

## Managing Migration: The Brazilian Case

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This paper reviews some basic facts regarding Brazilian immigration and emigration, as well as looking at some policy and legal issues affecting migration management in Brazil. Based on this context, it addresses the issues required for the seminar.

### **Stylized Facts**

The Brazilian historical experience of migration could be characterized as a typical receiving country. The immigration of Italians between late nineteenth and early twentieth centuries comprised more than 800,000 immigrants. The flow of Japanese immigrants comprised around 200,000 immigrants in the first half of the twentieth century. In demographic terms, the net migration flow between the post-WWII period and the 1970s was close to zero, so that it was generally assumed that Brazil restricted the reception of immigrants. During the 1980s, Brazil experienced for the first time a negative net migration flow, meaning that the country presented a large emigration flow.

It is hard to estimate the immigration and emigration flows to and from Brazil, mainly due to data limitation. Using data from the 1991 Brazilian Demographic Census and indirect demographic techniques, Carvalho (1996) estimated that the net migration flow of people aged 10 or more was negative around 1,800,000 in the 1980s. Taking only the second half of the decade, the net migration flow of people aged 5 or more was negative around 972,740 (Carvalho et. al, 2001). More than half of this flow (508,507) originated from the Brazilian Southeast States. The gender ratio of the out-migrants is quite high (1,68), it means that 168 male out-migrants are observed for each 100 female out-migrants. Carvalho (2004) indicated that the net migration flow can not be calculated for the 1995/2000 period because it would overestimate the negative net migration flow due to a huge improvement in census coverage between the two censuses.

Using data from the Brazilian Consulates abroad and published by the Brazilian Ministry of Foreign Relations, Azevedo (2004) reported around 1.5 million Brazilians living abroad in 1997 and around 2 million in 2002. She pointed out the following major receiving countries: United States of America (750,000), Paraguay (350,000), Japan (250,000), Portugal (65,000), Italy (65,000), and Switzerland (45,000). Goza (2004) counted 247,020 Brazilians in the 2000 U.S. Census of Population, compared with the data from the Brazilian Consulate, this data indicates that the American census is probably not capturing illegal migrants. Official data from Japan's Ministry of Justice reported 268,332 Brazilians living in Japan in 2002 (Miike, 2004) – this number is much closer to the Brazilian data, indicating a lack of illegal migration to that country.

The Brazilian demographic censuses provide a more reliable source for immigration to Brazil. Based on the 1991 and 2000 demographic censuses, Carvalho (2004) counted 66,217 and 143,644 immigrants in the 1986/1991 and 1995/2000 periods respectively. The Brazilian immigrants (return migration) corresponded to 47% of the total immigrant flow in the first period, increasing to 61% of the flow in the second period. The foreign immigrants

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corresponded to 48% of the total immigrant flow in the first period, declining to 34% of the second period. The remaining proportion of the immigrant flow is neglectful, accounting for the naturalized foreigners. The data described above indicates that the growing number of immigrants in the period is greatly due to the increasing flow of Brazilians as return migrants.

The data presented in Table 1 indicates an increase in the flow of immigrants originated from nearly all regions, although only Paraguay and Japan present an increase in the flow's relative share. It is striking the growth in the immigration flow originated from Japan between 1986/1991 and 1995/2000. Nearly ninety percent of these immigrants are Brazilians (dekasseguis) returning to Brazil.

**TABLE 1**  
**Immigrants (natives and foreigners) According to Previous Residence**

PREVIOUS RESIDENCE	1986/1991		1995/2000	
	N	%	N	%
Europe	15203	23,0	27307	19,0
Paraguay	10726	16,2	35446	24,7
Argentina	5535	8,4	7797	5,4
Other L.Am. Count.	14698	22,2	24323	16,9
USA	9199	13,9	16695	11,6
Japan	1827	2,8	19692	13,7
Other Countries	8500	12,8	11872	8,3
Ignored	529	0,8	511	0,4
<b>TOTAL</b>	<b>66217</b>	<b>100,0</b>	<b>143643</b>	<b>100,0</b>

Source: Carvalho, 2004. Brazilian Demographic Census - IBGE

### **Migration Management: Government Perceptions**

The United Nations Population Division conducted the *United Nations Ninth Inquiry among Governments on Population and Development*. The purpose of the inquiry is to assist governments on the implementation of population policies and to provide inputs to the quinquennial review and appraisal of the Program of Action of the International Conference on Population and Development (ICPD) held in 1994 in Cairo. The inquiry's section six deals with international migration.

