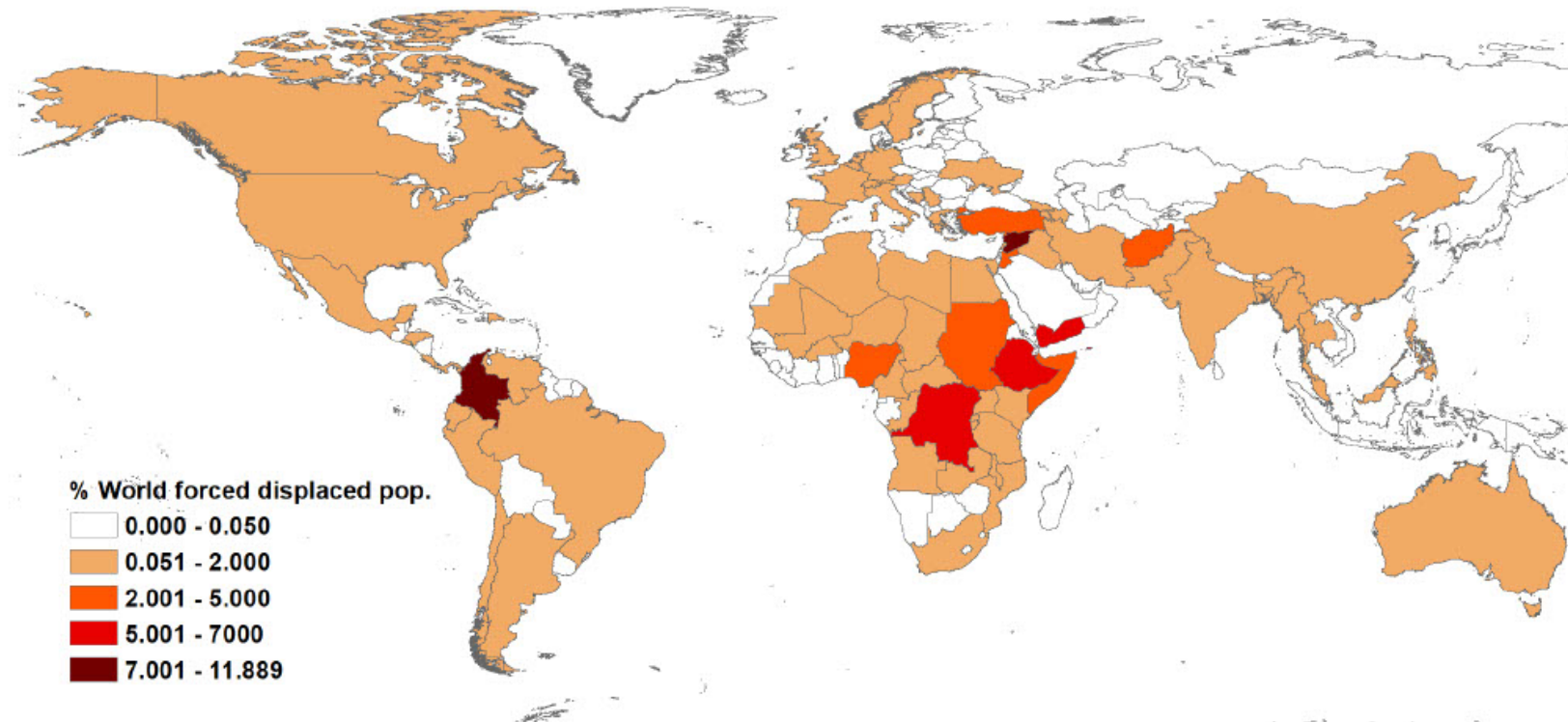


IMPACT OF A MASSIVE MIGRANT REGULARIZATION PROGRAM ON LABOR OUTCOMES FOR MIGRANTS AND LOCALS

Ana María Ibáñez - IDB

Refugees are mostly hosted in developing countries



Note*: Countries with most displaced pop. are: i) Colombia, ii) Syria, iii) Congo, iv) Ethiopia, v) Yemen, vi) Turkey, vii) Sudan, viii) Afghanistan, ix) Jordan, and x) Somalia

Large heterogeneity on labor market access to refugees



Bangladesh: Not Allowed to Work

Peru and Turkey: Employer sponsor and quotas for share of foreigners in each firm

