SITUATION OF RESIDENTIAL MIGRATION IN THE LABOR FIELD IN ECUADOR, PERIOD 2016-2021

Situación de la Migración Residencial en el Campo Laboral en el Ecuador, período 2016-2021

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ABSTRACT
Know the current situation of Ecuador with the analysis of migration, its economic and demographic effects. The methods used are exploratory and descriptive research, which allows us to approach the reality facing the country. The result is that in Ecuador it is preferred to hire the migrant for his lower payment, and labor exploitation is incurred towards him. A part of the migrants in Ecuador are professionals, they do not exercise their profession due to the non-legalization of their documents. It is concluded that Ecuador is a chosen destination to obtain resources to send remittances to their country of origin.

PALABRAS CLAVE
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Mercado laboral
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RESUMEN
Conocer la situación actual del Ecuador con el análisis de la migración, sus efectos económicos y demográficos. Los métodos utilizados son la investigación exploratoria y descriptiva, que permite acercarse a la realidad que enfrenta el país. El resultado es que en el Ecuador se prefiere contratar al migrante por su menor pago, y se incurre en explotación laboral hacia él. Una parte de los migrantes en Ecuador son profesionales y no ejercen su profesión por la no legalización de sus documentos. Se concluye que el Ecuador es un destino elegido para obtener recursos para enviar remesas a su país de origen.

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1. Introduction

The migration phenomenon is as old as society’s constitution because human being had a transversal characteristic where he moved to different places looking for ways of survival.

Residential migration is a social, economic, and political phenomenon, where many people venture and settle in unknown lands, as happened to Ecuador’s inhabitants in the past year 1999, who saw the need to migrate to other countries such as Spain, Italy and the United States looking for a better life quality, since Ecuador was facing a crisis that forced them to make that decision.

Currently, in the year 2021, Ecuador is the favorite destination for many other nationalities people where it is common to observe that jobs have been occupied by these people, who agree to be linked to any job opportunity, many of them informal, with such to obtain income quickly, in an attempt to calm the various needs they are experiencing as a result of the crisis in their origin countries, which gives an advantage to business owners or companies who find it convenient to pay lower wages, even below the legally established minimums, since it represents a low cost in personnel’s employed payment in certain companies. According to Instituto Nacional de Estadísticas y Censos (INEC) there is a considerable percentage of Ecuadorian inhabitants who do not have a job and that, because of the arrival of foreigners, they would have fewer possibilities of obtaining a secure job, and in many ways, it affects the Ecuadorian Economically Active Population (EAP) because they tend to be replaced in jobs.

In Santa Elena’s province, a high number of Venezuelan, Peruvian, and Colombian citizens is reflected, since they are groups that come to Ecuador with greater affluence, where they reside and seek new opportunities such as informal jobs and, in some cases, entrepreneurship is another option. Undoubtedly, the labor field in Santa Elena’s province is limited, due to the lack of new companies’ appearance that generate the necessary jobs, both for locals and for migrants, is not enough.

It is why in present work an analysis is carried out in which a contribution is based on the factors that directly affect labor field in Santa Elena’s province, with residential migrants being a disadvantage for citizens seeking employment in their native country.

2. Theoretical framework

2.1 Migration

Migration, as used here, is the movement of individuals in terms of their primary place of residence, whether internal (within countries) or international (between countries) (Gavonel et al., 2021). Migration is formative of the lives of those engaged in it and of the economies and societies that are, simultaneously, source and destination of migration flows (de Hass, H., 2020). Migration is intertwined with societal, technological, demographic, and ecological transformations, including processes of colonialism, over timescales of centuries (Barnett & Adger, 2018).

The United Nations (1970) defines a migration as a “move from one migration-defining area to another (or a move of some specified minimum distance) that was made during a given migration interval and that involved a change of residence.

Migration or the act of migrating is displacement from a territory of a State to another State’s territory or within it. It refers to any population movement, regardless of its size, composition or causes. Depending on these movements’ characteristics, we speak about forced migration or voluntary migration, permanent or temporary migration. The distinctions are analytical or legal and, can be found in a complex way in people’s lives who migrate (Debeudi, 2017).

According to the United Nations, the world-wide stock of migrants increased by 22 percent between 2010 and 2019.

Migration is considered as the distance or displacement from the place of birth to a place of destination permanently, of people known as emigrants or immigrants, either in a country or region. (Castillo-Armijos, 2011).

In the aspects that lead to migration in an individual, they include psychological factors which refer to the internal reality of the human being and that interacts with what he longs for, and psychosocial factors such as cultural, social, economic, geographic, and political, the same participating in the change of residence.

