 | 21,272 | 24,000 | 22,000 | 12,500 | 57%          |
| <b>Maintenance</b>                                    | 28,700 | 29,780 | 34,270 | 32,767 | 30,210 | 36,550 | 21,785 | 60%          |
| <b>Cleaning</b>                                       | 27,210 | 28,890 | 33,000 | 20,423 | 29,590 | 23,000 | 14,807 | 64%          |
| <b>Professional—Management</b>                        | 70,154 | 70,124 | 80,137 | 60,873 | 73,198 | 78,232 | 27,500 | 35%          |
| <b>Professional—Technical<br/>(Engineering, Etc.)</b> | 99,690 | 96,370 | 84,060 | 74,528 | 80,490 | 82,980 |        |              |

Source: Wage data based on state information (Bureau of Labor statistics and other market sources).

Venezuelans in Colombia have earnings that are one fifth that of Colombians, even though many have useful skills. Escaping from their country has come at a price: for example, while over 60% had a professional degree in Venezuela, in Colombia only one quarter were working in that capacity. The rest work in the informal economy.

This trend is also common in other countries. In Panama, although not in the informal economy, there are fewer Venezuelan migrants in professional jobs and more in technical or sales occupations.

**Graph 3: Venezuelans in Panama and Chile- Occupation**



Source: Surveys of Venezuelan Migrants, 2018-2019. Includes 99 Venezuelans in Chile, 436 Venezuelans in Colombia, 75 Venezuelans in Panama, and 75 Venezuelans in Costa Rica.

Even though migrants meet fundamental economic needs in the host countries, their vulnerability is also observed in their low capacity to generate assets. The underutilization of their skills and their contribution to the economy is often ignored or not addressed as a matter of economic opportunity for the host country.



**Table 18: Income of Venezuelans in Colombia**

| Income   | Venezuelans in: |        | Colombians in Bogota |
|--|-----------------|--------|----------------------|
|  | Bogota          | Cucuta |                      |
| Less than 560,000 pesos (USD\$170)                     | 1.90%           | 95.70% | 3%                   |
| From 560,001 to 800,000 pesos (USD\$170-243)           | 81.60%          | 1.00%  | 5%                   |
| From 800,001 to 1,500,000 pesos (USD\$243 – 456)       | 13.90%          | 1.00%  | 6%                   |
| From 1,500,001 pesos to 2,500,000 pesos (USD\$456-760) | 1.50%           | 1.00%  | 3%                   |
| More than 2.5 million pesos (USD\$760+)                | 1.10%           | 1.00%  | 82%                  |

Source: survey of Venezuelans in Colombia.

The United States and other migrant host countries in Latin America (Argentina, Costa Rica, Chile, Dominican Republic), in Europe (Spain, Italy), and Asia (Japan) show a demand for foreign labor, both high-skilled and low-skilled. Regarding low skilled labor, guest worker programs or temporary permits can offer important solutions to prevailing challenges.

In the U.S. context, temporary worker visas (plus NAFTA visas) amount to less than 6% of all non-immigrant visas. In total, the H visa category amounts to 533,000 visas. However, with an annual increase of 0.2% in our labor force of 170 million people, there is a substantive need to replenish labor through migration.

A win-win approach would be to expand H2B visas as a means to address the demand for low-skilled labor, particularly from countries that exhibit state fragility. Currently most low-skilled migrant workers are already crossing the border without papers, in an insecure and unauthorized manner. About three quarters of undocumented migrants that cross the border from Mexico and Central America work in three predominant occupations: domestic work, construction and hospitality. Those workers could benefit from a guest worker program under H2B as a means to realistically integrate them and ease labor pressures in the US.

This particular approach would tackle irregular migration from Central America and Haiti among those seeking economic opportunities from these weak states, roughly 60,000 people. While nearly one in four people leave the region out of insecurity, another half leaves because of economic opportunities. Therefore, it is important to use these visas to recruit laborers and reduce irregular, cross-border flows.

**Table 19: Reasons for Migrating From Their Countries**

| Reason Cited                            | El Salvador |        | Honduras |        | Guatemala |        |
|---|-------------|--------|----------|--------|-----------|--------|
|   | 2016        | 2017   | 2016     | 2017   | 2016      | 2017   |
| Violence/Insecurity                     | 24.70%      | 35.70% | 26.80%   | 31.70% | 12.90%    | 17.90% |
| Economic Opportunities                  | 59.40%      | 48.10% | 62.50%   | 58.50% | 65.30%    | 73.20% |
| Family Reunification                    | 7.10%       | 16.20% | 1.80%    | 9.80%  | 11.90%    | 8.90%  |
| Other (mix of insecurity and economics) | 8.80%       |        | 8.90%    |        | 9.90%     |        |

Source: Orozco and Yansura, "On the Cusp of Change: Migrants' use of the internet for remittance transfers," Inter-American Dialogue, 2017.

