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Migrants' social and labor market outcomes: Paraguayans in Argentina

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ABSTRACT

This paper addresses some factors influencing migrants' social and labor market outcomes in host countries, focusing particularly on the case of Paraguayan migration to Argentina. In the first decades of the 20th century, Latin America and the Caribbean received 15% of total migrant flows¹. In Argentina, in 1919, migrants represented 30% of the population, although this proportion diminished in the following decades. The share of migrants has remained around 4.5% to 5% of total Argentine population since 1995—until the 2010 Population Census—while the decline in European migration since the mid-1940s was replaced by neighboring countries' migrants.

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INTRODUCTION

In the mid-1940s, Paraguayans started emigrating to Brazil and to neighboring regions in Argentina, although in the 1950s, and until the 1970s, Paraguay's political instability and scarcity of employment opportunities enhanced migration flows towards neighboring provinces and to the Buenos Aires area. Migration continued throughout the 1990s, mainly driven by employment and economics. Between 1990 and 2002, international migration was responsible for a 6% drop in Paraguay's population. The rural population migrated first to the cities, and later to Argentina, while Spain became the main destination of migrants of urban origin.

During the 1990s, Argentina opened the economy, maintaining parity between their domestic currency and the US dollar. Economic policies penalized construction and manufacturing, resulting in increased urban unemployment. Between 1992 and 2002, the unemployment rate grew from 6.3% to 21.5%. In spite of the drop in labor, migration flow continued as the demand for the occupations traditionally filled with male workers—such as construction, sweat shop work—grew. This could be attributed to the economic situation in Paraguay as well as the parity between the Argentine currency and the US dollar, which was an important factor in attracting foreign workers.

Migrants' labor market performance and living conditions are the result of different sets of causes, which include the prevailing gender patterns in households and society in the countries of origin; the socioeconomic origins of migrants, including their level of education and work experience previous to migrating; their links with migrant networks, and, finally, the prevailing migration and work legislation in host countries. Family and society's gender systems are able to influence and even condition the decision to migrate of men and women, affecting the composition of migration. Differences in women's labor market participation, and the degree of social acceptance around their independence, affects their role in the migration process. In Latin America these structures are not homogeneous. In Mexico, for example, the family structure has been traditionally patriarchal, limiting women's independent migration. For this reason, women's migration has been mainly for family reunification. On the other hand, in Paraguay, women from the main urban areas were able to move independently, and migration from these areas has thus been predominantly women-led.

LIVING AND EMPLOYMENT CONDITIONS IN PARAGUAY

Paraguay's rate of population growth is one of the highest in Latin America, after Honduras and Guatemala². Between 1990 and 2010, the population aged 15 to 29 increased so that by 2010 more than half of the population—58.9%—was less than 30 years of age. The country's share of rural population reached 41% in 2010. Almost 40% of the 15 to 29 age group resided in rural areas³.

The economy grew between 2001 and 2008, but despite economic expansion, poverty rates remained high. In 2010, almost 34.7% of the population was poor; in rural areas, almost half the population was poor and close to 30% was indigent. In urban areas, the poverty head-count ratio reached 24.7%, and indigence affected 10% of the urban population⁴. Almost 65% of youth are out of the educational system; 40% of adolescents do not attend formal schools, and 16.3% of 15 to 29 year olds do not work or study—this share increases to 22.2% among poor youth⁵. In rural areas, more than 80% of male and female heads of household have on average of less than 6 years of study. In urban areas, the level of education of household heads is higher, as 44% of men and 34% of women have more than 10 years of schooling⁶.

The rates of economic participation of the population in rural and urban areas are similar, with large differences between men's and women's rates. In 2009, the adult population's overall activity rate reached 63%, with a 26 percentage point gap between men (75%) and women (49%). Young children—between 10 and 14 years of age—participate in the labor market; their activity rate reached 15.3% in 2009, with higher activity rates for boys (21%) than for girls (8.8%). Youth

(aged 15 to 24) participation rates are high compared to other sending countries. Unemployment in this age group almost triples overall unemployment rates, affecting women in particular in all age groups and in the rural sector.