Jordan: Sector restrictions (agriculture, constructions, and manufacturing open)

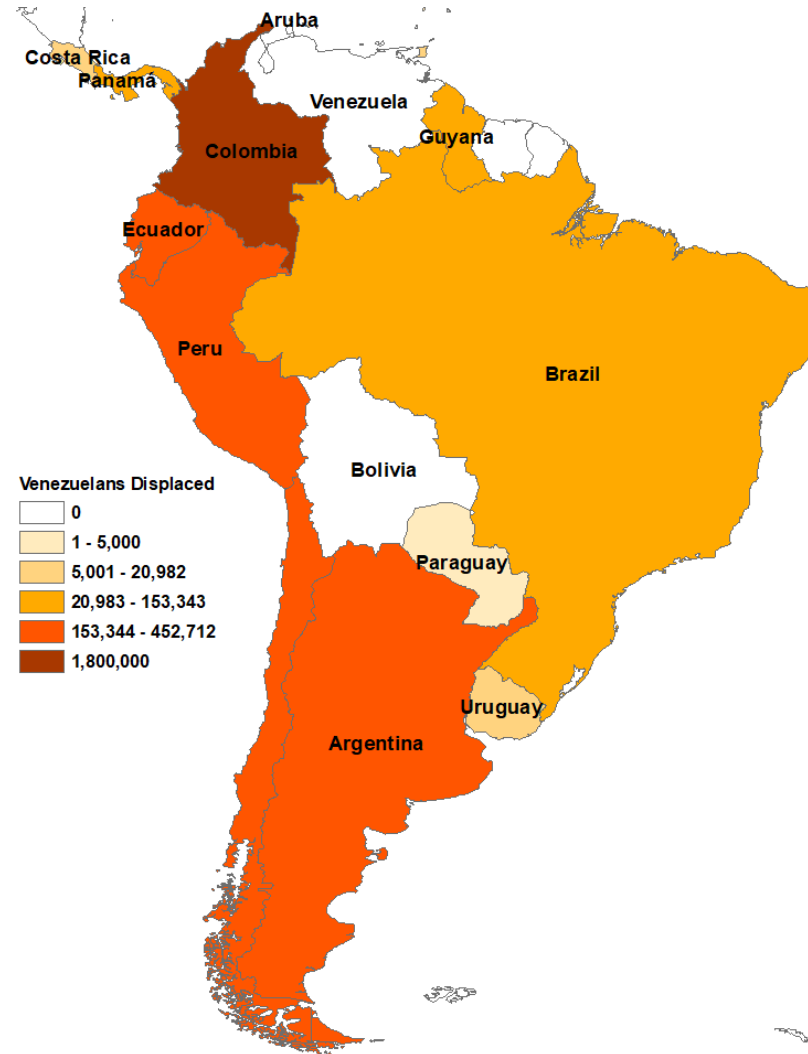


Colombia

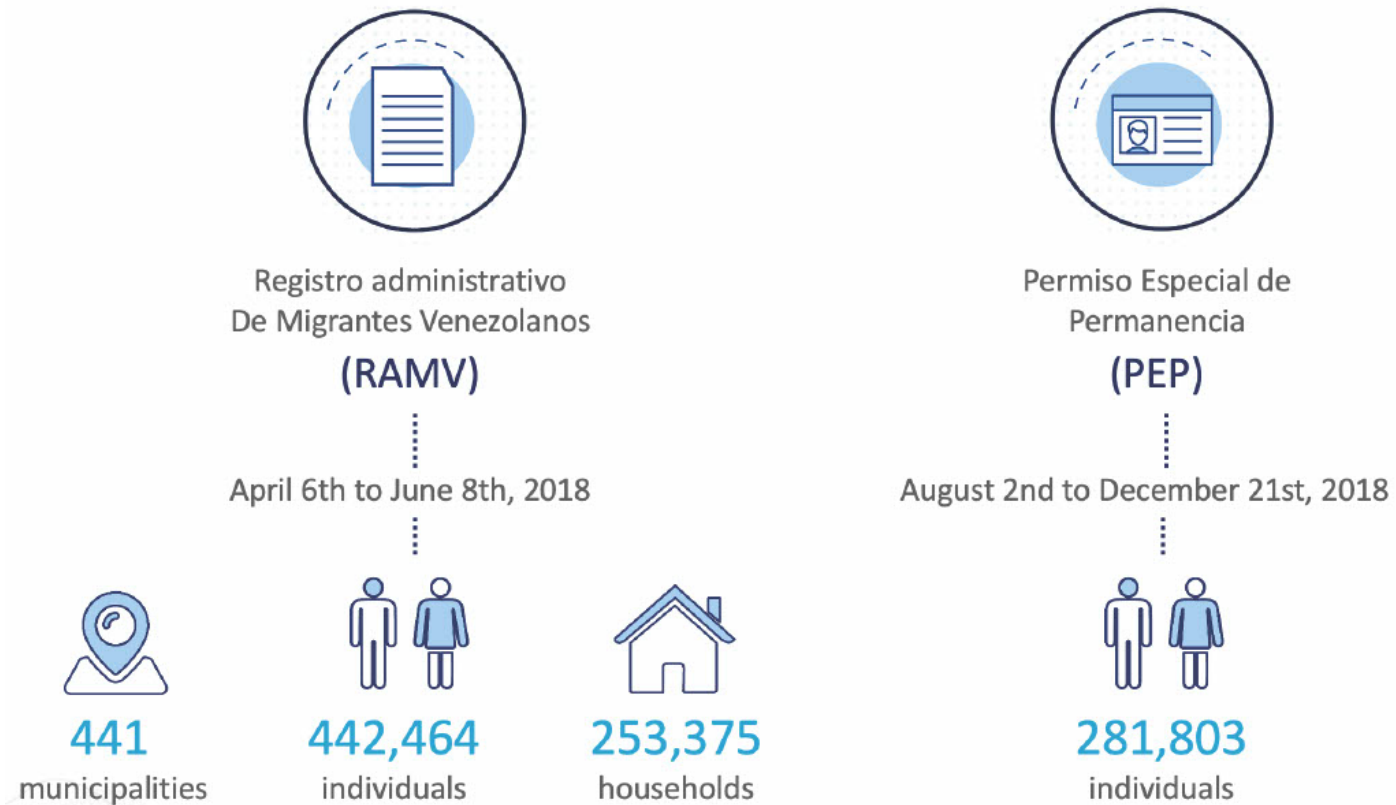
This talk

- Discusses the effects of a massive regularization program on
 - Labor outcomes for locals and migrants
 - Welfare and access to state services for beneficiary migrants
 - Health status
- Policy implications

