



# Regularization Programs: Evidence from Forced Migrants in Colombia

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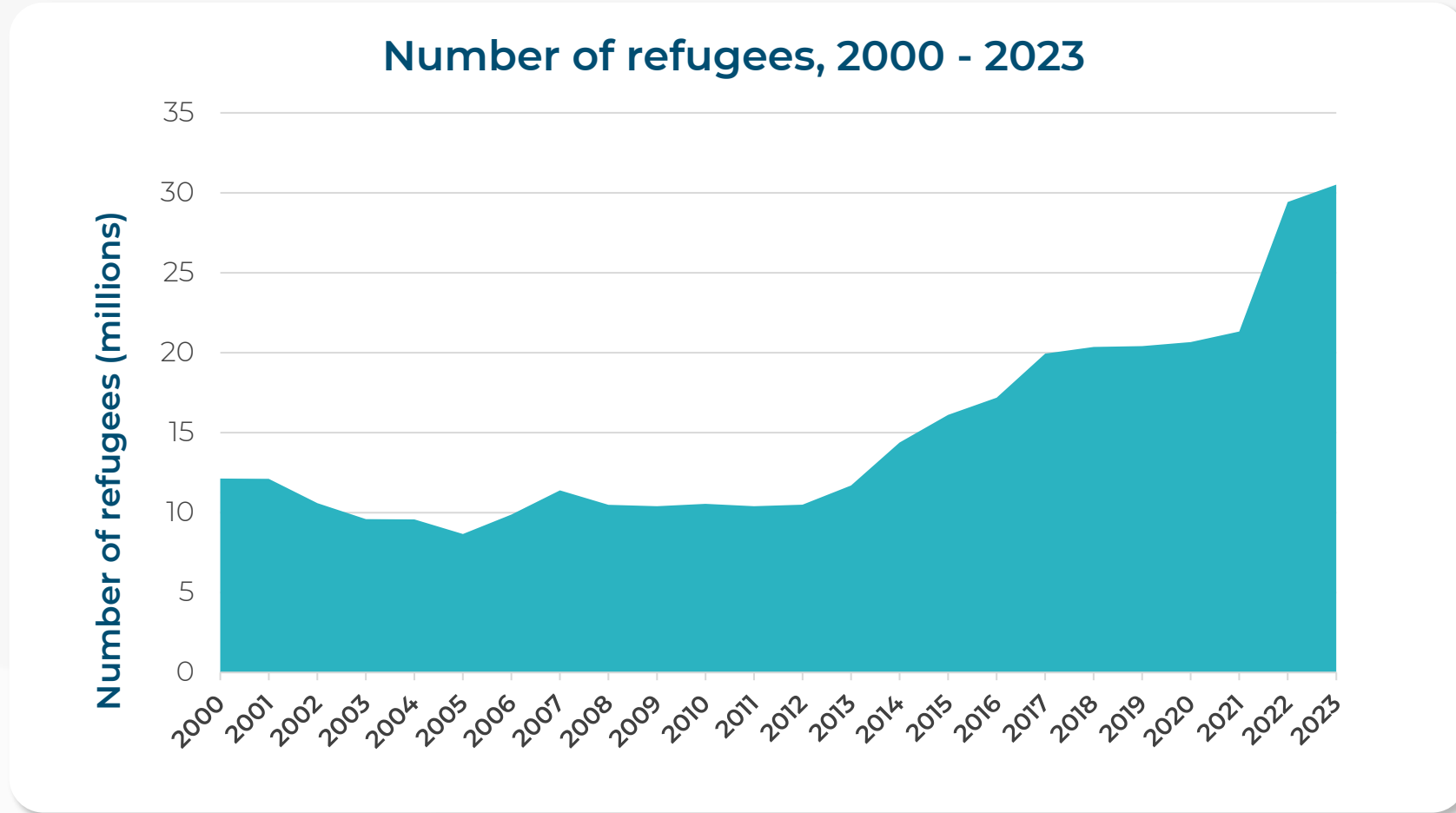
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Colombia

IDB



# Refugees in Developing Countries

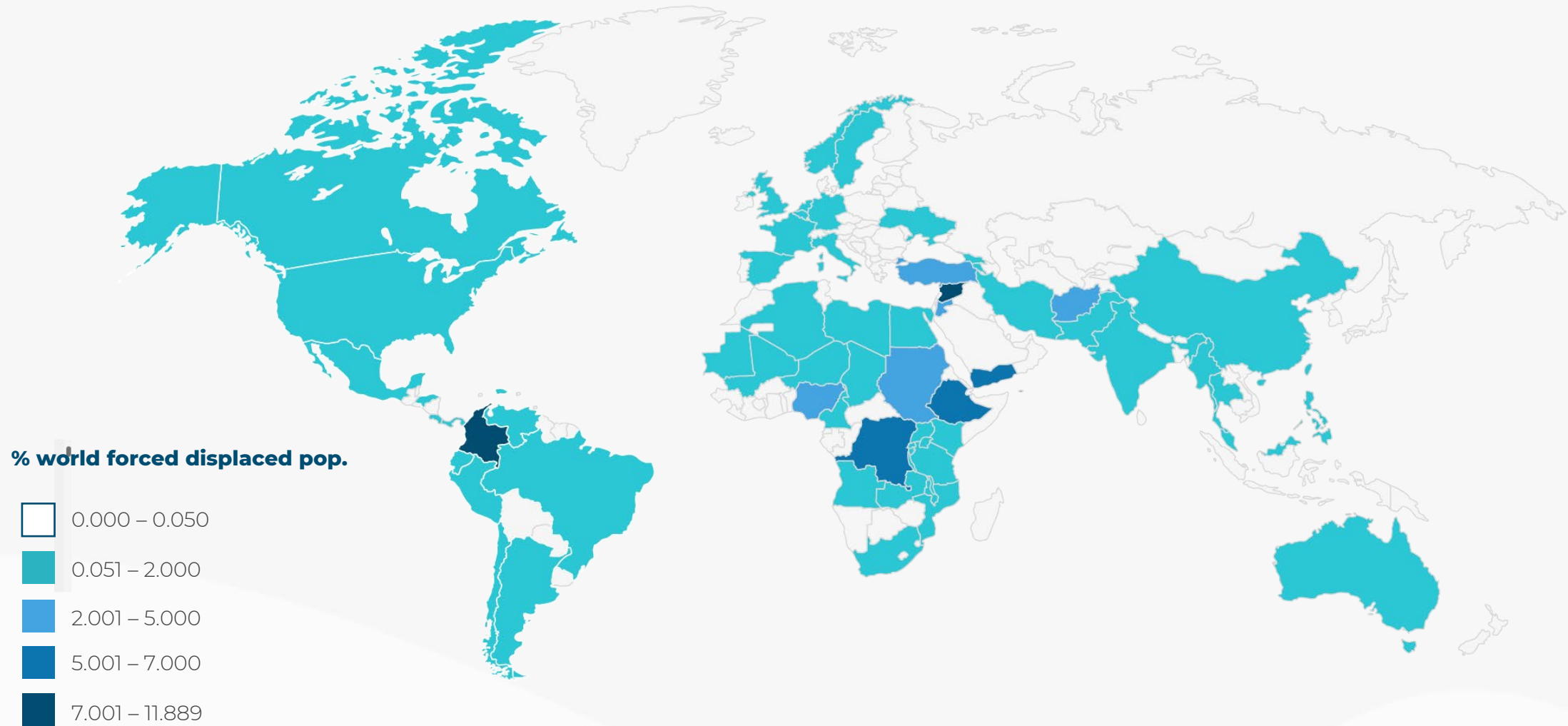
# The number of refugees more than doubled **in the last 20 years**



Source: UNHCR (2024)

Notes: The data for the latest year (2023) is available up until the mid-year. Refugees are classified based on the definitions and concepts contained in the International Recommendations of Refugee Statistics.

