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**School of International Studies with
Specialization in Foreign Trade**

*“Spanish Economic Crisis and its Impact on
Ecuadorian Migrants in the Period 2009-2013”*

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of International Studies with a Minor
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DEDICATION

In a very special way to my parents, who devoted themselves and have done everything possible so I could make one more of my dreams come true. They have been constantly supporting me, encouraging me every time I needed it the most. They have been my strength every step of this way to stand on my feet. Thank you Caty and Pablo.

THANKS

I would like to thank my parents for the completion of this work, who have given me their support and trust all along this way from whom I have my strength and envision a successful future. My grandparents, who in every step of my life, have been present with love, gladly to see me succeed. My brother has been a clear example of perseverance and effort. Finally to my thesis director Dr. Jorge Enrique Morales Alvarez, who has mentored and guided me in this project.

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SUMMARY

Analyzing the theme of the Spanish crisis and the impact it has had on the Ecuadorian community resident in this country in the period 2009-2013 is highly relevant. We all know the currently high rates of unemployment have constrained our fellow citizens to seek new destinations of work or simply return voluntarily to Ecuador. Similarly, there is a high number of Spanish people who prefer to rebuild their lives in Ecuador as they understand the reality currently facing their country and the impact the crisis is already having on other countries in the Eurozone. The international outlook makes it increasingly clear that the crisis spreads to other world powers and as a result affects developing countries such as Ecuador. In the case of our migrants, they had informal jobs and from one day to another they were left with nothing just like in the case of many Spanish people. My main objectives are to describe the theoretical aspects of the economic crisis in Spain, as well as to describe its economic crisis and the impact on the labor sector of Ecuadorian migrants. For all this information, I needed to use migration sources such as books, books about Spain's economic crisis, migration and articles on the current crisis, also a very important source was the Secretaria for Migrants. They would provide me statistics about the return of Ecuadorians. Another indispensable source are Spanish newspapers (Daily EL PAIS, EL MUNDO, THE ECONOMIST), official websites ([ww.ine.es](http://www.ine.es)).

ABSTRACT

The analysis of the Spanish Economic Crisis and its impact on the Ecuadorian community since 2009 is highly relevant because nowadays the high rates of unemployment in Spain have led Ecuadorian migrants to seek new destinations around the world or to return to Ecuador. In the same way, many Spaniards have decided to rebuild their lives in Ecuador because they realized the reality that Spain is currently going through and the impact this situation has had on other countries in Europe. It is really clear that the Spanish crisis has expanded to other countries and it has affected developing countries such as Ecuador.

I made this investigation to describe the theoretical aspects of the Spanish economic crisis and its impact on the labor sector of Ecuadorian migrants. For all this information I needed to access to migration sources such as books of the economic crisis in Spain, documents about migration and articles of the current world crisis. Also, a very important source was the SENAMI that provided me with reliable statistics and also many newspapers and webpages which were an indispensable source.

INTRODUCTION

Today the major world powers are going through an economic crisis that has gradually become more acute in some countries than others. In the case of Spain, the picture gets darker because the situation is worsening daily. People are really discontent and they question about what is really causing this decline and what the government is doing to solve this problem.

Therefore, the analysis of the Spanish crisis from different perspectives becomes interesting because the situation does not only involve Spain but also thousands of people all around the world i.e. Ecuador. Our country is also part of this crisis because many Ecuadorians migrated one day hoping for a better quality of life. But now these migrants are either returning to our country or they are looking for a different destination in Europe.

In this investigation, I will talk about the Spanish Economic Crisis. I will analyze its causes, background, consequences and impact in the Ecuadorian community in Spain. In addition, the sources used in this investigation were national and international newspapers, books about the crisis in Spain and different web sites.

CHAPTER 1: CONCEPTS AND DEFINITIONS

1.1 Economic Crisis: Concept, Causes and Consequences

Today's society encourages us to use terms that we perhaps have heard but that they actually have a deeper meaning. So to have a greater understanding of them, it is necessary to inquire and relate them to the situations that currently the global society is going through as the Global Economic Crisis.

First, I am going to define in the most understandable way what is understood by the term Economic Crisis, its causes and consequences, by going back briefly to past situations to give a greater accuracy and understanding.

1.1.1 Economic Crisis

I will begin by defining briefly the terms separately. "Economy is the science that studies the processes of production, exchange and consumption of goods and services." In addition, it is also defined as "a social science that studies how individuals or societies use or manage scarce resources to meet their needs". (Library of Luis Ángel Arango, 2013).

A crisis, on the other hand, refers to a sudden change or a major modification that leads to a situation of shortage of production.

Therefore, an economic crisis, putting both terms together, is a tendency to a period of scarcity in production, marketing and consumption of products and services. An economic crisis is a moment in which the economy of a country presents negative indicators with cessation of activities in some cases, high levels of unemployment and increasing poverty. (Definition of, 2013).

Furthermore, to give more realism to the topic, it is worth mentioning the four major phases of an economic cycle: the rise, where economic activity increases until the time of the boom. The descent, where indicators fall. The recession, when the decline extends for more than two consecutive quarters. And the reactivation, when indexes are up again and the ascent begins.

"An economic crisis takes place at some time in the fall. It may be a widespread crisis, a drop of all indices, or a crisis affecting particularly certain sectors (crisis of supply/ demand). On the other hand, a subsistence crisis is when a social group cannot meet their basic needs". (Definition of, 2013).

Through history one of the largest and most publicized crises was the crisis of 1929 in the United States. It was a crisis of lack of demand, factories could not provide an outlet for their products. That resulted in an imbalance between supply and demand, so that many factories had no choice but to close their doors. New workers were

unemployed at a time in which there were no unemployment benefits. Consequently, they had to reduce their levels of consumption causing other factories to close their doors for lack of demand.

I must also emphasize that the world economy is currently experiencing one of the worst economic crises. Nobody thought it could have come to pass in the twenty-first century. The Great Recession, as it is known, is the same crisis that directly affected the world's major economic powers and it started in 2008. (The Great Encyclopedia of the Economy, 2013).

1.1.2 Causes

The drop in economic activity can be according to Carlos Parodi caused by:

- A Volatile macroeconomic environment caused by external factors that are non-controllable and internal factors.
- Microeconomic issues inherent in all financial systems, situations arising from irregular information and a lack of an adequate system of supervision and regulation.

(Parodi, 2013)

The main factors that determine volatility in a macroeconomic environment are the following:

1.1.2.1 Increases in the interest rates

In general, the interest rate has a negative impact on long-term values, i.e. debt instruments are directly affected by interest rate increase due to the fact that debt instruments are values where investors earn interest. These titles are in the form of bonds and mortgages. (John, 2013).

1.1.2.2 Fluctuations in the terms of trade

The terms of trade are the relation between prices of exports with prices of imports so a deterioration in the terms of trade reduces the ability of payment from debtors. This type of situations is highly common in developing countries due to their dependence on imported capital goods and the concentration of commodities in the composition of their exports. (Castle & Salas, 2010).

1.1.2.3 Fluctuations in the exchange rate

A sudden increase in the exchange rate can affect the banking system in two ways: when banks take foreign debt in foreign currency, but they lend in the interior in local currency (currency mismatch) and when banks take short-term debt in foreign currency, but they lend in the interior of the country by long-term (maturity mismatch). The result, in either case, is the reduction in the ability to pay debts. (Parodi, 2013).

1.1.3 Consequences

The consequences that an economic crisis brings are relevant to the country and for those who comprise it. I'm going to describe the most outstanding consequences:

A reduction of production that gives as a result a shortage of resources, tends to a sharp increase in food prices and in various goods and services.

This price increase may result in several things:

1. A disbursement to be carried out by the citizens for the purchase of these goods and services, producing a clear reduction in its resources.
2. Citizens tend to save and to minimize the expenditure buying only what is absolutely necessary to survive, causing an economic stagnation derived from sales.
3. Companies' sales capacity and income are substantially reduced. This reduction leads to drastic reductions in workers or directly to companies' bankruptcy and disappearance.
4. States reduce their economies as a result of high prices, and they are compelled to take drastic measures in some occasions to avoid the bankruptcy of the entire country.

These consequences are a domino effect that as soon as there is any affected party, this party just ends affecting all the rest of parties involved equally.

(Policy Debate, 2011)

1.2 Migration: concept, causes and consequences

In the twenty-first century, migration is considered as one of the main global issues, because nowadays people are increasingly moving from one place to another. Currently, there are about 192 million people living outside their country of origin that represents approximately 3% of the world's population.

Between 1965 and 1990, the number of international migrants increased 45 million: an annual growth rate of about 2.1% and the current annual growth rate is almost 2.9%.

The topic of migration includes diverse perspectives. A growing number of people recognize migration like an essential component and inevitable part in economy and social life of every country and if migration is channeled in an orderly way and appropriate it can be beneficial for both individuals and societies.

Migration has been studied from various angles or points of view depending on the causes or motives that generate the mobility.

(International Organization for Migration, 2012)

1.2.1 Migration

According to the International Organization for Migration (IOM), migration is defined as “a movement of a person or group of persons of a geographical unit to another through an administrative boundary or policy with an intention of settling indefinitely or temporary in a different place than their place of origin”.

Among the types of migration are mainly:

- Forced migration either internal or external.
- Voluntary migration for reasons of study, tourism or economic (job).
- Temporary or permanent migration.