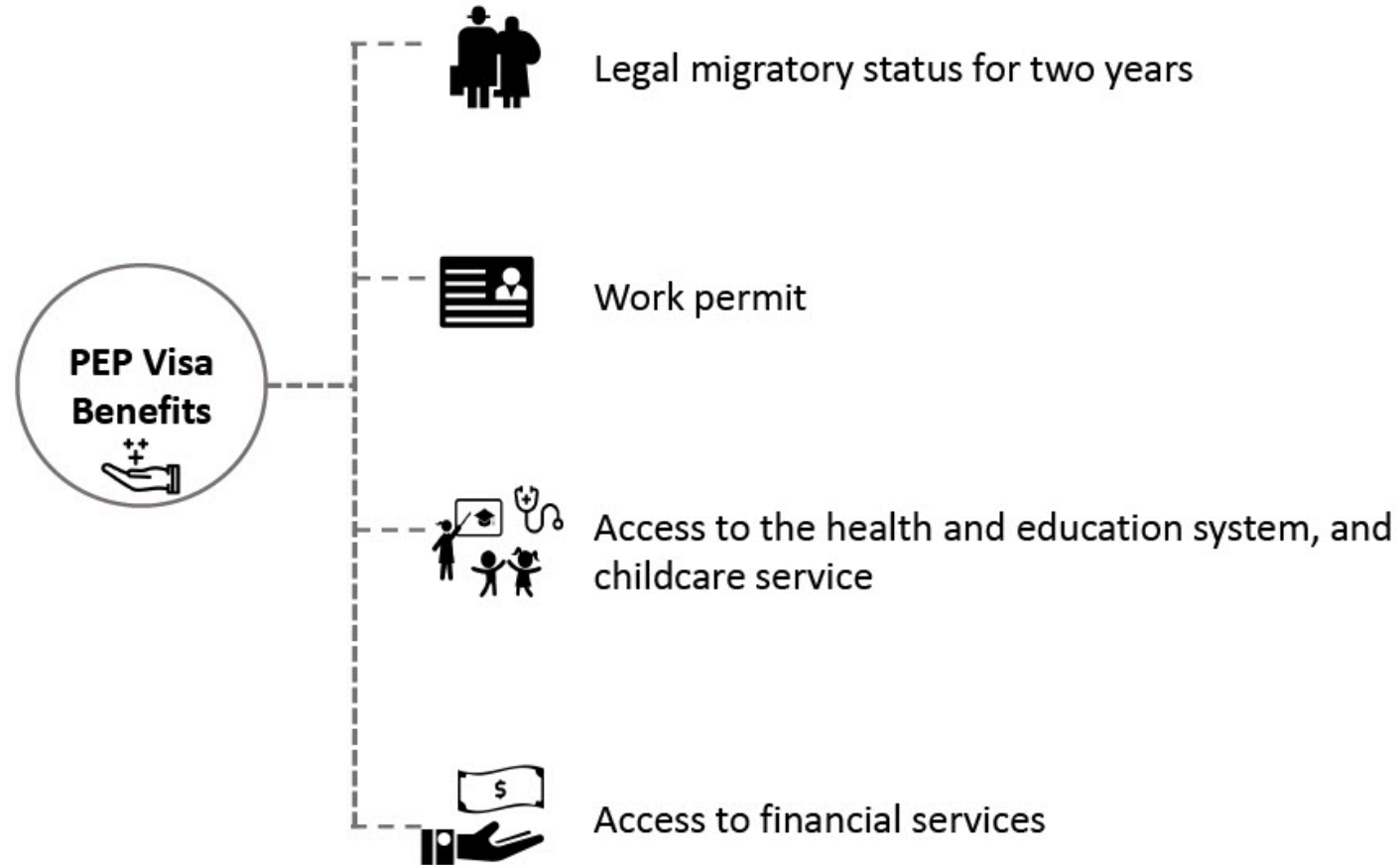
By June 2021: 4 million Venezuelan migrants 1.7 million in Colombia