# Refugees are mostly hosted in developing countries

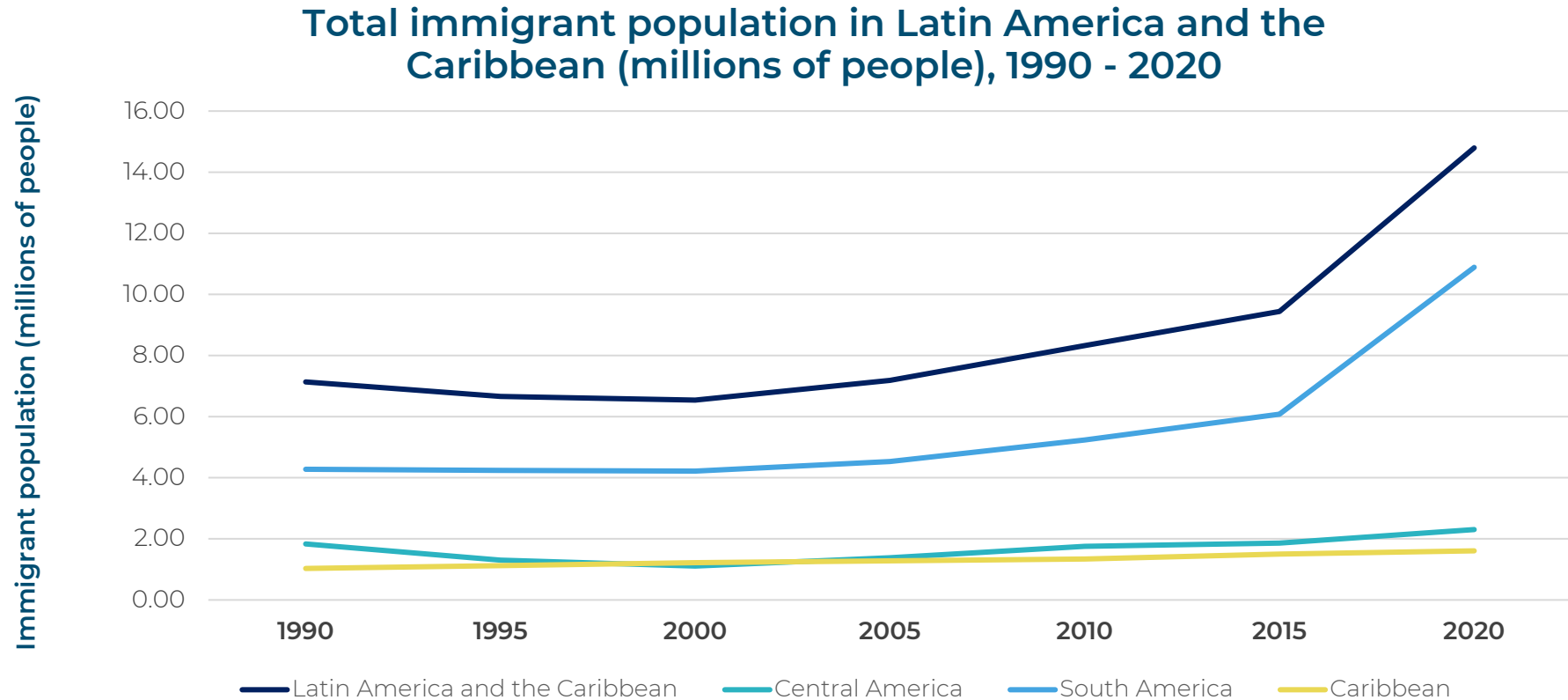


**Notes:**\* Countries with most displaced pop. Are: I) Colombia, II) Syria, III) Congo, IV) Ethiopia, V) Yemen, VI) Turkey, VII) Sudan, VIII) Afghanistan, IX) Jordan, and X) Somalia

# Migration influx in LAC and Venezuela



# Immigration to Latin America and the Caribbean has doubled since 1990



**Source:** IDB/ UNDP based on data from de United Nations Department of Economic and Social Affairs, International Migrant Stocks 2020.

**Note:** Central America Includes Mexico

## Recent increase of intra-regional influx of migrants

- Flows from Venezuela: 7.7 million people in a short period of time

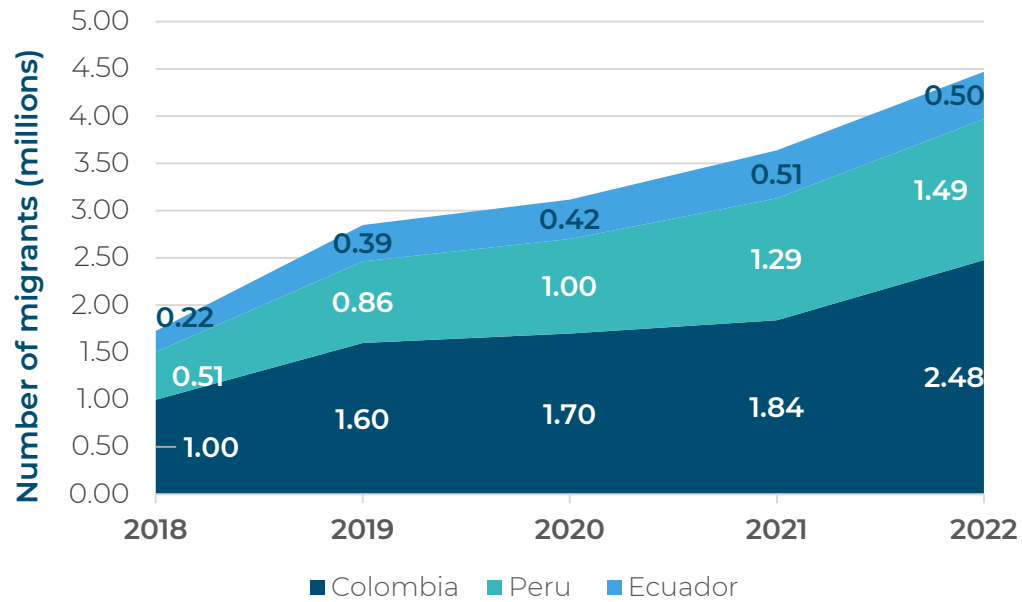
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**MILLION**  
OF MIGRANTS