The main premise is that migration is driven by a combination of factors external to prospective migrants, as well as their own socioeconomic and demographic characteristics (Cirillo et al., 2022).

2.1.1 The migration processes

The migration is not a single event of moving across a pre-defined border, but is, rather, a long-term process of decision-making, execution, and integration. This process is influenced by the migrant’s experiences in earlier life
course stages, as well as by dynamic changes in both individual and contextual determinants (Erlinghagen et al., 2021).

The migration process is detailed below:

1. Initial comparative reflection: Stage in which the emigrant analyzes current situation with a desired future situation and limitations in place where they reside.
2. The migratory act: Describes action of carrying out the transfer from place of departure to arrival place. It is usually a period of years as it also occurs permanently.
3. Settlement: It is the way in which the emigrant adapts to the customs and values’ place in where migrants went, to improve their coexistence with social environment.
4. The integration: It is the end of the migratory process in which the acceptance’s customs and values becomes the migrant’s own, without losing those acquired in their native country or region.

### 2.2 Labor migration

It is motivated through a need to survive, an event that has been developing for years and will continue for decades in territories with little economic stability and for this reason in most cases to the place where they emigrate, an overpopulation of migrants, which gives rise to clandestine industries, white slavery, and labor exploitation (Márquez & Silva, 2014).

Labor migration is a central element within intra-regional migratory movements, it is necessary to observe in greater detail the different expressions and forms that this category acquires, such as temporary jobs, border movements, informal work, and work under conditions of exploitation. The latter is particularly critical because it presents conditions of greater job insecurity and conditions of social vulnerability (Stefoni, 2018).

Once in a destination, many migrants encounter stressful, and sometimes hazardous living and working conditions, frequently related to poor occupational protection, overcrowded living space and limited access to healthcare. Numerous reports have documented labor exploitative practices including document confiscation; contract breaches; restrictions of movement; and non-payment of wages (Mak et al., 2017; Amnesty International, 2011; Verité, 2014; Environmental Justice Foundation, 2013; McCormack et al., 2015; IOM Kuwait, 2017; Asia Foundation, 2013; Government of Nepal, 2012; World Bank, 2016).

According needs of Maslow's pyramid, by not satisfying any basic need, man seeks to achieve it through any means, in this case labor migration is a social issue that must have all the governments’ interest and relevant organizations, to their evaluation and control through action plans to improve their social and economic condition (Márquez & Silva, 2014).

Many benefits have been attributed to labor migration particularly through the remittances sent home, such as improved household well-being, better access to education and healthcare (Adhikari & Hobley, 2011; McLeman & Smit, 2006).

Under this aspect, the International Organization for Migration (IOM), aims to develop policies and programs which guarantee the migrants’ quality, and dialogue with the states that have the greatest migration influx (IOM, 2015).

### 2.3 Migration and globalization

The number of people seeking to migrate due to different causes (e.g., economic, sociopolitical, and ecological, etc.) is globally rising, and migration continue to be the source of increasing complexities and rapid changes in countries of origin, transit, and destination (Ayeb-Karlsson et al., 2018; Black et al., 2011; de Hass et al., 2019; IOM, 2019; McLeman, 2018; Warner et al., 2010; World Economic Forum, 2017).

Globalization is immersed in the main migration aspects in different parts of world, aspects that count the arrival place, but not the departure place; demography and economy and the global capitalism’s expansion of large multinationals and economic development which provide more opportunities and resources.

Globalization, which must be understood essentially as the historical result of the development of capitalism and as productive forces is considered a very high-level expression of development, fosters a greater internationalization of economic life, a greater degree of interdependence between nations, and consequently, it deepens the social character of production. Although globalization has its roots in socioeconomic processes, it manifests itself in all other life spheres on planet. (Oroza & Puente, 2017)

Mentioned above, foreign labor is the main sympathy to fill jobs and the lowest cost for work.
2.4 Working market

2.4.1 Neoclassical theory

It is the exchange of labor services for money, through which, between uniform and relative prices, equilibrium price clears market. In this unemployment theory should be zero unless there is overpopulation.

2.4.2 Classical theory

It is labor power exchange for the production cost. The wage is determined regardless of production quantities. In this theory there is overpopulation, so the supply of labor is excessive, which prevents the rise in wages.

2.4.3 Keynesian theory

It is the theory of permanent employment where temporary jobs in labor markets are not well organized.
Workers and employers relate as if they were partners and each actor is not free to change partners, there is a contract and collective action unions. (Figueroa, 1993).

