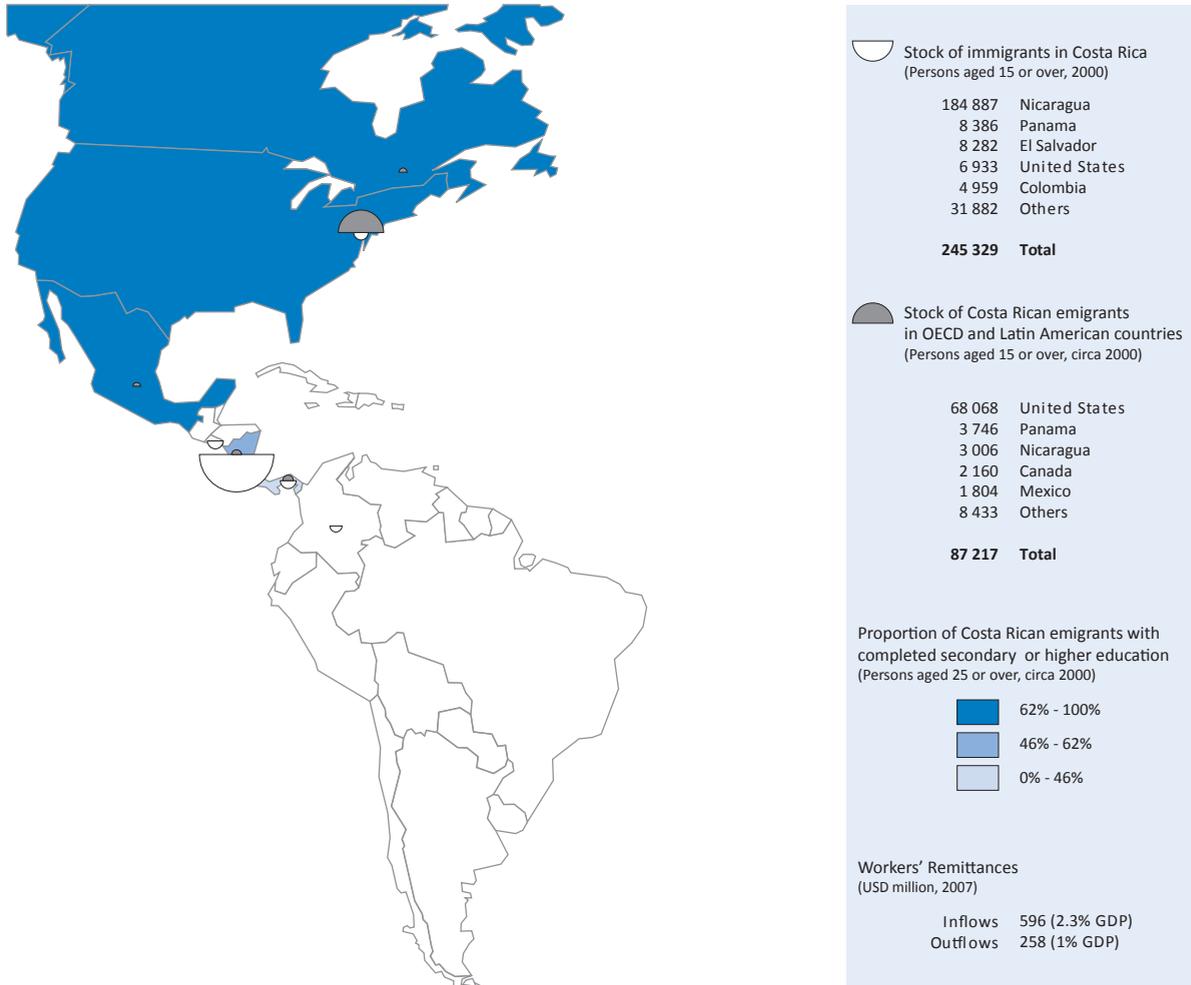


Costa Rica's political stability and relatively high standard of living have made the country an attractive destination in Central America and given it the highest percentage of immigrants in the region.

Figure 1. Stock of Migrants and Level of Education of Costa Rican 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.