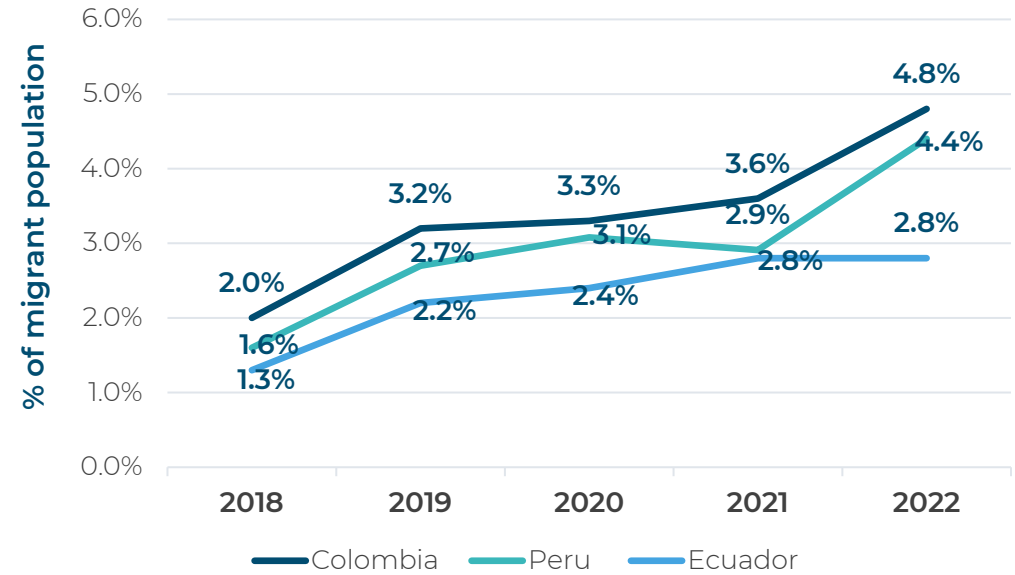


# Colombia, Perú and Ecuador are the main destinations of Venezuelan migrants

### Venezuelan migrants, 2018 - 2022



### Venezuelan migrants (as % of native population), 2018 - 2022



**Source:** Inter-Agency Coordination Platform for Refugees and Migrants from Venezuela, Estimate number of Venezuelan refugees and migrants in LAC, 2023.

**Notes:** These figures represent the sum of Venezuelan refugees, migrants and asylum-seekers shared by host governments. They do not necessarily imply individual identification, nor registration of each individual, and may include a degree of estimation, as per each government's statistical data processing methodology, at times in collaboration with national R4V Platforms





# Regularization programs of migrants

# Regularization programs in LAC: not an amnesty, nor a visa

Processes **that only apply for a limited time** and are normally adopted through administrative decrees or orders

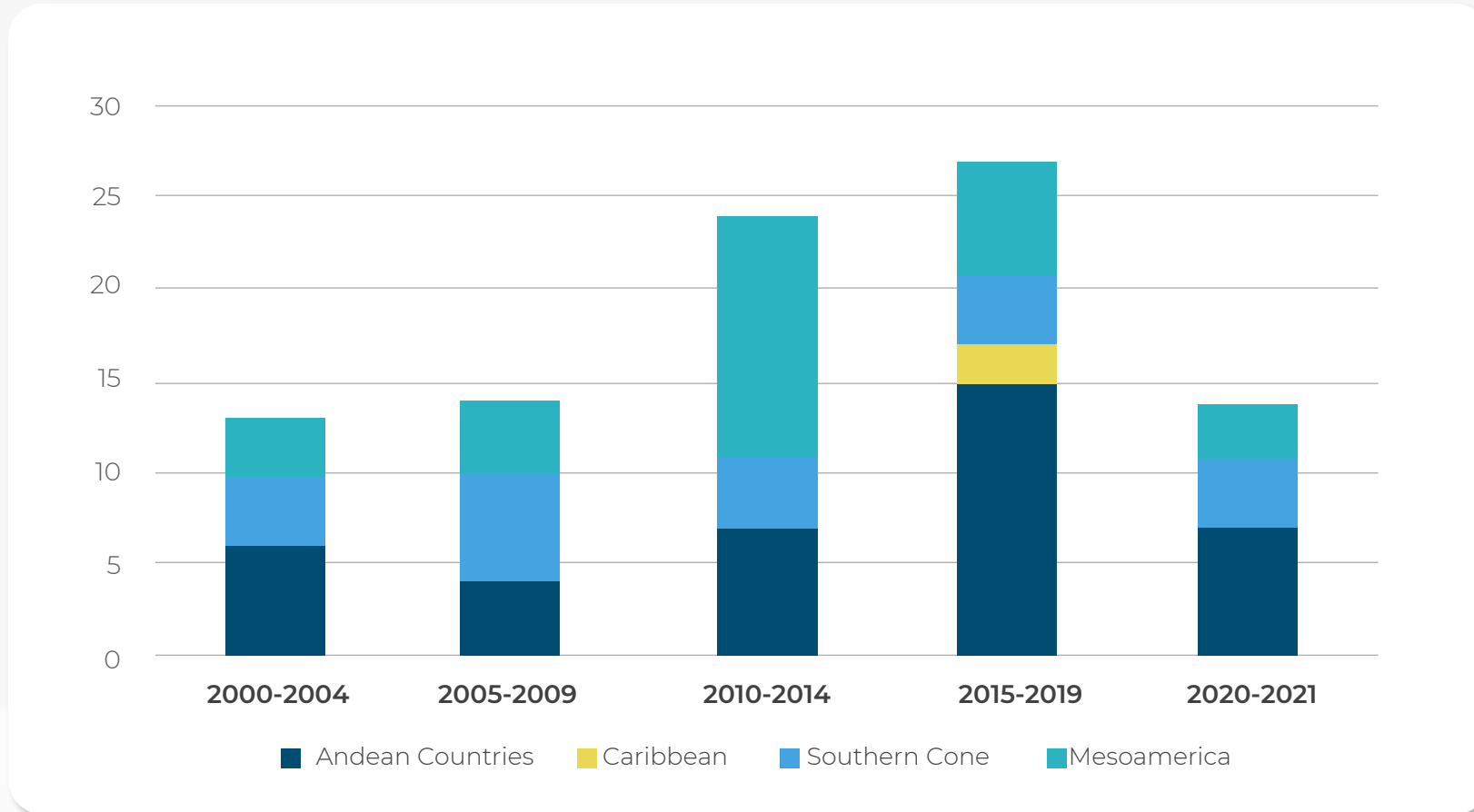
The regularization programs tend to give migrants access to:

