

Catalyzing Labor Mobility Solutions for Ibero-America:

A Regional Assessment of
Opportunities for Innovative
Demonstration Projects

Executive Summary

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Abstract

At LaMP, our goal is to lift millions of workers and their families out of poverty through labor mobility.

Large-scale, orderly, and safe labor mobility is an untapped opportunity for Latin America, which encompasses some of the poorest countries in the world with high levels of informal and precarious employment. With this in mind, LaMP undertook a scoping and assessment project to develop a pipeline of proof-of-concept projects in the region that demonstrate effective labor mobility and can mature into long-term, large-scale pathways. **The projects emerging from this work could have transformative impacts for some of the region's most vulnerable people, resulting in an estimated additional 50,000 to 70,000 people moving through safe and regular channels over the next 10 years and roughly USD\$640M in annual income gains.** Put into practice, these projects can demonstrate the tremendous positive impact of better models of labor migration and catalyze new ideas and responses to migration flows, both within the region and around the world.

Motivation

At LaMP, we seek to create better job opportunities for half a billion workers from low-income countries by 2050 through labor mobility. Within 10 years, low-income countries will account for virtually all population growth in the world, yet will not be able to provide stable employment or pathways out of poverty for the majority of their citizens. Effective labor mobility - meaning large-scale international migration pathways that allow workers to safely and efficiently access better jobs - is one of the most immediate and effective ways to catapult vulnerable populations onto a trajectory towards greater economic prosperity.

Latin America and the Caribbean are home to some of the poorest countries in the world, large informal economies with precarious employment, and many populations grappling with the persistent effects of violence, internal conflict, and humanitarian disasters. Over 200 million people in Latin America live in poverty (32% of the population),¹ with few immediate options for a better future. Many national economies within the region simply cannot produce enough stable, quality jobs: half of employed people in the region work in the informal economy, often in precarious conditions.²

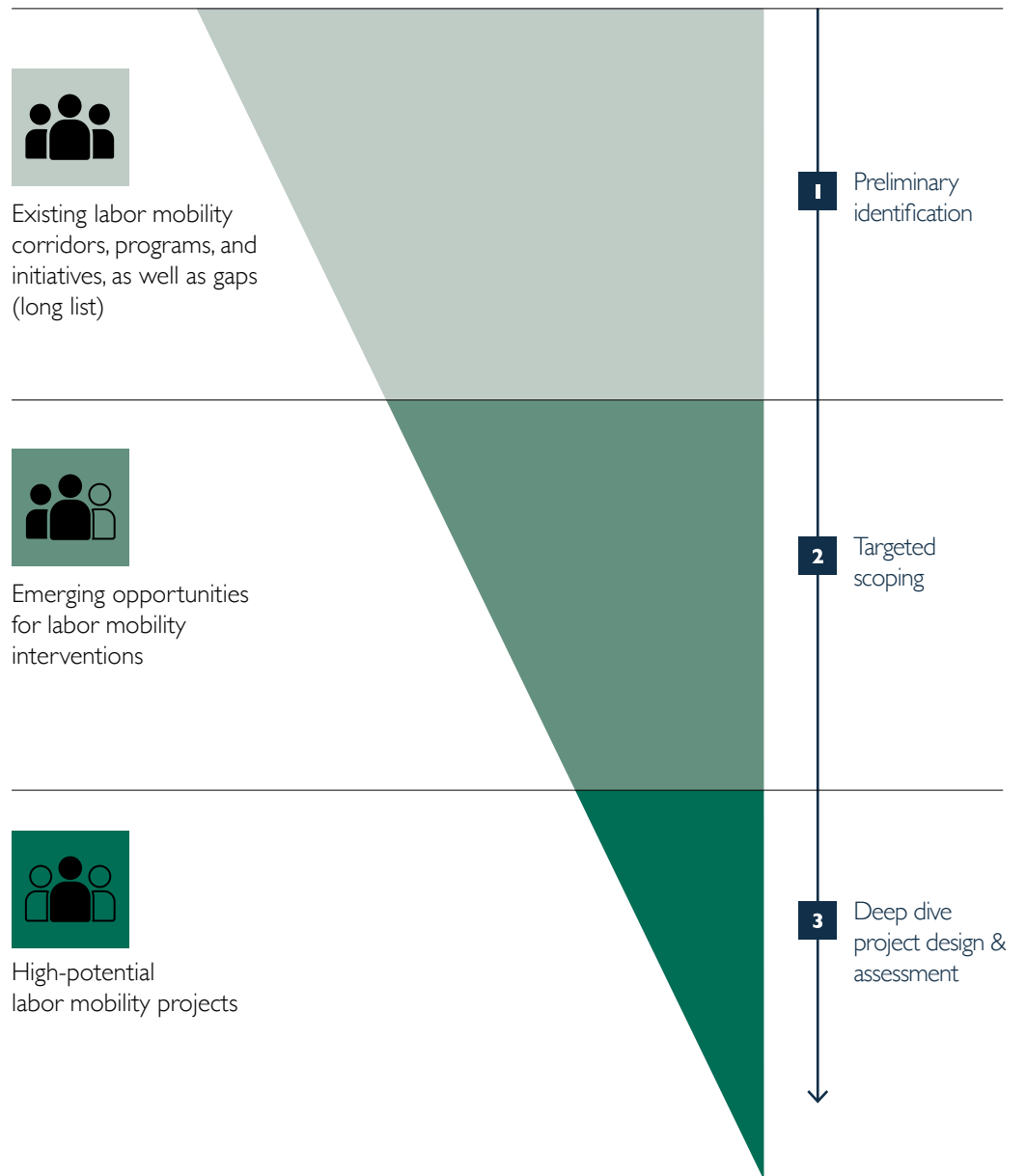
Labor mobility offers a unique solution. Latin America has deep economic ties to its wealthier neighbors (the U.S. and Canada) as well as the Iberian Peninsula (Spain and Portugal). These industrialized economies, along with some of the region's own more prosperous countries (i.e. Chile and Uruguay) are experiencing an aging workforce and urgently need workers in essential sectors. Jobs in these countries can offer economic stability and transformative income gains³ for Latin America's lowest-income workers (up to an 800% increase in earnings). In this context, strategies to seed well-managed labor mobility at scale can unleash incredible potential for migrant workers, employers, home countries, and destinations.

