

# Country Profile: Nicaragua



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Nicaraguan migration has been shaped by an array of political and economic factors that, over time, have produced sizable populations of Nicaraguans living in countries such as the United States and Costa Rica.

Although there are more Nicaraguan migrants in Costa Rica, a larger volume of remittances come from the U.S. Moreover, increases from Spain have been significant in the past couple of years. The Costa Rica-Nicaragua remittance corridor remains one of the most important south-to-south corridors in the Americas, and accounts for over 50% of all remittance flows between Central American countries.

The economic impact of Nicaraguan migration on Nicaragua's economy is not only substantive but it has worked as a cushion for a country that has not introduced reforms to modernize its economy, which continues to be largely informal or agriculture based.<sup>1</sup>

## Migration

Most migrants go to the United States and Costa Rica. There have also been relevant increases in migration to Spain. Nicaraguans in Spain have nearly doubled since 2010, pushed in part by a demand in elderly and children care labor.

Nicaraguan migration to the United States is smaller compared to other countries in Latin America and the Caribbean. Instead, Nicaraguans historically have emigrated to their neighbor, Costa Rica. Emigration started rising in the 1970's, driven by natural disasters, as well as political and economic factors. In the 1990's, migration to Costa Rica grew in larger numbers. Today, Nicaraguans living abroad have income that equals that of the country's entire GDP.

Table 1: Nicaraguans Living Abroad

Countries	1990	1995	2000	2005	2010	2015	2017
World	442,037	438,343	502,147	436,584	610,957	645,309	658,203
Costa Rica	99,153	131,695	230,085	148,064	287,766	292,232	294,018
United States	168,659	197,100	225,929	236,243	254,081	267,051	275,909
Spain	1,002	1,240	2,013	3,156	12,892	20,361	20,554
Rest	8,954	9,604	10,340	10,921	12,228	13,227	13,854
Panama	4,553	4,593	4,923	7,775	10,998	12,915	13,335
Canada	6,199	7,730	9,444	8,894	8,945	10,003	10,399
Guatemala	3,726	4,565	5,404	6,424	7,443	8,561	8,908
El Salvador	3,893	4,219	4,545	6,024	7,502	7,823	7,874
Honduras	142,802	74,273	5,768	5,649	5,530	7,767	7,844
Mexico	3,096	3,324	3,696	3,434	3,572	5,369	5,508

Source: UN Bilateral Migration Matrix.

<sup>1</sup> <https://www.thedialogue.org/blogs/2016/04/thinking-differently-about-nicaraguas-development-challenges/>

Table 2: Nicaraguans living in Selected States/Provinces in the U.S. and Costa Rica

United States	%	Costa Rica	%
Florida	43%	San Jose	36%
California	27%	Alajuela	26%
Other	30%	Cartago	5%
		Heredia	11%
		Guanacaste	8%
		Puntarenas	5%
		Limon	9%

Sources: US Census Bureau, Costa Rica INEC

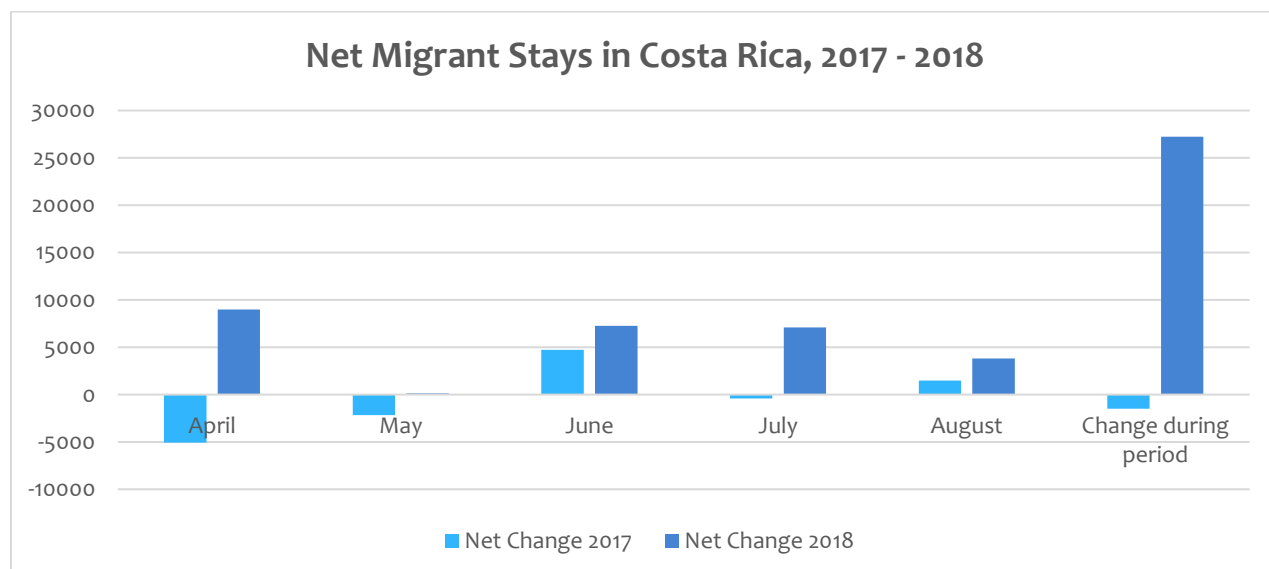
Table 3 shows estimates for recent migrant stocks to specific countries, and table 3 updates the total migrant stocks in the selected countries.

