

# The Impacts of the Venezuelan Migration Crisis on Hispanic–American Countries

LILI SHI

*Department of Confucius Institute of Shanghai International Studies University*

**Abstract:** The Bolivarian Revolution led by Hugo Chávez and the ensuing economic crisis triggered a massive migratory exodus from Venezuela starting in the early 2000s, making it one of the most significant migration movements of the 21st century. This study aims to analyze the consequences of this migration, including the diverse social impacts of the large number of Venezuelan immigrants on other Latin American countries. It also investigates the reactions and migration policies of the receiving countries, highlights the severity of the Venezuelan migrant crisis and its global ramifications, and calls on international and regional organizations to address the issue and implement appropriate measures to support Venezuelan refugees in overcoming the crisis.

**Keywords:** Emigration, Venezuela, Impacts, Latin American countries

## I. Introduction

Nowadays, due to the development of economic globalisation, international migration has become more frequent. The Venezuelan exodus is one of the most important migratory movements at the beginning of the 21st century. In recent years, the Venezuelan migration crisis has had a significant influence worldwide, especially in Latin American countries and Spain. This issue has become a focus of public debate. Venezuela is suffering the loss of millions of inhabitants and a significant decline, while other countries in the same region are facing tens of thousands of Venezuelan migrants, which has put severe pressure on the national financial and other educational and health sectors of the host states. Moreover, the Venezuelan migration crisis is a very new issue that is still unfolding, and despite its huge national, regional and global impact, the Venezuelan migration crisis has not been studied to any great extent and in depth.

This thesis focuses on the impact of the Venezuelan migrant crisis on other Latin American countries and the responses of the authorities in those countries. The study contributes to an understanding of the far-reaching effects of the Venezuelan migrant crisis on the socio-economic and political stability of the region and analyses the policies and measures adopted by countries in response to migratory flows. Through a comprehensive analysis, this thesis aims to provide valuable insights for policymakers, academics and relevant institutions to better respond to and address this evolving and complex issue.

## II. The impacts of the Venezuelan migration crisis in Colombia

Currently, people continue to leave Venezuela to flee violence and instability, so it is necessary to highlight the impacts of the Venezuelan migration crisis on Latin American countries, and the reactions of the governments that have taken them in are also relevant. According to UNHCR 39 official figures, more than 7.7 million people have left Venezuela in search of protection and a better life; the majority (more than 6.5 million people)

have been hosted by Latin American and Caribbean countries. [1] The most common destination countries for Venezuelan migrants are Colombia, Peru, Chile, Ecuador, the United States, and Spain.

Due to the proximity of geographical location, the similarity of culture and language, less control of migration policy, Colombia is the first choice for millions of Venezuelan migrants; currently, Colombia is the country with the largest immigrant population of Venezuelan origin in the world. That it is necessary to analyse the social and economic impact of the Venezuelan migrant crisis on Colombia.

"The effects of the Venezuelan crisis have manifested themselves in a variety of ways in Colombia. various ways in Colombia. In addition to the collapse of bi-national trade at the end of the last decade, which hit domestic industry particularly hard, there has been a marked deterioration in border areas, either due to the economic and social effects of arbitrary border closures, or due to incursions border closures and incursions by Venezuelan forces into national territory. This is compounded by growing immigration, both regular and irregular of Venezuelans to Colombia." [2]

Displaced Venezuelans must be cared for and fed, from the beginning of their arrival in Colombia until they are fully integrated into society, there is no doubt that this is a long process, which generates pressures on social services and national resources.

"The impact of the additional provision of education, health, water, early childhood, humanitarian care, employment services and institutional strengthening services would be between 0.23 per cent and 0.41 per cent of the country's GDP, depending on the absorption capacity of each sector," says the World Bank, which also warns of the impact on the most vulnerable segments of the population. Colombia, which shares some 2,200 kilometres of border with Venezuela, is the country in the region that has suffered most from the consequences of this phenomenon." [3]

"In the case of Colombia, this situation led the government to announce in March 2019 an adjustment of its medium-term fiscal deficit targets. Calculations by the World Bank and the IMF (International Monetary Fund) made in 2018 indicate that the annual weight of Venezuelan migration in Colombia's fiscal accounts is between 0.3 and 0.6 points of GDP. Another estimate made by the Fedesarrollo think tank pointed to 0.48. In the case of Colombia, 0.5 points of GDP is equivalent to approximately US\$1.5 billion." [3] As a developing country, Colombia still faces extreme poverty and hunger, unemployment, regional armed conflicts and many other social conflicts, and the arrival of millions of Venezuelans has aggravated Colombia's financial situation.