The United Nations' report on *World Population Policies – 2003* indicates substantial changes in the government perceptions of migration trends. The share of governments considering the level of immigration to be high increased from 7% in 1976 to 20% in 1986 and 21% in 2003. The report indicates that governments in Africa, Asia, and Latin America and the Caribbean eased their concerns with high emigration, a fact that is associated with the recognition of the importance of remittances for the sending countries' national economy.

Based on United Nations studies, an overview of the changes in the Brazilian government's perception of migration trends is shown below.

- What is the view of the Government concerning the level of immigration into the country?

1976	1986	1996	2003
Satisfactory	Satisfactory	Satisfactory	Satisfactory

- What is the policy of the Government towards immigration?

1976	1986	1996	2003
Maintain	Maintain	Maintain	Maintain

(Maintain the current level of immigration)

- For immigration for permanent settlement, please indicate the current policy of the Government.

1976	1986	1996	2003
..	..	Maintain	Maintain

- For entry of migrant workers, please indicate the current policy of the Government.

1976	1986	1996	2003
..	..	Maintain	Maintain

- For entry of dependents of migrant workers, please indicate the current policy of the Government.

1976	1986	1996	2003
..	..	Maintain	Maintain

- Does the Government have a policy or policies to integrate or assimilate the non-nationals who are currently resident in the country?

1976	1986	1996	2003
..	..	No	Yes

- What is the view of the Government concerning the level of emigration into the country?

1976	1986	1996	2003
Satisfactory	Satisfactory	Too high	Satisfactory

- What is the policy of the Government towards emigration?

1976	1986	1996	2003
Maintain	Maintain	No	No
		intervention	intervention

- Does the Government have a policy of encouraging the return of citizens who have emigrated?

1976	1986	1996	2003
No	..	No	Yes

The Brazilian government's perceptions on immigration and emigration, shown above, indicate that immigrations issues are not major concerns in governmental policies, except for the growing awareness with integration of non-national immigrants in the Brazilian society. The concerns regarding emigration issues presented more variation in 1996 and 2003, during the 1990s emigration was a major concern and in 2003 the Brazilian Government viewed return migration positively. This positive view on return migration is in accordance with the

stylized facts described above, portraying a growing share of nationals in the immigration flow.

### **Migration Management: Legislation**

The Brazilian government's regulation of foreign immigration is based on the law 6,815 of 1980. The law decree 86,715 of 1981 regulates the foreign law mentioned above. This legislation also created the National Council of Immigration. The Law defines all types of visas that a foreign can obtain to enter the country: transit, tourist, temporary, permanent, courtesy, official, and diplomatic. The Labor and Employment Ministry is responsible for issuing work permits and monitoring the employment, and the National Council of Immigration operates under this Ministry. The Ministry of Justice is responsible for controlling entry into the country, issuing the visa renewal, and its transformation. The Ministry of Foreign Relations is responsible for issuing the entry visas. Ribeiro Filho and Takada (2004) reviewed the most recent regulations under the Law 6,815 regarding working permits (or visas).

The temporary visa with labor contract determines the inclusion of immigrant's salary in the firm's wage bill. The visa is valid for two years and it can be extended only once or transformed into a permanent visa. The labor regime is of a pre-determined length of duration, not to exceed two years. Dependent family members are not allowed to work during the stay. Immigrants with at least a college degree also have to present proof of at least two years of working experience in the occupation hired for. Immigrants without a college degree have to present proof of at least 9 years of study and as well as proof of at least three years of working experience in the occupation. The immigrant's job contract has to be signed exclusively with the firm that required the work permit, the firm has to authorize an eventual transfer to another firm.

The temporary visa without labor contract is aimed at immigrants who will provide technical assistance (up until two years) and technical cooperation (up until one year). The visa can be extended once. A ninety-day urgent visa (non-extendable) can be issued for urgent tasks and the documentation requirement is simple. The urgent visa can only be issued again for the same person 180 days after the former visa expiration. A thirty-day emergency visa (non-extendable) can be issued only in case of life, environment, or equipment emergencies. This emergency visa can only be issued again for the same person 90 days after the former visa expired.