2.5 Remittances

A remittance is a transfer of money by a foreign worker to an individual in their home country (Petróczy, 2021). They are typical of migration, in which individuals sends money to their families to origin country to improve their economic situation (Franco, 2010).
According to the World Bank (2019), the stock of migrants (excluding refugees) had reached approximately 240 million and the remittances sent by them amounted to US $483 million by 2017.
Remittances have become the largest source of foreign exchange earnings, surpassing official development assistance and portfolio investments in low and middle-income countries (Murakami, Yamada & Sison, 2021).
Links between migration and sustainability outcomes in source and destination areas through remittances are well established (de Hass, 2010).
They have an impact on two factors:
National: Contribute to poverty reduction, increase foreign exchange reserves, and credit activity.
Individual: Personal and family growth in health areas, education, housing, and food.
Remittances not only involve family subsistence, but they also influence the transactional financial regional economic system flow. (Cortés García & Cortés García, 2008).

2.6 Informal Settlements

Informal settlements are one of the biggest challenges of the 21st century, because they are characterized by rapid population growth, environmental degradation, high levels of urban poverty and inadequate access to basic services, such as water, sanitation and waste collection (Asian Development Bank, 2019; Gulyani & Bassett, 2007).
Informal settlements are a long-standing social phenomenon in the Latin American region. The displacement of people to cities has given way to the proliferation of these types of settlements. These spaces are fertile to harvest families in poverty and in deplorable conditions for human life (Méndez-Areopaja et al, 2021).
It is referred to as urban land’s portion’s appropriation, where first construction signs for a family’s shelter or enclosure are given (Matute, 2016).
According to the Organization for Economic Cooperation and Development (OECD) (2001), informal settlements are defined as “areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally”. A lack of urban planning, minimal building standards and the absence of urban regulations prevail in such settlements, (e.g., housing constructed in risk areas).
The main places of settlement in Ecuador have led to an increase in population in each province, where migrants are looking for a better life quality.
2.7 Economic Effect of Migration

It builds on the classical contributions suggesting that migrants were pushed by low incomes in their countries or regions and pulled by better prospects in more affluent areas as outlined by Lee (1966) and Harris and Todaro (1970), and on their further extensions highlighting the importance of non-economic factors such as countries’ political conditions, migration policies and structural characteristics (Borjas, 1989).

The overall effects of migration on source and destination areas depend on the size, composition, and nature of migration flows, as well as the specific context from which migrants are drawn, and the timing of their migration (Gavonel, 2021).

As a result, migration is a key element driving sustainable outcomes (Rees, 2006), although it may have both positive and negative effects, resulting in an ambiguous overall outcome (Cobbinah et al., 2015). The relationship between migration and development is inevitably highly contested, based on different analytical tools, conceptual frameworks, and political stances (Schiller & Faist, 2010). Evidence across disciplines shows that migration has on aggregate, significant benefits at the individual level (Deshingkar, 2006). Yet, migration brings about a complex set of demographics, socioeconomic, and environmental challenges including labor market impacts, brain drain, brain gain, resource demand, and the effects of remittances (Castles, 2011).

The migrants’ arrival produces sustainability and strength in the economy; however, they absorb national citizen’s public resources.

When migrants arrive, market demand increases, they allow flexibility and offer their services, occupy jobs, and pay taxes since they are young or middle-aged, so they have tax income and not the consumption of public services like people in adulthood. The costs are less, and the GDP has a considerable increase, whether due to the service, production, or labor they carry out (Aruj, 2008).

Previous research suggests that emigration reduces labor supply overall and, more specifically, the supply of categories of emigrating workers (Skeldon, 2009). As a result, if the unemployed are more likely to migrate, then migration may diminish unemployment pressures and demand for social security programs in source areas (Lyu et al., 2019).

3. Methodology

The present study focuses on an exploratory, descriptive investigation and bibliographic review regarding proposed research topic, under existing levels of migration in Ecuador.

From bibliographic reviews, social, economic, and political factors that encourage migrants to be residents for a better life quality were analyzed, in turn, it indicates what are the main problems and disadvantages in the labor field insertion.

It also has reference to a quantitative investigation due to the updated statistical representation data about countries with the largest migratory influx, in Ecuador and the unemployment rate of the country’s EAP.
In Fig. 1, it shows the number of migrants with the most influx in the country, where it reflects that people of Venezuelan nationality arrive in Ecuador more frequently, it is also presented in 2017 and 2018 that the number of Venezuelan migrants exceeds the other resident nationalities; this is due to the economic, political, and social problems that Venezuela faces.

**Figure 2.** Composition of the total population.


Within analysis corresponding to situation with respect to migrants, some statistical data on unemployment in Ecuador is highlighted, in addition, an approach is made where the limiting factors or problems that several migrants entries to Ecuador would bring, knowing that: 70.5% of total population is working age (Fig. 2), where 95.6% have a job and 4.4% do not have a job (Fig. 3).

