

# Remittances and Migration for Development G-24 TGM Session 4

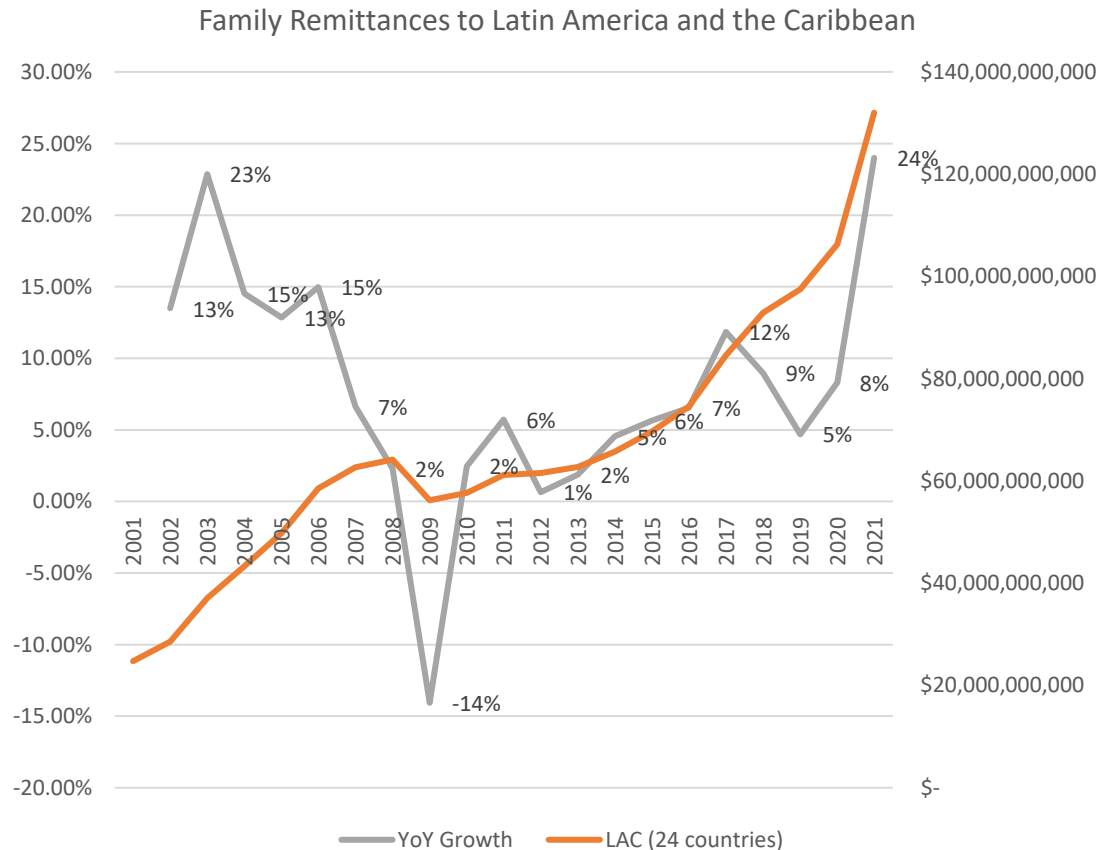
*Remittances, Migration and Development*

*to Latin America and the Caribbean*

Manuel Orozco

Inter-American Dialogue

# Is double digit growth the new normal?



(a) The pool of senders increased: the average length of stay of migrants in the US [who are 50 percent of all migrants but who transfer 75 percent of all flows] has increased to 20 years (from an average of 16 years living in the US and returning back home), and in turn the percentage of senders increased from 80 percent to up to 85 percent or more.

(b) New migration patterns:

(a) new migratory waves since 2012 have expanded the size of migration. In 2021 alone, more than 30 percent made it through and a large percentage sent money the same year they arrived.

(b) intra-regionally, migration has continued to countries like Chile, Colombia, Costa Rica, Panama, the Dominican Republic, and even Mexico..