The first concept, which refers to forced migration, is used to describe a movement of people that notes coercion or compulsion, including a threat to their lives and their livelihood either by natural or human causes. For example, refugee movements, as well as people displaced by natural disasters, nuclear or chemical disasters, famine or development projects.

A voluntary migration is when a person is mobilized by their own free will without external pressures such as referred to on the first concept.

Temporary migration implies a mobility by a certain time after which the subject returns. Permanent migration, as its name indicates, expresses permanent settlement in the place of destination.

(International Organization for Migration, 2012)

1.2.2 Causes

Currently the transfer of people from one place to another is more significant because the global trends generate global mobility, for example:

- Demographic changes
- Economic recession
- Economic liberalization
- Emergence of the “migrant networks”
- Emergence of the transnational migration

1.2.2.1 Demographic changes

The growth of world population differs between developed and developing countries. In developed countries, the annual rate of growth is lower than the current 0.3%. While in the rest of the world population, it is growing nearly six times faster. Demographic changes affect international migration in two ways. A dramatic population growth combined with economic difficulties forces people to abandon their habitat, and a population with a low birth rate leads to countries to accept migrants.

According to United Nations population projections, it is expected that Japan and all countries of Europe would show a decline in population growth during the next 50 years.

1.2.2.2 Economic recession

Since the beginning of 2001, the world economy has been experiencing a recession that is upsetting the labor of migrants. However, the majority of migrants tend to remain in the country of destination even after a further worsening of conditions.

Temporary recession does not always cause a major disruption in migratory flows, nor change trends in a meaningful way.

1.2.2.3 Economic liberalization

Demand for labor in developed economies and availability of labor in underdeveloped economies have set in motion global labor migration. The giant global labor market offers employers the opportunity to hire migrant workers as part of cost cutting strategies.

In addition, multinational corporations favor the movement of labor, especially the highly skilled labor force. Before an acute shortage of labor, industries of developed countries evaluate migration policies and show preference for an implementation of a relatively flexible mechanism.

1.2.2.4 Emergence of “migrant networks”

Migrant networks are defined like the interpersonal relationships that link migrants with relatives, friends or fellow countrymen that remain in the country of origin. Migrant networks in a specific region have become a dominant force to improve people’s mobility. The networks influence in political decisions of the host countries. Also, networks influence in economic and trade relations between the country of origin and destination.

1.2.2.5 Emergence of transnational migration

The improvement in transportation and communication technologies, which link places and people around the world, lead to the emergence of a “space of transnational migration”. This space covers more than one geographical space in which migrants can move from one place to another. Immediate results of this phenomenon are a growing acceptance of dual citizenship, the right to have multiple properties and the right to vote. Countries now recognize that the membership is not based on the territory. There is then a new type of relationship “Person-State” which is rapidly taking power in international politics, and it probably will influence the future course of human mobility.

(International Organization for Migration, 2012)

1.3. History of Ecuadorian migration to Spain

As a brief background, the emigration of Ecuadorians toward other countries had been initiated in the 60’s so Ecuadorian emigration can make reference to three periods:

1) Between 1960 and 1980. Early emigration from Ecuador was triggered by the collapse of Ecuador’s Panama hat industry in the 1950s. Emigrants at this time often traveled to New York, where many had connections with hat importers.

2) Between 1980 and 1995. Migration from rural areas began, specifically, from the provinces of Azuay and Cañar and a lesser extent from rural towns in the province of Pichincha having as main destination United States, specifically the area of New York.

3) 1995 ONWARDS. Here begins an emigration from various provinces of the country. Early this period the female gender predominated. People who left the country possessed higher levels of education, but also there were people from rural areas of the country who did not have any kind of instruction in studies and their main destination this time was countries of the European continent: Spain and, to a lesser extent, Italy.

(Colectivo IOE, 2005)

Therefore, Spain became the preferred tourist destination of Ecuadorians for almost two decades. Since 1993 the United States increased restrictions and the cost for entry into its territory. While in Spain the access did not require greater difficulty. Also there was continuous labor demand for low-skilled jobs such as agriculture, construction for men, and domestic services for women. The language for the majority was not an impediment, rather it became an asset.

On the other hand, there were factors that led Ecuadorians to seek new horizons. In 1995, the war against Peru promoted an emigration from neighboring provinces such as El Oro and Loja. And in 1998 when the economic crisis broke out, the poor increased from 34% to 71%. The unemployment and underemployment grew, and the income of citizens, state social spending and quality of life of people decreased.

Other statistical data shows the existence of an original small number of Ecuadorians between 1955 and 1960 that was approximately formed by 100 people. Since then, in the first period of the '60s there was a significant growth in migration, that coincided with the first emigration wave from Ecuador toward Spain. Between 1960 and 1970 the number of Ecuadorians migrators increase from 125 to 421 and during the following fifteen years, there was a continuous increase of 3-4% annual. That is to say that around 1985 there were 700 Ecuadorians with residence permits.

Thereafter, migration was continually increasing because the annual percentage rate of residents increased from 10% in 1985 to 18% in 1995.

(Collective IOE, 2005)

Table 1. Ecuadorians resident in Spain Period 1955-1995

Year	Residents	% Annual Variation	Residents + Nationalized	% Annual Variation
1955	96	--		
1960	125	6,0		
1965	266	22,6		
1970	421	11,7		
1975	514	4,4		
1980	590	3,0		
1985	700	3,7	860	9,2
1990	1.043	9,8	1.368	11,8
1995	1.963	17,6	2.589	17,9

Source: *La Inmigración Ecuatoriana en España*

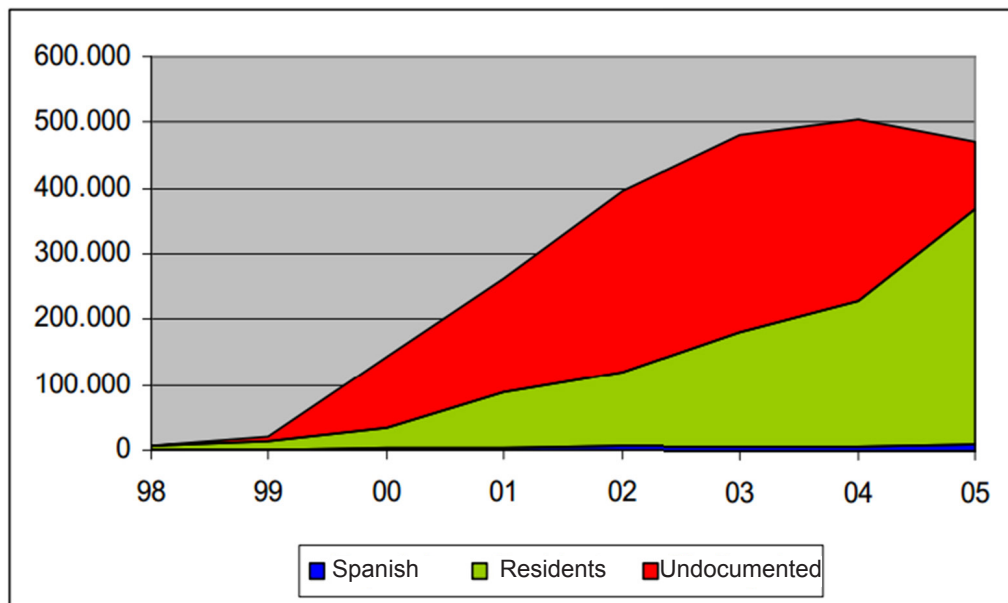
[Http://www.colectivoioe.org/uploads/2ef88a1de02122aeceb978304c3185dda41bf99b.pdf](http://www.colectivoioe.org/uploads/2ef88a1de02122aeceb978304c3185dda41bf99b.pdf)

Those migration flows allowed the creation of migrant networks and chains which facilitated the arrival of Ecuadorians in greater volumes than the previous ones.

The immigration boom expanded in the decade of the '90 up to achieve an increase of 580% in migration in 2000. In four years the official statistics accounted 4000 Ecuadorians in 1997 and 140,000 in 2000. In 2001 there were already 260,000 Ecuadorians and in 2002, almost 400,000 that is to say there was a great increase in a small interval of time. In the next two years, once again there was a growth of around 500,000 Ecuadorians. Figure 1 shows the growth of Ecuadorian people until the year 2005

(Colectivo IOE, 2005)

Graphic 1. Ecuadorians in Spain Evolution Period 1998-2005.



Source: *La Inmigración Ecuatoriana en España*.

<http://www.colectivoioe.org/uploads/2ef88a1de02122aeceb978304c3185dda41bf99b.pdf>

Since 2008 Ecuadorian migration to Spain has been slowed down due to the economic crisis that the European country has been going through. In the beginning of 2012 it was found that 212,157 Ecuadorian migrants suffered from unemployment, it means 61.7% citizens of this nationality lacked a work in Spain. (Cevallos, 2012).

Ecuadorian population in Madrid decreased from 99,306 people in 2012 to 79,322 people in 2013 i.e. 19,984 immigrants less. (Ecuadorinmediato, 2013).

CHAPTER 2: ECONOMIC CRISIS IN SPAIN

2.1. The United States as the origin of the crisis

Through history there has been powerful empires that have come to an end. In a lot of them over-confidence in handling the situation has been the main cause for their downfall. As people, their policies, inclinations and economies have evolved, the human being has had to overcome circumstances in which he/she was desperate to get ahead. In a same way, countries had to pass through political and economic crises and they have had the need to count on their rulers and citizens to cope the crisis.