- state services
- financial services
- working permits



# Regularization programs are widespread in LAC:

92 have been adopted in 18 of the 26 countries since 2000

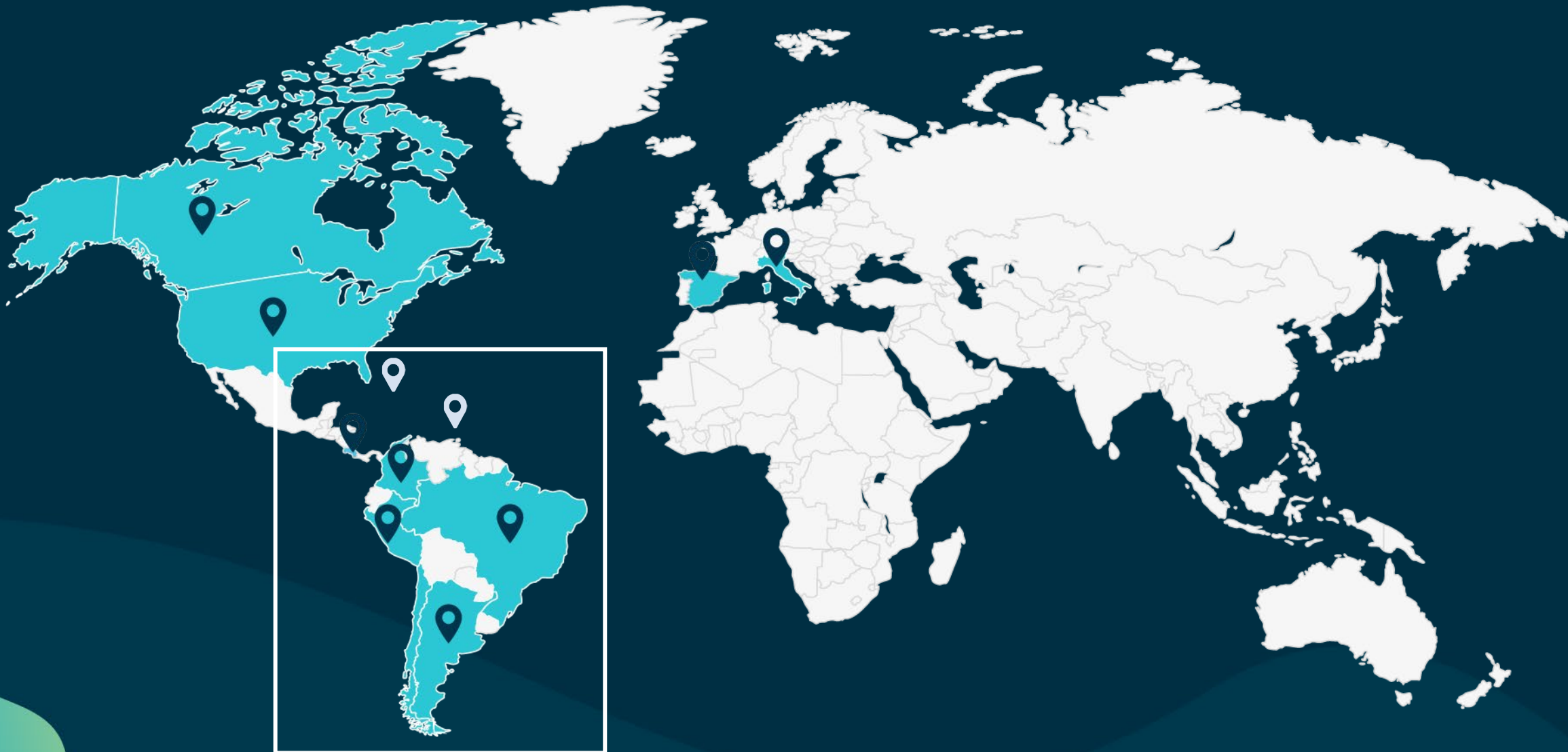


**Source:** Migration Policy Regimes in Latin America and the Caribbean Immigration, Regional Free Movement, Refuge, and Nationality, Inter – American Development Bank, Migration Unit, 2023

**Notes:** These figures represents the number of regularization programs for 26 studied countries by region and five-year periods since 2020.

# Regularization programs of migrants in the World are mostly in LAC

Regularization programs of migrants



# Purpose of the presentation:

Explore the effects of large and unexpected regularization program in Colombia on:



1.

The regularized migrants

2.

Locals and hosting communities

3.

Political consequences

# PEP program in Colombia as case study

# Permiso Especial de Permanencia (PEP)



Registro administrativo  
De Migrantes Venezolanos

**(RAMV)**

April 6th to June 8th, 2018



441

municipalities



442,464

individuals



253,375

households



Permiso Especial de  
Permanencia

**(PEP)**

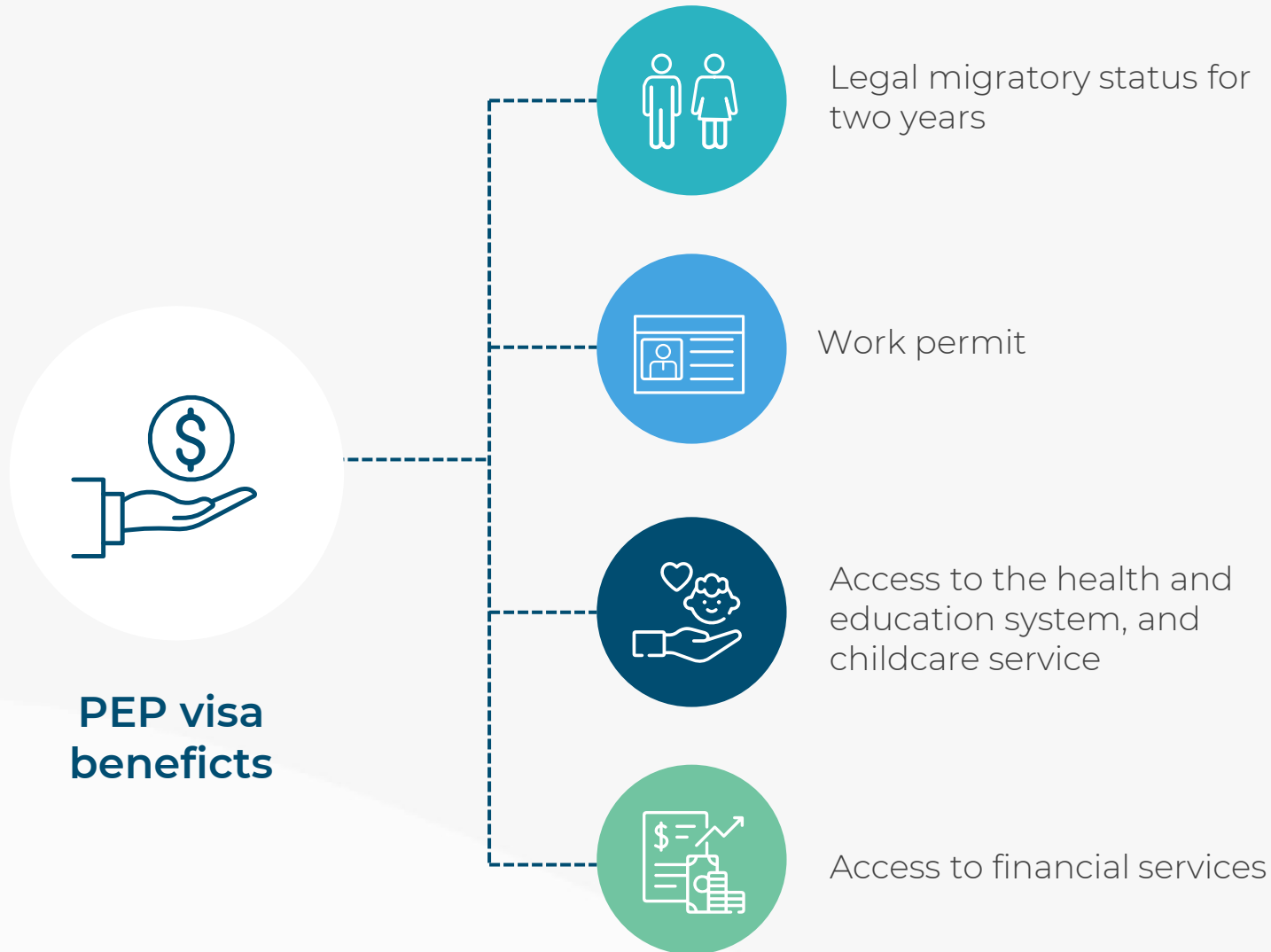
August 2nd to December 21st, 2018



281,803

individuals

# What are the benefits of PEP?





# Temporary Protection Status:

Colombia's new migratory policy to regularize Venezuelans



## Goal:

Regularize close to 1.8 million migrants



Valid for 10 years



## Benefits:

- Identification documents
- Work permits
- Access to state services

# Why PEP program provides an ideal context to measure the impact of **regularization program**?

1.

Unexpected and no additional policies implemented in parallel

2.

No anticipatory effects

3.

Leverage the discontinuity on dates

4.

