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South America's Relative Economic Stability Attracts Immigrants

by Andrés Gaudín

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The crisis of the European countries, with the consequent massive loss of jobs and opportunities for the younger sectors of the population, is reproducing a phenomenon in South America that many thought was over: the arrival of small but persistent groups of Portuguese and Spanish immigrants. In general, the region's economies have indicators placing them among the best prepared to support the pounding from the global crisis, but this influx is beginning to cause concern, especially because those who are arriving—mostly professionals—come to compete in the labor market with a sector of the population that until now has not benefitted much from the economic upturn.

As their great-grandparents who emigrated a century ago and their grandparents 50 years ago—driven out as young people by hunger in Europe—the new generations from the Iberian peninsula began to follow the same route, this time as victims of a crisis that has already spread to a large part of the continent including all countries of the European Union (EU).

History is being repeated. Even the destinations are the same—the former South American colonies (Brazil, Argentina, Venezuela, Uruguay, preferably)—although the Portuguese are also going to destinations unthinkable a few years ago, such as the former African possessions of Mozambique and Angola, which offer a growth dynamic that no longer exists in the former colonial powers.

Those who a century ago came by the thousands on ships emigrated to find food and to "make it in America," as they said. Those arriving by the dozens today on planes are emigrating to find work and professional development. Hundreds of thousands and dozens. One could say that they are not comparable, said Argentine sociologist Ignacio González. Nevertheless, the researcher said, with the precedent of that earlier exodus, this 21st century wave comes leading an immigrant steam filled with symbolism—so much so that studies in the two European countries indicate that 50% of the young people who are looking for work say that they would leave their country to live wherever they are offered an equal, or even smaller but secure, income than they can find at home.

The Portuguese head for Brazil, where engineers and architects are scarce at a time when the South American giant is organizing for the 2014 soccer World Cup and the 2016 Summer Olympics. The Spaniards, who also bring skills along with their luggage, are drawn for cultural and linguistic reasons to Spanish-speaking countries, where Eloy Capellán, a Spanish director of the international consulting firm Adecco, specializing in human resources, believes "the opportunities are limitless."

Young people see ample opportunities in former colonies

While demographers and sociologists say that it is difficult to measure the scale of this new emigration, because reliable statistics are still unavailable, some relevant data exists. Portugal's state Observatório da Imigração says that the number of Portuguese registered at the Brazilian consulates rose from 678,822 in 2009 to 705,615 in December 2010, an increase of nearly 27,000 persons. Although it did not give numbers, the Lisbon daily also said that the migratory stream increased in the first half of the year.
Spain uses voter rolls to do its calculation. Since the crisis began in 2008, more than 120,000 people have left the country. Between December 2009 and December 2010, the number of Spanish citizens who emigrated to Argentina increased by 11% over the same period the previous year. For Uruguay, the increase was 16%, and for Venezuela, 24%.

In Spain, with the highest unemployment rate in Europe, where one in five persons is unemployed and that figure increases to more than two in five among young people, the opportunities that Latin America offers are a powerful magnet. In the first quarter of 2011, an average of 1,200 Spaniards a month were emigrating to Argentina alone.

The three main South American destinations offer attractive indicators for citizens of the declining European economies. In Brazil, with an economically active population (EAP) of just over 107 million, the unemployment rate fell from June to July to an all-time low of 6.2%. This trend has held since late 2009. The low unemployment rates have meant higher salaries and increased buying power, a situation helped, as well, by employer attitudes. They are looking for workers with higher levels of education and professional abilities, and they offer higher salaries.

In Argentina, with an EAP of 21.5 million, the July unemployment rate was 7.3%, the lowest since 2003. Uruguay, with an EAP of 1.8 million, had a July unemployment rate of 5.5%, the lowest in the region. Experts say Uruguay is the most vulnerable country to migration. Furthermore, one percent of the EAP index equals 18,000 jobs, and, given the low unemployment rate and small scale of the economy, it is difficult to create enough jobs to reduce the unemployment rate any further.

**Social-inclusion policies increase attraction**

The three countries have an additional attraction: they have been able to consolidate democratic processes in which, by prioritizing social inclusion, there is a strong leaning toward developing domestic markets, which means higher consumption and, consequently, more work.

In these new times in which the South American countries are seeing the reversal of a situation that they endured during the crisis at the beginning of the millennium, the media frequently print the testimony of Portuguese and Spaniards who took the path of economic exile. Jorge Borges, a Portuguese engineer quoted by the daily, the largest newspaper in Brazil’s industrial capital, said that "the emerging markets are where the jobs are right now."

Five years ago, discouraged by the lack of employment in Lisbon, Borges took advantage of the construction boom in Spain and moved to the city of Zaragoza, which was recently hit by the structural adjustment imposed by the International Monetary Fund (IMF). He now waits for the moment to begin a new emigration, and he is not thinking of Portugal. "At the first opportunity that comes along, I'm going," he said, with his heart set on Brazil, where, in addition to the two huge world sporting events being planned, there are US$200 billion in energy-infrastructure projects in the works.

"Everyone wants to go to Brazil, especially young people," said Carlos Ramos, president of Portugal's engineering association (Ordem dos Engenheiros). And with good reason. The Brazilian economy grew by 7.5% in 2010, and growth is expected to average 5% a year between now and 2014.

Spanish architect Xavier Casas' testimony is also reproduced in a thousand places, from and the Galicia daily to Argentina's and Uruguay's. Because his business in Barcelona was doing badly, Casas closed it in early 2010 and went to the small Argentina city of Rafaela, 500 km north of
Buenos Aires. He eloquently explains his trip around the world. "The South American continent is flourishing, and we have a lot of work in Argentina because it has found the best formula to emerge from the crisis and grow, grow, and grow—apparently without limit—by rejecting the adjustments that the IMF wants to impose."

Marta López Tappero, an Adecco analyst, said that, beyond the prospects that it offers, "Argentina is an odd case. Many go there as tourists, but they are tempted by the good situation and, finding work, they stay, because Argentina, like Uruguay and Venezuela, is open and receptive to immigrants. Its unemployment rate is at historic lows and it is growing at an annual pace of 9%.

The European-emigration phenomenon is complemented by a notable fact. Many South Americans—especially Argentines and Uruguayans—who left their countries at the height of the crisis at the beginning of the century have begun to return. Two realities are converging: things are going badly in Spain, and, in their countries of origin, things are going well.

Tiny Uruguay, with a population of just over 3.3 million, received in 2010 a monthly average of 140 families who had left in 2001-2002 and actually needs skilled labor, especially in the construction industry. Therefore, it is doing what no other country can do today—carrying out a repatriation campaign that includes many incentives for those who return. From financing the travel expenses and granting tax waivers to bring in the machinery and tools necessary for their work or business, to giving them free health-care benefits and counting the years worked abroad toward returnees' retirement.

"South America is giving us young people what our broken and submerged economies are denying us," said Iría Castro, a woman from Galicia, who added, "It never crossed my mind to look for work in Spain." She ended up in Argentina.

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