Table 3: Nicaraguan Migrant flows

Annual entry	2015	2016	2017	2018 est.
Nicaraguans in the United States	10,160.64	5,143.06	5,689.96	6,500
Nicaraguans in Costa Rica	10,281.60	10,408.58	11,515.39	40,000
Nicaraguans elsewhere	3,427.20	1,734.76	1,919.23	3,500
Annual entry of Nicaraguans abroad	23,870.44	17,286.40	19,124.58	50,000

Source: Author's estimates

Current and sustained political instability in the country paints a worrisome picture. As a result, migration to Costa Rica, and likely to other countries, has grown significantly. Some of these migrants are fleeing from violence, which makes their situation more vulnerable. Costa Rica is quoted to have received over 30,000 refugee relief requests from Nicaraguans in 2018. It has provided status to some and rejected many others (at least during the beginning of the crisis).<sup>2</sup> Cross border migration since the crisis shows that at least 40,000 Nicaraguans will have entered Costa Rica at the end of 2018.

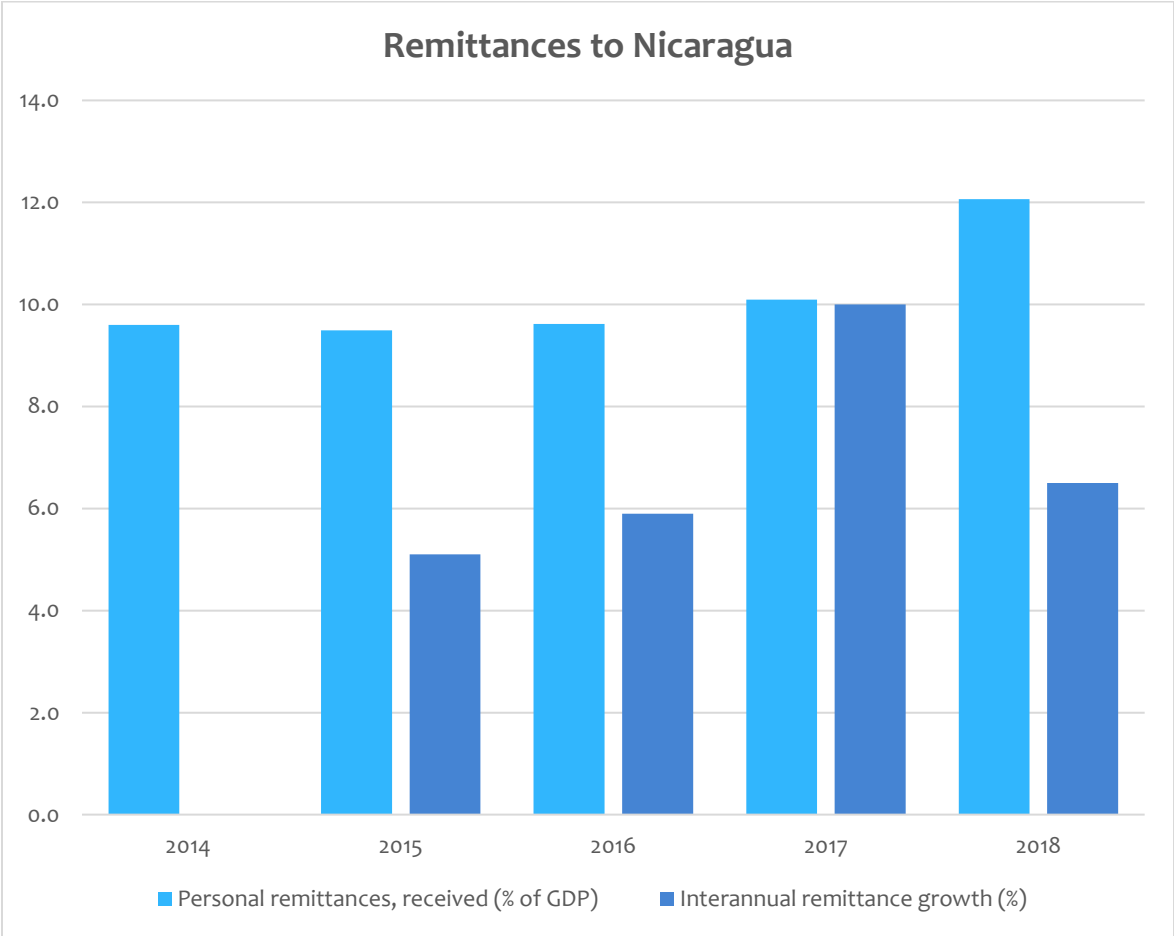


Source: Author's estimates

<sup>2</sup> <https://es.panampost.com/efe-panampost/2018/10/11/ddhh-costa-rica-leiva/> and <https://www.rree.go.cr/?sec=servicios&cat=prensa&cont=593&id=4072>