However, the Venezuelan migration crisis has not only brought negative influences, but there are also positive influences that, in the medium and long term, could perhaps contribute to Colombia's economic growth. The World Bank's vice-president for Latin America and the Caribbean, Jorge Familiar, revealed that the institution's simulations indicate that if some 500,000 people of working age emigrate to Colombia, the growth of the Colombian economy would accelerate by 0.2 per cent as a result of a 0.3 per cent increase in consumption and a 1.2 point increase in investment". [4] In the process of integration into Colombian society, Venezuelan immigrants are also boosting local economic growth.

With regard to the social effects, in my view, on the one hand, the arrival of millions of Venezuelans has put a lot of strain on Colombia's basic services and has aggravated the shortage of medical and educational resources. The previous public infrastructure no longer meets today's requirements, all of which will result in more social conflict. In addition, Colombia's unemployment problem is exacerbated by the fact that competition has become stronger than before, especially in temporary work, due to the migratory flow of Venezuelans. The large influx of Venezuelan labour has led to a decrease in wages, which has a big impact on low-level Colombians, for whom life will be harder.

On the other hand, it is necessary to emphasise the changes in crime in Colombia due to the increase in Venezuelan immigrants. The influx of Venezuelan refugees, who are unable to find work and many of whom have started stealing and robbing, has led to a high crime rate in Colombia. Colombia has now become a very dangerous country because the exodus of millions of Venezuelans, hunger and poverty is the main reason for crime.

Secondly, when referring to the Colombian government's reaction, you have to know your history first. Colombia and Venezuela are two neighbouring countries with common historical roots. Since the political conflict and social crisis worsened, Venezuela has become an inescapable component of Colombia's present and future. Because Venezuela received a large number of Colombian immigrants in its history, in recent years, in the face of this great Venezuelan migration crisis, the Colombian government decided to accept immigrants from Venezuela out of gratitude and humanitarianism, adopting a flexible and loose immigration policy.

"Colombia will grant nationality to more than 24,000 children of Venezuelan migrants born in that country, a humanitarian measure that stands out amid a climate of tightening migration policies in other parts of the hemisphere. "Today Colombia is giving this message and this lesson to the world. To those who want to make xenophobia a political path, we adopt the path of fraternity," said Colombia's former president, Ivan Duque, in a speech announcing the measure. That decision will grant Colombian passports to babies born to Venezuelan parents in Colombian territory from August 2015 to August 2021, which will facilitate their access to education and medical care." [5]

Compared to other Latin American countries that have adopted increasingly harsh immigration policies to restrict the entry of Venezuelan migrants, protect local economic interests and avoid violent populist reactions, the Colombian authorities have a much friendlier attitude.

### **III. The impacts of the Venezuelan migration crisis in Peru**

As the country with the second largest number of Venezuelan refugees in the world, Peru currently suffers a situation very similar to that of Colombia. Peru's medical and education sectors have come under severe pressure. Due to the influx of a large labour force, there have been further changes in the labour market, especially in service industries with low academic requirements. For example, security guards, supermarket cashiers, restaurant waiters, etc., because Venezuelans charge lower wages and work better than Peruvians, some shops or companies prefer to hire Venezuelans to save costs, which is a threat to Peruvians.

It is worth noting that many Venezuelan immigrants have also had a favourable impact on the Peruvian economy. One of the positive effects of the mass exodus of Venezuelans is that it can promote the economic development of the receiving countries. All of these Venezuelan migrants need to rent houses, contract services and pay consumption tax. Those who have obtained formal employment must pay taxes to the country's public finances, all of these actions invigorate the economy of the receiving country.

In addition, the immigration of Venezuelans would also have a positive effect on the inflation rate of the receiving countries, but this theory was not generally accepted and still needs further professional research. "The Central Reserve Bank of Peru pointed to an apparent decrease in inflation as a favourable effect of Venezuelan immigration. In theory, this is because the increase in the number of available workers reduces wage costs and, possibly with it, prices. The issuing agency gives the example of the food sector outside the home. However, some economic experts disagree with this theory, believing that the decline in inflation is caused by a fall in the price of food, in particular potatoes, and claiming that if there were any effect caused by Venezuelan immigration it would be marginal.

Regarding the reactions of the Peruvian government, the country with the second largest Venezuelan immigrant population in Latin America and in the world, among the immigrants, there are a large number of people who

are illegally present in the country. With reference to the Peruvian government's policies to address the employment problems of Venezuelan immigrants, it is necessary to highlight the policy of geographical relocation of Venezuelan human resources, Plan de Asimilación Productiva (Productive Assimilation Plan).

