

## The Scope of Transnational Economic Engagement in Latin America and the Caribbean

- 45 million migrants; 90 percent integrating a hemisphere wide labor force and 10 percent migrant minors with school needs;
- 60 percent are in the United States—down from 70 percent in 2000 even considering the large inflow from 2019 to 2022
- 30 million remittance senders connecting household to household home economics;

**TABLE 1: TRANSNATIONAL ECONOMIC ENGAGEMENT IN LATIN AMERICA AND THE CARIBBEAN**

Region	Senders	Volume	Trade	Households with migrants	Remittances as percent of GDP
South America	8,451,583.64	26,866,510,755.00	11,156,090,401	30%	15%
Mexico	9,595,993	58,497,102,400	12,666,711,095	25%	4%
Central America	6,337,961.85	39,639,052,607.00	8,366,109,638	40%	24%
Caribbean	4,613,696.5	20,588,979,059.0	6,090,079,357	60%	20%
<b>LAC</b>	<b>28,999,235.22</b>	<b>145,591,644,821.00</b>	<b>38,278,990,493</b>	<b>25%</b>	<b>5%</b>

- Half of migrants live in 20 largest cities in the Americas: Miami, Chicago, Los Angeles, New York, Santiago (Chile), San Jose (Costa Rica), Bogota (Colombia), Santo Domingo (DR), Sao Paulo (Brazil), and border cities like Upala, Tecun Uman, Nuevo Laredo, Cucuta, Colombia operating as connecting hubs of mobility, and homes;
- More than 100 corporations performing remittance origination services, but 20 control the US outbound market;
- Over 1,000 financial institutions, two thirds of which are banks, with a payment network of more than 6 million payment points territorially connect the Americas on real time transactions.
- At least ten agro-export, distributors businesses in every country are providing nostalgic trade services plus hundreds of producers integrated to a transnational value chain;
- At minimum of 20 percent of migrants visit their homeland every year, spending US\$1,000 per stay
- Diaspora organizing into philanthropic activity with two in ten migrants making small dollar donations to homeland projects
- A true transnationally connected community enabling payment and communication across families as a vehicle for global integration;
- Between 15 percent (Central America), 20 percent (Mexico) and 30 percent (Colombia) of remittance recipient households are receiving transactions via direct deposit

**TABLE 2: GEOGRAPHIC DISTRIBUTION OF LATIN AMERICAN AND CARIBBEAN MIGRANTS**

Origin \ Destination	United States	Canada	Europe	Latin America and the Caribbean	Other	World
Caribbean	16%	1%	2%	3%	0%	22%
Central America	39%	0%	1%	2%	0%	42%
South America	9%	1%	10%	25%	1%	46%
<b>LAC</b>	<b>60%</b>	<b>2%</b>	<b>13%</b>	<b>26%</b>	<b>2%</b>	<b>100%</b>

The scale, composition, and nature and of migration in the Americas has changed drastically since 2015

### **Scale—**

1. Migrants from LAC increased from 33 million in 2015 to 45 million in 2022—five million of which since 2020
2. Migration flows to the United States have more than doubled to over 5 million people annually in 2021 and 2022.
3. The sustained increases in the past two years are exceptional, given that migration inflow to the United States in 2019 was large, to nearly a million. The US captures 70 percent of all LAC.
4. Migration to Chile, Costa Rica, Panama, the DR, has also increased in large numbers. With these countries capturing more than 20 percent of all migrants from LAC. Chile is now host to 1.42 million migrants. 17 percent of all migration originates in 8 countries.
5. Costa Rica, Dominican Republic, Mexico and Panama have become destination and transit countries for hundreds of thousands of migrants

### **Composition—**

1. The composition of migration has also changed: Demographically people on the move are half adults, and half families and unaccompanied children: 5 percent of all migrants entering the US in 2022 are unaccompanied minors;
2. More kids are leaving every year than the annual increment of matriculation in high school in Central America: Guatemala's matriculation is declining since 2018
3. This inflow to the United States is composed of migrants from Mexico, Central America—with significant increases from Nicaragua—and Ecuador as well as refugees from Venezuela, Cuba and Haiti.

### **The nature—**

1. The factors explaining current migration are more complex and include political crises, economic insecurity, violence, weak social protection systems, COVID-19 contagion, low vaccination rates, and natural disasters.
2. The nationalities with higher migration inflows are those coming from more politically unstable or repressive countries, like Cuba, Haiti, Nicaragua and Venezuela
3. The economic impact of these flows are now 5 percent of Latin America and the Caribbean's national income

### **Solutions—**

1. Successfully addressing solutions to the increasing numbers of migrants into the United States and other countries within the LAC region will require interventions that can have a regional as well as a country-by-country approach.
2. The challenge is that the region is leading with non-cooperative partners and players.
3. These solutions include:
  - Humanitarian assistance
  - A development and democratization strategy: labor migration is here to stay
  - Regularization and migrant inclusion efforts: labor migration is here to stay
  - Transnational city strategies
4. Regardless of how people arrive, labor migrant integration of LAC to the global economy is the common denominator