Despite the vast potential that labor mobility holds for the region, few large-scale agile pathways exist that effectively connect workers in low-income countries to essential sectors in high-income economies. These pathways are urgently needed now, in part because they can also reduce chaotic pressures on asylum systems and irregular channels in the long run. Against this backdrop, our objective is to accelerate the creation and expansion of safe and legal channels that help Latin American workers access higher paying, stable jobs across borders. To lay the groundwork, we built a pipeline of concrete projects to seed and establish transformative labor migration pathways and systems. The following section summarizes these projects and their potential impact.

Summary of Findings

Our Ibero-American labor mobility pipeline consists of four high-potential projects, and an additional five emerging opportunities. This pipeline was developed through comprehensive scoping and assessment of the labor mobility landscape in Latin America. Our process started with the identification of a long list of existing initiatives or areas of unmet need for labor mobility in the region, followed by targeted research, field visits, and stakeholder engagement for the most promising potential initiatives. Figure I visualizes the three-stage pipeline development process.

Figure I. Pipeline Development Process



The projects and opportunities in our pipeline either expand upon promising efforts in the region or pilot new labor mobility initiatives.

High-potential projects and emerging opportunities are differentiated primarily by our assessment of their potential based on criteria such as impact, sustainability, and feasibility, with high-potential projects generally ranked higher.⁴ Table I summarizes the rankings of the programs and opportunities in our pipeline.

Table I. Opportunity Assessment Summary





● High ● Moderate ● Limited/ Uncertain

		Transforma- tional impact	Buy-in among stakeholders	Feasibility potential	Sustainability	Learnings & innovation	Value-add in ecosystem	Score
High-Potential Projects	Unlocking Cruise Jobs for Central American Workers (Guatemala, El Salvador)	High	High	High	High	High	High	18
	A New Skills Partnership for Aged Care Workers from Colombia to Spain	High	High	High	High	High	High	18
	Mexico-U.S. Circular Training and Labor Mobility Program for Truck Drivers	High	High	Moderate	High	High	High	17
	Adaptation of Costa Rica's Digital Agricultural Labor Visa for New Corridors in LAC	Moderate	Moderate	Moderate	High	High	High	15
Emerging Opportunities	Strengthening the seasonal work permit pathway for agriculture in Chile	Moderate	Limited/ Uncertain	High	Moderate	Moderate	High	13
	Increasing uptake of Spain's circular work scheme among new industries	High	Limited/ Uncertain	Moderate	High	Limited/ Uncertain	Moderate	12
	Towards a coordination strategy for labor inclusion of migrants & refugees in Colombia	Limited/ Uncertain	Moderate	High	Moderate	Limited/ Uncertain	Limited/ Uncertain	10
	Replication of Mexico-based local integration program for migrants and refugees	Moderate	Limited/ Uncertain	Moderate	Limited/ Uncertain	High	Limited/ Uncertain	10
	English training to enhance Peru-based Labor Mobility Program for Venezuelan refugees	Limited/ Uncertain	High	Moderate	Limited/ Uncertain	Limited/ Uncertain	Limited/ Uncertain	9