However, an economic crisis is always shocking. Its development and its final stage are not predicted. The authorities of the country in crisis on several occasions are forced to act under pressure, caused by the market's crisis, and without truthful information to support their decisions (Mañas, 2008).

Today the world is affected by the economic crisis that the United States is still undergoing as the first economic power at the global level. However, as said by Antonio Torreño Mañas "*financial crises tend to be the result of imbalances that have been accumulating until becoming unsustainable*" (Mañas, 2008).

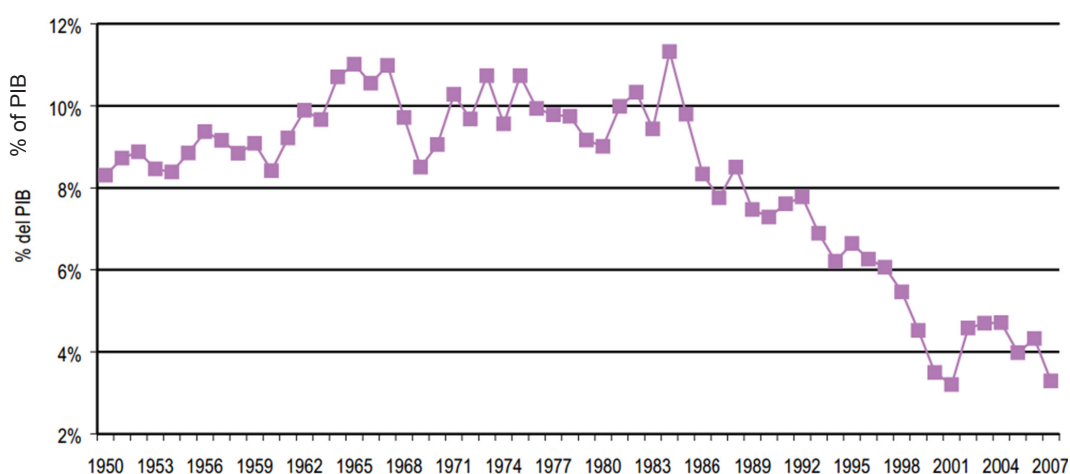
The global economic crisis was not a topic that was anticipated when in the United States the bankruptcy of the financial services firm Lehman Brothers on September 15, 2008 occurred. Lehman Brothers' filing remains the largest bankruptcy filing in U.S. history, with the financial services firm holding over \$600 billion in assets. This bankruptcy generated an action of total distrust that expanded to the major financial markets. Then immediately the United States and the European Union were performing mergers and salvages of banking institutions so that they could deal with a lack of liquidity caused by uncollectible loans and investment packages (Laffaye, 2008).

However the problems that led to the current crisis appeared gradually from several decades ago until 2001 where the crisis was accelerated. In this year, the stock markets began to fall as a result of the collapse of the tech bubble in the United States. The monetary authorities reduced the interest rate of 6.5% to 1% with the intention of encouraging demand and stabilizing the bags. Then, the reaction of the banking institutions and investment funds was to encourage mortgage debts. This boosted construction industries and domestic consumption to increase prices on buildings. So the best option before the expansion of real estate demand was to go into debt buying real state under the idea that those properties would increase in

price year after year i.e. financial institutions encouraged their customers by selling the logic: *of the housing as investment value*. (Laffaye, 2008).

Therefore the trigger of the crisis was an increase of mortgage loans because financial institutions needed an increase on demand, so the banks lured by the money decreased conditions on loans, by granting them with a variable interest to people who was not creditworthy and had dubious financial reputation (Mañas, 2008). A greater indebtedness made possible an increase in investment based on the idea of buying to sell more expensive. It allowed to achieve higher gain about the initial contribution, because as housing prices were growing several people found in a second mortgage an extra source of money. “While the credit boom lasted, financial institutions and American families went into debt in excess: between 2002 and 2006 loans to households grew at an annual average rate of 11%, surpassing the growth of the economy, while the household savings fell to a historic low” (Laffaye, 2008).

Graphic 2. United States: net savings of the families, as a percentage of GDP in U\$S current

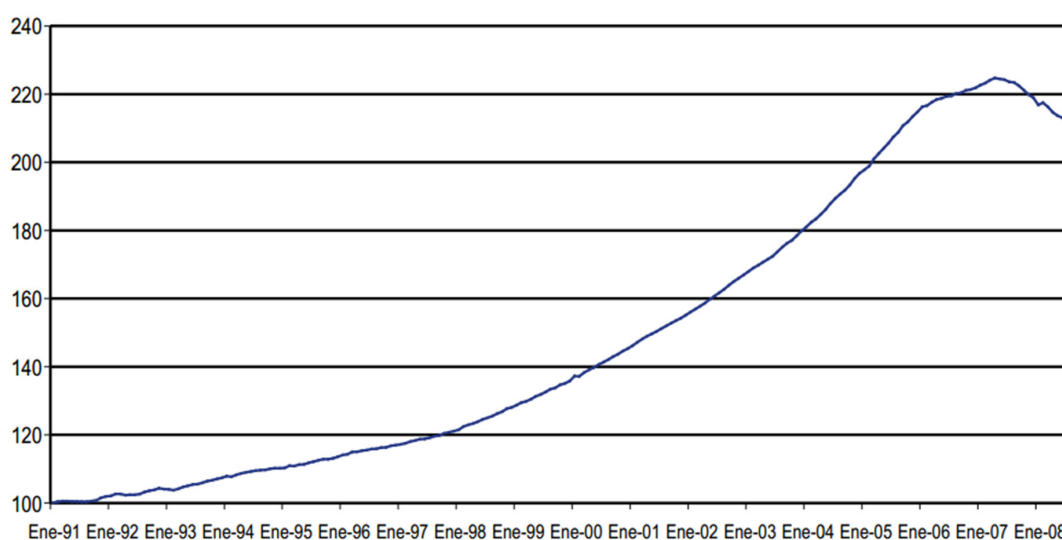


Source: Laffaye, S. (2008). [Http://www.cei.gov.ar/](http://www.cei.gov.ar/). Obtained from La crisis Financiera Origen y Perspectivas: [Http://www.cei.gov.ar/userfiles/13%20la%20crisis%20financiera%20origen%20prospects% 20and%20.pdf](http://www.cei.gov.ar/userfiles/13%20la%20crisis%20financiera%20origen%20prospects%20and%20.pdf)

This activity allowed real estate to grow upward until 2004. In mid-2006, when the reference rate of the Federal Reserve (FED) ascended to 5% and the value of buildings began to fall, the first disadvantages appeared in the banks' balance sheets (Laffaye, 2008).

Therefore, this system began to decrease when families began to lose purchasing power due to the inflation and the increase in fees of credits. Also, the fall of some of the most important financial institutions in the US and Europe had strong repercussions in developing countries by the link between banks and investment funds (Laffaye, 2008). In the next chart you can see the high price of housing that had never been experienced before.

Graphic 3. United States: index of house prices 1991 = 100



Source: Laffaye, S. (2008). [Http://www.cei.gov.ar/](http://www.cei.gov.ar/). Obtained from La crisis Financiera Origen y Perspectivas: [Http://www.cei.gov.ar/userfiles/13%20la%20crisis%20financiera%20origen%20prospectos%20and%20.pdf](http://www.cei.gov.ar/userfiles/13%20la%20crisis%20financiera%20origen%20prospectos%20and%20.pdf)

It can be said that the crisis that erupted in 2008 did not take long to spread to other economic powers such as Spain, which I will mention later. As I referred at the beginning of this chapter that also the most powerful empires have had their end, it is something similar to what the United States is going through. Therefore, the current crisis has focused on developed countries with "strong" finances, as example on Swiss banking, which was supposedly to be one of the world's most conservative banking system and it has been the most affected by the crisis (Mañas, 2008).

In addition, the main characters of this problem are a small group of entities that trusted in its administration and were able to capture large amounts of resources from markets, banking systems and different institutions (Mañas, 2008).

2.2 The process of Spanish Economic Crisis: Causes and Consequences

The outbreak of the Global Economic Crisis took place in the United States and the crisis expanded to several countries of the European Union such as Spain. The Iberian country is a clear example of the fact that this universal imbalance caused severe shocks all around the world.

The Spanish Crisis, which is at the same time political, social and economic, started five years ago. It expanded its degree of pessimism and anguish in citizens who suffer directly via the unemployment, or indirectly through a deterioration of income. Which affected of course to their social and family environment.

Despite the fact that in 2008 the crisis was present in Spain, it was not until the following year where the crisis got latent in a violent manner. In the beginning of the century Spain generated more than half the annual employment created throughout the European Union. Unfortunately, after the outbreak of the crisis in 2009, nearly 50% of total jobs were eliminated in Spain, affecting six million people (Ruesga Benito, 2012). Since then the Spanish economy according to Alberto Recarte has internal and external obstacles:

1. Internal economic barriers are: the borrowing by households and firms, the reliance of external financing, the overall deficit, the growing public debt and the level of unemployment.
2. External economic barriers are: adjustments that are still in process in financial systems of countries that suffered credit and real estate bubbles as the US and other European countries. Also a very important factor is the lack of credibility in the euro.