(c) Shifts in sending methods in the US to Latin America and Caribbean marketplace:

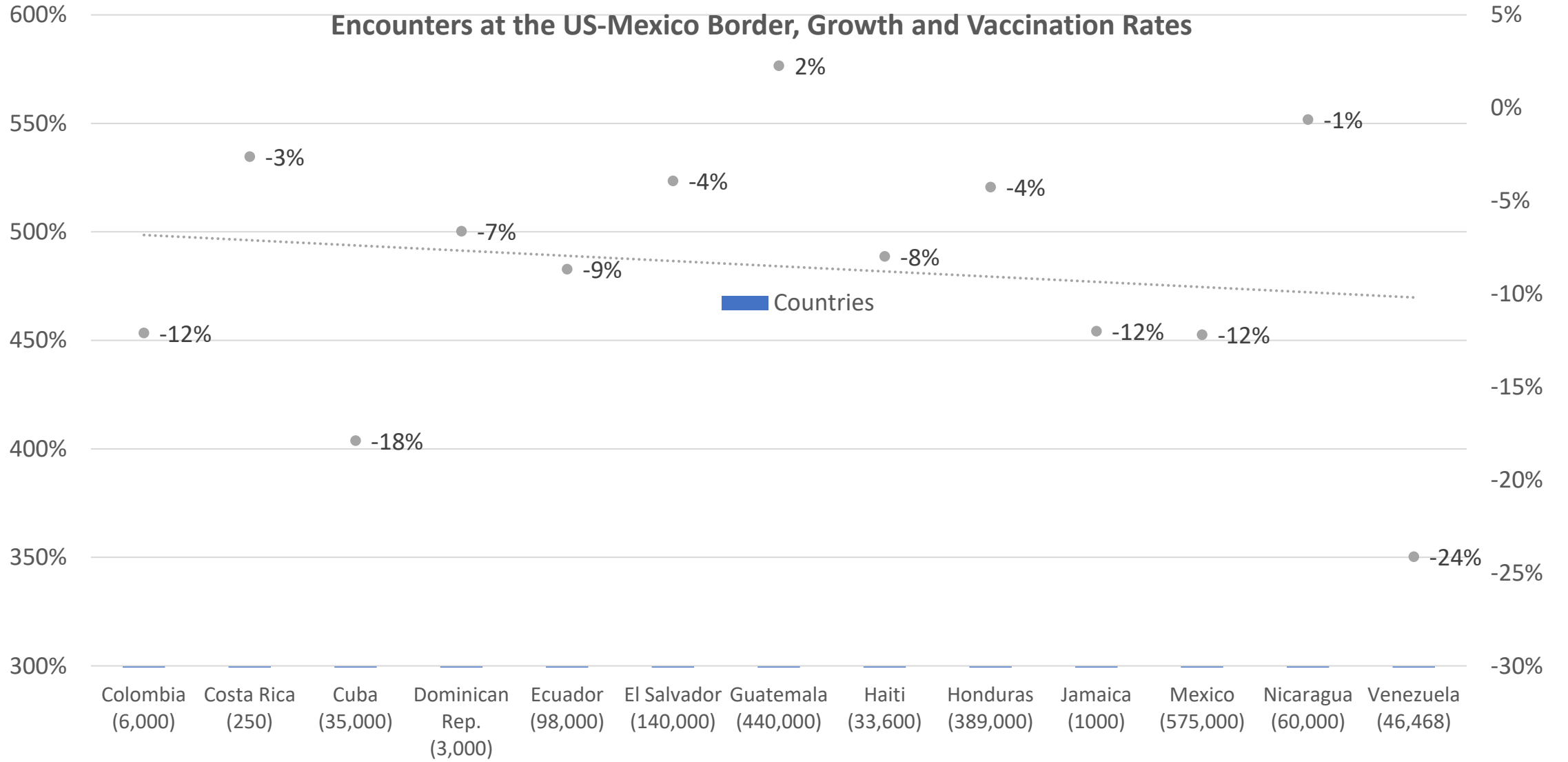
- The percentage of people sending C2C has dropped [from 90 percent in 2016 to 75 percent in 2021](#).
- An increase in originated digital money transfers to over 10 million transactions a month, and transactions deposited in accounts also increased to nearly 20 percent for the main receiving corridors.

