

Rural Migration News

Blog 288

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Summit of the Americas

The 1st Summit of the Americas in 1994 in Miami called for a Free Trade Area of the Americas “from Alaska to Tierra del Fuego” to promote closer integration and spur growth among 34 Western Hemisphere countries (Cuba was excluded).

Almost three decades later, the 9th Summit in Los Angeles in June 8-10, 2022 was marked by disagreement when the US refused to invite the leaders of Cuba, Nicaragua, and Venezuela.

Economics

Most Latin American countries are experiencing slow economic growth and rising inflation. Latin American GDP shrank by seven percent in 2020, the most of any region. Covid was severe in Latin America, which has eight percent of the world’s people and experienced 30 percent of global deaths from covid.

The two largest Latin American economies, Brazil and Mexico, highlight the region’s challenges.

Many Latin American workers are employed in the informal sector, which means that they are not protected by minimum wage laws or eligible for employer-supported health care and pensions. Crime rates are high due to inefficient police and judicial systems that often give impunity to criminals, including some members of the political class.

Migration

The US is the major destination for Latin American migrants. There are also many intra-regional flows, from Haitians to the DR to Nicaraguans to Costa Rica to Venezuelans to Colombia.

A caravan of 10,000 migrants, including many Cubans and Venezuelans who were waiting in Tapachula in southern Mexico for humanitarian visas, began to march toward the US border in June 2022. Migrants are supposed to wait Tapachula until they receive visas from the Mexican government, and the caravan halted when migrants were promised visas that allow them to travel freely within Mexico.

In March, April, and May 2022, the CBP encountered over 200,000 migrants each month just inside the US border with Mexico. About half were expelled immediately under Title 42, and some re-entered the US illegally; a quarter of those apprehended had been arrested before. About 70 percent of those arrested were solo adults, and Mexicans were the leading nationality.

President Biden announced that the US would provide \$300 million via the Americas Partnership for Economic Prosperity to help Latin America recover from covid, create more clean-energy jobs, and care for migrants, especially Venezuelans. Biden said the Partnership would “help economies grow from

The 1st Summit of the Americas Was Held in December 1994 in Miami



the bottom up and the middle out, not the top down.” Biden also announced plans to increase Western Hemisphere food production in the major exporters of ag commodities, including Argentina, Brazil, Canada, Chile, Mexico, and the US.

Biden unveiled a Los Angeles Declaration on Migration and Protection that was described as “a ground-breaking, integrated new approach to managing migration and sharing responsibility across the hemisphere...[via] a mutual commitment to invest in regional solutions that enhance stability, increase opportunities for safe and orderly migration through the region, and crack down on criminal and human trafficking who prey on desperate people.” The US promised to provide aid to Latin American countries that open pathways to legal migrants in a bid to keep migrants from reaching the US.

Most observers deemed the LA summit a failure, and criticized the Biden Administration for insufficient preparation and sensitivity to Latin American concerns. Biden’s focus has been on reducing migration from El Salvador, Guatemala and Honduras by improving economic and political conditions in these countries. However, the leaders of these Northern Triangle countries did not come to Los Angeles.

Critics urged Biden to negotiate new free-trade agreements with Latin American countries that want them such as Ecuador. Business leaders called on the US to persuade development banks to fund infrastructure so that Latin America is more attractive to foreign investors looking to near-shore operations now in Asia. However, potential investors also noted that widespread corruption, lack of transparency, and the uneven administration of taxes and laws deter foreign investment in many Latin American countries.

The 9th Summit of the Americas Was Held in June 2022 in Los Angeles



35% of Brazilians Are Employed in the Informal Economy; 5% Are in Extreme Poverty

Economy		Society	
Performance: ■ High ■ Middle ■ Low		Performance: ■ High ■ Middle ■ Low	
Projected GDP growth 2022	0.5% ■	Population (millions)	214
Projected inflation 2022	7.6% ■	Homicide rate (per 100,000 people)	18.5 ■
Total trade as % of GDP	32% ■	Annual carbon dioxide emissions (millions of tons)	467.4 ■
Unemployment	12.4% ■	Share of public social spending on education	9.6%
Share of labor force in informal economy	34.8% ■	Global press freedom ranking (out of 180 countries)	111 ■
Share of population living in extreme poverty	5.1% ■		

60% of Mexicans Are Employed in the Informal Economy; 9% Are in Extreme Poverty

Economy		Society	
Performance: ■ High ■ Middle ■ Low		Performance: ■ High ■ Middle ■ Low	
Projected GDP growth 2022	2.1% ■	Population (millions)	130.3
Projected inflation 2022	5.3% ■	Homicide rate (per 100,000 people)	26 ■
Total trade as % of GDP	78% ■	Annual carbon dioxide emissions (millions of tons)	357 ■
Unemployment	4% ■	Share of public social spending on education	33.1%
Share of labor force in informal economy	59.9% ■	Global press freedom ranking (out of 180 countries)	143 ■
Share of population living in extreme poverty	9.2% ■		

Skeptics warn that pumping more aid money into Latin American economies with low productivity, domestic oligopolies in many sectors, and informality is more likely to waste funds than to encourage foreign investment. Without the rule of law and transparent financing, there is unlikely to be sufficient investment to generate stay-at-home development.

Skeptics warn that economic development begins at home, and say that the elites who dominate many Latin American countries are not willing to give up some of their power for the prospect of faster economic growth. These skeptics argue that elites want to retain their share of the economic pie rather than risking changes to grow economies faster.

Colombia Hosts Over a Million Venezuelan Migrants



10,000 Migrants Began to March Through Mexico to the U.S. in June 2022



Inequality is Widespread in Latin America



The LA Summit Attracted Advocates and Protestors



A 2022 Corruption Index Found Uruguay the Least and Venezuela the Most Corrupt

Overall Score



Overall Ranking

1	Uruguay	7.42
2	Costa Rica	7.11
3	Chile	6.88
4	Peru	5.66
5	Dominican Republic	5.19
6	Argentina	5.04
7	Panama	4.96
8	Colombia	4.87
9	Ecuador	4.82
10	Brazil	4.76
11	Paraguay	4.45
12	Mexico	4.05
13	Guatemala	3.38
14	Bolivia	2.57
15	Venezuela	1.63

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