The permanent visa for legal representatives (CEOs, directors, and managers) of multinational companies and traders require an investment of at least US\$ 200,000 per representative registered at the Central Bank, or an increase in the wage bill due to the generation of new jobs. The visa is valid for five years. Family dependents are allowed to work.

Table 2 portrays the evolution of entry authorizations by types of visa. It indicates that a great deal of Brazilian legal immigration is comprised by the various types of temporary visas. table 3 shows the entry authorizations by country of origin. A matching of table 3 with table 1 reveals the absence of important Latin American countries in table 3, for instance, Paraguay, and Bolivia. This finding suggests that the immigration process in Brazil carries an important component of illegal migration.

TABLE 2

## Entry authorizations by Type of Visa - Brazil

TYPE OF VISA	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Permanent for Managers	367	494	614	795	702	1288	1434	895	846	496
Temporary Labor Contract	1448	2064	2709	3852	4297	2266	2356	2733	2267	1531
Temp. Tech. Assistance 2 yrs.	1495	1910	1181	1344	906	1411	1805	2368	2645	919
Temp. Tech. Assistance 90 days									1212	4373
Oil					2079	3461	7871	7849	7301	6140
Others	478	835	869	925	6126	4951	6034	7709	6847	3930
<b>TOTAL</b>	<b>3788</b>	<b>5303</b>	<b>5373</b>	<b>6916</b>	<b>14110</b>	<b>13377</b>	<b>19500</b>	<b>21554</b>	<b>21118</b>	<b>17389</b>

Source: Ribeiro Filho and Takada, 2004 based on Labor and Employment Ministry.

TABLE 3

Entry authorizations by Country of Origin  
Brazil - 2003

COUNTRIES	N	%
USA	2463	14,2
Phillipines	763	4,4
Great Britain	722	4,2
France	839	4,8
Argentina	802	4,6
Norway	757	4,4
Poland	402	2,3
Italy	779	4,5
Germany	1003	5,8
Japan	700	4,0
Spain	641	3,7
India	432	2,5
Portugal	296	1,7
China	273	1,6
Canada	410	2,4
Colombia	302	1,7
Holland	357	2,1
Russia	221	1,3
Others	5227	30,1
<b>TOTAL</b>	<b>17389</b>	<b>100,0</b>

Source: Ribeiro Filho and Takada, 2004  
based on Labor and Employment Ministry.

Another important regulation regarding immigration is the “refugee law”, implementing the refugee statute originally written in 1951 and signed by the Law 9,474 of 1997. This Law applies to all foreigners that have their lives and rights threatened due to race, gender, religion, nationality, etc. The recognition of a refugee status to the foreigners will entail all immigrant rights conceived by the immigrant law. Family members of the refugee also have their benefits conceded (spouses, children, grand parents).

The Institute for Migration and Human Rights (IMDH) conducted a survey with religious organizations regarding assistance to foreigners in Brazil and to Brazilians outside Brazil (Milesi, Bonassi, and Shimano, 2001). Both abroad and in Brazil, these organizations report a great deal of illegal migrants, sometimes due to the high bureaucracy and slow delivery of documents. In the Brazilian case, the organizations reported that more than 70% of their problems derived from difficulties with documentation due to administrative problems and/or

problems associated with the implementation of the Law 6,815 of 1980. The costs for obtaining the documents are considered high.

Another case of migration regulation regards the signature of a social security multilateral agreement in the *Mercosur*, designed by the Governments of Argentina, Brazil, Paraguay, and Uruguay (Moraes, 2004). The agreement was reached in Montevideo, December 15<sup>th</sup>, 1997. The agreement is not yet in effect because Paraguay has not ratified it. The agreement deals with issues of unification or portability regarding mandatory and voluntary social security programs, issues on contributions, health assistance, among other points.

### **Addressing Issues**

We will use the Brazilian experience described above to address some issues related to migration management. These issues will primarily refer to the experience of immigration in Brazil. Nevertheless, the Brazilian net migration flow has been negative in the last decades. Thus these issues should also be discussed in the context of Brazilian emigration, including its relationship with remittances and return migration.

