

Country: Ecuador Illicit financial flows from the smuggling of migrants

Ecuador is both a country of transit and origin of irregular migrants, many of whom make use of smuggling services. On the one hand, the country receives inflows of migrants from Asia, Africa and the Caribbean who enter Ecuador with a tourist visa, stay for a while and then continue their journey with the help of local smugglers; on the other hand, the irregular migration of Ecuadorians mainly destined to the United States of America also occurs. As all the migrant smuggling routes from Ecuador eventually connect with Mexico, it is likely that Mexican migrant smugglers eventually become involved. All these activities are associated with a number of cross-border payments, generating illicit financial flows (IFFs).

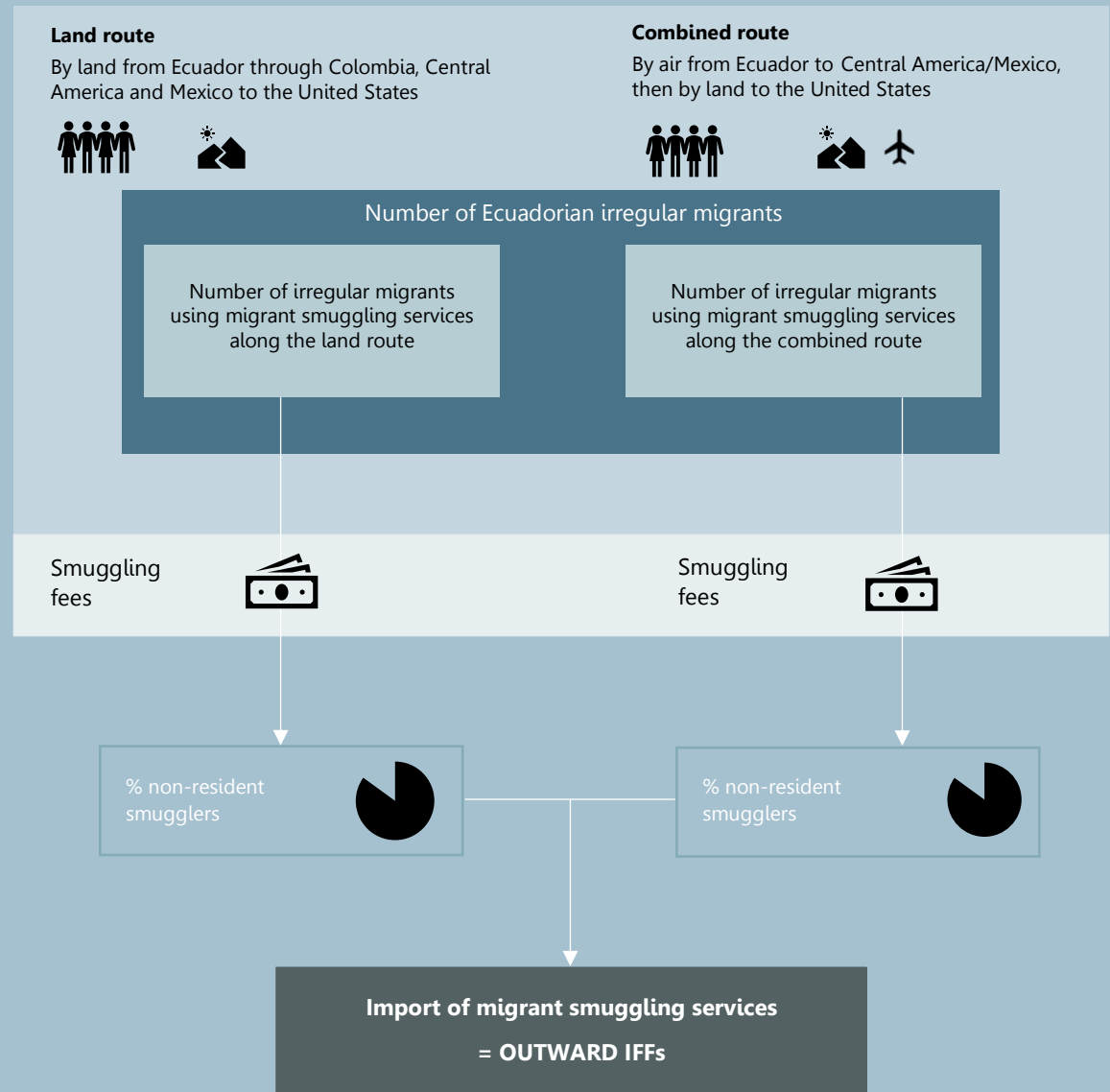
The activities conducted for this pilot enabled the collection of sufficient data to estimate the income generated by imports of migrant smuggling services used by Ecuadorian irregular migrants, generating **outward illicit financial flows**. These imports were estimated to have generated outward IFFs from Ecuador of **\$13.56 million (range: \$10.74–\$16.32 million)** on average over the period 2016–2018.