"The Venezuelan Union in Peru is working on the Productive Assimilation Plan, an initiative that seeks the geographical relocation of Venezuelans to regions of the country that suffer a specific shortage of qualified workers. "What we are saying is that instead of having doctors or engineers working as waiters, security guards or drivers, they can be placed in different provinces to pursue their careers, which would generate a win-win situation for Peru and for the Venezuelan professional who would improve their socio-economic situation, placing their knowledge and experience at the service of this country." [4]

"Furthermore, the proposal has already been presented to the Peruvian authorities, who have already made progress, such as reducing the fees for the validation of academic degrees by 70%. It indicates that if these Venezuelans with university qualifications stop working as waiters or labourers, they will also stop being seen as a labour threat to Peruvians working in those sectors. " [4]

It is undoubtedly a beneficial policy for both Venezuelans and Peruvians. Taking advantage of the knowledge, experience and skills of Venezuelan immigrants to satisfy the demand and specific deficit of professionals in some regions of Peru, which will favour the development and progress of the economy and other social aspects of Peru.

When it comes to the Peruvian government's reaction, as the huge influx of Venezuelan migrants has already exceeded Peru's reception capacity, the authorities decided to control the situation in order to protect the safety and interests of its Peruvian citizens. "In 2019, the Peruvian government began to expel groups of Venezuelans constantly for having criminal records and entering the country under false names, after serious problems with Venezuelan crime in the Andean country during 2018 and 2019. The government's measure comes in a context in which the negative perception of Venezuelan immigration in Peru rose from 43% in February 2018 to 67% last April, due to the increase in crime and the reduction of jobs for Peruvians, according to a survey by the Ipsos company, published in the newspaper El Comercio". [6]

Faced with an influx of Venezuelan migrants, the Peruvian authorities have begun to introduce policies to limit the influx of Venezuelans. For example, all Venezuelans wishing to enter Peru must present a passport. Due to the high cost of this document in Venezuela, this initiative has effectively reduced the influx of Venezuelans into Peru.

However, some Venezuelans without visas still enter Peru via secret routes or illegal passages, paying smugglers to enter Peru. These criminals see commercial opportunities in the new migration restrictions. All in all, the prospects for Venezuelan migrants in Peru are not good and migration policies are getting stricter.

#### **IV. The Impacts of the Venezuelan Migration Crisis in Chile**

According to official data, Chile has the third largest number of Venezuelan immigrants of all countries, and is now facing the problems and effects of the influx of thousands of Venezuelans. On the contribution of immigrants to the productivity of the host country, a report by the Central Bank of Chile states that there is evidence of "the positive contribution of immigration to employment, wages and GDP per capita in the host country, through the increase in the economically active population, when immigrants can be inserted in the same way as locals in the labour market. " [4]

"Recent immigration is characterised by a population that is on average more qualified, younger and with a higher labour participation than the Chilean population," the issuing agency pointed out, noting that the average

schooling level of its nationals is 11 years, while in the case of Venezuelan migrants it is 15.6 years. However, in order to maximise the contribution of newcomers to local economies, they need to be able to work in accordance with their real skills and training. "[4]

Relative to other countries, Chile poses fewer legal impediments to entering the labour market, so it would be easier for Venezuelan immigrants to enter the labour market. In addition, highly qualified and educated professionals from Venezuela can promote Chile's economic vitality, foster the development of science and culture, increase the competitiveness of the labour market and force Chileans to receive more education, which will raise the overall level of national education.

Nowadays, in Chile, it is normal to see some Venezuelans illegally selling different products in the street, sweets, fans, tissues, etc. or washing vehicles, dancing and singing in crossroads, just to earn some coins to buy food, waiting for a positive response from the Migration Office. There are also people who engage in prostitution, or are forced to work excessively in restaurants, mining or construction companies, just to earn unstable daily wages. This is very common in Chile, Colombia and other Latin American countries.

In addition, "those who work under contract in retail companies, food franchises or as salesmen or saleswomen are not exempt from the xenophobia they receive from their bosses who make them work overtime without pay, or much more than the law allows, they are also victims of abusive employers. To all this is added the problem that affects all workers in Chile, who are deducted from their salary the deductions of AFP (Chile's pension fund administrators), Fonasa (Chile's National Health Fund) and other state taxes, always affecting the pockets of the working class, migrant or national. [7].