High-potential projects span North, Central, and South America as well as Spain, and respond directly to the needs of essential industries with major labor shortages, including aged care, hospitality, supply chain logistics, and agriculture. They imply not only income and productivity gains for workers and employers, but also advances in sustainable skills training models, efficiency improvements, and development gains for both origin and destination countries. Quality, especially the enhancement of human capital through labor mobility, features prominently in our pipeline. Similarly, efficiency and agility, such as closer linkages between labor mobility programs and actual labor market needs, or the adoption of digitalization and tech solutions, are recurrent aspects within the projects presented in this report. Finally, sustainability is essential for long-term gains, and we carefully integrate sustainable financing mechanisms across the high-potential projects in our pipeline. Table 2 summarizes these projects.

The combined long-term possible impact of these projects could result in an estimated additional 50,000 to 70,000 people moving through safe and regular channels over the next 10 years and roughly USD\$640M in annual income gains.⁵

Table 2. High-potential projects

 Unlocking Cruise Jobs for Central American Workers: First time use of industry-linked language training combined with innovative finance for certifications, making it possible for thousands of workers to get jobs in the cruise industry					
Corridor	Sector	Key Elements	Potential impact	Key proponents	Next Stage
Central Am - Maritime	Hospitality (cruises)	Training + sustainable financing	Over 3x increase in earnings for workers	Government & Private Sector	Pilot
 A New Skills Partnership for Aged Care Workers from Colombia to Spain: First skills-partnership program implemented in Ibero-America connecting workers to a career path in the aged care sector and creating human capital gains for both Spain and Colombia					
Corridor	Sector	Key Elements	Potential impact	Key proponents	Next Stage
Colombia - Spain	Aged care	Skills partnership	Over 5x increase in earnings for workers	Government & Private Sector	Pilot preparation
 Mexico-U.S. Circular Training and Labor Mobility Program for Truck Drivers: Public-private program with guarantee fund to equip long-haul truck drivers for jobs in Mexico and the U.S., leveraging circular migration to create economic benefits for thousands of workers					
Corridor	Sector	Key Elements	Potential impact	Key proponents	Next Stage
Mexico - U.S.	Supply chain logistics (trucking)	Training + Public-Private Partnership	Approx 4x increase in earnings for workers	Private Sector	Feasibility & planning
 Adaptation of Costa Rica's Digital Agricultural Labor Visa for New Corridors in LAC: Streamlined circular migration management for agricultural workers that improves worker access to social protections and can reduce the use of irregular channels					
Corridor	Sector	Key Elements	Potential impact	Key proponents	Next Stage
LAC- Seasonal agriculture	Agriculture	Tech innovation for streamlined migration system	Increased use of regular channels; improved worker protection	International Development Org	Feasibility & planning

Emerging opportunities lay the groundwork for amplifying existing efforts to improve labor market integration

of migrant workers and refugees already in destination countries, as well as to fortify industry use of regular labor mobility channels so that labor market integration is a guarantee even before leaving home. Table 3 summarizes these opportunities. For each of these, a diagnostic or assessment stage is important to further prepare these opportunities for a future project stage.

Table 3. Emerging opportunities⁶

 Strengthening the seasonal work permit pathway for agriculture in Chile: Holistic initiative to strengthen use of seasonal work permits by adapting administrative processes to reflect realities in the field, shifting workers away from irregular channels				
Geography	Key Characteristics	Potential impact	Key Partner	Next Stage
Chile	Industry organization	Increased use of regular channels; est. 150,000 workers impacted in long run	Industry agricultural association	Diagnostic
 Towards a coordination strategy for labor inclusion of migrants and refugees in Colombia: Coordinated model of economic integration for over 1M migrants & refugees in Colombia, integrating fragmented efforts into a more effective response				
Geography	Key Characteristics	Potential impact	Key Partner	Next Stage
Colombia	Labor Market Integration	Improved integration into formal labor market	Industry Association	Roadmap
 Increasing uptake of Spain's circular work scheme among new industries: Knowledge-sharing initiative on Spain's circular visa program between current users of the program and new players, opening thousands of new jobs to migrant workers in essential industries				
Geography	Key Characteristics	Potential impact	Key Partner	Next Stage
Spain	Industry Organization	Increased use of regular channels; est. 85,000 workers impacted in long run	N/A	Working group
 English training to enhance Peru-based Labor Mobility Program for Venezuelan refugees: An English language and skills program in Peru to improve Venezuelan refugees' access to higher-paying job opportunities in other countries				
Geography	Key Characteristics	Potential impact	Key Partner	Next Stage
Peru - Canada/ Australia/ UK	Language training + job counselling	Over 8x increase in earnings for workers; est. 400 workers benefit annually in long-run	Peru-based local partner	Program assessment
 Replication of Mexico-based local integration program for migrants and refugees: Adaptation of successful local integration program for refugees in Mexico for other countries facing similar challenges, helping thousands of people move to opportunity				
Geography	Key Characteristics	Potential impact	Key Partner	Next Stage
Europe	Labor Market Integration	Improved integration into formal labor market; est. 20,000 people impacted	Mexico-based local partner	Feasibility assessment

