

Labor Market Effect of Granting Amnesty to Venezuelan Refugees and Migrants in the Dominican Republic

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Outline

1. Motivation and context
2. Research questions and contributions
3. Data and methodology
4. Results
5. Conclusions

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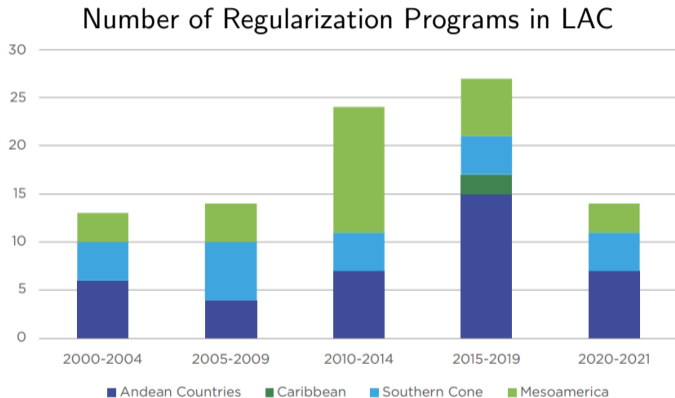
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Venezuela Exodus: largest ever displacement crisis across Latin America and the Caribbean

- **7.7M** Venezuelans have fled since 2014
- **6.6M** Ven refugees and migrants remain within LAC region
 - Colombia: 2.9M
 - Peru: 1.5M
 - Brazil: 570K
 - Dom. Republic: 124K
- Multiple drivers and heterogenous socioeconomic profiles by time of departure & destination

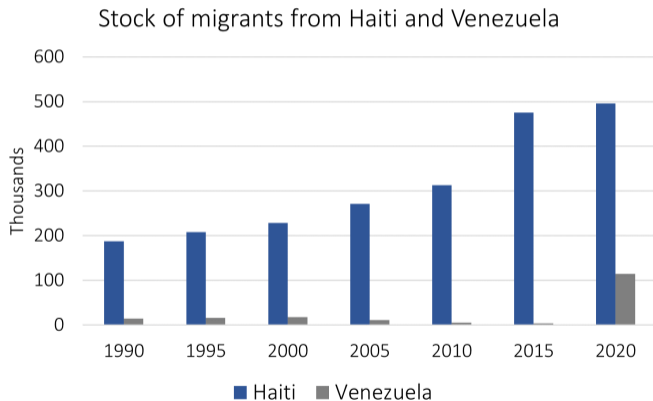


Extraordinary regularization programs have been common in major hosting countries

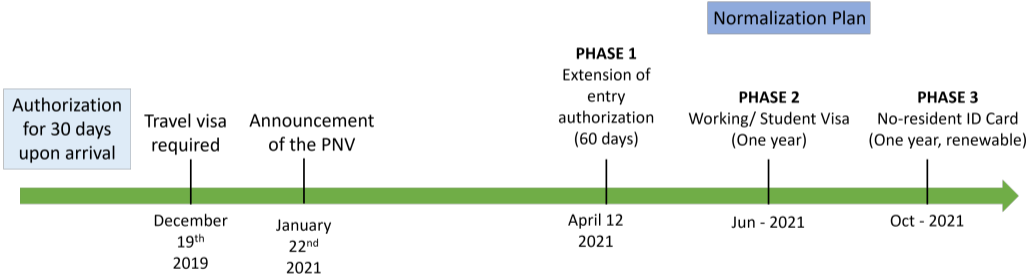


The Dominican Republic is a particular case as it has a long history of migration