*“ I signed up (...), my friends signed up too and we left, we kept selling water because we didn't know how big it was going to be to have a permit (...) we didn't give it much importance.”*

*Woman with PEP in Barranquilla*



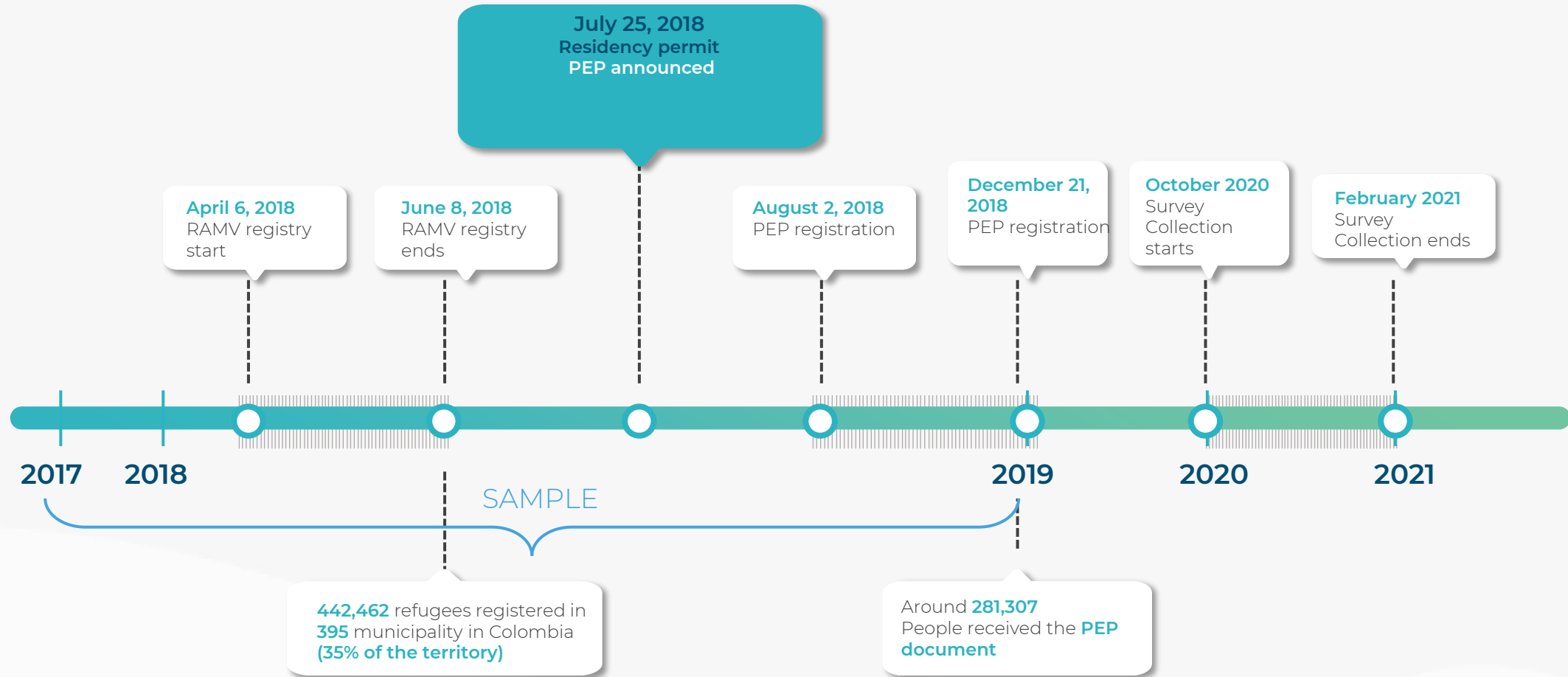


*“We were registered in the census and they counted us but we didn’t really know what it was for. They told us that it was a socioeconomic census for Venezuelan migrants to know how many of us were here living in Colombia.”*

*Woman with PEP in Bogotá*

# How we measure the impact?

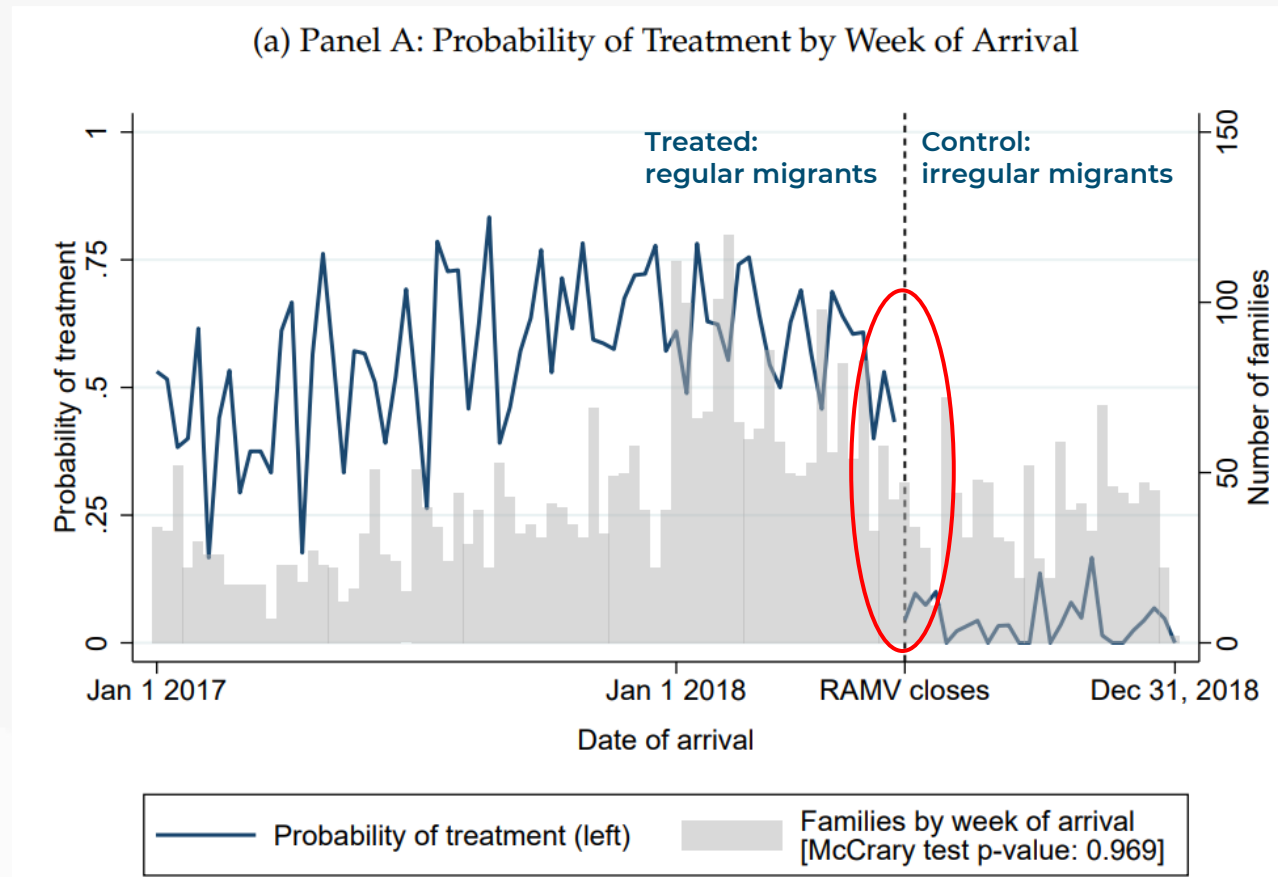
We exploit the rollout of RAMV, the unexpected announcement of PEP, and the date of arrival of migrants to Colombia



Source: Ibáñez, Moya, Ortega, Roza and Urbina (2024)

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We exploit the rollout of RAMV, the unexpected announcement of PEP, and the date of arrival of migrants to Colombia



Source: Ibáñez, Moya, Ortega, Rozo and Urbina (2024)

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**Control:** undocumented migrants



**Treatment:** PEP-RAMV

# VenReps: household survey

1.