More than 33% of the working population is employed in the primary sector and 15% in manufacturing and construction. Women are concentrated in the service sector (65%) while 49% of men work in the primary sector⁷. By 2008, 70% of the unemployed were between 15 and 25 years of age, and the share of workers in the 20 to 24 year-old age group—not contributing to social security—reached 90%.⁸

LABOR MARKET OUTCOMES: PARAGUAYAN MIGRANTS IN ARGENTINA

In 2008, more than 90% of Paraguayan migrants in Argentina had left their country looking for employment because of bleak working conditions and low wages⁹.

Migrants concentrated increasingly around the capital city, Buenos Aires—mainly due to the agricultural crisis in the rural areas. According to the 2010 Population Census, 74% of working-age migrants resided in the province of Buenos Aires. Between 2003 and 2007, the composition of migrant flows changed both in terms of area of origin and age, and the proportion of migrants of rural origin increased from 8% to 32%. The proportion of migrants between the ages of 15 and 24 also increased, reaching 54% of total migrants in 2007. Paraguayan migrants in Argentina have, on average, less education than those residing in Spain—more than 55% of Paraguayans residing in Argentina have completed between 4 and 9 years of schooling, while 66% of those residing in Spain have completed between 7 and 12 years of schooling.

The rate of participation in the labor force of Paraguayan migrants in Argentina has been consistently higher than that among other neighboring countries' migrants, such as Bolivia, Chile and Uruguay; and as in Paraguay, there are gaps between men's and women's rates of activity and rates of employment. Migrant women's rate of participation and employment are lower than men's. In 2010, men's rate of activity reached 76.1% and women's 47.4%¹⁰. Among migrants residing in Argentina¹¹, the proportion of Paraguayan youth was higher than among other neighboring countries' migrants¹². Women from rural areas outnumbered those from urban areas. They were poorly educated and demanded mainly for domestic work in private households in Argentina. Nearly half of these women migrants' mother tongue is guarani, and the majority have left their parents' household; that is, they have little possibilities of reunification and they remit to their parents or elder siblings.

Participation rates among Paraguayan males and females residing in the Metropolitan Areas of Buenos Aires were higher than those of native males and women. On the other hand, inactive young Paraguayan women were more likely to be students than men. Migrant workers were employed in construction and small-scale manufacturing (men) and household services (women).

Occupation	Women	Men
Employer	3.0	4.0
Own Account	21.0	30.0
Public Sector Employees	10.6	1.8
Private Sector Registered	10.2	36.9
Private Sector not Registered	13.0	27.3
Domestic Service	42.2	0
Total	100	100
Rate of Economic Activity (15-65)	53.1	80.0

Table 1. Occupation of migrants in the metropolitan area, 2010.
Source: Permanent household survey, INDEC (National Institute for Statistics).

Economic Sector	Women	Men
Manufacturing	4.9	12.1
Construction		24.9
Trade	23.1	41.7
Transport		8.4
Private Services	6.3	9.4
Social Services	15.8	1.8
Domestic Services	42.2	
Rest	7.7	1.7
Total	100	100

Table 2. Economic sector—migrants in the metropolitan area, 2010
Source: Permanent Household Survey, INDEC (National Institute for Statistics).

Contribution Status	Migrant	Natives	Migrant	Natives
Contributes to social security	45.2	63.6	62.4	71.7
Does not contribute to social security	54.8	36.4	37.6	28.3
Total	100	100	100	100

Table 3. Contribution to social security—migrants and natives, 2010
Source: Permanent Household Survey, INDEC (National Institute for Statistics).

The tables above illustrate the weight of domestic services and of construction among migrants, and the incidence of unprotected work among migrants when compared with natives. The Household Survey recollects information on the contributions of wage earners to social security; the proportion of adult Paraguayan men not contributing to social security is similar to that of local men, although among women, given their concentration in domestic service, the proportion of contributing workers is 20 percentage points below the local proportion¹³. Both among young men and women migrants, more than 85% of workers are not contributing to social security; in the case of young locals, the proportion of those not contributing and not covered by

social security is around half of the employed group. In addition, there are wide gaps between migrants and non-migrants in school performance, access to appropriate housing and even access to cash transfer programs.

Working conditions, wage determination patterns and labour relations among domestic workers differ from those of formal wage earners. Working conditions are negotiated individually in the realm of the household. This includes work intensity, the definition of tasks, the regularity of the employment relationship, holidays, access to social security, the financing of health care, and the level of wages. Domestic servants have a weak bargaining position, resulting in high rates of unregistered work and turnover, lack of representation, and low wages. These conditions stem from three factors: the individual nature of the employment relationship, the characteristics of the labour force employed, and the restrictive character of the norms regulating domestic service.