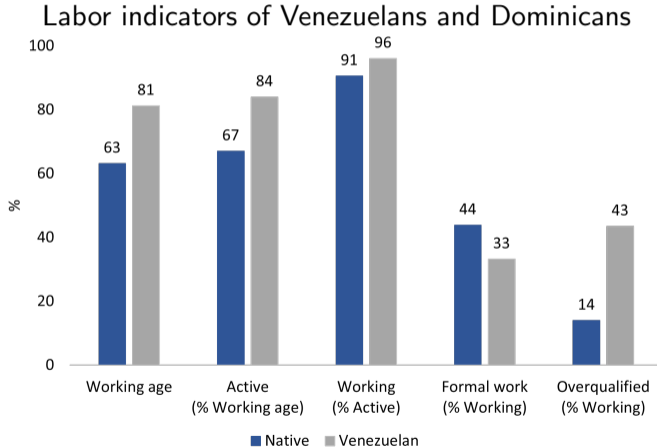
- 6.4% of the population are foreign-born, mostly from Haiti and Venezuela
- 115,000 Venezuelans arrived between 2015 and 2020
- 12% of the population emigrated, mostly to US and Spain



The government created a plan to give Venezuelans a normalized migratory status



Venezuelans have high participation in the labor market but face difficulties in acquiring adequate jobs



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Research questions

- To what extent did the normalization program in the Dominican Republic influence the process of labor integration for Venezuelans?
- To what extent are these effects driven by changes at the extensive or intensive margin?

Contribution

- Deep literature on the impact of regularization programs for refugees and migrants
 - Many studies focus on the impact of regularization programs on labor markets in developed **countries** (Amuedo-Dorantes and Antman 2017, Amuedo-Dorantes and Bansak 2011, Amuedo-Dorantes et al. 2007, Cobb-Clark et al. 1995, Chassamboulli and Peri 2015, Devillanova et al. 2018, Kaushal 2006, Monras et al. 2018).

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 - Colombian case → Ibáñez et al. (2024) *Life out of the Shadows*
 - Positive and large welfare gains, suggestive evidence of impact on formal employment

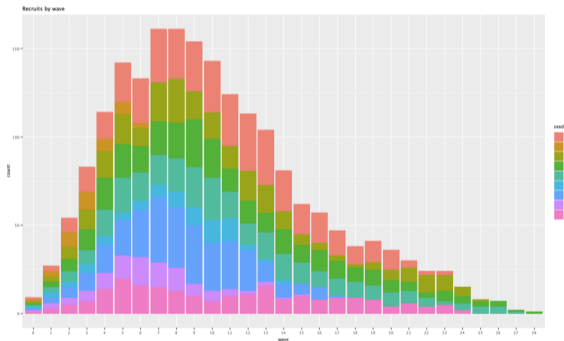
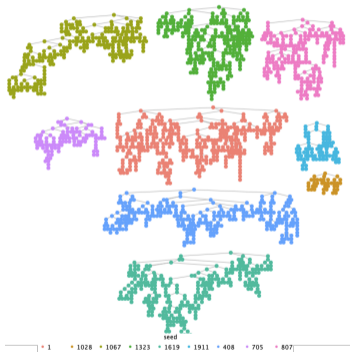
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 - Positive and large welfare gains, suggestive evidence of impact on formal employment
- Unpack the role of granting regular status in the context of a small island economy, with robust economic growth and high labor demand, and the arrival of a relatively highly educated and qualified population.