Way Forward

Beyond the immediate impacts on worker wellbeing and economic opportunity, **the projects and emerging opportunities presented in this report are at the forefront of innovation in labor migration systems.** Learnings from the proposed pilots have global relevance for other geographies, sectors, or programs facing similar challenges (i.e. Costa Rica's digital migration system is relevant for Spain's GECCO, Australia's PALM, and the US's H-2A program).

Moreover, **our work has cultivated new alliances and champions, and sparked interest among key stakeholders both within and beyond the region.** For example, our initiative on cruise workers from Central America has mobilized industry stakeholders, created a common vision and led to the launch of a small trial of the proposed project. With this level of movement already afoot, we believe the projects emerging from this work can demonstrate the tremendous positive impact of better models of labor migration and catalyze new ideas and responses to migration flows around the world.

This work is a first step towards furthering our vision of a world where millions of low-income Latin American workers can access transformative economic opportunity through safe and efficient labor mobility pathways.

Looking forward, we are working with local and international partners to convert this pipeline into impactful and feasible demonstration projects. We also welcome new partners interested in collaborating to develop sustainable labor mobility pathways that help the region build towards a more prosperous and peaceful future.

Notes

- 1** Economic Commission for Latin America and the Caribbean (ECLAC) Social Overview in Latin America 2022 and CEPALStat.
- 2** International Labor Organization (ILO) Labor Overview in Latin America 2022 and ILOStat.
- 3** Transformative opportunities increase household income by multiples of current levels, something that does not happen with traditional local development programs.
- 4** Final score is the result of a simple allocation of points: High = 3; Moderate = 2; Limited/ Uncertain = 1. This selection was based on the following six criteria:
 - **Transformational impact:** Clearly addresses a binding constraint or market failure; potential to impact many thousands; large potential income gains for migrant workers.
 - **Buy-in among stakeholders:** Clear and strong interest from private sector and/or governments; emerging champions.
 - **Administrative/legal feasibility:** Feasible administratively and legally; compatible with private sector/business structures and processes.
 - **Sustainability:** Financially sustainable model; favorable long-term prospects for sustained operation or self-perpetuation.
 - **Contribution to global knowledge & innovation:** High global or regional relevance; high degree of innovation; represents advancements towards better models of labor migration.

- **Value-add within existing ecosystem:** Few others are already doing this work; likelihood that the desired solution would not happen without external intervention; new or additional expertise is needed.
- 5** Estimates are approximations based on a series of assumptions and will change with new or improved data. Calculated based on expected program growth from pilot to large-scale pathway over 10 years, and corroborated by projected share of labor shortages within the target industries that can be met by these high-potential programs (10% to 15%). Income gains calculated from expected number of beneficiaries and per worker monthly income gains. The 10 year period includes ramp up period from pilot to large pathway, meaning that in later years the impacts would only further increase.
- 6** Potential impact of emerging opportunities was estimated based on current labor shortages in the agricultural sector in Chile, labor shortages in construction and hospitality sectors in Spain, Peru-based program applicants who registered for the program and were not able to be successfully placed due to low levels of English and the number of beneficiaries a local current PIL program in Mexico.

*Abbreviations

GECCO – Gestión Colectiva de Contrataciones en Origen

GSP – Global Skills Partnership

LAC – Latin America and the Caribbean

PALM – The Pacific Australia Labor Mobility Scheme



Labor Mobility Partnerships

We believe in the power of movement.

At LaMP, our goal is to lift millions of workers and their families out of poverty. We work to dramatically increase the scale and quality of labor mobility, helping workers from low-income countries to access quality jobs across borders and businesses in high-income countries to address deepening labor shortages.

Labor mobility offers a solution for high-income countries facing rapidly aging populations and resulting labor shortages, and low-income countries with more workers than living wage jobs. Connecting these workers with employers abroad through reliable, rights-respecting, and financially sustainable labor mobility pathways is a win-win scenario for all. Ultimately, labor mobility offers untapped potential to build a more prosperous, equitable, and productive world.

Interested in this work? Feel free to contact us!
Stay tuned for forthcoming briefs on our high-potential projects.



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