(d) The principal amount remitted has increased by at least 7 percent due in part to increases in disposable income among migrants.

## Unprecedented growth of migration in 2021

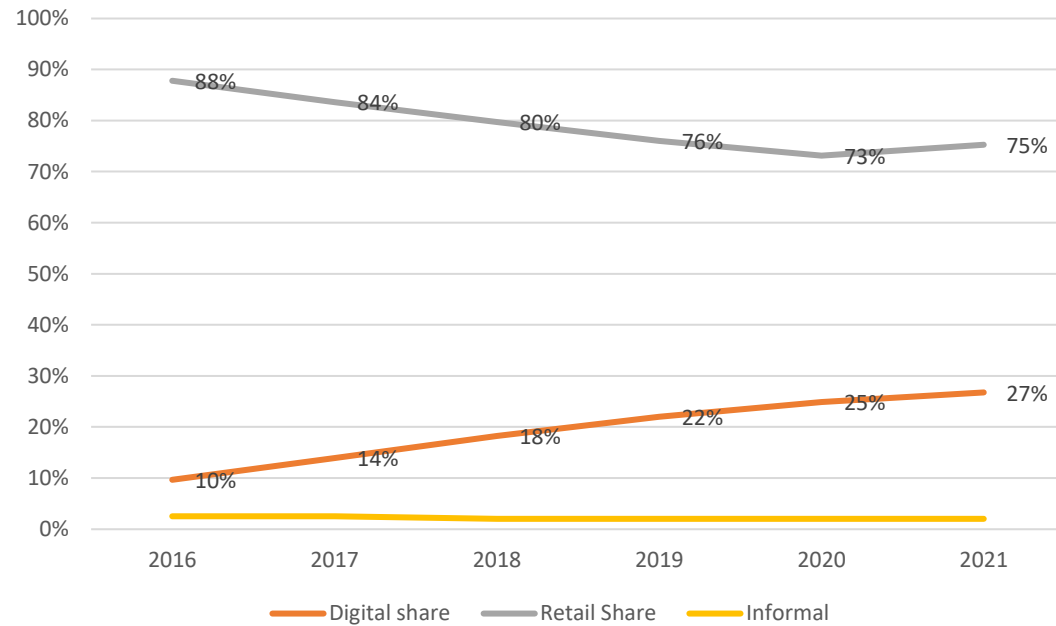
Country	Apprehensions/Encounters at US Border	Percentage Growth			Share of Population		Global Health Index
		Apprehensions at US Border	Remittances	Per Capita Income	Vaccinated	Covered by Social Insurance	
	2021	2019-21	2020-21	2019-21	2021	2021	2021
<b>Colombia</b>	20,721	1192%	21%	-12%	63%	9%	44
<b>Costa Rica</b>	250	3%	17%	-3%	72%	20%	45.1
<b>Cuba</b>	54,817	288%		-18%	87%	NA	35
<b>Dominican Rep.</b>	3,000	3%	14%	-7%	54%	7%	38.3
<b>Ecuador</b>	91,000	527%	20%	-9%	77%	11%	50.1
<b>El Salvador</b>	116,477	17%	25%	-4%	65%	6%	44.2
<b>Guatemala</b>	311,739	9%	33%	2%	32%	4%	32.7
<b>Haiti</b>	57,197	1921%	17%	-8%	1%	1%	30
<b>Honduras</b>	352,838	31%	32%	-4%	45%	3%	27.6
<b>Jamaica</b>	1,000	-5%	18%	-12%	21%	40%	57.6
<b>Mexico</b>	706,021	177%	23%	-12%	60%	5%	35.1
<b>Nicaragua</b>	87,000	511%	13%	-1%	53%	NA	23
<b>Venezuela</b>	108,510	3826%		-24%	48%	7%	29

