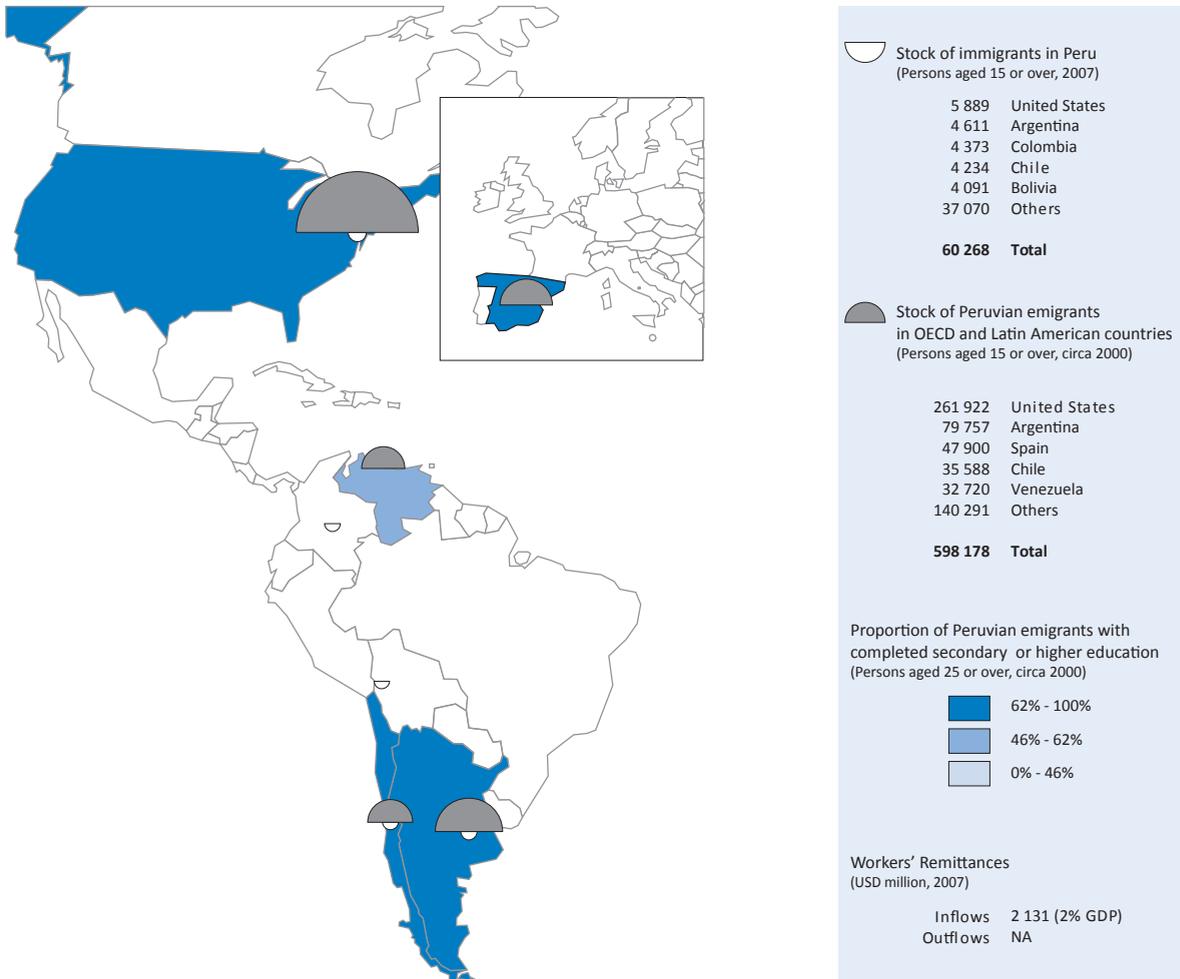


Political stability and economic growth in Peru in the last decade are leading to a change in migration patterns, contributing to a reduction in the level of emigration.

Figure 1. Stock of Migrants and Level of Education of Peruvian Emigrants to OECD and Latin American Countries



Note: This Figure reports the stock of migrants recorded in national censuses and workers' remittances in balance-of-payments data. It will therefore not reflect unrecorded formal or informal flows, which may be material.

Source: For details on definitions and sources, please refer to the Statistical Annex.

Peru has historically been a country of destination, but this has changed in recent decades. Peru now experiences net emigration. Most Peruvians abroad live in the United States, Argentina or Spain.

This emigration has been driven by economic factors and the improvement of domestic economic conditions has reduced the trend in recent years.

One striking feature of Peruvian emigration is its high skill profile. More than 80% of Peruvian migrants in the United States (the main destination for Peruvians) have completed secondary or higher education.