#### ***1<sup>st</sup> Issue: How to accommodate / host migrants (including children's education, health / social insurance, etc)? What are the social implications of hosting immigrants?***

It is difficult to generalize propositions regarding the issue of hosting immigrants. Any policy designed for hosting immigrants has to consider that migration does not result solely from an individual decision-making process. It is a process that evolves through time, comprising family members, networks, recruitment mechanisms, etc.

In the case of a specific kind of temporary migration program aimed to recruit unskilled and relatively low paid labor, policy-makers would wish to determine the length of stay and to limit the presence of family members (spouses and dependent family members). Past experience indicates that tight controls of immigration work more effectively in the short run. The extension of work permits and other mechanisms prolonging immigrants' stay evolve social networks and family reunion. If family reunion is not formally conceived, it would create extra pressure in the hosting mechanism. The international experience of programs such as the "Bracero Program" (Mexican immigrants entering the USA for temporary work in the midst of last century) and other European Temporary Work Programs also suggest that full control of the migration process is never achieved, such programs evolve a growing migrant network that may feed undocumented immigration.

Hosting immigrants is less of a problem in the case of temporary migration programs aimed at the attraction of high paid qualified labor, for example, the Brazilian case of legal immigration described above. Hosting is not a problem because these foreigners can acquire health, education, and social security service using their own private resources. Nevertheless, the restrictive rules of immigration may favor an upsurge in the flow of undocumented migrants.

Illegal migrants are the ones with highest degree of problems. They are excluded from the provision of education, health, social insurance, and other services. In the Brazilian case, these are not existent for legal migrants, but they are crucial problems for illegal migrants from some Latin American countries such as Paraguay and Bolivia.

A hosting strategy accommodating the provision of social services to immigrants, taking into consideration the inclusion of other family members, may be expensive in the short run but it

favors the control of the long run flow of immigrants (Canada could be an example along this line). The hosting problem is connected with the growing concerns with human rights issues.

***2<sup>nd</sup> Issue: How to protect migrants' rights?***

The *International Convention on the Protection of Rights of All Migrant Workers and Members of their Families*, adopted by the General Assembly resolution 45/158 of December 18<sup>th</sup>, 1990, was signed and ratified by twenty one developing countries. The Convention provides the broadest universal codification of the right of migrant workers and their families. It protects all migrant workers and their families without any kind of distinction by gender, race, color, age, religion, political opinion, etc. The scope of the convention covers the entire migration process (preparation for migration, departure, transit, arrival, period of stay, etc). Migrant worker is a person who is engaged in remunerated activity in a State not of his/her nationality and can be documented or non-documented. The Convention seeks to prevent the exploitation of migrant workers during the migration process. It aims to prevent illegal or clandestine recruitment and trafficking of migrant workers and to discourage the employment of undocumented migrants. It addresses the provision of social services to migrants and their families, both in sending and receiving countries. Article 45 states that members of the families of migrant workers living in the country of employment enjoy equality of treatment with nationals with respect to access to educational institutions, vocational guidance and training institutions, social and health services, and participation in cultural life. The Convention is the most advanced set of measures aiming at the protection of migrants' human rights. Even countries not signing it should take the Convention as a basic frame of reference.

***3<sup>rd</sup> Issue: How to cope with illegal migration problems? Toughening migratory regulation may decrease migratory flows but might increase illegal migration. Comment.***