**Figure 3.** Composition of the EAP - Unemployment rate. (National Employment Survey, 2018)
The national unemployment rate until March 2018 was 9.3% categorized by gender (Fig. 4), where 5.8% corresponds to percentage of women who do not have a job and 3.5% corresponds to men unemployed.

4. Results

In Ecuador, companies and businesses choose to hire foreign people since it represents a lower cost with respect to wages and salaries payment of, this becomes a complicated situation for Ecuadorians where many of them, by opposition, have had to leave their jobs, and these positions are replaced and replaced by migrants. But in turn, the migrant is paid an amount of money well below what is established in the minimum wage, which in turn represents labor exploitation.

Many foreign citizens prefer to start and establish small businesses, although many of them have professional titles, now they could not practice due to the lack of documentation or legalization of their documents, therefore, it is a loss of human capital, or they are not taking advantage of in the country.

The following are the main factors that drive migration:

- Aspects in origin place such as unstable economic and political situations.
- Environmental factors / presence of natural disasters in their native country.
- Discrimination and insecurity.
Figure 5. Main occupations of migrants when settling in Ecuador.


It is notable that migrants do not find a job quickly, so they decide to open new paths, as can be seen in graph 4, where it is indicated that 47% of migrants are informal vendors (street vendors), followed by 27% that is dedicated to the commercialization of some product (not itinerant), such is the case of managing a small business that is mostly the sale of fast food, and finally there are very few migrants who obtain a formal job where it is visible that there are companies that hire staff/workers where they incite exploitation. Another percentage less than 6% who are in the condition of students in the education system in Ecuador.

Figure 6. Colombian refugees in Ecuador, by province


Fig. 6 shows the number of Colombian migrants who are refugees in Ecuador, as it is evident that the Pichincha province concentrates the highest estimated number of Colombian refugees in Ecuador (14,992), followed by the Amazonian border Sucumbíos province (13,050) and there is a considerable number of migrants settled in Esmeraldas’s province.

5. Conclusions

Labor migration is no longer just a topic of common interest but has become a social problem that mainly affects Latin American countries, in this case Ecuador for being one of the destinations chosen to obtain resources and then send remittances to their countries of origin, with data presented in the work, it was determined that Venezuelans are the ones with the most refugees in Ecuador due to the economic crisis they face with greater
severity this year, with approximately 600 thousand Venezuelans who entered, according to information obtained in United Nations (UN) (2019).

These data provided with approximately 3,000 daily migrants entering Ecuador have caused Quito city to be declared a migratory emergency due to overpopulation, however only 25% remain in the country, the rest continue their route to Chile, Perú, among other countries with different laws that in one way or another favor those who continue, practically as nomads, who move on foot, bicycle or waiting for some charitable soul to help them on the journey, they live and expose themselves to daily in precarious conditions, but who have no other option but to leave their country in search of a better quality of life.

The main reasons why migrants are increasing are to satisfy basic human needs such as food, health, housing that currently lack these rights and benefits in several Latin countries where inflation is increasing and is not enough for the basic basket family, and according to obtained data from the International Monetary Fund (IMF) inflation in the country with the most crisis in Latin America is Venezuela, which was close to 1,000,000% during some months of 2018, in addition to the Gross Domestic Product (GDP) that fell by 18%.

In addition, Ecuador is not a developed country or a world power to offer and guarantee employment to all those who enter and to those who are already unemployed in the country, and for now, some of those who initially arrived are benefiting from the payment labor, although many of these new workers settle for their daily sustenance in order to have certain minimum benefits such as housing, food, even where they do not mind earning less than the basic salary and without social benefits or others such as utilities, vacations, social security, because what they earn is sent (largely) as remittances to their country and they are exposed to labor exploitation, and in many cases underemployment because a large number of migrants are professionals, but because they are not have opportunities in their native country, they have to work whatever is available when they migrate, either due to lack of official documentation or due to the absence of opportunities in their area and they do not have no choice but to accept employment in order to survive crises.

From a purely economic point of view, it is not convenient for a weak economy such as Ecuadorian one, that there is a phenomenon of massive outflow of money, since, in the long term, all this would affect employers, who currently have not given account of problem that is being caused, since the salary received by Ecuadorians is spent and stays in the country for the most part, becoming working capital, instead, the salary earned by foreigners, especially Venezuelans, Colombians and Cubans they send it out Ecuador, which harms the economy with the massive outflow of capital, causing a long-term crisis and scarcity for not taking the necessary measures, both preventive and corrective, by the authorities that regulate this urgent nature phenomenon, where humanitarian aid is not enough for the magnitude of this fact and that their figures increase every day.
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