Migration History and Policy Developments

Historically Peru has been a country of destination, beginning with the establishment of Chinese, Italian and Japanese communities in the 19th and 20th centuries. The abolition of slavery in 1854 left the Peruvian economy with a labour shortage, especially in the sugar and cotton plantations and in mining. The first waves of Chinese and Italian flows were encouraged by the Peruvian government, under the Chinese Law (1849) and through the "European Immigration Society" (1872-76). During the first half of the 20th century the Asiatic community was consolidated by the arrival of migrants directly involved in trade and commercial activities.

The last three decades have seen Peru move decisively to being a country of origin. Peruvian emigration increased from 1980 in response to the hyperinflation and recession that gripped the economy and the internal armed conflict in the country. The 2000 round of population censuses found nearly 600 000 Peruvians living abroad (3.1% of the population), but figures from the Peruvian Ministry of Foreign Affairs put this number at more than 1.8 million. The principal destination was the United States, followed by Spain and, when local economic conditions were good, neighbouring countries such as Venezuela, Argentina and, later, Chile. In spite of the improvement in the economic situation Peruvian emigration continued to increase strongly in 2000-06. During this period it is estimated that annually over 30 000 Peruvians emigrated to OECD countries.

Since 2001 the Peruvian government has implemented a series of institutional reforms to strengthen governance and promote and develop links with the diaspora. These include the creation of the Sub-secretariat of Peruvian Communities Abroad and an electoral reform extending the obligation to vote to Peruvians resident abroad. In 2004 the Law of Migration Incentives was passed to promote the return of Peruvians who have lived abroad for over five years and intend to engage in professional and/or business activities in Peru. This forms part of a clearly defined migration policy based on the strengthening of assistance and links with emigrants.

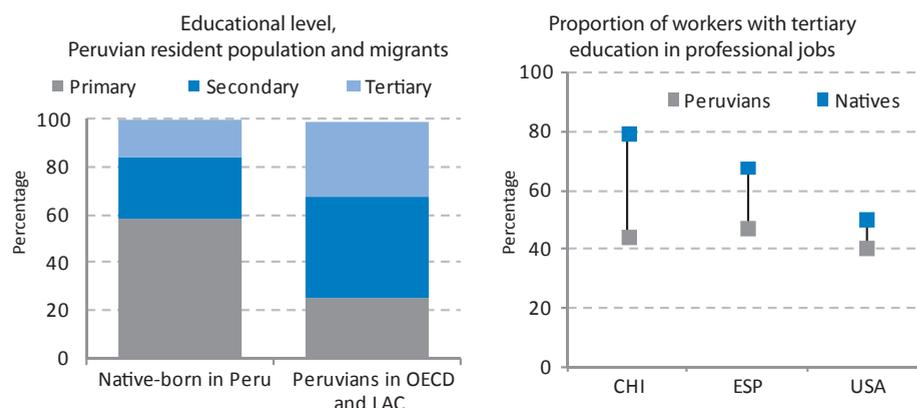
Peru has now enjoyed a decade of consistent economic growth and political stability. This new macroeconomic environment together with the resolution of the internal conflict has tended to stabilise emigration flows over the last two years. Reductions in poverty (from 49 to 36% between 2004 and 2008) and improvements in living and working conditions have played a role in reducing the international migration of Peruvians, whose principal expressed motivation was lack of economic opportunities: some 54% of respondents in a survey (ILO, 2006), cited economic problems as the main reason why they left.

Labour Market

Peruvian migrants tend to be relatively highly skilled. As shown in the lefthand panel of Figure 2, 31% of Peruvian emigrants in 2000 had tertiary education while the equivalent figure for the general Peruvian population was 16%.

How these skilled workers fare in their countries of destination is therefore of interest. On the whole highly educated Peruvian immigrants are less likely to obtain skilled jobs than the native-born. The righthand panel of Figure 2 compares the proportion of Peruvian migrants with tertiary education who occupied skilled positions with equivalent figures for the native-born in three main destination countries: United States, Spain and Chile. Overall only 44% of Peruvian emigrants with a university or technical degree are employed in skilled positions, and in each case this is less than for natives. Although the absolute level is similar in each country, there are substantial differences in the size of the gap. Compared with the opportunities available to the native-born population, the likelihood of the migrants obtaining skilled jobs is lower in Chile than in Spain or the United States.

Figure 2. Peruvian Emigrants: Educational Level and Insertion in Labour Markets



Note: The professional category comprises professionals and technicians, corresponding to items 001 to 395 of the Census Occupation Code (COC) in United States, and groups 1 to 3 of the International Standard Classification of Occupations (ISCO-88) in Chile and Spain.

Source: OECD Development Centre calculations, based on OECD (2008), Database on Immigrants in OECD Countries and the 2000 round of national censuses for Latin America (Processed with ECLAC Redatam+SP on-line).