In 2009, following an ILO initiative, domestic servants' unions of MERCOSUR countries depicted the working conditions in the region, listed their more urgent demands: the recognition of their occupation as wage work, linking wages with those in formal occupations, access to retirement and to social security, maternity leave, regularization of migrant work, among other requests. In June 2011, the ILO adopted a convention and a recommendation geared towards protecting domestic work and combating child labor; its implementation can contribute to improved working conditions of these workers, including migrants.

In Argentina, health care financing among the employed is mandatory. Workers and employers contribute a share of wages to the trade unions that administer the funds generally by subcontracting health care providers in a system labeled obras sociales, which is regulated by the state. In 2010, health care coverage among local workers was higher than that of adult migrants from Paraguay, migrants' access to obras sociales was lower than that of locals, and almost 60% of women and 46% of men lacked health care coverage.

An important occurrence in 2006 in Argentina concerning migrants' situations has been the Patria Grande (Great Homeland) decree, which facilitates the regularization of the situation of migrants from MERCOSUR countries plus Peru and Venezuela. Migrants from Paraguay constituted the most numerous group obtaining regular status between 2006 and 2010. Added to this, a law sanctioned in 2003 but enacted only in 2010 enhanced migration rights. However, the steps for obtaining regular citizenship were complex, and big numbers of recent migrants resorted to informal intermediaries that charged expensive fees, deterring further regularizations.

Within Paraguayan diaspora organizations, there are some concerns regarding the lack of a coherent migration regulatory framework in their country of origin; however, there is some optimism about the increasing role of these networks in host countries, which are gaining public space.

FINAL REMARKS

The patterns of citizenship rights and delivery of welfare benefits to migrants in host countries are not straightforward. Migration regulations define the status of residence permits as well as the rights of access to economic and social assistance. Integration into the labor market will depend on the share of informal work, the access to labor protection on the same standards as local workers, and the existence of rules preventing discrimination in the labor market.

Integration of young and adult migrants requires an increasing resemblance between migrants' and locals' career paths. Barriers to integration can result in social exclusion. To enable maximum provision of welfare services for young migrants, the access to education, including

language skills, knowledge of the local culture and elements for their future labor market integration is essential. For this reason, migrants' rights to accessing education are relevant for their work and more general social integration in host societies.

In Argentina, in spite of the enactment of ample migration laws, cross-border migrants continue concentrating in informal jobs in construction and domestic services. Living and labor market conditions draw a scenario of high vulnerability, especially among recent migrants, that needs to be tackled. These scenarios suggest that there is a continuation of long-term trends in migration and in labor market performance. There is a need to explain social and labor market continuities, and to improve migrants' access to labor and social rights.

Endnotes:

1. However, since the 1990s the region became a net exporter of migrants.
2. Between 2005 and 2010, the rate of growth of the population reached 1.80%, Honduras' was 1.99% and Guatemala's was 2.46% (ECLAC, 2011).
3. The 15-29 age group represented in 2010 27% of the total population (DGEEC, 2010).
4. Observatorio Laboral 2010, Servicio Nacional de Empleo, in <http://www.mjt.gov.py>.
5. Vera, C 2011, Política de Empleo Juvenil, Presidencia de Paraguay, in http://www.cird.org.py/juventud/empleojoven/documentos/foro_iberoamericano/Exposicion_CARLOS_VERA-MJT.pdf.
6. Data for 2010; <http://www.dgeec.gov.py>.
7. Dirección General de Estadísticas Encuestas y Censos de Paraguay (DGEEC), 2010. Resultados de la Encuesta Permanente de Hogares 2010, in <http://www.dgeec.gov.py/>.
8. In the three other MERCOSUR countries, 60% of the unemployed were in the 15-24 age range (UNDP, 2009c).
9. UNDP 2009c Ampliando Horizontes: Emigración Internacional Paraguaya, in http://www.undp.org.py/odh/fotos/publicaciones3/id4_pub1.pdf.
10. Own calculations, Permanent Household Survey (2010).
11. 2010 Population Census (INDEC).
12. The other neighboring countries are Chile, Bolivia and Brazil, and the group includes migrants from Peru (own calculations, Permanent Household Survey (2010)).
13. Own calculations, Permanent Household Survey (2010).