Colombia: massive regularization in 2018



Colombia: massive regularization in 2018

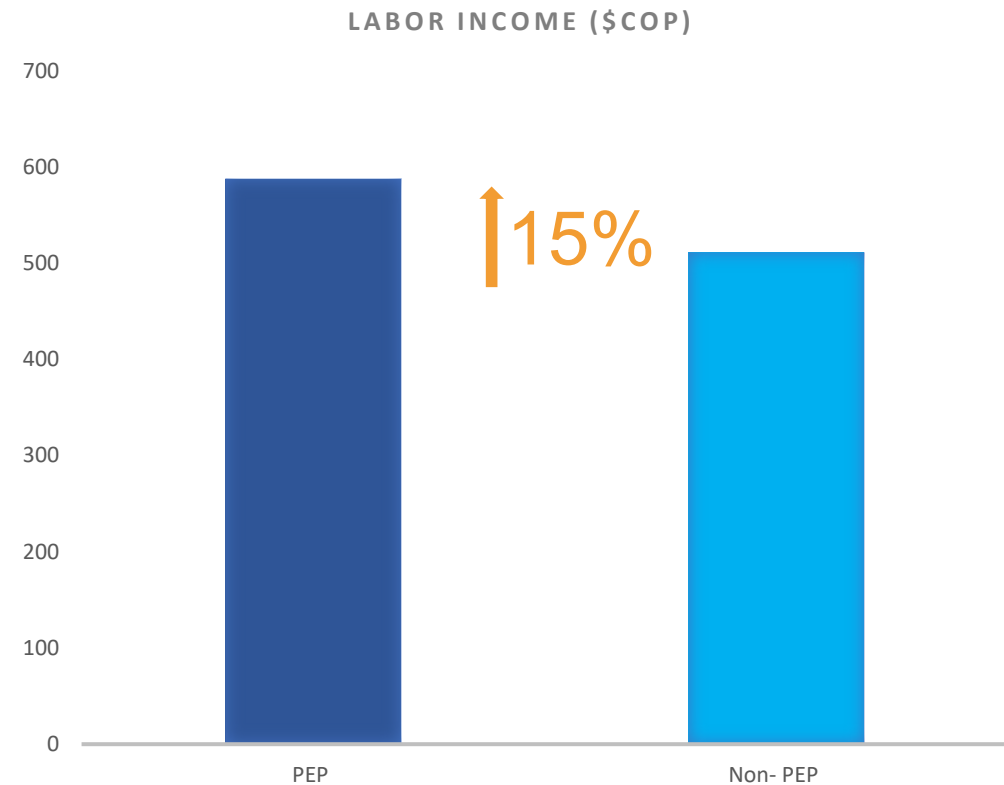


A man in a blue shirt is holding up a document, possibly a passport or ID card, in a crowd. The background is a blurred crowd of people, suggesting a public event or gathering. The overall tone is blue and slightly dim.

Impact on labor markets for migrants and locals

PEP improves labor outcomes for migrants

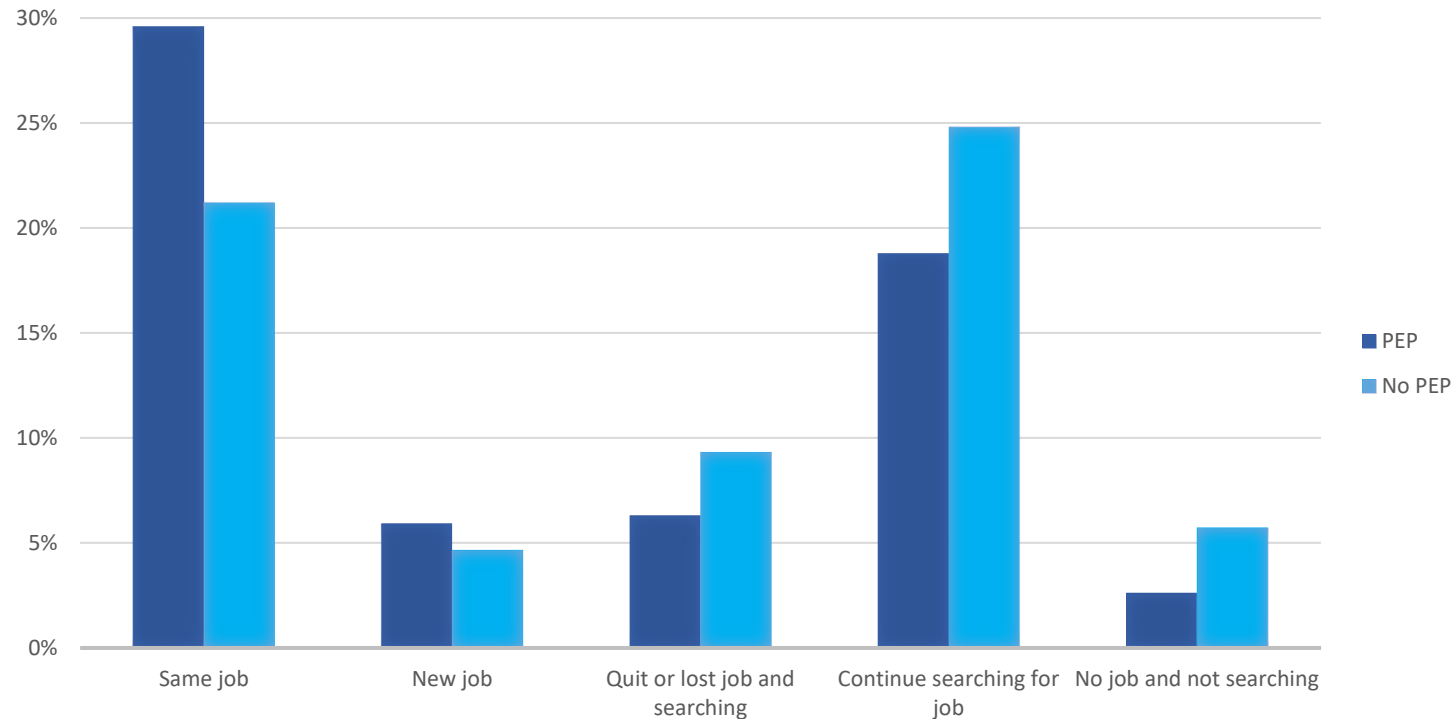
- Increase by 12 pp formal employment (1/4 formality rate for locals)
- Hourly wage increases 23%
- Reservation wage by 7.8%
- Job satisfaction by 59.4%