## Encounters at the US-Mexico Border, Growth and Vaccination Rates

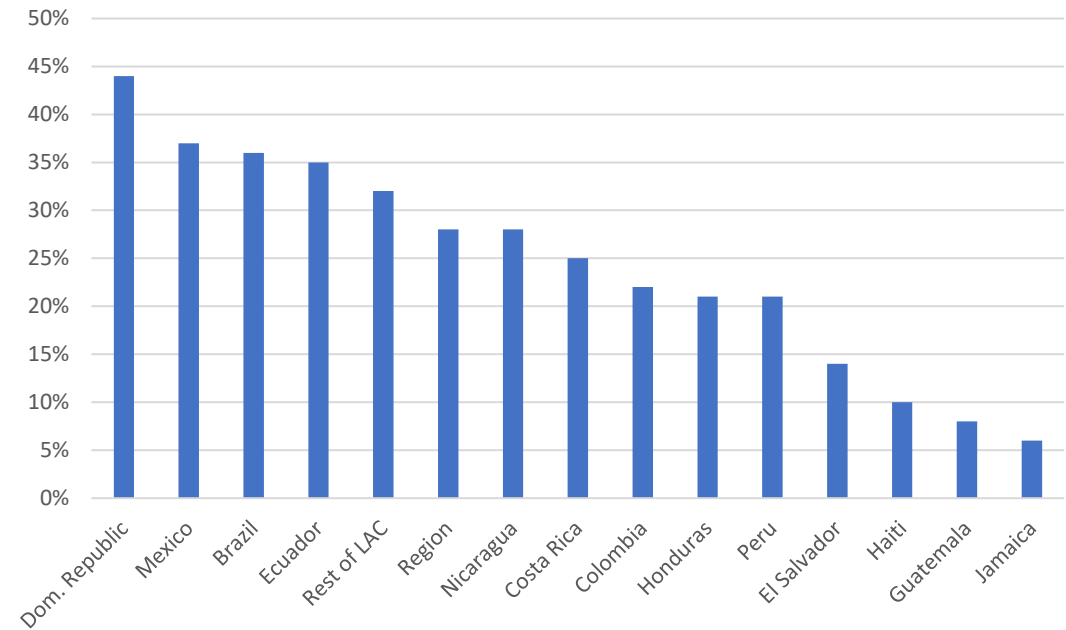


# Payments in motion...