Household surveys of documented and undocumented migrants

2.

Phone surveys.

3.

**Challenge:** build a representative sample of undocumented Venezuelan migrants—a population with high trust issues, in the middle of the COVID-19 pandemic, and through phone calls.

4.

## Survey

- First wave: 3,455 surveys of migrants' households.
- Follow-up survey: 2,308 surveys.



# VenReps: household survey

## PEP (Regularized)

Selected randomly from RAMV



1,687

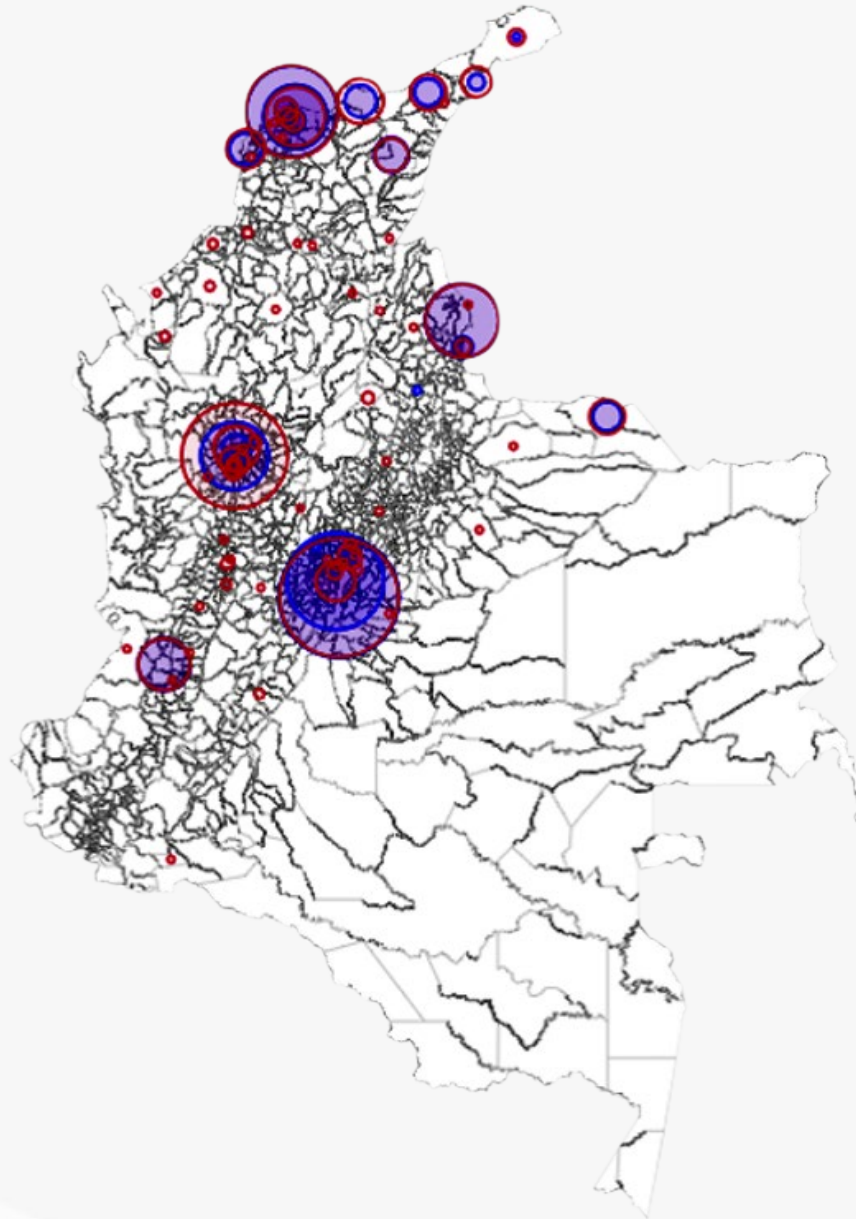
## Undocumented (Control)

Selected randomly from listing

- Referred by treatment group and control group.
- Lists from migrant associations




1,528



### By treatment group:

 Undocumented (1528 households)

 PEP-RAMV (1687 households)

# Impact of PEP on:



1.

**Welfare**



2.

**Labor markets**

(locals and migrants)



3.

**Integration and perceptions**



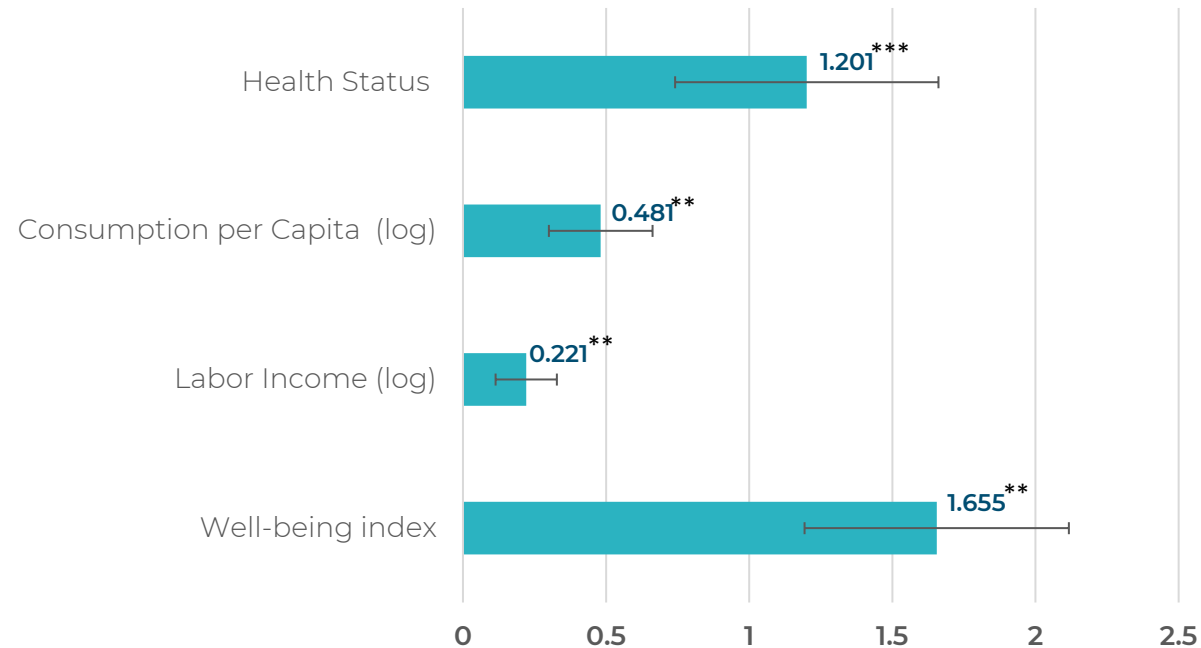
4.

**Health**

(fertility and infectious diseases)

# PEP improves migrant's wellbeing

## Socioeconomic Well-being



PEP increased labor income by **22%**, consumption per capita by **48.1%** and health status by **1.2 sd**.

**Source:** Ibáñez, Moya, Ortega, Rozo and Urbina (2024)

**Notes:** Dependent variables: (i) Well-being (Index) is constructed using the outcome variables of columns (ii) to (iv) using the methodology of Kling, Liebman and Katz (2007). (ii) Labor Income (log) is the logarithm of the monthly labor income that includes wage, extra pay, and revenue from independent work in million COP. (iii) Annual consumption (log) is the logarithm of annual consumption per capita in million COP; and (iv) Health Status (Index) is constructed using the methodology of Kling, Liebman and Katz (2007) with the following variables: (a) mobility, (b) personal care, (c) daily routine, and (d) on pain and discomfort on a scale of 1 to 5. Controls include vector for: (i) socio-demographic characteristics; (ii) labor history in Venezuela; (iii) household controls in Venezuela and (iv) migration decisions. Standard errors are reported in solid lines. \*\*\* significant at the 1%, \*\* significant at the 5%, \* significant at the 10%.