(Recarte, 2010)

These obstacles were those that generated total distrust on people about administration and different settings. In addition, the lack of credibility in the euro has led to question if the euro is the best system to cope with this crisis.

There are facts that are linked with this depression that are impossible not to be taken into account:

- A lack of regulation and supervision in favorable policies and financial management.
- A liquidity excess in monetary policy makes the bubbles in crisis burst.
- Mistrust generated in the markets has made financial institutions close the credit.
- Expensive bailout programs to save big banks.
- A part of the financial bubble was in intensive labor sectors leaving them without work.

(Ruesga Benito, 2012)

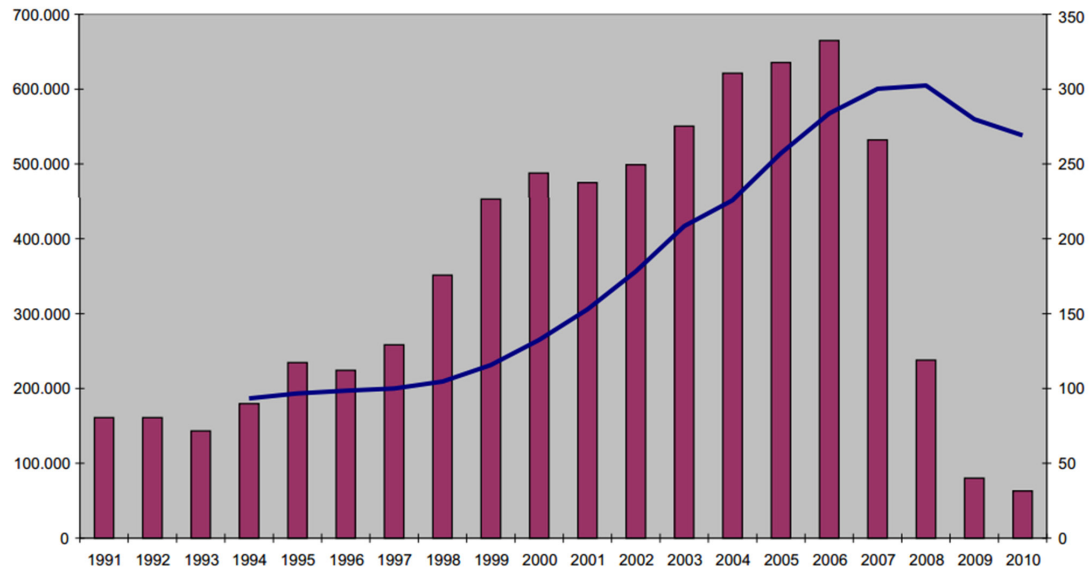
2.2.1 The real estate bubble

The growth phase of the Spanish economy was based on construction. This sector had become a driving force for economic development from 1997. It meant 6.5% of GDP, and in 2006 it reached a higher value of 10.8%. As a result places of work and employment increased in this sector and not only for Spanish labor but also for foreign labor (migrants). So that in 2007, 2,717.5 thousand people were working in construction, which meant 13.25% of people employed in Spanish economy (Agustí Colom. University of Barcelona, 2012).

Ironically, the real estate bubble was the result of a spectacular increase in the demand for housing. So it is essential to analyze it because real estate is the sector that has suffered the biggest decrease in its demand. Gonzalo Bernardos Rodriguez stated in his article Creation and Destruction of the Housing Bubble in Spain, “although the offer increased in a substantial way it did not happen in the sufficient magnitude, nor with the speed necessary to absorb the crisis without generating a high increase of prices” (Bernardos Dominguez, 2009). The Spanish crises just like previous ones followed a process. In Spain’s case, the residential sector had a boom from 1998 to 2005. In these years the increase in the construction field was greatly evident. Even the demand for housing appeared to increase for demographic reasons because Spain’s park of homes increased to 23.7 million, which showed the highest rate in the world (Agustí Colom. University of Barcelona, 2012). However, the crisis revealed a huge number of new houses that could not be sold because of a lack of demand and their too high prices. This fact immediately multiplied the foreclosures from banks and paralyzed the construction of houses because people no longer had purchasing power (Diario de Mallorca, 2010).

A clear example is the following chart:

Graphic 4. Volume of free housing and evolution of the price index for the Housing, Spain 1991-2010



Source:

<http://pendientedemigracion.ucm.es/info/ec/jec13/Ponencias/politica%20economica%20y%20construccion%20europa/La%20crisis%20economica%20espanola.pdf>

After these huge economic situations, banks, for sure, did not have money. As a result real estate could not be purchased without funding, having for 2010 figures of 687,523 in stock of new homes completed without selling.

So defaults and delays appeared by part of individuals, causing many people to be totally in the streets. Then evictions were performed, in such a way that the despair was present forcing citizens to sell everything. And even large and small firms went into bankruptcy. The only exit was to leave the country and seek for new opportunities to begin again abroad.

In January, 2014 the growth of mortgage lent for house purchase, the heavy indebtedness of household and social problems arising from non-payment of mortgages, have made the mortgage market of housing acquire great importance in the resolution of the economic crisis (García Delgado & Rodríguez, 2014). According to El País, quantity and quality of mortgage loans that are granted to purchase a home are very important because they have effects on financial institutions and in the borrowers.

The amount of credit for purchase of homes until the end of 2010 did not stop growing, reaching figures of 620,433 million euros, down from then to 612,074 million in 2013.

To this data it is necessary to add that the total number of mortgages at the end of 2012 was about 6,140,645. The amount that was awarded in that year was 100,000 euros, compared to 150,000 in 2007. The average mortgage was of 23 years, compared to the 30 years that there were in 2007. In recent years this has made housing market to normalize itself slowly in relation to deadlines, prices and guarantees. In spite of the fact that levels of procrastination are low, there have been non-payment by homes, with foreclosures. So, in order to cope with this situation, several legal provisions were adopted to protect debtors of mortgage loans:

Royal Decree 8/2011, on July 1, measures to support mortgage debtors;

Royal Decree 6/2012, on March 9, urgent measures for the protection of mortgagors without resources;

Royal Decree Law 27/2012, dated on November 15, for urgent action to strengthen the protection of mortgagees;

Law 1/2013, May 14, for urgent action to strengthen the protection of mortgagors, debt restructuring and social rent.

Those legal texts have articulated a series of measures to restructure mortgage debts and to be able to process payments. Also an important step that helped several individuals was a suspension for a period of two years of evictions of families that were in risky situation (García Delgado & Rodriguez, 2014).

These measures were taken to balance and protect mortgagors, waiting for a slow improvement in this market, by following and valuing the solvency of mortgage terms and also the bank's.

2.3 The impact that the Spanish crisis generate in Europe and in the world

As stated previously, the crisis increased year after year until it has reached its peak. It has become a crisis of global magnitude because Spain's crisis affected many countries including world powers.

For example in 2014 in the Eurozone, Greece is facing an economic and political situation in the twenty-first century in spite of the financial support received by the European Union and the International Monetary Fund. The Greek crisis beginnings can be traced to 2004, when the conservative government of Kostas Karamanlis

contracted until 2009 more than 100 thousand new staff members, which increased wages and public employees by 70% so that the Greek government borrowed heavily and the public spending was greatly increased in the last decade. For many years the Government of Greece had submitted to the European Union few reports that did not reflect the true economic reality. By the end of 2009, with the beginning of the new socialist government of Yorgos Papandreu, was when the harsh economic reality was about the public deficit of 13% GDP, contrary to the requirements of the European Union that should be 3% (CDRI, 2011).

In Spain three million people survive with monthly incomes of less than 307 euros i.e. 417 US dollars. On the other hand, official figures of Portugal placed an 18% population living below the poverty line, and in countries such as Italy, the number of poor doubled between 2007 and 2012. In Germany despite the fact that it remains relatively stable, its situation decreases so that almost eight million people survive with about 450 euros per month salary and, in the case of the United Kingdom, which does not have the euro, food banks administered by charitable organizations have been multiplied. In 2011, 128,697 people was served by these banks, and in 2012 the figure almost tripled: 346,992 (Lanacion, 2014).

The situation in some European countries becomes so distressing that citizens must choose between eating and turning up the heat. Their panorama becomes even worse: there are people who eat once a day, a lot of unemployment, a reduction of social benefits and also people must pay a very high account of electricity. These difficulties make people enter and exit from situations of extreme need. In Italy, poverty increased from 2.4 million to 4.8 million between 2007 and 2012, and in France in 2011 poverty affected the 14.3% of the total population. In Netherlands in 2012 the percentage of citizens who lived below the poverty line had increased from 7.4% in 2010 to 9.4% in 2012 (Lanacion, 2014).

In 2008, 17% of people of the 28 countries that make up the European Union were at risk of poverty, this figure rose to 2012 when it were 28% i.e. about 124 million people were in this situation. The poverty is more evident in the countries that were hardest hit by the crisis in the Eurozone and they have been grouped under the name PIIGS. This group covers Portugal, Italy, Ireland, Greece and Spain (Lanacion, 2014).

The crisis in the Eurozone did not only affect European citizens but also migrants who came from different parts of the world especially from Latin America. Either legally or illegally they are people who sought a better quality of life. However, they did not stay out of this massive economic imbalance. Consequently, they also suffered the blow of unemployment and evictions, keeping nothing with them. So this situation has forced many to return to their country of origin leaving the little they had left behind. They did not foresee they had to abandon the lives they had

built in a foreign country in such a way. Most opted to search for new destinations to survive. This is the case of many Ecuadorians who decided to return bringing with them almost nothing. On the other hand, there are still some Ecuadorians who decided to stay to fight knowing that there are few opportunities for employment.