In short, with reference to the economic impacts of the Venezuelan migration crisis in Chile, "specifically, a containment in real wage increases and inflationary pressures. An increase in investment is also to be expected. In the medium term it should generate positive effects on trend growth, given the increase in the labour force and adjustments in productivity." [8]

When talking about the Chilean government's reaction to the Venezuelan migration crisis, Chile's migration law is harsher than other Latin American countries, so that many Venezuelan immigrants are illegal, making them objects of intimidation and exploitation by some companies. Overtime, less commissions, xenophobia and discrimination are problems that hundreds and thousands of Venezuelans in Chile are forced to face.

According to the Chilean Immigration Law, applicants who want to obtain a residence visa and work permit in Chile, they should obtain a work contract but the real situation is that if there is no such work permit, no employer is willing to hire those workers. So this problem gave rise to the black market trade. Some Chileans sold fake work contracts to Venezuelan migrants just so they could apply for visas and get the work permit, but they do not offer real work to the migrants.

Compared to the reactions of other Latin American governments, it is clear that the attitude of the Chilean authorities is harsher and less friendly towards the flow of Venezuelan migrants, which would lead to a worsening of regional conflicts and affect multilateral diplomatic relations.

## **V. The impact of the Venezuelan migration crisis in Ecuador**

Another unforgettable case is Ecuador, which has the fourth largest number of Venezuelan migrants on its territory: "The arrival of so many in a short period of time has strained Ecuador's institutional capacity. Many Venezuelans lack access to social services, such as health, education, housing and livelihoods. Some have also been victims of sexual and gender-based violence, discrimination and xenophobia. As more Venezuelans with increasingly acute needs arrive and choose to stay, Ecuador is struggling to respond,"[9] explain the

international refugee experts. The Ecuadorian government has to take care of refugees with many social and economic forces, the negative effects of which can be seen in Ecuador's scarce work, alarming unemployment; within this reality, numerous employers prefer the cheap labour of Venezuelans.

"That Venezuelan migrants and refugees in Ecuador, most of whom are young and university educated, could contribute up to 2 % of Ecuador's Gross Domestic Product (GDP) to the country's economy if they had jobs and incomes in line with their level of education is one of the conclusions of a recent study led by the World Bank. But the regularisation of migratory status and the lack of documents to validate their studies prevent the Venezuelan population from accessing employment in line with their qualifications, it is emphasised. "[10]In reality, Venezuelan immigrants are generally more professional and qualified, because most of them have received more years of education than Ecuadorians.

When referring to the social impacts of the Venezuelan migration crisis in Ecuador, compared to other Latin American countries, the xenophobia of the Ecuadorian people is much more severe and violent, including demonstrations, expulsions and violent attacks. Although the proportion of Venezuelans who commit crimes is very small in the country as a whole, in this special situation, these crimes were greatly magnified, therefore, the complaints and discontent of the Ecuadorian people had turned into violence.

"Ecuadorian media have reported an increase in violent acts against Venezuelan migrants in Ecuador, following the murder of Diana Carolina Ramírez Reyes at the hands of her Venezuelan partner. The Ecuadorian newspaper El Comercio has reported that in the city of Ibarra, groups of people have entered the homes of migrants to remove their belongings from the street or surround them in a threatening manner, causing the families to leave their homes. In addition, there have been demonstrations with signs such as "get out, damn murderers", and tours to "hunt" Venezuelans. Ecuador's former president Lenin Moreno responded to the murder by setting up brigades to verify the immigration status of Venezuelans and restricting the entry of immigrants into the country. "We have opened our doors to them," he said, referring to Venezuelans, "but we will not sacrifice the security of anyone".various feminist organisations have opposed the president's statements, accusing him of promoting xenophobic discourse and ignoring the problems of machismo in the country.

In other words, the large number of Venezuelan immigrants has complicated the order and social situation in Ecuador, whose unstable and fragile economy is currently suffering the most, because so many migrants have exceeded Ecuador's reception capacity. In addition, another very serious problem is that many Ecuadorians are xenophobic, believing that these refugees have taken away their jobs and threaten social security. In Ecuador, they had demonstrations to boost Venezuelans, and this event finally reached the national level with a very big impact. This phenomenon reflects that Venezuelan migrants are facing many problems in the process of seeking asylum, not only lacking legal identity, food, medical services, education, but they are also forced to tolerate discrimination and xenophobia from locals.