# PEP expands the access to State services

PEP Increased Service Access by **38.2 %**



Transfers from Government by

**22.1%**



Financial products by

**44.4%**



Subsidized Healthcare

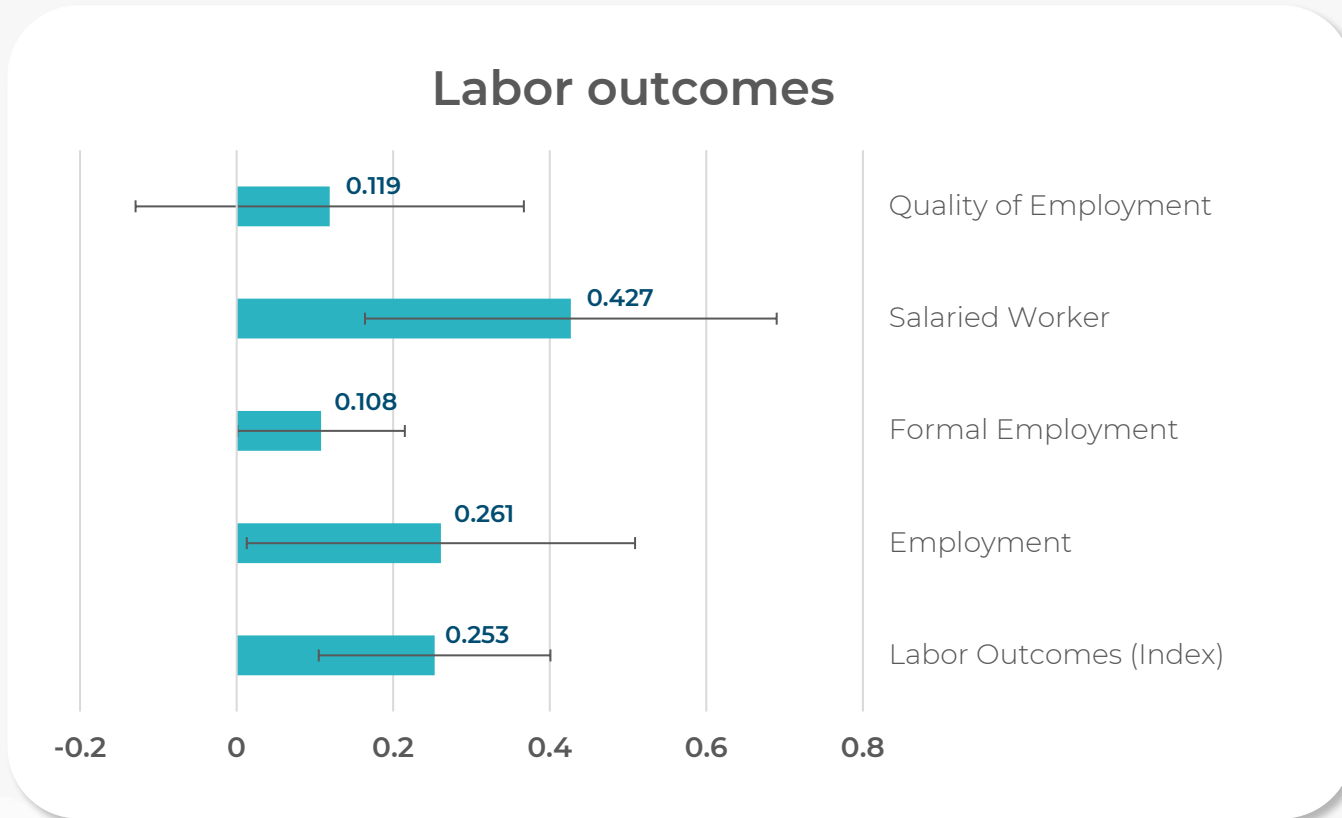
**26.7%**



Sisbén

**56.7%**

# Apparent positive impact on labor markets



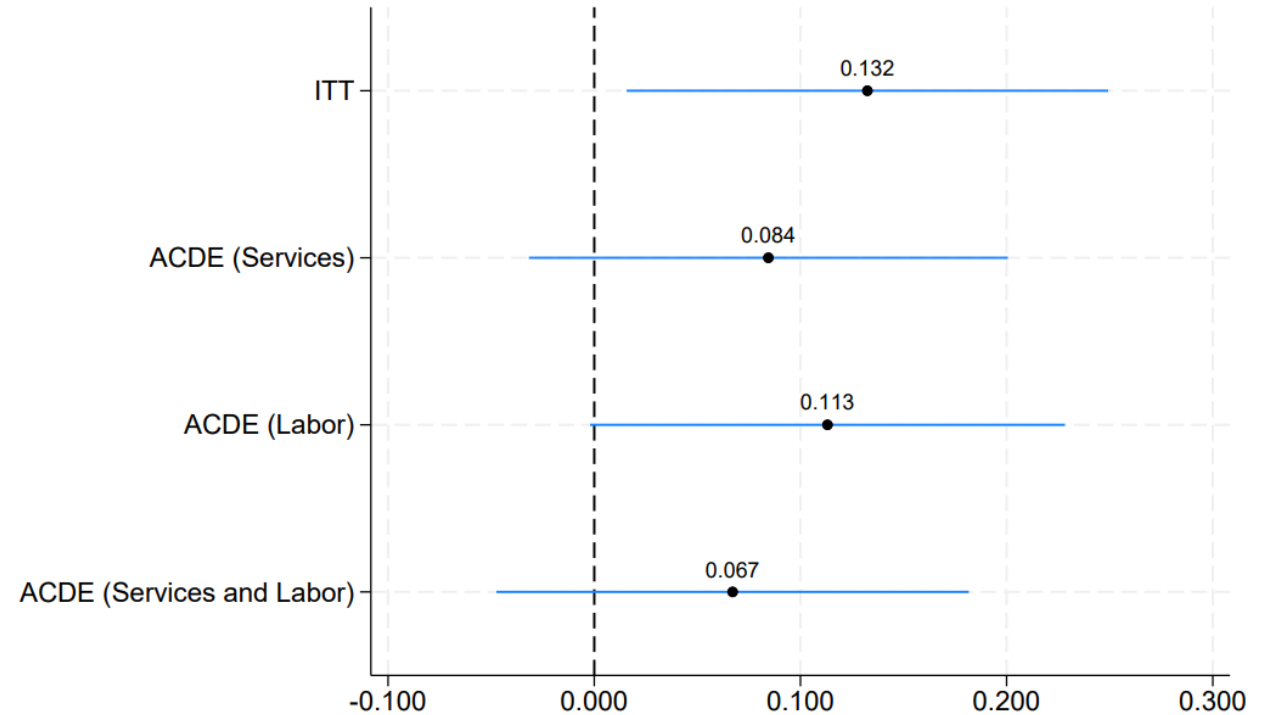
**Source:** Ibáñez, Moya, Ortega, Rozo and Urbina (2024)

**Note:** Dependent variables: (i) Labor Outcomes (Index) is the average of the following variables: (ii) Employed is an indicator variable with a value of one if the respondent reports being employed and receiving a wage. This category includes both independent workers and family workers, (iii) Formal Employment is an indicator variable with a value of one if the refugee is employed, reports having a pension fund, and has a written contract, (iv) Salaried worker is an indicator variable with a value of one if the respondent's main occupation is salaried job and zero if it is classified as independent or self-employed, (v) Quality of Employment is an indicator with a value of one if the respondent does not wish to change their current job. All columns include department (Antioquia, Atlántico, Bogotá, and Norte de Santander) and sampling-city fixed effects. Controls include vector for: (i) socio-demographic characteristics; (ii) labor history in Venezuela; (iii) household controls in Venezuela and (iv) migration decisions. Standard errors are reported in solid lines. \*\*\* significant at the 1%, \*\* significant at the 5%, \* significant at the 10%.