Crucial to the estimation was the identification of the number of migrants who paid fees paid to smugglers on two migrant smuggling routes from Ecuador to the United States: 1) a land route to the Mexico–United States border via Colombia, Central America and Mexico; 2) a combined route on which irregular migrants are flown to Central America/Mexico and then reach the Mexico–United States border by land.

As irregular migrants generally cross Central America and Mexico on their way to the United States, the pilot activities relied on data on Ecuadorian irregular migrants collected by Mexican migration authorities, the United States Border Patrol and authorities in Panama and Costa Rica. Data on the fees they paid to reach the United States from Ecuador benefited from information collected through the International Organization for Migration. UNODC also used information derived from surveys on migration conducted by the Colegio de la Frontera Norte (EMIF Sur and EMIF Norte), on fees paid by irregular migrants for their illegal crossing of Mexico to the Mexico–United States border, as well as on the proportion of those who hired a smuggler to do so.

A consistent number of foreign migrants are believed to make use of migrant smuggling services in Ecuador. However, as information collected on the number of foreign irregular migrants who paid smugglers based in Ecuador for those services was inadequate, it was not possible to estimate the demand for migrant smuggling services by foreign irregular migrants in Ecuador and, thus, to derive an estimate of inward IFFs.

Methodology Outward illicit financial flows



Key data and results

Outward illicit financial flows

Outward IFFs from the smuggling of migrants -> are generated whenever there is a cross-border exchange of value related to services offered by non-resident smugglers that help resident irregular migrants to enter their destination country.

NUMBER OF IRREGULAR MIGRANTS

	Land route			Combined route		
	2016	2017	2018	2016	2017	2018
Estimated number of irregular migrants	4,400	2,200	2,300	4,000	2,000	2,000
% using migrant smuggling services	63%	63%	56%	63%	63%	56%
= Average number of irregular migrants paying for migrant smuggling services	2,800	1,400	1,300	2,500	1,300	1,100

Sources: UNODC estimates based on National Immigration Service of Panama, General Directorate of Migration and Alien Affairs of Costa Rica, Ministry of the Interior of Mexico, United States Border Patrol. *Note: the figures above refer to midpoint estimates and are rounded.*

- **LAND ROUTE** -> by land from Ecuador through Colombia, Central America, and Mexico to the United States
- **COMBINED ROUTE** -> by air to South America and Central America/Mexico, then by land to the United States.

MIGRANT SMUGGLING FEES

Average fees paid by Ecuadorian irregular migrants to foreign smugglers to be smuggled to the United States (USD) - land route

Average fees paid by Ecuadorian irregular migrants to foreign smugglers to be smuggled to the United States (USD) - combined route



Outward IFFs (millions of USD), by route and calculation model

Year	Model	Land route	Combined route
		Millions of USD	Millions of USD
2016	Qualitative model	\$15.39	\$18.18
	Residual model	\$20.01	\$19.77
2017	Qualitative model	\$8.73	\$10.04
	Residual model	\$11.9	\$11.74
2018	Qualitative model	\$ 8.49	\$9.71
	Residual model	\$11.78	\$11.63

Outward IFFs from smuggling of migrants (millions of USD)



Distribution of migrant smuggling revenues

Two models:

- **Qualitative model** -> non-resident smugglers earn between 50 and 60 per cent of the whole payment disbursed by resident migrants (based on qualitative information collected from the Ministry of the Interior of Ecuador).
- **Residual model** -> non-resident smugglers only receive money from Ecuadorians on the Mexican section of the migrant smuggling routes.