Illegal or undocumented migration is usually associated with the search for unskilled laborers by firms in the receiving countries. It is hard to conceive the idea of finding a flow of undocumented (illegal) skilled migrants. Thus, when developed or developing receiving countries have illegal migrants, these migrants tend to be searching for unskilled jobs. There is a kind of negative externality in this situation, illegal migrants are clearly seen as a negative factor by the States and some citizens, but they are functional to some private firms. The situation tends to worsen as countries with below replacement fertility face population aging, so that part of the working age population is filled by migrants. The situation is more perverse if one considers that the migration process of illegal migrant workers usually involves adverse recruitment processes, dangerous travels, exploitation by brokers, and low payment by employers. In a situation of unskilled labor supply shortage in the receiving countries, any attempt to formalize the migration flow would diminish the exploitation mechanisms that are associated with illegal migration that were just described above. Some of the tools stated at the Convention described in the previous issue would facilitate the regulation of this process. Conversely, a tough migratory regulation would definitively increase the benefits of the adverse mechanisms associated with illegal migration flow. In the Brazilian case, there is no regulation of immigration for unskilled workers, the result is a flow of undocumented migrants from south-cone countries (mainly Paraguay and Bolivia). Immigrant flow from border countries tend to present a higher share of illegal migrants. Toughening migratory rules would deteriorate the situation. A word of caution, even the documentation (legalization) of illegal migrant flows may signal a pseudo control situation, since family reunion and network migration may induce extra illegal flows in the long run.

***4<sup>th</sup> Issue: How to support returning migrants to their home countries, using their acquired skills?***

This is a typically ambiguous situation. Migrants with high formal schooling and getting skilled jobs in the receiving countries could acquire skills with potential benefits upon return, while unskilled migrants tend to work in low payment jobs where the accumulation of on-the-job training skills is quite low. There is a potential benefit only to the extent that international migrants are positively selective with respect to the sending country native population, even when they work for unskilled jobs in the receiving country. Upon return, even without the acquisition of much skills in the job, these migrants will return with higher than average schooling (human capital) and savings (economic capital) that could impact positively the sending country or community.

Remittances and return migration are interrelated issues. Remittances may contribute to the consumption of migrant's family members in the sending country (living expenses) or to savings, business investments, real state investments, and education investments. Return migration usually happens after migrants reach a target saving in the receiving country. There is a growing awareness as to the role of remittances and return migration for local development.

Orozco (2004) compared migrant remittances of Latin American countries based on their Central Banks data. The amount remitted to Brazil grew from 2.6 billion dollars in 2001 to 5.4 billion dollars in 2003. Although remittances represent only 1% of Brazilian GDP and 8% of exports, Brazil has the second largest amount of remittances in the region, lagging behind only to Mexico. Recent surveys on remittances suggest that migrants living in the USA (50%) and Japan (17%) are the ones sending the largest amount of remittances (Bendixen, 2004).

There is a growing expectation with respect to the developmental role played by return migrants. A study with Brazilian immigrants in the USA indicates that they expect to return upon achieving a certain level of economic success (Martes, 2004). The dekassegui project indicated that about half of the male migrants answered that their motive to migrate either was associated with the opening of a new business or helping of family business (Miike, 2004). For the migrants who already returned, the average amount of money accumulated was US\$30,000 for men and US\$20,000 for women, and the proportion of those who already developed their own businesses are 39.3% and 26% respectively. The study indicates low managerial skills and low specific knowledge acquired during the migration process; thus, the entrepreneurial ability is basically enhanced by economic capital. Regardless of managerial and acquired skills, returned migrants tend to earn more than the average Brazilian population. Carvalho (2004) calculated that male household heads returning from the US between 1995/2000 earn 23.3 minimum wages, while the average Brazilian male head earns 5.3 minimum wages, the returned from Japan 8.5 minimum wages, and the returned from Paraguay 2.3 minimum wages. Further studies have to be made to clarify the extent that these earnings differences are due to school selectivity operating prior to migration, or skills acquired during the migration process, or the accumulation of economic capital during the migration process.

#### ***5<sup>th</sup> Issue: How to cope with brain drain issues?***

There is a scant literature about brain drain issues in Brazil. In terms of the emigration flow, the literature clearly indicates that there is a positive selectivity in terms of schooling (the emigrants are generally higher educated than the Brazilian average population). Nevertheless, this selective problem has never been treated in brain drain terms, perhaps due to the size of the emigration flow and the economic recessions that have plagued Brazil during the

nineteen-eighties and nineties. Conversely, the immigration flow is highly qualified, representing more a brain drain to the sending countries than to Brazil as a receiving country.

A word of caution, brain drain may become a hot issue in Brazil in the next decade, to the extent that Brazilian's fertility decline is stronger among families with high education, if the scarce children of these families emigrate in large flows in the next decade, then the young cohorts entering the labor market will be less qualified, imposing negative productivity shocks in the labor market.