

Life out of the shadows: Impacts of amnesties in the lives of refugees

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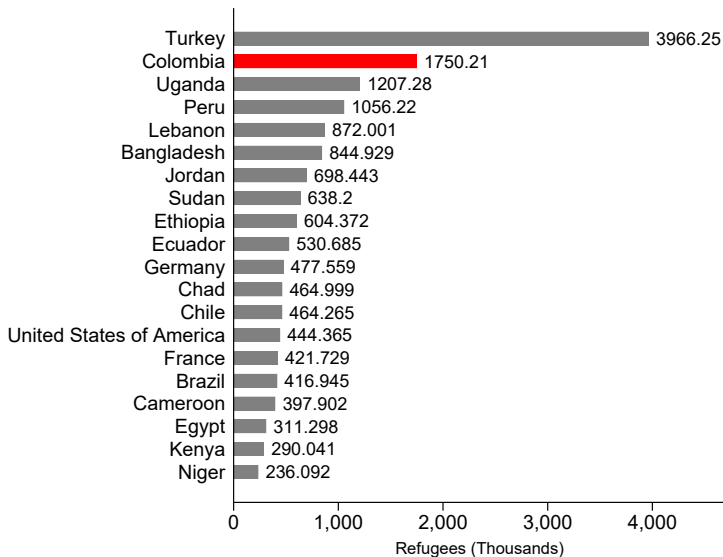
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WB Policy Research Talk

- ① Motivation
- ② Question and Contribution
- ③ Context: The PEP Program
- ④ Study Design
- ⑤ Empirical Strategy
- ⑥ Results
- ⑦ Conclusion

Refugees are Mostly Hosted in Developing Countries



Large Heterogeneity on Labor Market Access of 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

Evolution of Refugees' Research Agenda

- Focused on impacts of forced displacement on host communities (Schuettler and Verme, 2021)
- Less evidence on how to effectively support refugees
 - Exception: cash transfers (Altındag, and O'Connell, 2021; Özler et al., 2020 and Hızıroğlu et al., 2021)
 - Negligible evidence on policies that promote self-reliance for forced displaced population

Question and Contribution

Research Question

- Identify the impact of the PEP regularization:
 - ① Labor market conditions
 - ② Income and consumption
 - ③ Health (including physical and mental)
 - ④ Access to state services
 - ⑤ Integration to the Colombian society
- The program seeks to empower refugees and promote their self-reliance (development-based approach).

Contribution on previous evidence around amnesties

● Existing evidence

- Partial programs: [Fallah et al. 2018](#)
- Developed countries: [Monras et al. 2018](#), [Pinotti 2017](#), [Baker 2015](#)
- Focused on native communities: [Verme and Schuettler, 2021](#)
- For this program: [Bahar et al., 2021](#)

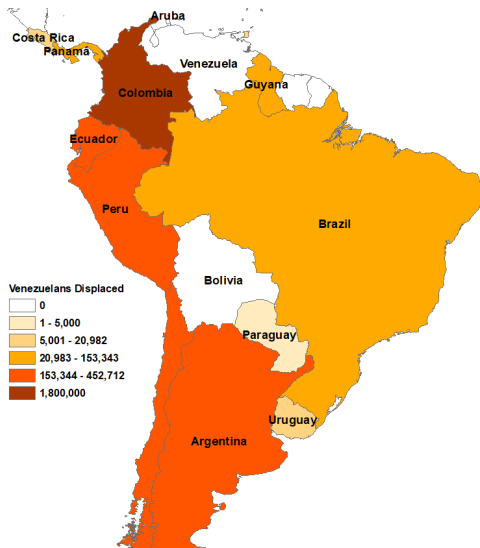
● Contribution

- Large scale sudden regularization
- No eligibility criteria
- Developing country: ↑ informality
- Comprehensive life outcomes

The PEP Program

Massive Out-Migration from Venezuela

- By June 2021:
4M Venezuelan migrants
1.7M in Colombia
Source: UNHCR



Massive Regularization in 2018



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)

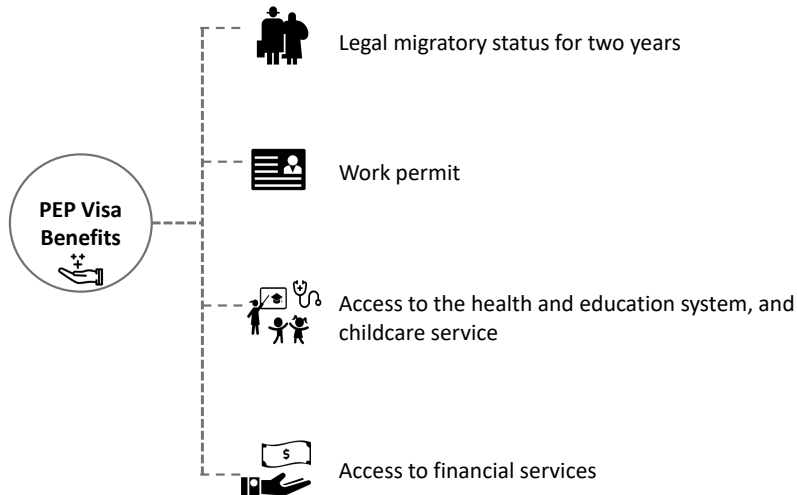
August 2nd to December 21st, 2018



281,803

individuals

PEP Visa is a Generous Amnesty



Study Design

The Venezuelan Refugee Panel Survey (VenRePS)



Control: irregular migrants



Treatment: PEP-RAMV

- **Eligible migrants:** RAMV-Census
- **Ineligible migrants:** Referrals from refugees and databases from organizations of migrants
- **Sample:** Ven. migrants, 18+, arriving between Jan 2017-Dec 2018.