CHAPTER 3: THE ECUADORIAN COMMUNITY IN SPAIN

3.1. Cultural Adaptation

People are able to adapt to different environments. History tell us that since the beginning of time that human beings have moved from one place to another for different reasons. They moved in search of better conditions to survive, such as the search for food, other persons, or an acceptable land surface where they could develop and settlement was not too complicated. Therefore, to have a greater understanding about the process of cultural adaptation it is important to know the definitions of this topic.

The increase in intergroup contacts and in our growing cultural diversity have made people to relate to each other in one place, generating favorable attitudes from and to the members of other cultures. This is known as “multiculturalism”, word that is used to express the concept of social realities where individuals and groups from different cultures in the same territory exist or live together” (Zubieta, Soda & Beramendi, 2011). Likewise, cultural adaptation involves people’s conduct i.e. migrants are forced to learn new skills and knowledge so they can be able to interact with other people. This contact depends mainly on the personality of the individual and on the society that surrounds him.

The Multilingual Demographic Dictionary defines that in the case of migrants, the adaptation to a new environment is usually done in gradual phases. The initial phase is known as adaptation, during which major prejudices of an immigrant would be disappearing against traditions and customs of the destination country. Then follows a phase that could be called cultural adaptation or acculturation that consists of the adoption of essential practices and customs of the foreign country.

The last stage is assimilation, which is total disappearance of differences between immigrants and native population (multilingual, 2010). With this last phase, I have to express my disagreement or better say doubts with this concept, at least regarding our Ecuadorian migrants. From my experience with some, there cannot be a complete disappearance of differences because even though they live in a foreign country, they will continue to have not all but some of the customs of the country of origin. A clear example is their language. This is an essential element even if they do not speak it everywhere. They use it always as a first language to remain in contact with their families in their home country.

Therefore people have always physically moved from one place to another for several reasons whether the reasons were personal, education, business, etc.

The exchanges for reasons of education are a very important point that is fortunately increasing. Young people, especially, have had the opportunity to learn about and to adapt to a family or to a campus in a foreign country depending on the cause of their exchange. This practice is very common in many countries and it is open to any individual who wants to study outside their country. In the case of Ecuador, an important number of students have left to study at universities attending a variety of programs of study, temporarily adapting to a different environment. In the same way there are foreigners who have also been studying in colleges and universities in our country going through the same adaptation process.

Table 2

Why migrants left the country by genre			
REASONS	Men	Women	Total
Job Search	79,70%	74,90%	77,50%
Moving for work	1,60%	2,10%	1,80%
Studies	8,30%	4,30%	6,50%
Family reasons	2,30%	3,00%	2,60%
Marriage	0,60%	2,70%	1,50%
His family took him / her	6,10%	10,30%	8,00%
Other / N/A	1,40%	2,70%	2,10%
Total	100,00%	100,00%	100,00%

Source: (Camacho, 2007) INEC-SIEH, ENEMDU employment survey, December 2005
 Elaboration: Gloria Camacho - Labor Observatory - MTE

In the last few decades, economic crises all over the world have made people unemployed or not having sufficient income to sustain their families. This is the main cause which has forced them to leave their native country in search of a new location traveling in most cases illegally, crossing dangerous borders. This displacement of people as it was discussed in chapter 1 is known as migration, when people decide to live temporarily or permanently in a foreign country from theirs.

As Alberto Recarte sets in his book “The Collapse of Spain”, in Spain problems began to originate in market derivatives of lack of labor since 1999 in the most dynamic areas. Being these areas, jobs that Spaniards were not willing to carry out. Then, two years later, in 2001 something unexpected happened: a massive influx of immigrants were attracted by the offer of work. This process was very welcome, even it accelerated the protection of illegal immigrants by courts. Also, public administrations had an obligation to provide health services to all residents in Spain whether they were legal or illegal. Fortunately, in the beginning one of the advantages was that foreign migrants were not demanded to have a visa to enter in the Iberian country.

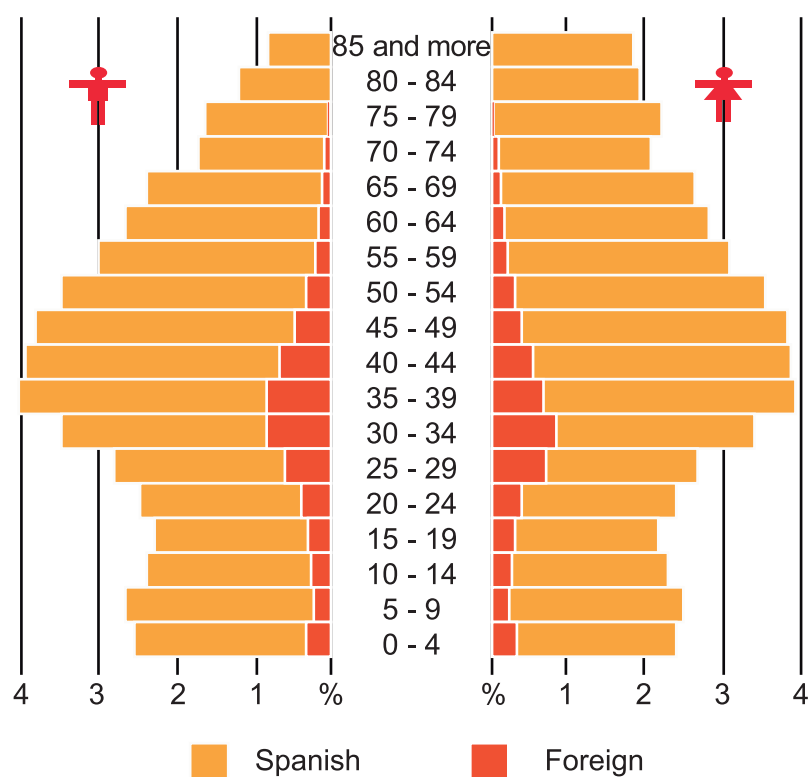
Despite of the fact that Spain had a high demand for labor, the country was never prepared for the arrival of 6 million immigrants. Even though, for years their integration maintained and enhanced the growth of Spain's economy. As a result the majority of these immigrants found a job in the sectors offering more positions. Sectors which the Spaniards did not want to work in, such as construction, hospitality, trade and services in all kinds of companies. However, their salaries were low and mostly temporary. But for migrants they were enough to keep their families going.

Then, the abundance of credit and low interest rates encouraged banks to financethe permanent settlement of immigrants. It was better for them to pay a monthlmortgage installment instead of a rental. In this way energizing the Spanish economy.

So all economic sectors gained and increased profits and benefits, becoming Spain a very attractive place to find work.

According to data from the National Statistics Institute (NSI), on January 1, 2013 Ecuadorians' resident population in Spain was calculated in 46.7 million inhabitants, which represented a decrease of 0.2% over the previous year.

Graphic 5. Population pyramid in Spain January 1 2013



Source: NIS, National Institute of Statistics, Spain.
[www.ine.es/http://www.ine.es/ss/Satelite?c=INEPublicacion_C&cid=1259924856416&pagename=ProductosYServicios%2FPYSLayout&L=es_ES&p=1254735110672¶m1=PYSDetalleGratis](http://www.ine.es/ss/Satelite?c=INEPublicacion_C&cid=1259924856416&pagename=ProductosYServicios%2FPYSLayout&L=es_ES&p=1254735110672¶m1=PYSDetalleGratis)

As you can see foreign population resident in Spain was calculated 5,072,680 and it was reduced in a 3.1% compared to January 1 of 2012, due to a combined effect of emigration and acquisition of Spanish nationality. Therefore, foreign people represent 10.9% of the total population.

However, throughout 2012, 446,606 people left Spain, which represented a variation of 54.8% from 2008. Of these, 57,267 were Spanish emigrants (12.8% of total). So we know that the crisis not only pushed immigrants to leave to other countries or return to their country of origin, but Spaniards also were forced to leave in search of a decent living and new opportunities.

3.1.1 Major destination countries for Spaniards born in Spain (%) 2012:

• United Kingdom	12.8
• France	10.9
• Germany	9.2
• United States of America	7.9
• Ecuador	6.2
• Switzerland	6.0

It is important to emphasize that our country Ecuador is also being considered a destination for Spaniards after this devastating economic crisis. Some of these Spanish migrants had Ecuadorian parents or family ties, some had none. This scenario clearly shows us that even the Spaniards are adapting to another environment which shows a process from both parts.

The figure of immigration in 2012 increases to 304,054 people, 49.2% less than in 2008.

The majority of them are from the EU (36.8%). The migratory balance in 2012 is calculated in -142.552 people, continuing the negative trend that began in 2010.

Table 3**Foreign population according to nationality**

	Total foreign	% of total	% Women
Total	5.072.682	10,9	48,7
Romania	769.608	15,2	49,0
Morocco	759.273	15,0	42,2
United kinadom	316.362	6,2	49,4
Ecuador	269.436	5,3	49,6
Colombia	223.140	4,4	55,6
Italy	181.046	3,6	42,0
China	169.645	3,3	48,2
Bolivia	162.538	3,2	59,5
Germany	153.432	3,0	50,2
Bulgaria	147.310	2,9	47,7
Portugal	116.431	2,3	38,5
Perú	109.639	2,2	53,0
France	101.466	2,0	49,3
Argentina	95.415	1,9	51,0
Domenican Republican	90.672	1,8	57,0

Source: INE, Instituto Nacional de Estadísticas, España.