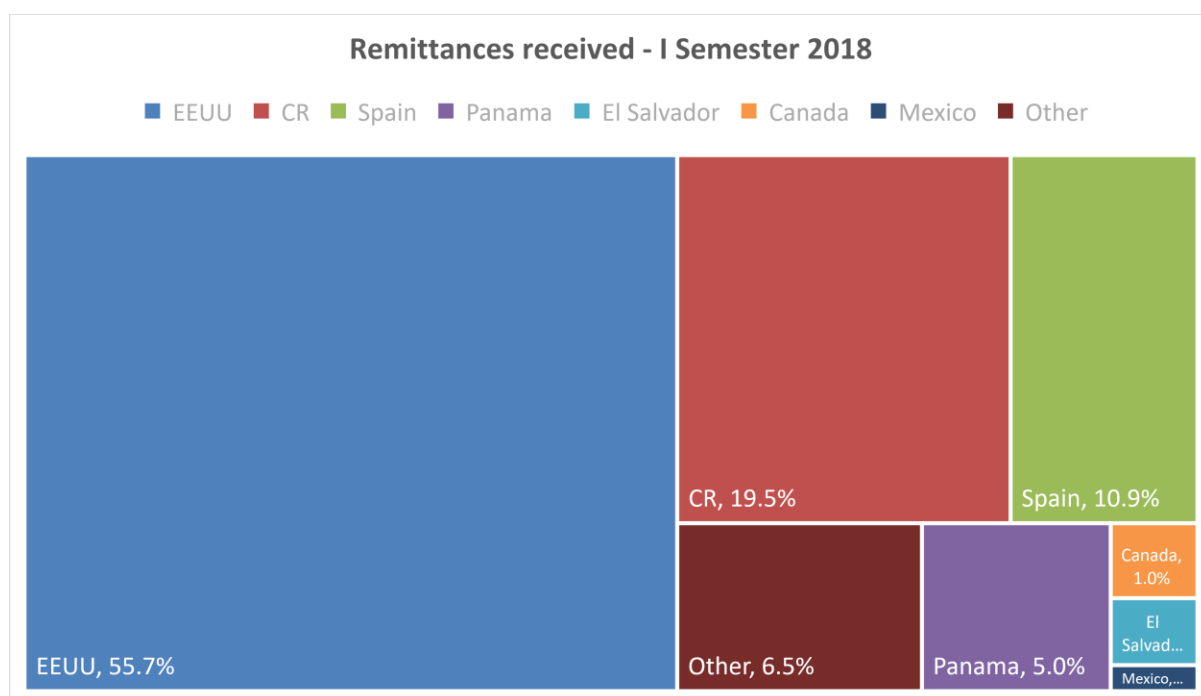
# Family Remittances to Nicaragua

Remittances to the country have been growing constantly, year over year. We also observe increases in the percentage of the GDP they represent, since 2015. Despite the alleged economic growth sustained by agriculture, reliance on remittances has been relatively constant and increasing. These flows are better understood in terms of the fact that the country receives at least 500,000 person to person transfers thus representing one third of households in Nicaragua.



Source: World Bank data, 2018; Nicaragua Central Bank; and author's estimates.

The United States, Costa Rica, Spain and Panama account for over 90% of remittances received.



Source: Nicaraguan Central Bank

According to data published by Nicaragua's Central Bank, growth in incoming remittances for 2018 is driven by both higher remittance transfers and increases in transactions. For example, transfers from the United States transfers have increased in both the first and second quarters of 2018 (4.6 and 7.3%). Spain has seen relevant increases on overall remittances received in Nicaragua (27 and 25% respectively for the first and second quarters of 2018), the average remittance sent has also increased during the period.

**Transnationalism** – including remittances, nostalgic trade and tourism – has a very important impact on Nicaragua's economy. Its diaspora contributes more to the economy than remitting. They consume home country goods, increasing the demand of agricultural commodities, and their visits to the country represent 15% of total tourism revenue.

Table 4: Estimated impact of Transnationalism on Nicaragua's GDP (US\$)

<i>Nicaraguans</i>	<i>Remittances</i>	<i>Nostalgic trade</i>	<i>Tourism</i>
<b>Nicaraguans in the U.S.</b>	705,600,000	273,118,003	28,449,792
<b>Nicaraguans in Costa Rica</b>	252,000,000	276,369,408	30,227,904
<b>Nicaraguans elsewhere</b>	302,400,000	92,123,136	9,596,160
<b>Migrants remitting (US\$)</b>	1,260,000,000	643,546,867	68,273,856
<b>Other person to person transfers</b>	140,000,000		
<b>As share of GDP</b>	10.6%	5%	0.5%

Source: Author's estimates