As for the Ecuadorian government's reaction, "Ecuador's response has been inconsistent, reflecting the complex political tensions and institutional challenges it faces. On the one hand, Ecuador has historically been a refugee-hosting country and has technically maintained regularisation channels for Venezuelans. In fact, the country has some of the most progressive human rights, migration and asylum laws in the region. These laws include its 2017 Human Mobility Law, which enshrines a strong principled approach to regularising the status of refugees, asylum seekers and migrants. The law also commits Ecuador to the principle of non-refoulement, non-discrimination and integration," the experts explain. "[11]

However, the progressivism of Ecuador's migration law did not improve the situation of Venezuelans: However, some policies have contravened the intent of the law and prevented Venezuelans from obtaining their rights in practice. These changes in migration policies appear to be caused by political purposes, in response to the



unprecedented wave of migration, shifts in public opinion or an increase in xenophobia. For example, in January 2019, a group of Venezuelan citizens returned to Venezuela after being victims of violence in the city of Ibarra, Ecuador. The Venezuelan government sent three air flights for their return, while others selected the land route.

## **VI. Conclusion**

This paper has managed to analyse the positive and negative impacts of the Venezuelan migration crisis in some Ibero-American countries that accept more Venezuelan migrants and refugees. The negative impacts are generally: the additional provision of education, health, water, early childhood, humanitarian care, employment services and institutional strengthening for Venezuelan refugees, in addition, the decrease of salary, the stronger labour market competition, the increase of crime rate, xenophobia and discrimination are also serious problems that cannot be ignored. However, the exodus of Venezuelans has not only brought negative impacts, but also positive effects, for example, the influx of highly educated workers and professionals, the growth of consumption, the increase of economic strength, low inflation, which contribute to the development of the economy of the host countries.

In addition, we have been able to approve the reactions of the authorities of some Latin American countries to the changes in their migration policies and their attitude to regional political agreements. The Colombian government decided to accept immigrants from Venezuela out of gratitude and humanitarianism and adopted a flexible and loose immigration policy. With regard to the social integration of Venezuelans, in order to solve their employment problems, the Peruvian government has proposed a Productive Assimilation Plan, i.e. a policy of geographic relocation of Venezuelan human resources. However, Chile's New Migratory Law attempts to restrict the entry of Venezuelan immigrants. More unfortunately, in Ecuador, Venezuelan citizens returned to Venezuela after having been victims of violence due to xenophobia and discrimination.

In sum, at present, Venezuelan migrants have brought much pressure and distress to their neighbouring countries. Evidently, the negative impact is greater than the positive impact in the short term; some beneficial economic effects are still controversial. These influences are also key factors that affect, including indirectly determine, the specific migration policies and attitudes of various countries.

It is very easy to find that the impacts of the Venezuelan migration crisis on Latin American countries are complex and diverse, unfavourable and beneficial. The reactions of Latin American authorities and migration policies have a lot to do with history, economics, bilateral relationship, political circumstance, public attitude of the host countries and other factors, etc. In addition, the United Nations and other regional organisations are always striving to provide economic funds and humanitarian aid to Venezuela in the hope that Venezuela could overcome this unprecedented migration crisis.

In short, the study carried out has provided a new vision for the study of the Venezuelan migration crisis in the 21st century, as it has integrated the impact of the migration crisis in Ibero-American countries, rescued some documents and reports that were not given much attention in the past. The migration crisis in Venezuela is not a problem that can be solved by one person or one country, which requires many countries, regional organisations and the United Nations to work together in economic assistance, dialogue and political agreements, responsibility and humanitarian spirit to help Venezuela overcome this crisis.

## **References**

- [1] The UN Refugee Agency. Situation in Venezuela.
- [2] Reina, M., Mesa, C. A., & Ramírez, T. (2018). Elements for a Public Policy in Response to the Venezuelan Crisis.
- [3] F. Manetto (2018). The Impact of Venezuelan Migration on Colombia Could Exceed 1 Billion Dollars. El PAÍS.

- [4] Ángel Bermúdez , How the Venezuelan migration crisis impacts the economies of other Latin American countries, BBC News World. 2019.
- [5] Anatoly Kurmanaev, Jenny Carolina Gonzalez Colombia offers citizenship to more than 24,000 children of Venezuelan migrants. The New York Times. 2019.
- [6] EFE, Peru expelled another 40 Venezuelan immigrants with criminal records. Banking and Business. 2019.
- [7] Laizquierda Diario, Venezuelans in Chile: dream or nightmare? 2018.
- [8] Central Bank of Chile, Immigration Impacts in Chile: Lessons from Comparable Cases. Monetary Policy Report. Box V.3 ,2019.
- [9] Historias, Ecuador's fragile and inconsistent response to Venezuelan migration. 2019.
- [10] El Universo, Venezuelan migrants can contribute to the Ecuadorian economy.The World Bank. 2020.
- [11] Susana Patricia Noguera Montoya, Violence against Venezuelans increases in Ibarra, Ecuador. Anadolu Agency. 2019.