[www.ine.es/http://www.ine.es/ss/Satelite?c=INEPublicacion_C&cid=1259924856416&pagename=ProductosYServicios%2FPYSLayout&L=es_ES&p=1254735110672¶m1=PYSDetalleGratis](http://www.ine.es/ss/Satelite?c=INEPublicacion_C&cid=1259924856416&pagename=ProductosYServicios%2FPYSLayout&L=es_ES&p=1254735110672¶m1=PYSDetalleGratis)

Until 2013 our country was one of the major countries showing migration to Spain with a significant number of 269,436 Ecuadorian migrants. However, other countries are not far behind. The picture above shows us that foreign persons have succeeded also in adapting with “pros and cons” or ups and downs in this European country.

3.2. Adaptation of the Ecuadorian community in the labor sector in Spain

Migration is a phenomenon which is becoming increasingly more common throughout the world because all people in some way or another are associated with this term. So it is currently impossible not to be familiar with someone who has migrated or has family members that have done it, i.e. every human being has had an experience interacting with a foreign person or an alien environment to them.

For this reason, in order to know how the Ecuadorian community adaptation was in other parts of the world, it is important to know when the first symptoms of migration appeared in Ecuador.

In our country, "migration" has become a term so entrenched and personal it has made Ecuador one of the countries in Latin America that has most nationals living outside the country. From the beginning, there always existed internal migration, mostly people who moved from one province to another or from one region to another which connected the Coast with the Sierra, facilitating greatly the transfer of populations, raw materials, and different goods. This made visible the first large patterns of urban growth in the major cities of Quito and Guayaquil. Subsequently, the agrarian reforms of the 1960s, 70s and 80s, with the so-called policy of Industrialization for Import Substitution (IIS), strengthened these patterns. This fact caused a great growth of the cities mentioned above and in addition to these but to a lesser extent, Cuenca. So that the division of population in urban and rural areas has changed dramatically in the last few decades, from the urban area of 29% of the population in 1950 to 61.2% in the present with internal migration in increase (International Organization for Migration, 2010).

Taking as background the brief information about the internal migration and the causes of the growing population in the urban areas of Ecuador, according to the authors Franklin and Jacques Paul Ramirez in his article "The Ecuadorian migration Stampede" the first international migration of Ecuador was in the 1950s and 1960s. It occurred from various parts of the south of the country especially from the provinces of Azuay and Cañar. This migratory flow began after the crisis of toquilla straw production, raw material of the famous 'Panama Hat', by depleting the employment opportunities of young people mainly in the southern region, which prompted them to leave the country (Ramírez Gallegos & Ramírez, 2005).

In this period, two essential factors impacted the growth of emigration. The first was that accommodated sectors, by taking advantage of their business connections that were made before the crisis, developed networks of migration for their business. They did this in the United States especially in cities like Chicago and New York, taking the migration decision to settle in this country. And the second was the weakness of anti-migration policies that the United States lacked before.

In the sixties, as an effect of the Vietnam War, there was a shortage of young labor force in the United States. Ecuadorians, mostly from provinces of Guayas, Manabí and El Oro, that had migrated to this country in a considerable number, took advantage of this situation. Ecuadorians who left the country were usually from rural areas and with a low economic situation (Palacios & Ulloa, 2010). Later in the second half of the seventies, there were an average of 22,000 immigrants already outside of Ecuador, a figure that was increasing from various locations in the country.

Apparently, in addition to the Panama hat crisis, pioneer immigrants of the fifties were responding to a context of lack of reliability in subsistence agriculture in our country. This precariousness of ownership of land besides the large agricultural enterprises generated temporary migration experience inside the country.

Thus, until the second half of the 1990s, the destination was almost exclusively the United States and the higher incidence was found in southern provinces of Ecuador. According to the National Directorate of Migration, from 1950 to 1995, about 700 thousand Ecuadorians left and not returned. People from the center south of Ecuador depended, mainly, from the trade of Panama hats with Europe and the United States from colonial times (Ramírez Gallegos & Ramirez, 2005).

Similarly, in the 80s and 90s Azuay and Cañar formed part of the “central axis” of immigrants, being also the area of greater dispatch of international immigration in South America. In addition, during this time, a high degree of permanent settlements was given due to the fact that many immigrants received by part of the government of the United States an amnesty under the framework of the Reform of Migration of 1986 which guaranteed them legal residence in the United States. So between 1961 and 1995 more than 185,000 Ecuadorians received legal residence in the framework of this process.

However it was at the end of the nineties when people began to search for new destination such as Europe which became the new main destination for Latin Americans. Migrants chose destinations such as Italy and especially Spain because the supply of labor was fully open in the Iberian country and the first Ecuadorians who migrated to Europe were also from the southern zone of the country especially from Loja and Otavalo.

Nevertheless, the phenomenon of migration takes body when the public corruption and the fragility of democratic institutions caused the collapse of the Ecuadorian banking system. This banking closure was ordered by President Jamil Mahuad in March, 1999 due to the hyperinflation that led to the dollarization of the economy. So that the migration consolidated its position as a privileged strategy to cope with the chaotic situation in the country (Ramírez Gallegos & Ramírez, 2005). Many citizens were left without employment and money, generating a more accelerated impoverishment. The number of poor people grew from 3.9 to 9.1 million (in terms of percentage 34% to 71%); extreme poverty doubled its number of 2.1 to 4.5 million, (an increase of 12% to 31%) (Palacios & Ulloa, 2010). The few savings Ecuadorians had, remained in the “frozen” banks. This crisis was named ‘Bank Holiday’. That is how this event that marked the life of an entire country was an important cause for many Ecuadorians to leave the country and their families in search of work.

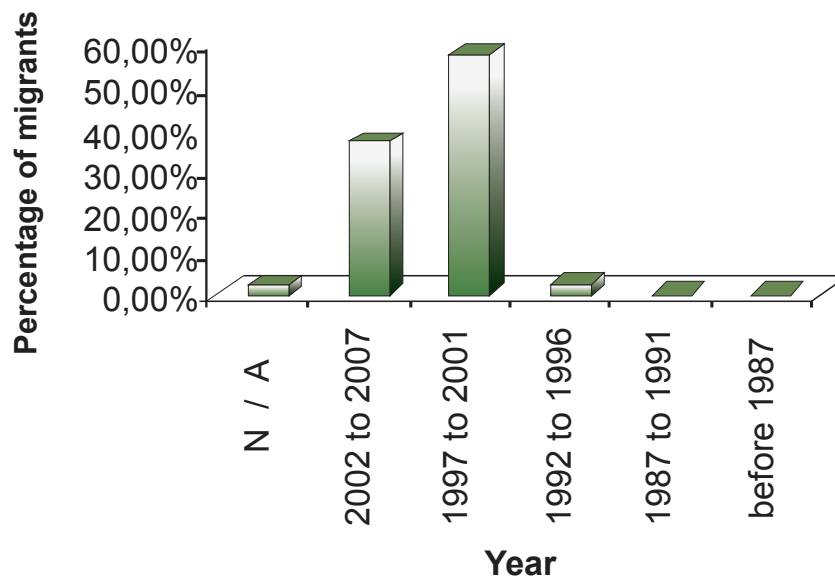
Table 4. Migratory movements 1998-2000

Year	Migration
1998	45.332
1999	108.837
2000	158.859
Average 98- 2000	104.176

Source: Ramírez Gallegos, F., & Ramírez, J. P. (Julio de 2005). Obtenido de LA ESTAMPIDA MIGRATORIA ECUATORIANA.

As noted in the table, due to the financial crisis in Ecuador in 1999 and to the bankruptcy of the banking system, a new situation of poverty was generated. Then as shown in the table, in just two years, the figure of Ecuadorians who decide to leave the country to first world destinations was tripled!

Graphic 6. Year of arrival in Spain of Ecuadorian Migrants



Source: (Palacios & Ulloa, 2010)/ INE Instituto Nacional de Estadísticas (España)

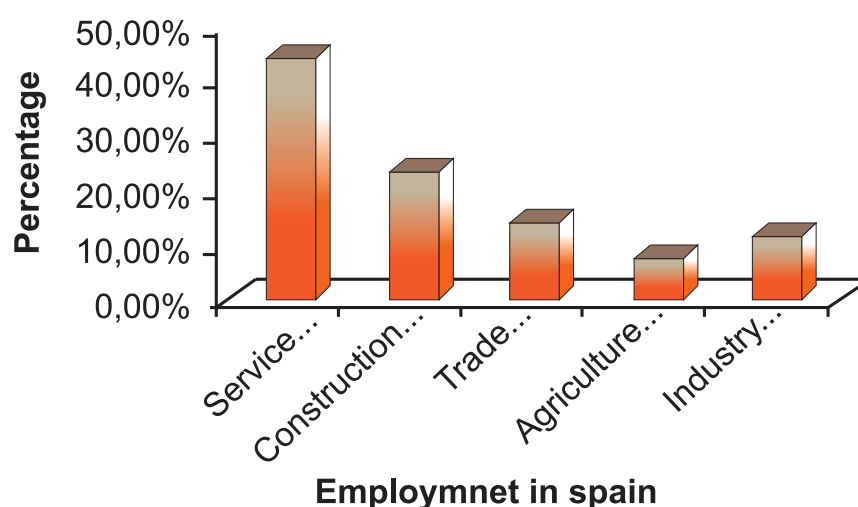
The migration of Ecuadorians toward Spain was given in a massive way at the end of the nineties as a result of the banking crisis that crossed the Latin America country. The first Ecuadorians who migrated to the European country were small groups of people from Otavalo engaged in street trading or street artists and musicians. Spain presented itself as an alternative of emigration for our nationals until 2003 because a visa was not required to enter into the Iberian country.

