



The Migration Dividend: Unlocking New Opportunities for Migrants' Labor Force Integration

Latin America and the Caribbean is seeing a wave of intra-regional migration that is without precedent in our hemisphere. Millions of people are displaced by lack of economic opportunities, security (including gender-based violence), poverty, and climate change, among other factors. As migration sees no sign of abating, what will be critical is the effective insertion of migrants and refugees into the labor market in their new communities. How this can best be done and what are the underlying factors inhibiting greater integration was the subject of a recent workshop hosted by the Adrienne Arsht Latin America Center in partnership with USAID.

Migrant flows speak to the urgency of finding new and innovative ways to promote migrant integration into the workforce. Since 2015, over 7.3 million Venezuelans have left their country, creating one of the largest displacement crises in the world and the largest in Latin America's recent history. This year alone, Panamanian authorities expect over 400,000 migrants to cross the perilous Darien Gap. The transit of migrants through Central America has put a strain on these countries' already-strained resources and infrastructure. Migrants often face violence and exploitation while in transit.

In the Caribbean, the Haitian exodus is having a significant impact on the country and is also a top concern for the international community, especially as the on-the-ground security situation continues to deteriorate. The UNHCR estimates that over 1.5 million Haitians have left the country, including over 1 million in the United States, and over 2.5 million have been displaced internally since the 2010 earthquake.

The continued acceleration of migration demands new pathways be created for their labor integration in the hemisphere – the subject of this brief.

Actionable Priorities

With a particular focus on the role that the private sector can play together with federal and local governments as well as other local and international organizations, three main priorities stand out as opportunities for collective action and collaboration:

- (1) to support governments adopting bold, pro-integration policies;
- (2) to lower transaction costs for companies to hire workers and to implement temporary labor programs;

(3) to balance narratives around migration challenges with forward-thinking on the opportunities migration presents to companies, countries, and societies.

Challenges

The region's historic informality presents a top barrier for migrant integration. It is challenging to sustainably integrate migrants into the workforce in countries where informality can represent more than half of all workers.^[ii] However, in the face of uncertainty and unemployment, labor informality is often the only available avenue for immigrants in Latin America, with 50 percent resorting to informal jobs regardless of qualifications or experience. ^[iii] Post-pandemic job recovery has further exacerbated high informality, as the growth of the informal sector has been largely responsible for job recovery in the pandemic aftermath.^[iiii] Informal jobs do not just mean less certainty and reliability but they are frequently associated with limited social protections, job instability, and low-income.

To ensure that migrants are fully integrated and supported in the labor market, new partnerships should be unlocked to identify and address the top barriers to their integration. These actions are not just short-term fixes but will serve to provide long-term economic growth opportunities for newcomers and for longstanding host communities. Some of the identified difficulties to access formal jobs in host communities include:

- An overall lack of access to work visas, forms of identification, and bank accounts, as well as ever-changing requirements and permits of short duration.
- No standardized procedure to recognize and validate foreign degrees and qualifications.
- A poor business-enabling policy environment, augmented by general macroeconomic challenges.

Recommendations

Given these difficulties, potential recommended solutions must include regional collaboration across sectors to support the socioeconomic integration of migrants into host communities. Proposal solutions include:

- **Ensuring more consistency across the regional legal ecosystem:** The formal inclusion of immigrants and refugees into the labor force is dependent on access to work permits and visas. Federal governments must regularize and standardize their existing frameworks for the feasible acquisition and maintenance of such documents.
- **Prioritizing locally led, market-based solutions that fund and engage regional partners:** While external agencies and multinational companies are essential partners in the determination and financing of solutions, grassroots organizations, with an understanding of local community dynamics, need to lead implementation efforts for successful outcomes.
- **Investing in understanding the skills and characteristics of migrants and refugees and mapping labor shortages to match potential migrant workers with job openings:** Numerous NGOs and government agencies are currently working to understand and categorize the skills and potential of incoming migrants. Matching their strong suits with

market and personnel gaps in host communities would promote a more seamless, organic and productive integration process. The Safe Mobility Offices should be looked at as a partner in this effort.

- **Continuing to bridge the gap between the public and private sectors to maximize effective communication and collaboration:** Across sectors, the goal is to maximize economic and social integration for the benefit of migrants and the regional economy. Constant and open communication through multi-sectoral working groups and periodic roundtables can help eliminate redundancies, promote the exchange of ideas, and channel integration efforts.
- **Developing a comprehensive approach to integration that considers the cultural and social aspects alongside the economic ones:** The successful integration of migrants is holistic and encompasses the private and public spheres. Ensuring migrants can adapt to and feel welcome in their host communities is conducive to long-term economic inclusion.

The Path Forward

The still ongoing recovery process from the COVID-19 pandemic, climate change, and diverse political and security challenges in Latin America and the Caribbean indicate that interregional migration will continue to be a trend that governments and communities will have to contend with in the upcoming decades. As well, at a time of global instability, extra-regional migration will likely continue to increase in the years ahead. Finding spaces for collaboration between the public and private sectors, grassroots organizations, and international organizations augmented by political and social will allows for the challenge of migration to become an opportunity for the region's economic growth and quest for increased equality.

Our recent workshop aims to be the first of many opportunities to understand how existing efforts to integrate migrants into the labor force can be scaled up and how to advance public-private partnerships that ensure better labor opportunities for migrants. Collaboration between the public and private sectors and international organizations and foundations can advance this work through formalized partnerships, the sharing of lessons learned, and a continued commitment to support regional efforts to implement the Los Angeles Declaration on Migration and Protection.

The Atlantic Council would welcome an opportunity to work with USAID and other partners to accelerate new practical, results-driven pathways for migrant integration in select LAC countries through the formalization of partnerships with members of the business sector and local/national government authorities.

[ii] International Monetary Fund (IMF). 2019. "Labor Market Dynamics and Informality over the Business Cycle in LAC." Regional Economic Outlook: Western Hemisphere Background Paper 3 (October), International Monetary Fund, Washington, DC.

[iii] Inter-American Development Bank (IADB). Organization for Economic Cooperation and Development (OECD), & United Nations Development Programme. 2023. How Do Migrants Fare in Latin America and the Caribbean?: Mapping Socio-Economic Integration. <https://doi.org/10.18235/0005007>

[iii] International Labour Organization (ILO). 2021. Employment and informality in Latin America and the Caribbean: an insufficient and unequal recovery. Interlational Labour Organization, Washington, DC.