Costa Rica has a complex migration profile, including continuous inward, outward and transitory migratory flows. Inward migration is mainly from Nicaragua and neighbouring countries. The latest national census in Costa Rica (2000) counted over 200 000 immigrants, making up 9.5% of the total population.

Although primarily still a country of destination, since the late 1990s Costa Rica has increasingly experienced emigration notably to the United States. At the time of the census around 87 000 Costa Ricans lived abroad.

Costa Rican emigrants in the United States are in general highly skilled, some 70% of them having completed secondary education or more.

Migration History and Policy Developments

Immigration flows are not new in the history of Costa Rica. From the late 19th century the development of banana plantations became a major factor drawing in foreign labour, mainly from Nicaragua and Jamaica. From 1892 to 1973 the foreign-born proportion of the population remained between 2 and 6% (Flacso, 2002).

Inward flows from Central America dramatically increased between 1984 and 2000. Costa Rica's political stability and relatively high standard of living made the country an attractive destination for migrants from elsewhere in Central America, a region affected by natural disasters, internal conflicts and structural economic imbalances. At the time of the latest national census in 2000 a total of nearly 185 000 Nicaraguans were resident in Costa Rica together with significant numbers from Panama and El Salvador (joined by significant numbers from Colombia).

Over this period Costa Rica has reformed its legal framework for immigration a number of times. In 1986 it introduced a Migration and Aliens Law (Ley No. 7.033 de Migración y Extranjería). This restricted legal immigration, though was followed in 1992, 1994 and 1999 (in response to Hurricane Mitch) by amnesties, implemented by decree, to regularise the position of undocumented migrants.

Household surveys since 2000 have shown immigration flows tending to stabilise and the proportion of migrants in the population stable or falling (though the relative weight of Colombians is growing). This reflects both lower demand as a result of the improving political and economic situation elsewhere in Central America and Costa Rica's tighter immigration policies since the introduction in 2005 of a new legal framework (Ley No. 8.487 de Migración y Extranjería). One of the most controversial features of this is the strength of measures to control undocumented immigration (including rejections and deportations) and the establishment of criminal penalties for unauthorised immigrants.

In 2007, the Executive presented a draft to reform some of these more controversial measures. The proposed new law (draft 16.594), which was approved by the legislature in August 2009, has a more open model of migration. It incorporates a human-rights perspective, creates new avenues for the regularisation of undocumented immigrants and promotes the integration of migrants through access to social services.

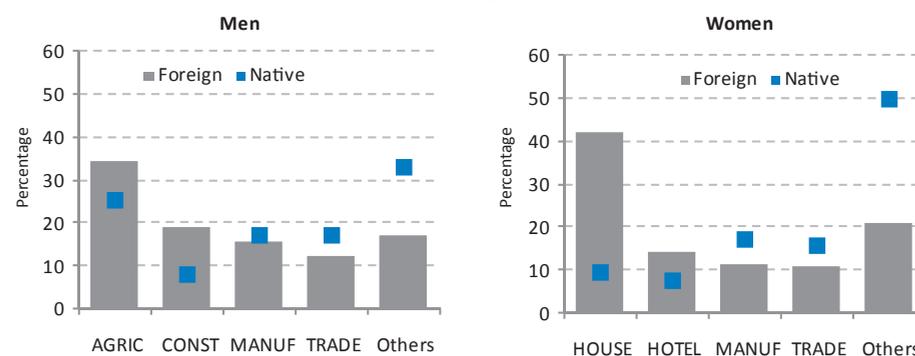
Since the late 1990s, Costa Rica has seen material emigration, notably to the United States. The 2000 census estimated that around 87 000 Costa Ricans lived abroad and during 2000-08 over 2 000 Costa Ricans entered the United States every year. The bulk of these flows are highly skilled people and are economically motivated. According to a survey by the Central Bank of Costa Rica (2008), 52% of Costa Rican migrants said they were motivated by employment opportunities or mentioned economic instability as a reason to migrate.

Labour Market

Many Nicaraguans migrate to Costa Rica in search of better conditions. A survey conducted by the Central Bank of Costa Rica (2008) found that migrants gave as their main reason lack of employment (39%) or political and economic instability (20%) in their country of origin.