Today, Ecuadorians are the most thriving group in cities like Madrid, Catalonia, Andalucía and Murcia (Pujadas & Massal, 2010). Because according to the newspaper El Universo, Madrid is the fifth city in the world in which a greater number of Ecuadorians lives, behind Guayaquil, Quito, Cuenca and New York (USA). The capital of Spain officially account 155,000 Ecuadorians, from which 99,000 (two out of three) are affiliated to the Spanish Social Security system. Madrid is the second largest foreign community, behind the Romanians (The Universe, 2007).

The International Organization of Migration estimates that in the decade from 1996 to 2006 one or one and a half million people would have come out from Ecuador. The organization also estimated the total number of Ecuadorians residing abroad, around 2 million people today. Adding to this information data from the INEC and according to the census of 2010, 4.9% of households have members that have migrated and not returned. Of these 2 million of Ecuadorians, some sources estimate that around a million reside in the United States, around 700 thousand in Spain and around 150 thousand in Italy (International Organization for Migration, 2010).

In addition, the common language, the big economic gap at that time, wages and employment opportunities between the two countries are some of the tempting attractions in Spain for Ecuadorian migrants. The free access to health services and education for all migrants, greater social tolerance and a predominantly positive attitude toward immigrants, including those in an irregular situation must also be considered as well as the increasing restrictions on the migration imposed by the United States that contributed to change our migration destination.

Graphic 7. Percentage of Ecuadorians and employment sectors



Source: (Palacios & Ulloa, 2010)/ INE Instituto Nacional de Estadísticas (Spain)

Once the Ecuadorians had a job and some of the previous mentioned benefits, they concentrated mainly in the service sector, being this followed by the construction one and lastly by the trade and business area.

When Ecuadorians established in Spain, they began to energize Spanish economy. As I mentioned before, they were willing to carry out jobs that Spaniards would not, as domestic work in the case of women, heavy work in companies, couriers, drivers, bricklayers, painters, plumbers, collectors of fruits or vegetables in agriculture that require working hours of effort and continuous work. Ecuadorians have adapted to this kind of hard work, and even people who had had their profession in Ecuador did not imagine doing this kind of work in a foreign country. In this way, they learned to survive alone, making friends or clumping together to not feel the lack of their families. These groupings among Ecuadorians made them feel supported, for example they started creating web pages and blogs where they can share experiences or needs. One of these examples is 'Ecuador Llactacaru' a migrant's group founded in March 2001 that is an association for migrant solidarity and cooperation located in Cataluña.



“Ecuador LLactacaru” means Ecuador Distant Land. LLactacaru proceeds from kichwa, the main indigenous language of the Ecuadorian Andes, and it means distant land. “With this name we wish to express our Ecuadorian indigenous and mestizo identity, made of roots and forgetfulness, old cocoa, snow, jungles and hopes”. In it we show our ties with the country that we leave behind one day in search of better opportunities in life and our struggle for the roots in this old new world that we also own” (Ecuador LLactacaru, 2014). This group has been responsible for coordinating and supporting initiatives to protect the status of immigrants and also to advise them on legal issues or different situations that people do not know.

In the same way, there is the FENADEE (Federación Nacional de Asociaciones de Ecuatorianos en España) that also aims to support, defend and spread the culture of the Ecuadorian people. (FENADEE, 2014).

In that way, in various cities such as Madrid, Murcia or Cataluña since the beginning of the arrival of Ecuadorians to Spain, the Iberian country has become a new home for many Ecuadorians. And, for others a new beginning in search of better opportunities and for the rest is a start from scratch because they had the opportunity to bring together their entire families i.e. children, young people and adults have achieved to adapt to in a new environment, with new people and customs.

However, even though they are not on Ecuadorian soil, there are Ecuadorians who have devised forms to not miss their food or their habits. In different communities there are shops that sell national typical food, like hornado or guinea pig, and also the famous Café Cubanito. Their own habits, as the encounters to play volleyball or indoor are common to see in areas of parks and recreation. El Pase del Niño in December is something that cannot be missed in Ecuadorian communities that proclaim their faith in Spain and in the United States. All these factors have helped our migrants in one way or another adapt to those countries. In spite of the economic crisis that Spain is going through, some fellows are still deciding to leave Ecuador in search of a better quality of life.

3.3. Employment impact of Ecuadorian community in Spain

Ecuadorians who have arrived in Spain since 1994 are employed mostly in places that did not require any professional preparation. So, of the 1,437 Ecuadorians who had permission to work, 1,310 were located in the service sector, 993 in domestic service and housekeeping and 111 in construction. In subsequent years, the number of Ecuadorians with legal residence increased and once more domestic service was the main sector which 84% of Ecuadorians in Spain. While 4% were directed to other services, a 7.8% to agriculture and animal farming, and less than 2% to construction sector (Gomez Ciriano & Lathes Cubillo, 2007). As I mentioned before, Ecuadorians either male or female were willing to undertake any work, such as personal services, preparation of meals, cleaning, care for children and elderly people. This last one becoming increasingly desired because of the attractive pay

Ecuadorians occupy jobs that required the investment of almost every hour of the day.

The constant presence of Ecuadorians in different industrial sectors has boosted Spain's economy in an unusual form. Labor of migrants has sustained the balance sheet. Despite the crisis that Spain is going through, the country is still considered a first world country. Another point that is important to mention, is that either legally or illegally Ecuadorians have succeeded to maintain their families in Ecuador.

Ecuadorians migrated with the goal of providing a better quality of life to their families. They began to send the famous "remittances" - the money generated by migrant workers abroad and sent to their country of origin. These remittances are a lifeguard for many Ecuadorian families i.e. their main financial support. According to data from the World Bank more than 215 million people (approximately 3% of the world's population) live outside their country of birth. Remittances, are three times larger than the official development assistance and provide a significant help for millions of poor families (World Bank, 2012).

For Ecuador, one of the immediate effects of migration has been the receipt of large sums of money from people who left the country. The strong recent emigration, given its size and speed, has had significant impacts, especially in the social, cultural and economic area. In fact, remittances in the last decade have grown steadily and have become the second category of contribution to the Balance of Payments, exceeded only by petroleum exports. The following table, shows the destinations that receive money sent from Spain to people who benefit from this in Ecuador.

Table 5

Use of the remittances sent by the migrant population*		
Uses	# of remitter	% of remitentes
Support Home	32.357	40,3%
Health	16.787	20,9%
Education	10.299	12,8%
Purchase of furniture	1.436	1,8%
Housing construction	4.046	5,1%
Home buying	68	0,1%
Purchase of land	491	0,6%
Debt Payment	184	0,2%
Savings	5.643	7,0%
Other	4.875	6,1%
Bussiness	3.140	3,9%
Total	911	1,2%
	80.237	100,0%

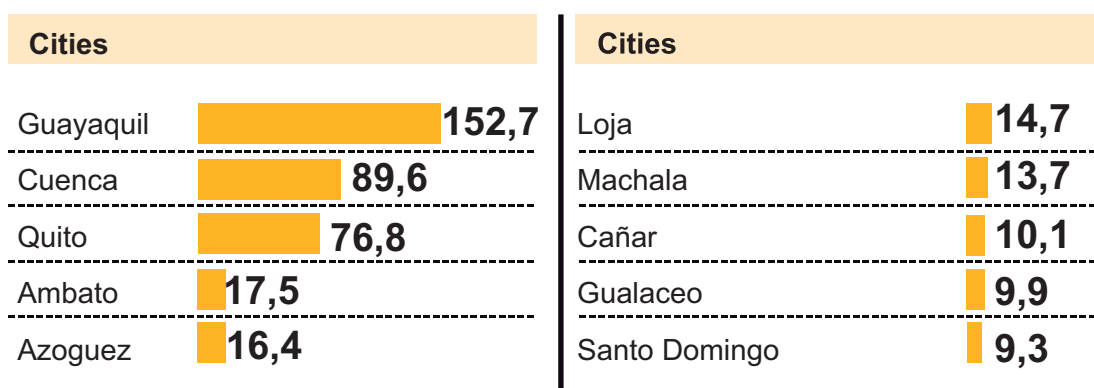
Source: (Camacho, 2007). INEC-SIEH, ENEMDU employment survey, December 2005
Elaboration: Gloria Camacho - Labor Observatory - MTE

In the table the main use is maintenance of the household, such as payment of basic services, clothing and food, and in the majority of cases many separated families expect remittances to be the main source of income. The famous “bank drafts” helped people to receive their money in banks in less than two hours, easily and safely. Also, in our country, in the rural areas large houses under construction or completed in hills, commonly called ‘houses of residents’, because they are buildings constructed with the remittances sent by migrants in order to give a better home to their families and with the dream of returning to live in their own house can be seen. Despite the global economic crisis, in 2009 the Ecuadorian migrants living in the United States sent the largest number of remittances in the amount of \$1,113.4 million, followed by Spain which represented a number of \$1,032.9 million (Palacios & Ulloa, 2010).