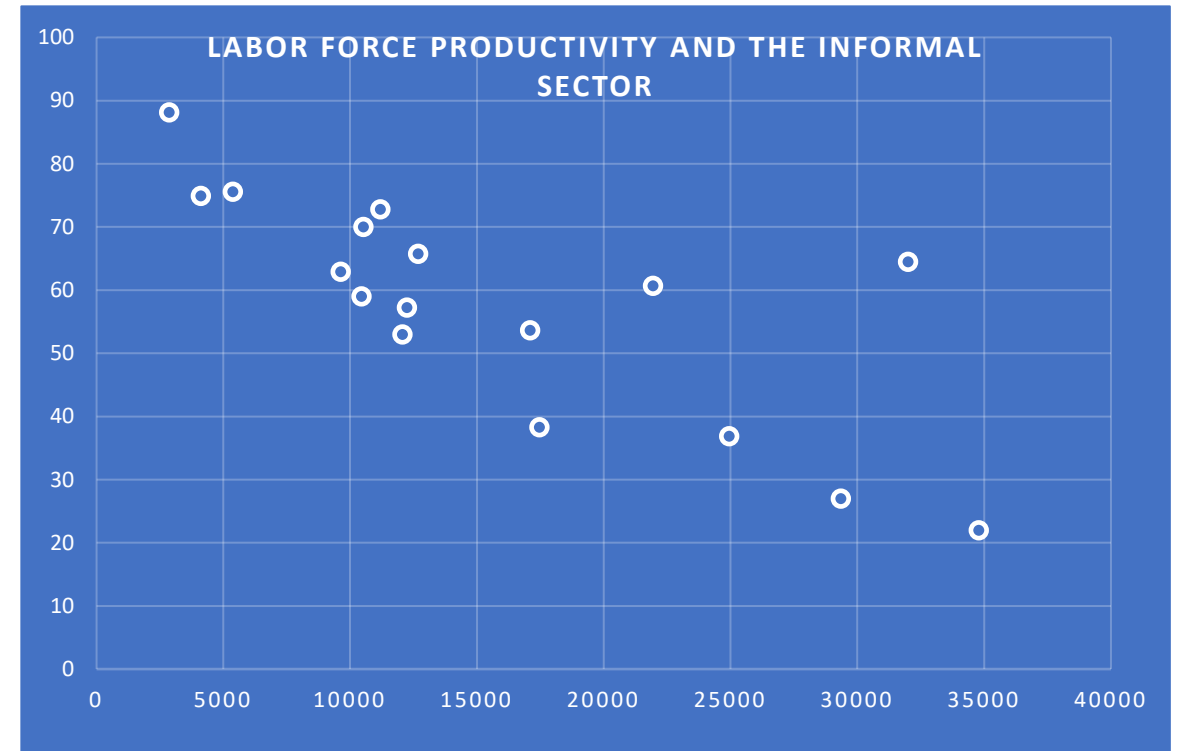
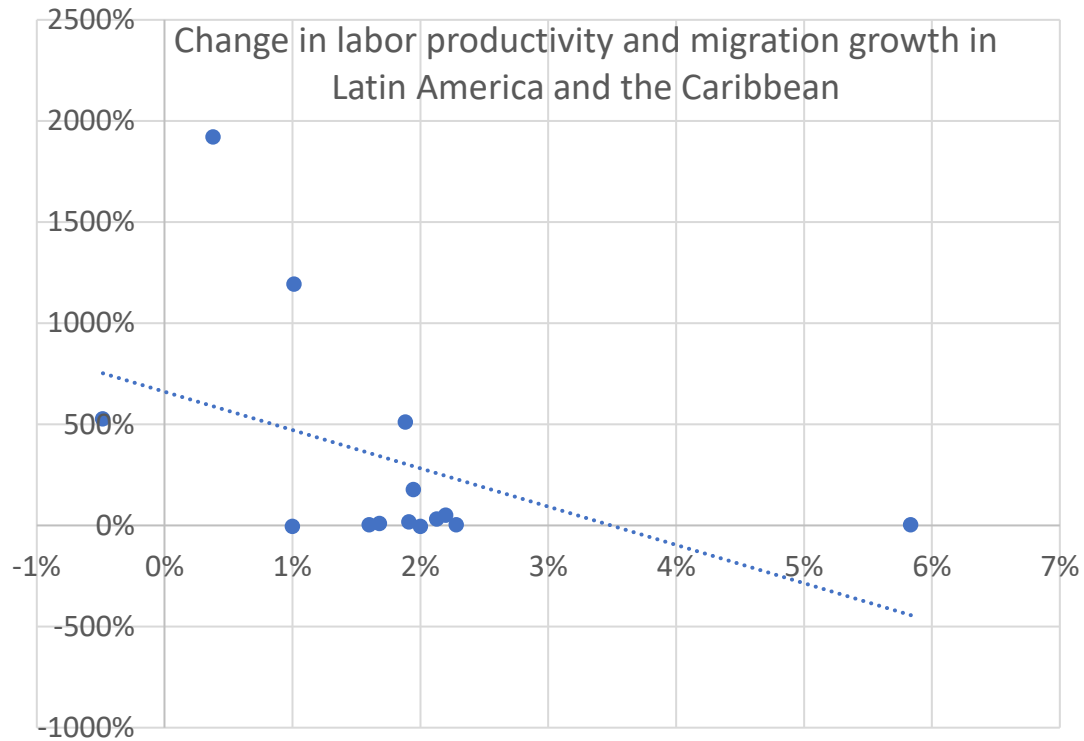
Cash transfers and digital sending by transactions