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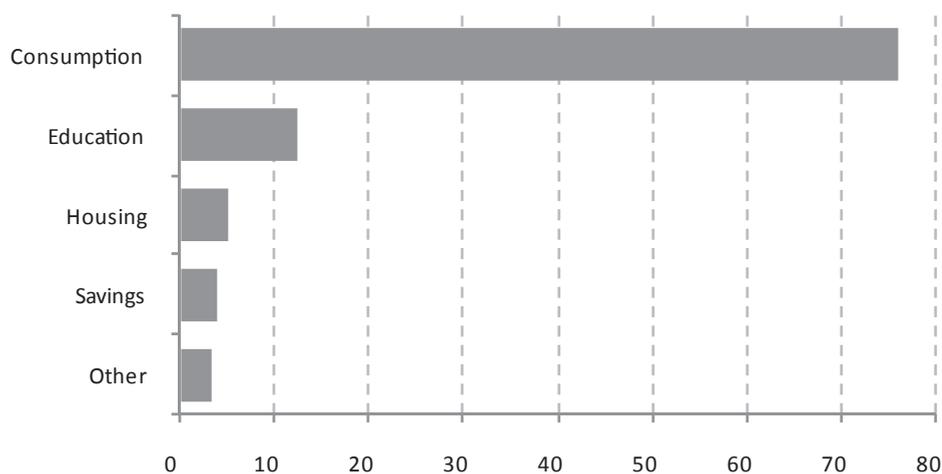
This unequal access suggests a need for further research. It is certainly the case that many Peruvian migrants are irregular (some 54% in 2004 according to estimates from the Peruvian Ministry of Foreign Affairs) and this will reduce their ability to seek formal skilled posts. In addition, the potentially lower value placed on qualifications obtained in their country of origin may be having an effect.

In this regard, bilateral agreements have been an important pillar of the Peruvian migratory policy. These agreements cover not only information exchange and the regulation of migration flows, but also matters intended to improve the working conditions of migrants including access to social security systems. Peru has signed migration agreements with Italy and Spain in the European Union and Argentina, Bolivia, Chile and Mexico in Latin America.

Relationship with the Country of Origin and Integration in the Host Country

Remittances to Peru have increased considerably, reflecting the growth of Peruvian emigration. In 2007, remittance inflows represented 2% of Peru's GDP (USD 3.7 billion).

Figure 3. Principal Use of Remittances in Peru, 2006
(Percentage of total current expenditures)



Source: ENCO, National Continuous Survey (2006).

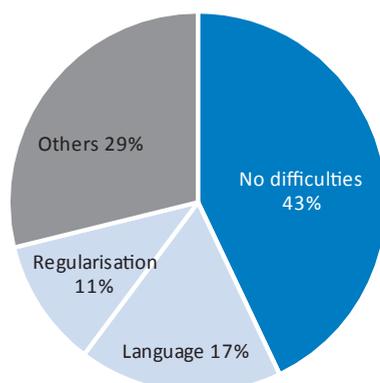
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According to the 2006 National Continuous Survey (ENCO) 249 700 households (3.8% of total households) receive international monetary transfers. Of these around 60% belong to the middle socio-economic groups.

Households receive on average monthly transfers of USD 156, equivalent to 72% of average labour income in Peru. This additional income for Peruvian households directly raises living conditions and, compared with the national average, recipient households also perform better in terms of educational level and access to basic services and housing (ILO/INEI, 2008).

As shown in Figure 3, Peruvian families use the bulk of the funds received (76%) for basic needs (food, utilities and other). Relatively small amounts are destined to education or housing expenditures (12 and 5% of receipts respectively). To stimulate greater investment in housing the Peruvian government has established the MIVIVIENDA fund. This provides guarantees to encourage house purchase in Peru. An agreement signed in 2007 between the Peruvian Ministry of Foreign Affairs and the financial sector also seeks to influence the use of remittances. This facilitates the granting of credit to develop micro enterprises in Peru through remittance-guarantees.

Following nearly three decades of continuous large-scale emigration, there are substantial communities of Peruvians abroad. A central element of the current National Immigration Policy is ensuring the successful integration of these Peruvian emigrants in their host societies.

Figure 4. Difficulties Reported by Peruvians in Host Countries, 2006

Source: ILO (2006).

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A survey “Linking Peruvians Abroad” (Revinculación de Peruanos en el Exterior), jointly conducted by the ILO and the Peruvian Ministry of Foreign Affairs (2006), explored this question. A surprisingly high number of respondents (43%) reported that they had encountered no difficulties in their integration (Figure 4).

However, there are still challenges to be met. The two main difficulties faced by Peruvians abroad are related to language barriers and their immigration status (reported by 17 and 11%, respectively). The latter is consistent with the way in which Peruvians emigrate. The same study found that 58% of respondents had entered their country of destination on a tourist visa.

For many Peruvian emigrants returning home is an aspiration they keep alive. Of the sample in the Revinculación study 47% said they intended to return to Peru at some point in the future. There is evidence that the current improved economic and security outlook, together with government initiatives explicitly aimed at encouraging voluntary return, are having an effect. The 2007 national census recorded 43 468 returned migrants, notably from the United States and Argentina.