In this table we can see the main cities to where the remittances are targeted.

Graphic 8. Cities receiving remittances

First quarter 2013 in millions of dollars



Source: <http://www.santafevalores.com/blog/flujo-de-remesas-cay%C3%B3-usd5473-millones>

In recent years there has been a growing concern in migratory issues in Ecuador. In the same way, destination countries have attempted several initiatives to work on migration. Projects between Ecuador and Spain are being considered with the purpose of carrying out actions for mutual development in both countries with the participation of migrants and their families, not only as beneficiaries but as agents of development. The greatest example of these is the project Cañar-Murcia, executed in these municipalities. On the other hand, Ecuador signed a bilateral agreement of regular labor migration with Spain, with the Unit Selection Technique of Migrant Workers (UTS), supported by the Mission of IOM.

The current Government of Ecuador created the National Secretariat of the Migrant (SENAMI), attached to the Presidency of the Republic, with the objective to “define and execute migration policies, aimed to human development of all its participants”. It serves as a link in actions of care, protection and development of the migrant in accordance with the objectives of the Ecuadorian State. SENAMI developed the National Development Plan for Migration, launched in December of 2007, which started with the plan of Voluntary Return for Ecuadorians abroad launched in February, 2008 (International Organization for Migration, 2010).

Currently, the severe economic situation in Spain has also affected migrants by leaving them without any income. Many of them have lost what represented many years of hard work, leaving them with the only option of returning home. Ecuadorians in Spain is the community that has decreased the most in 2012, followed by Peru, Argentina and Colombia.

Therefore, Ecuadorians have been advised about the ‘Welcome Home’ program. They have taken it as an option and according to SENAMI there are 7,214 families

that have benefited from this initiative: “After years living abroad, to return to the place where one was born, where one is being missed and is necessary, is the best thing that can happen. With the plan Welcome Home of SENAMI, people might want to bring their household goods and tools for the job without charges, obtain credits for housing, a backup of the banking of the migrant to access loans for a new car and the working tools needed for starting a new enterprise in our country” (SENAMI, 2014). That is the reason why Ecuadorians have returned home bringing with them their valuables, cars, and work tools for a new beginning in their country of origin.



Source: (SENAMI, 2014)

However, there are Ecuadorians who refuse to return to our country hoping to find a job and save. Others are looking for new destinations to migrate. Since the crisis started, the possibility of finding a stable job has become null for both Spanish and migrants. We know that Ecuador migrants' population has been reduced in recent years but there is also an important group that is still settled in the Iberian land.

Half of the compatriots consulted responded that they intended to stay in a permanent way, because most of these had their family living together. Just a 9.1% were planning to return soon and a 31.8% wanted to try to save money during a time before returning. Four out of ten Ecuadorians believe they have met the expectations they first had when they moved to Spain. About 60% believe that working conditions of foreign workers in Spain are worse than the Spaniards'. Unemployment, the quality of employment, and housing are the three main issues that most concern Ecuadorian migrants (Villarroel, 2014).

The situation of Ecuadorians living in Spain for some becomes worse, but no one takes away their hopes to continue fighting for a better future. Many families in Ecuador expect some day to have all their members together, and some who left their children and spouses expect to meet them again. Our migrants have contributed a lot in countries such as Spain and the United States. They have made these countries increasingly grow and they have become a key part on their economy. But at the same time they have had to experience crude situations of despair, loneliness and even racism.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

Having analyzed a current and important issue such as the Crisis of Spain, made me have a better understanding of the events that are happening in this country.

The various sources and bibliographies to which I resorted gave me a broader view of the topic, and the main focus of the thesis, the Impact on Labor Sector of Ecuadorian migrants made me analyze all the events for which our countrymen have and are still going through.

Referring to the first chapter, though it sounded simple and redundant because if you have heard terms like 'economic crisis' or 'migration', it was vital to clarify concepts. We can say that the economic crisis is when the economy of a country or a nation begins to have negative indicators, thus ceasing production activities in some sectors, while generating an acute unemployment and growing poverty. In the course of history we have heard or experienced crises like the Great Depression suffered by the United States in 1929 or taking a closer example to us is the famous "Bank Holiday" that shocked Ecuador in 1999, two clear examples of poor domestic administrations. But these events do not occur overnight, instead, they follow a process of years until they cannot move further without finding solutions and burst. Irregular information and the lack of supervision are major causes of the economic downturn generating uncontrollable external situations.

The consequences have been reflected everywhere in a country in crisis. The decline in production makes both private and public companies reduce staff leaving many unemployed citizens in a situation of scarcity and desperation forcing them to take extreme measures like the decision to migrate, a term that I also alluded to in the first chapter, which is becoming more familiar.

Migration has become part of life for people because most of the world's population has had to leave their native country and settle in a foreign place for various reasons. The major world economies have been the main recipients of migrants, driven by their job offers and the great demand for labor. The United States and Spain have been among the top favorite destinations. But there are not only those who travel in search of employment but student training abroad is increasingly common now. It is considered the best practice for youth and professionals to experience relationships with people of other cultures but having the security to return to their country.

Ecuador for several decades has suffered from an economic, political and social instability that has gradually forced Ecuadorians to seek a better life for their family, and the best option they have had has been migration. However, in the last decade migration flows have increased significantly.

I do believe that each family actually has at least one family member abroad either on a legal or illegal status.

Since the 2008 economic crisis that erupted in the United States with the housing bubble, the economy fell in to a precarious situation. The bankruptcy of the largest company and investment bank, Lehman Brothers, made people very distrustful. People wondered "How come the first world power is in this situation?" In the meantime, both Americans and legal residents, agreed to mortgages, so that after a while the idea was to sell the property purchased at a higher price, keeping a big profit. This whole plan was thwarted when prices fell significantly and people still kept the debt.

The situation experienced by the North American country soon spread to other global powers such as Greece and Spain. The latter as one of the leading countries of the European Union has been in one of the worst situations ever lived. Having the nickname "Miracle Spanish" for having the highest demand job listings across the European continent, was ruined in 2009 when 50% of the total jobs affecting millions of people, including thousands of migrant compatriots were destroyed.

This effect of the crisis means that not only it affects a specific country but has a ripple effect, i.e., that disturbs other countries. In case of Ecuador as a country, although we have no direct role in this crisis, it did for our migrants, who had become a group of vital importance to our country and the host country, which is in this case Spain. Leaving their families, they had to cope themselves with foreign customs, getting jobs that nobody else wanted to do, but with a good salary.

They are the first who have lost everything they have fought for. The fact that they left the country years ago looking to regroup or give their family a better quality of life, has been frustrated by the lack of jobs, leaving them with the only options of seeking new destinations for migrating or returning to their homeland. Many encouraged by the initiative of the present government, which is the Welcome Home Plan are already with their families. Although this facility was proposed by the government, there are still fellow citizens who refuse to return because their main fear is insecurity in Ecuador, which in some cities of the Iberian country does not have to happen.

The economic crisis is still latent. Still there are unemployed people who have taken refuge in shelters because they no longer have anywhere to live. Situation that not only our compatriots go through but there are also Spanish people who went through the same situation. Ironically, they have found in Ecuador a chance to start again. Governors and administrators do their best to regain their footing but unfortunately this also takes time. Just as there is a process for exploded??, there is also a recovery process. It is difficult to know the reality being experienced by migrants when one is not in their shoes. Knowing that whatever you did for your family has not been worth it, has to be an extreme situation of frustration. Nevertheless, some people are still leaving the country in search of something better, risking their lives, and putting their families into debt.

In my opinion, the recovery process requires lots of patience from both administrative personnel and citizens, in addition to constant supervision and regulation of the details that are evident. Being in charge of an entire nation should not be easy. Leaving aside for a moment the many actions that have blinded many people by power, I believe that being in charge of a country is a task that requires willingness, preparedness and courage. That is why it is necessary that policies or strategies that are believed to emerge from the crisis are addressed, in my opinion, with a total new approach; so that the country does not have to go through such a raw situation again. Knowing that people cope with any situation and nowadays many have been in some way forced to live only supporting the basic needs, not with luxury, the government of the country in crisis must constantly inform them about the situation. Let fellow citizens know that the government is working to get ahead, reflect a plan to give them stability. It should be aimed primarily at families in poor situations. The migrants who have the opportunity to return to the country should do so and start a plan to prevent family breakdown, since the lost time with their families is not easily retrieved.

On the other hand, Ecuador is not currently going through a similar situation at all, like the ones we have been discussing. On the contrary, it is getting stronger in different areas and we, the citizens, are faithful witnesses. Something important to note is that thousands of young professionals are taking advantage and launching themselves into new horizons in order to prepare for excellence in universities in countries around the world, hoping to eventually see that our country would benefit from their knowledge.

Crises are going to be part of our lives whether from food, social, political or economic nature and will continue to exist. Some are worse than others because people who are in charge and have the power to control a country are human beings and human beings make mistakes. I am not trying to justify their actions, but simply say that nothing is perfect, and what they should do is to set achievable goals and demonstrate that being competent and strategic is not a lack, because citizens expect and deserve administrative and governing fellows who absolutely have to be worthy of admiration.

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