## Integration

In most host countries, the current situation has evoked a polarization of perspectives about migration, where many forms of anti-immigrant sentiments have been brought to light. In Panama, at least two movements, *Frente Nacional Panameño* and *Panamá para los Panameños* have demonstrated in the streets protesting the government humanitarian assistance to Venezuelans and Cubans.<sup>18</sup> In Costa Rica, xenophobic sentiments are not new but surfaced in the wake of the political crisis in Nicaragua and the influx of people escaping the Ortega regime. Some people took to the streets to demonstrate with radical perspectives on migration and deportation.<sup>19</sup> Brazilians had expressed discontent and violence against Venezuelans, and demonstrated in the streets of the border city of Pacaraima,<sup>20</sup> while Colombians in Cucuta reject the presence of allegedly what they think is too many migrants. The backlash of the Haitian influx to Chile has provoked shocking reactions, many resulting from cultural differences between the black Haitian and the Chilean population.<sup>21</sup> Meanwhile, the Trump administration's dislike of migrants and dismissal of the reasons why they are migrating has caused extreme situations of hate speech and further polarized citizens.

## Migration and Development: a Question of Retention and Return

Migration policy includes addressing root causes, particularly in contexts of state fragility. In practical terms, it is about retaining the labor force by offering better opportunities at home to those who might otherwise consider migration. It is also about offering a favorable environment to those migrants who return.

The approach needs to be different from previous interventions because despite of many development strategies have been implemented to date, they have not yielded the desired result and migration has not gone down. Making governments accountable for their actions and compliance is a step in the right direction, particularly when it comes to foreign assistance.

A focus on people is essential. It is important to deal with social inclusion, economic transformation, transnational engagement and tackling disruptors as means to increase development. Some tools or methods to do this include a better integration of migration and development policies. For example, formalizing savings resulting from increases in remittances,

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<sup>18</sup> [https://www.tvn-2.com/nacionales/Panamenos-protestan-rechazo-politica-migratoria-venezolanos-y-cubanos\\_0\\_5153484653.html](https://www.tvn-2.com/nacionales/Panamenos-protestan-rechazo-politica-migratoria-venezolanos-y-cubanos_0_5153484653.html)

<sup>19</sup> <https://www.prensalibre.com/internacional/protesta-de-costarricenses-contramigracion-nicaraguense-termina-en-disturbios>

<sup>20</sup> <https://www.brasildefato.com.br/2018/10/31/por-violencia-e-xenofobia-250-venezuelanos-voltam-ao-seu-pais-vindos-do-brasil/>

<sup>21</sup> <https://www.biobiochile.cl/noticias/sociedad/debate/2018/09/17/ni-racismo-ni-xenofobia-lo-que-en-realidad-hay-en-chile-es-aporofobia-y-eso-es-peor.shtml>

mobilize those savings into credit for knowledge economy entrepreneurs, partner with diaspora groups on small scale, implement local development initiatives on strengthening human capital, and offer after-school education programs.<sup>22</sup>

The aim is to mitigate state fragility and help create more livable and prosperous communities, both for those to choose to stay at home and for those who return home after migrating.

Moreover, the vast majority of those who return do so through annual deportations nearing one hundred thousand. Those deported are people who have lived more than eight years in the US, whose habits and realities have changed and are different from life in the region. The solutions to those returned should be commensurable to their needs.

In summary, we should promote positive outcomes from the challenges, uncertainties, and risks that are currently overshadowing the important contributions that migrants make in the global sphere.

### **A Necessary Approach to Migration**

All these issues point to the need to establish a dialogue about how state fragility is affecting migration and people. It is important to focus on the conditions of vulnerability these migrants are faced with, discuss practical solutions and the facts that shape the lives of these populations, while separating the nationalistic narrative from humanitarian and development realities.

This population is often assumed to be a burden to the host countries, however, the critical debate in a democratic space may shed a different light. The consequence is efforts to deport, close borders, and establish barriers to entry. However, people will continue to emigrate because conditions do not allow them to stay safely in their homeland. Their emigration is not temporary nor opportunistic. Constructive perspectives can help mitigate fears of migration, foster integration and help address state fragility in home countries.

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<sup>22</sup> Inter-American Dialogue. *Opportunities for My Community Project: A Strategy for Guatemala*, August, 2018.