Figure 2. Sector of Activity by Origin

(Nicaraguan and Costa Rican workers aged 15 or over, 2000)



Note: Sectors of activity are recorded according to the International Standard Industrial Classification, Rev. 3. The following abbreviations are used AGRIC: Agriculture and fisheries; CONST: Construction; HOTEL: Hotels and restaurants; HOUSE: Employment in private households; MANUF: Manufacturing; and TRADE: Wholesale and retail trade.

Source: OECD Development Centre calculations, based on the 2000 Costa Rican National Census (processed with ECLAC Redatam+SP on-line).

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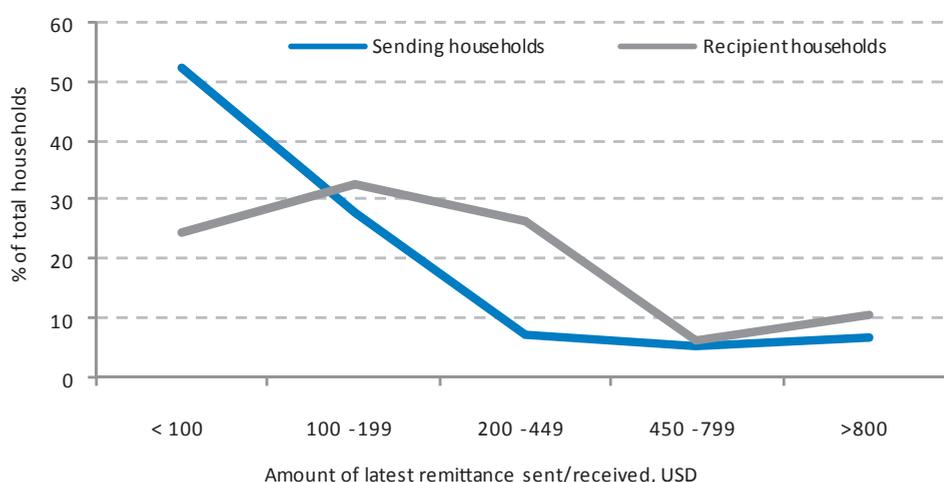
Figure 2 reviews the dominant economic sectors of employment for Nicaraguan and Costa Rican workers. It is noteworthy that the Nicaraguan workforce is concentrated in unskilled occupations particularly among women. Two activities (domestic service, and hotels and restaurants) account for about 56% of the female workforce. In the case of men, agriculture and construction constitute more than 54% of the workforce. This sectoral composition and the lower levels of educational attainment among Nicaraguan migrants compared with the native-born population may go some way to explaining the income differences observed between Nicaraguan and Costa Rican workers in some studies (Flacso, 2002; Gindling, 2009).

Further integration of these immigrants may be one of the challenges to address. Between them the governments of Costa Rica and Nicaragua have joined efforts to develop mechanisms to protect immigrant workers, and signed bilateral agreements in 1995 and 2002 regarding documentation and labour guarantees for Nicaraguan workers recruited by companies in Costa Rica.

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

Costa Rica's inward and outward migration are both reflected in its remittance flows. In 2007, inward remittances accounted for 2.3% of GDP and outward remittances 1%.

Figure 3. Distribution of Remittances in Costa Rica by Household Category
(2007)



Note: Since the basic data are in the form of frequency tables, an interpolation method has been employed.

Source: Multiple Purpose Household Survey (2007).

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According to estimates from the 2007 Multiple Purpose Household Survey (EHPM), 22% of all immigrant households in Costa Rica sent remittances to their home country while 35% of Costa Rican households with a member abroad received international transfers.

The data also highlights the privileged economic situation of Costa Ricans abroad compared to immigrants in Costa Rica. While remittances sent by immigrant households in Costa Rica average USD 176 per month, the average transfers from abroad received by a Costa Rican family average USD 311 per month. Moreover, as Figure 3 indicates, the distribution of remittances for sending households is skewed to lower amounts: more than 50% of sending households in Costa Rica sent less than USD 100 to their home country, while amongst recipient households only 24% received USD 100 or less.