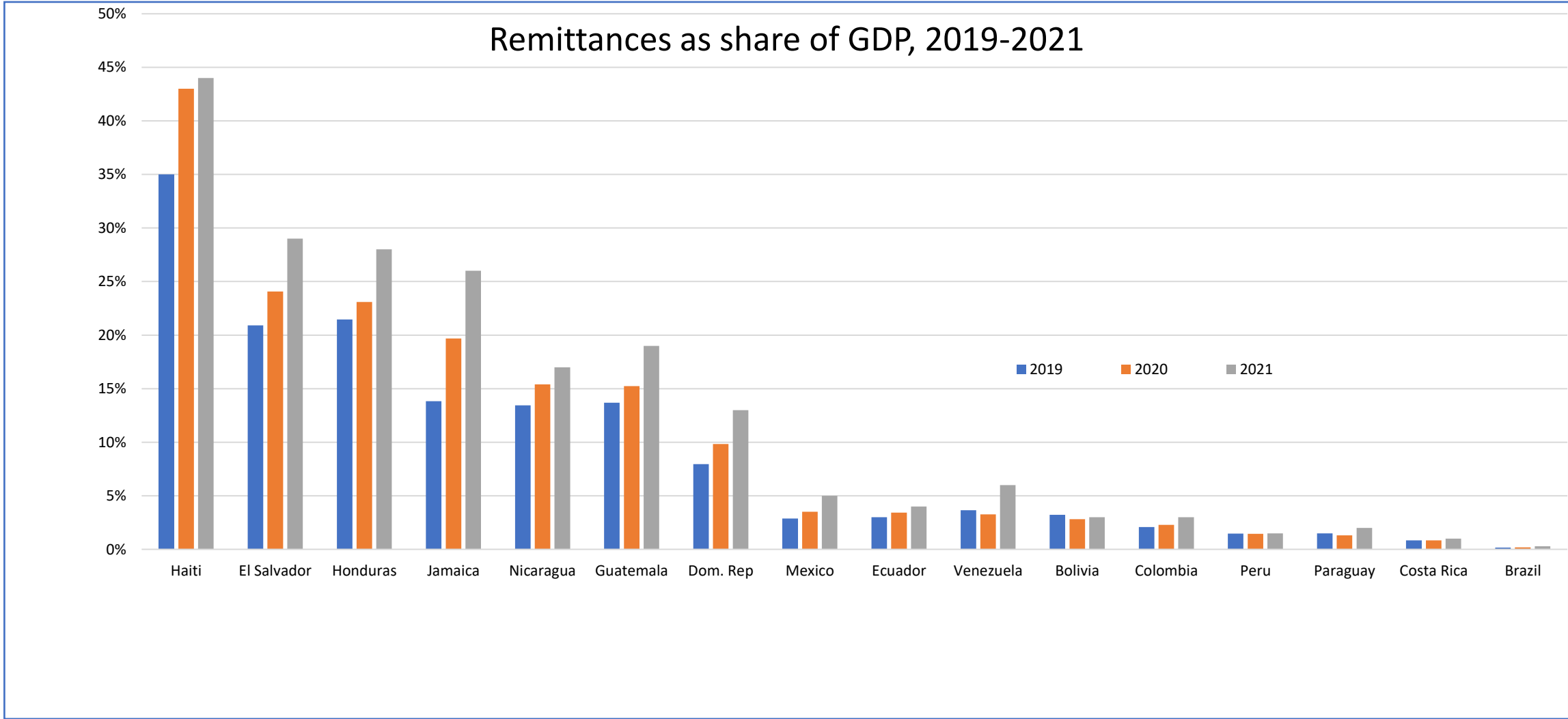
Digital market share (2021)