Source: Ibáñez et al (2022)

PEP allows migrants to engage in better job search

EMPLOYMENT TRANSITIONS: 2020 - SECOND SEMESTER 2021



Source: Ibáñez et al (2022)

5/16/2022

And the **short-term** impact on locals is negligible

Twofold increase on PEP holders

↓ **0.15%** on employment

respect to mean of formal
employment

Source: Ibáñez et al (2021)

And no impact on
formal sector

Monthly wages

Hourly wages

Hours worked

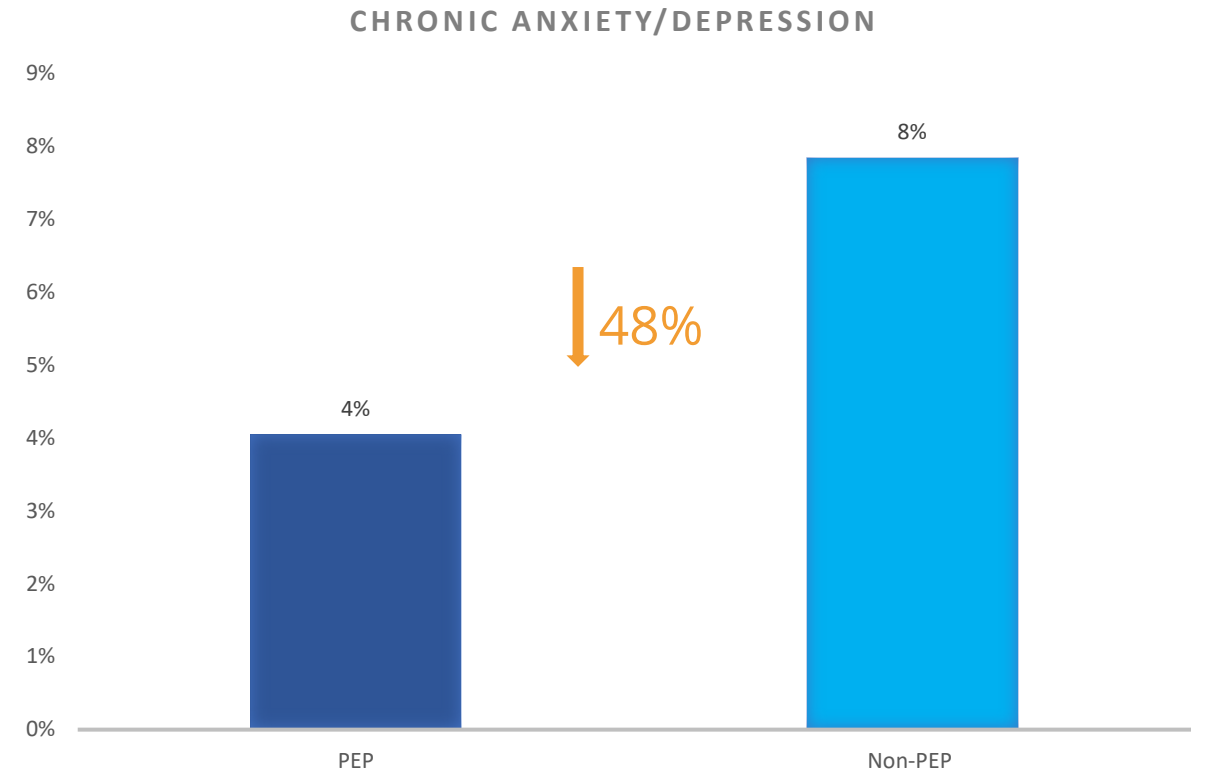
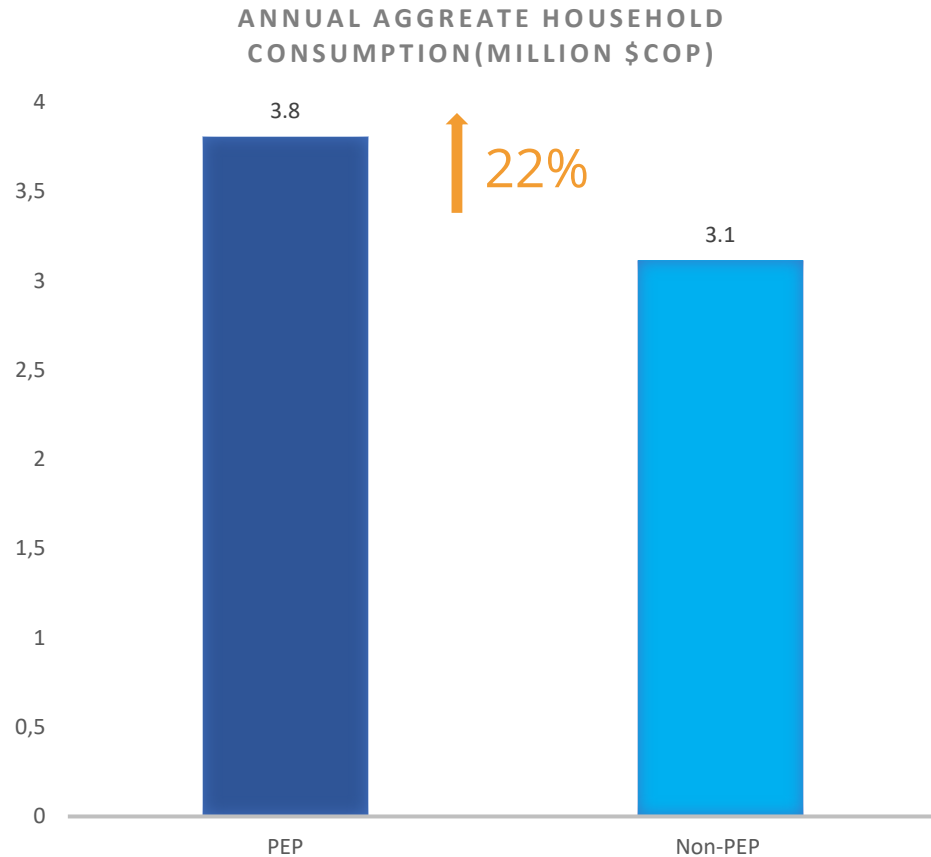
Potential explanations