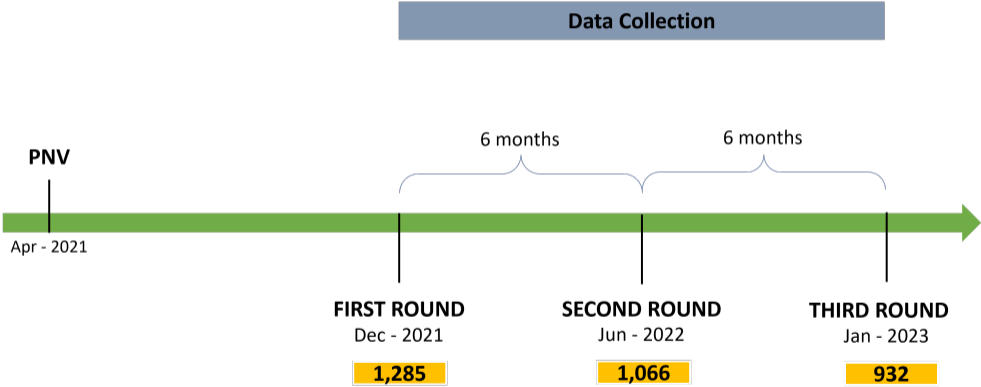
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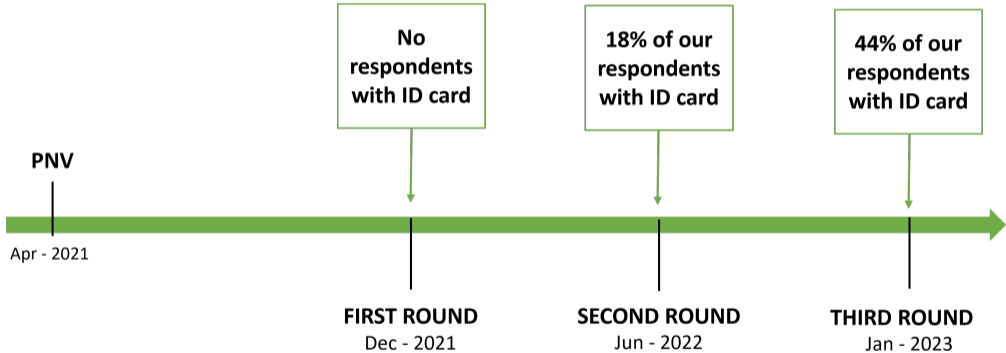
How to find Venezuelans without a sampling framework?: Respondent-driven sampling (RDS)



We collected panel data across three rounds



Respondents received the ID card after the first round



Method

- We employ a simple diff-in-diff strategy, leveraging the unexpected timing of the ID Card distribution

$$Y_{it} = \alpha Post * ID_{it} + \gamma_t + \gamma_i + \epsilon_{it}$$

- Outcomes:
 - Extensive margin: active and employed.
 - Intensive margin: verbal and written contract, formal job (i.e. having employee-based health insurance and making retirement contributions), salary, overqualification, long hours.

No significant differences between people with and without ID card

Table: Treatment assignment by baseline characteristics

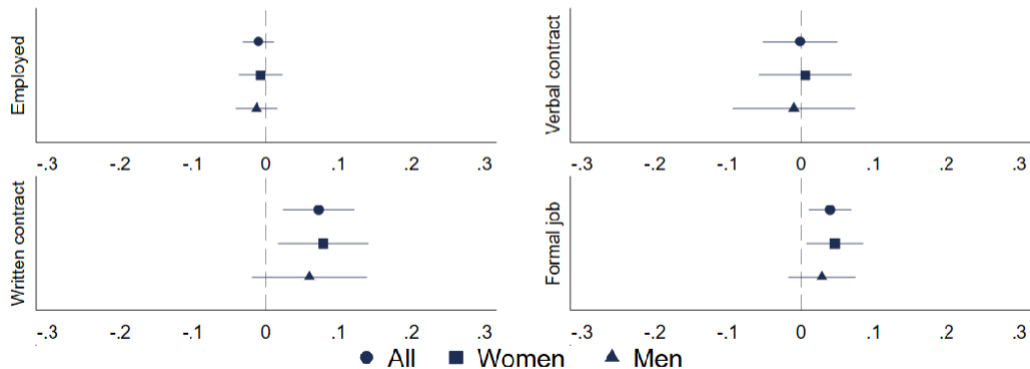
	(1) Treated	(2) Early treated	(3) Late treated
Sociodemographics			
Age	0.000449	0.00167	-0.00122
Female	0.00411	-0.0651**	0.0692**
Single	0.0616*	0.0191	0.0425
Education			
Technical	0.0139	0.0852**	-0.0713
Some college or more	0.0203	0.126***	-0.106***
Migration characteristics			
Year of arrival	-0.00141	-0.00278	0.00137
Worked in venezuela	-0.0400	0.00539	-0.0454
Baseline labor characteristics			
Employed	0.0623	0.0543	0.00804
Verbal contract	0.0178	0.0483	-0.0305
Written contract	-0.00579	0.0341	-0.0399
Social Security	0.0964	0.174	-0.0773
Overqualified	-0.0181	-0.0955**	0.0774
Long hours (+44)	-0.00476	-0.0357	0.0309
Salary (IHS)	0.00309	0.000569	0.00252
Observations	910	910	910
Outcome mean	0.43	0.18	0.26
F	0.7915	2.6368	1.5967