# The fundamentals in Migration: informality and labor productivity



# Remittances as a source of growth and development



# An Innovative Development Approach: Leveraging remittances for investments

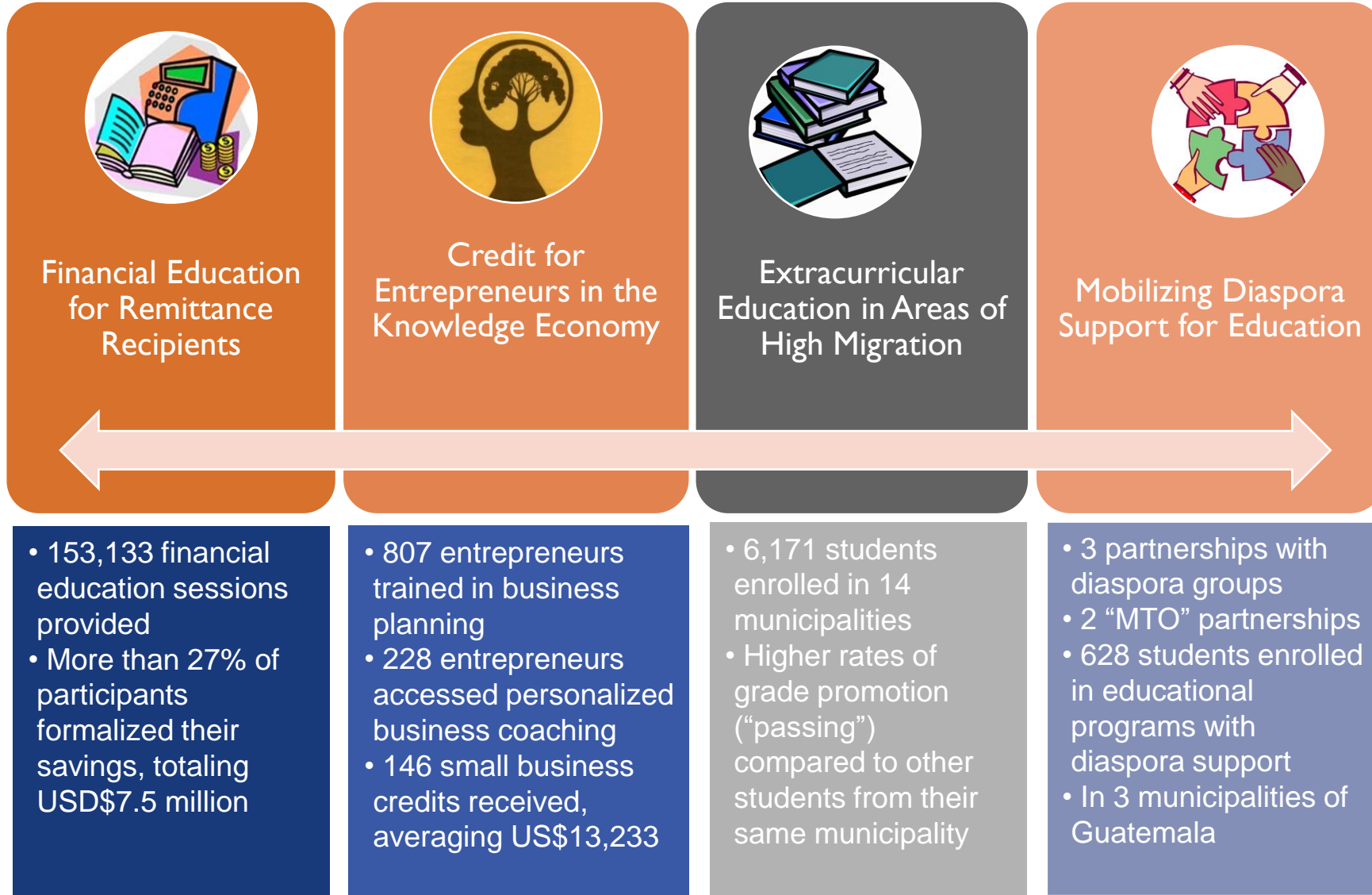
A development approach based on **human capital**:

- It addresses the challenges associated with informal labor, low levels of education and a low-skilled labor force.
- Moreover, it contributes to economic complexity as well as asset-building.

<b>Opportunities for My Community: Approach</b>	<b>Development Impact</b>
<b>Integrating migration and development</b>	Contributes to: 1) Generating new markets in the knowledge economy, 2) investing in these markets, 3) building human capital; 4) mitigates migration
<b>Accessing tools, products and knowledge for financial inclusion</b>	Contributes to 1) formalizing and mobilizing savings and 2) strengthening markets in the Knowledge Economy
<b>Investing in local markets through access to credit</b>	Stimulates spending in local communities and generates employment
<b>Supporting technical education</b>	Trains the labor force so that it is prepared for non-agricultural economic activities
<b>Preparing youth with academic and pre-professional programs</b>	Helps build critical professional skills for the next generation of the labor force; helps keep kids in school



# “Opportunities for My Community” Project



# A strategic approach to Central America