- Short-term impact: the effect had not kicked in yet
- Migrants not willing to transition to formal labor markets, but large wage premium
- Firms not hiring migrants: lack of information, higher transaction costs or discrimination
- Negative effects offset by expansion on aggregate demand



Welfare and access to State services

PEP increases welfare (broadly defined) of migrants



Source: Ibáñez et al (2022)

Access to State services expanded significantly



53.3% vs. **2.8%**

Registration Sisben



34.5% vs. **2.4%**

Subsidized health care



81.7% vs. **74.8%**

Access to health services



85.2% vs. **81.5%**

Children vaccination

PEP

Non-PEP

PEP beneficiaries: better able to mitigate the economic impacts of COVID19

	PEP	Non-PEP
Housing evictions	20.5%	33.3%
Asset sells	37.1%	45.9%
Received Support	36.7%	45.9%
Less income due to COVID19	84.4%	86.9%
Felt discriminated	15.3%	15.7%
Plans to return to Venezuela	20.3%	20.0%
Informal credit	75.0%	79.1%

Source: Ibáñez et al (2022)

Access to health services for migrants prevents the spread of infectious diseases on locals

Impact of migration on the spread of infectious diseases:

one standard deviation on inflow of migrants

Chickenpox: 4.8%

Tuberculosis: 4.9%

AIDS: 10% and

Syphillis: 6.9%

Regularization programs

- Improve the lives of migrants
- Maximize the positive effects of long-term economic growth
- Release pressures on informal labor market
- Reduce the fiscal pressure as migrants can generate their own income and pay taxes
- Promote self-reliance for refugees

But implementation has challenges

- Political backlash and xenophobia
- Misinformation about the provisions of regularization program
- Regularization is the first step. Need to complement it with policies and interventions to
 - Reduce the barriers to access to social services
 - Provide information to State institutions and the private sector about the rights of migrants
 - Reduce prejudice and xenophobia in State institutions, the private sector and receiving communities
- Invest in programs for migrants and receiving communities