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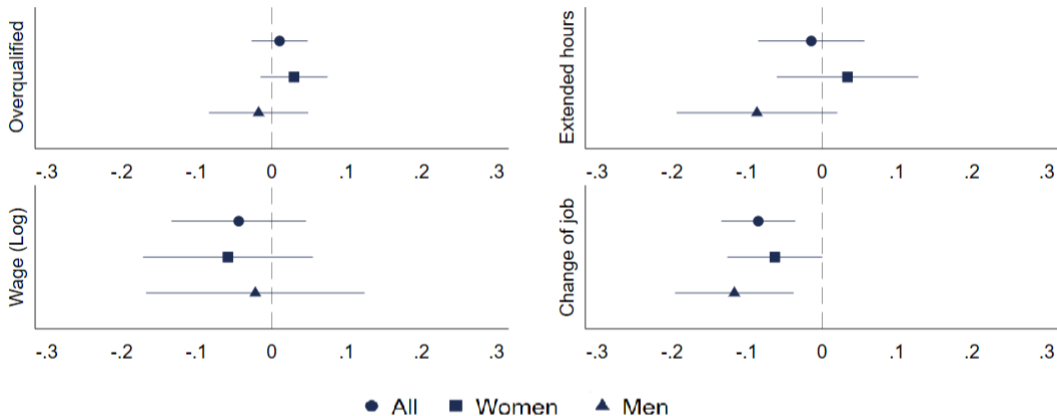
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No effect at the extensive margin, however increases likelihood of having a formal job

Effect of the ID Card on Employment Outcomes

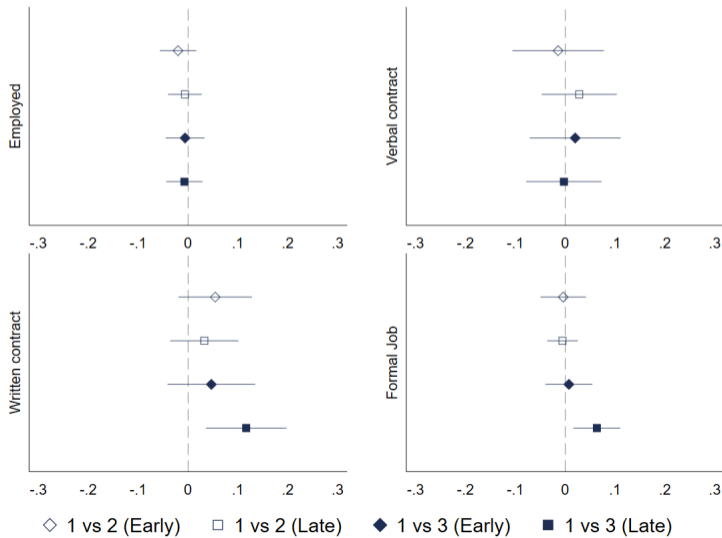


No impact on being overqualified, working long hours or salaries



Effects different for those receiving ID Cards earlier vs later?

Early vs Late Treatment



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Summary

- More LAC hosting countries are responding with extraordinary regularization initiatives and policies that promote socio-economic inclusion.
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- Negligible impacts of the DR's amnesty program on the extensive margin, but positive effects on the likelihood of having a written contract and working in the formal sector.
 - Obtaining the ID Card does not mitigate the likelihood of being overqualified for one's job, contribute to an increase in salary, or reduce the likelihood of working extended hours.

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- Comparing to Colombia, Ibáñez et al. (2024) show significant welfare gains due to regularization, illustrating that access to public services is key.
 - Additional reforms such as title validation and/or skills recognition may be necessary to address remaining barriers to full socio-economic inclusion.

Thank you

For any comments: loschman@unhcr.org

Appendix

Progress in PNV phases