# What drives the increase in welfare: labor markets or access to social services?

- Mediation analysis: Average Controlled Direct Effect (ACDE)
- Suggestive results based on the ITT
- Effect is
  - ✓ 50% lower when factoring in **labor** and **access to services**
  - ✓ 43% lower when factoring in **access to services**
  - ✓ 13% lower when factoring in **labor**

## Drivers of PEP Causal Improvement in Migrant's Well-being



Source: Ibáñez, Moya, Ortega, Rozo and Urbina (2024)

Notes: ITT presents the results of an ordinary least squares regression depicting the relationship between the well-being index and the dichotomous variable  $1[T_i < T^*]$ . This variable takes the value of one for migrants eligible for the PEP program based on their migration date to Colombia. The model incorporates the covariates outlined in Table 4. ACDE (Services) reports the estimated coefficient representing the Average Causal Direct Effect (ACDE) of the PEP program on the Well-being Index. This estimation is conducted while controlling for the Service Access Index in the second stage of the mediation analysis. Similarly, ACDE (Labor) presents the estimated coefficient of the ACDE, while controlling for the Labor Outcomes Index in the second stage. Additionally, ACDE (Services and Labor) displays the estimated coefficient of the ACDE, accounting for simultaneous control of the Service Access Index and Labor Outcomes Index in the second stage of the mediation analysis. The sample is restricted to the optimal bandwidth proposed by Cattaneo, Idrobo and Titiunik (2020) in Table 4, Table 5, and Table 6. The lines represent 90% confidence intervals.

# And the fiscal consequences

- Simple accounting exercise: short-term costs and benefits
  - ✓ Costs: public and services, social assistance programs
  - ✓ Revenue: consumption taxes and payroll taxes
  - ✓ Does not include firm capital tax contribution and firm creation.

## Net Income from Regularization for average migrant family

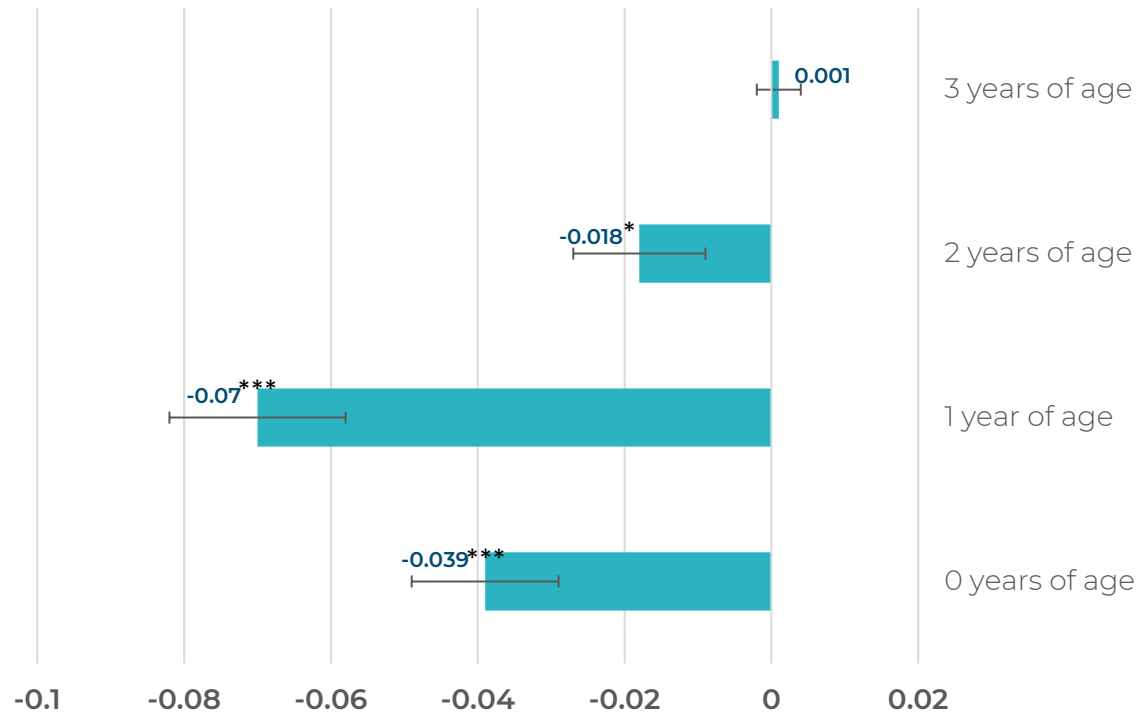
HH Member	With PEP				
	Without PEP (1)	Informal (2)	Formal (3)	10% Formal (4)	50% Formal (5)
Head of Household	-282.64	-123.49	697.48	-41.40	286.99
Spouse	-282.64	-282.64	697.48	-41.40	286.99
Kid –Age 0-5	-656.55	-466.35	-444.02	-464.12	-455.18
Kid –Age 6-18	-1,330.69	-1,206.31	-1,183.97	-1,204.07	-1,195.14
<b>Total</b>	<b>-2,552.52</b>	<b>-2,078.79</b>	<b>-233.04</b>	<b>-1,750.98</b>	<b>-1,076.34</b>

**Source:** Ibáñez, Moya, Ortega, Rozo and Urbina (2024)

**Notes:** All quantities are presented in 2020 USD. The government net income is calculated as the difference between gross income, comprised of income, payroll, and value-added taxes, and expenditure on health, education, and social programs. This table reflects the net income for an average migrant family within the surveyed sample. The average family consists of 4.4 members, characterized by the four most prevalent member-age group combinations: all households include a head, 67.3% feature a partner, 44.3% include a child aged 0-5 years, and 59.4% have a second child aged 6-18 years

# The likelihood of childbearing fell sharply for **PEP beneficiaries** driven also by access to health services

## Likelihood of having children of



- **PEP** decreased the likelihood of having children under 0 and 1 year of age by **3.9%** and **7 %**, respectively.

**Source:** Amuedo-Dorantes, Ibáñez, Rozo and Traettino (2023)

**Notes:** The figure presents results stacking all the data together (baseline, wave I, and wave II). We control for department and geographic sampling. Department corresponds to the five departments in which the sample was collected and geographic sampling corresponds to the four geographic levels at which the sample is representative, including three main cities and a fourth group that accounts for nine smaller urban centers with prevalent migration from Venezuela. Controls include vector for: (i) socio-demographic characteristics; (ii) labor history in Venezuela; (iii) household controls in Venezuela and (iv) migration decisions. Standard errors are reported in solid lines. \*\*\* significant at the 1%, \*\* significant at the 5%, \* significant at the 10%.



The **short-term** impact of PEP on labor outcomes for locals is negligible. The same holds for crime outcomes

### Twofold increase on PEP holders



on employment  
respect to mean of  
formal employment

### 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

**Source:** Bahar, Ibáñez and Rozo (2021)





# Policy discussion

# 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





# Thank you!



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