The Qualitative Study: IPA Colombia



Qualitative Survey

 **42 PERSONS**

- Irregular migrants
- Registered in RAMV and without PEP
- Registered in RAMV and with PEP

 **Barranquilla, Bogotá y Medellín**

Some conclusions from the qualitative surveys

- ① Mistrust and fear of being deported affected willingness for take-up:
crucial role of local migrant organizations
- ② Prior networks before migrating affected willingness for take-up
(opposite direction)
- ③ NGOs and local governments provide information in a language that
was difficult to understand

The Survey Collection



Cities:

- **Big cities:** Bogotá, Barranquilla, Medellín
- **Small cities:** Cúcuta, Villa del Rosario, Cali, Cartagena, Riohacha, Maicao, Uribia, Valledupar, Santa Marta and Arauca



Size: 2,232 refugee families

- Eligible (RAMV): 1,110
- Ineligible (Non-RAMV): 1,122



Phone surveys by Venezuelan enumerators



Language modified to Venezuelan day-to-day common words

Descriptive Analysis

Demographic variables

	Non-RAMV	RAMV	PEP	Mean diff. (p-value) Non-RAMV vs RAMV	Mean diff. (p-value) Non-RAMV vs PEP
	(1)	(2)	(3)	(4)	(5)
Time in Col. (months)	40.484 (9.147)	45.834 (10.371)	46.015 (10.120)	0.000	0.000
Age (years)	31.971 (8.870)	35.467 (9.294)	35.454 (9.235)	0.000	0.000
Female [=1]	0.470 (0.499)	0.330 (0.470)	0.337 (0.473)	0.000	0.0001
Size of HH. roster	3.635 (1.487)	3.412 (1.662)	3.363 (1.672)	0.001	0.000
Number of children	1.803 (1.268)	1.455 (1.308)	1.437 (1.317)	0.000	0.000
Observations	1,122	1,110	1,039		

Socioeconomic variables

	Non-RAMV	RAMV	PEP	Mean diff. (p-value) Non-RAMV vs RAMV	Mean diff. (p-value) Non-RAMV vs PEP
	(1)	(2)	(3)	(4)	(5)
Years of education	12.873 (2.953)	13.495 (2.789)	13.489 (2.795)	0.000	0.000
Ever worked [=1]	0.966 (0.181)	0.978 (0.146)	0.980 (0.141)	0.078	0.0518
Employed at private firm [=1]	0.605 (0.489)	0.605 (0.489)	0.598 (0.491)	0.974	0.723
Employed with government [=1]	0.140 (0.347)	0.152 (0.359)	0.155 (0.362)	0.410	0.325
Self-employed or employer [=1]	0.168 (0.374)	0.194 (0.395)	0.197 (0.398)	0.109	0.073
Written contract [=1]	0.446 (0.497)	0.568 (0.496)	0.572 (0.495)	0.000	0.000
Owner of dwelling in Ven.[=1]	0.868 (0.339)	0.868 (0.339)	0.867 (0.340)	0.971	0.950
Electricity in Ven. [=1]	0.994 (0.079)	0.994 (0.079)	0.993 (0.082)	0.984	0.885
Running water in Ven. [=1]	0.855 (0.353)	0.882 (0.323)	0.883 (0.322)	0.057	0.056
Sewage in Ven. [=1]	0.930 (0.256)	0.938 (0.242)	0.937 (0.242)	0.434	0.465
Observations	1,122	1,110	1,039		

Migration variables

	Non-RAMV	RAMV	PEP	Mean diff. (p-value) Non-RAMV vs RAMV (4)	Mean diff. (p-value) Non-RAMV vs PEP (5)
	(1)	(2)	(3)		
Friends/family in Col.	0.745 (0.436)	0.706 (0.456)	0.707 (0.455)	0.040	0.049
Friends/family helped upon arrival	0.586 (0.493)	0.583 (0.493)	0.584 (0.493)	0.864	0.916
Knew of job opportunity [=1]	0.344 (0.475)	0.323 (0.468)	0.327 (0.469)	0.281	0.409
Migrated for health reasons	0.097 (0.296)	0.113 (0.316)	0.114 (0.317)	0.233	0.214
Had smartphone [=1]	0.510 (0.500)	0.652 (0.476)	0.663 (0.473)	0.000	0.000
Observations	1,122	1,110	1,039		

Reason for not registering in RAMV

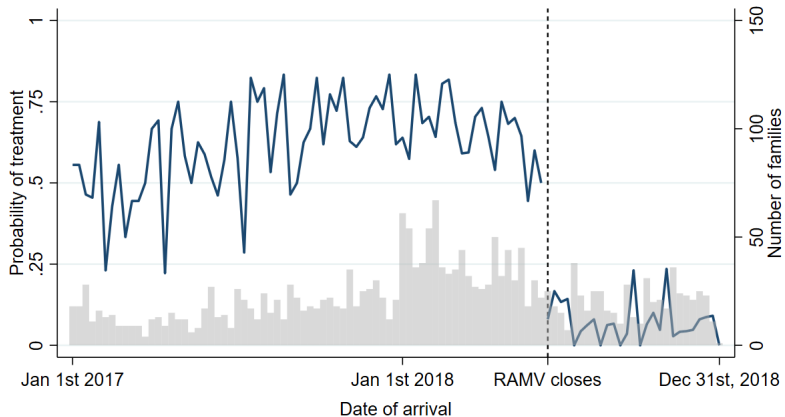
	Non-RAMV
Did not know about RAMV	50.96%
Was not in Colombia	16.87%
Was working	14.57%
Other	7.42%
Fear of deportation	6.60%
To expensive or complicated	2.02%
No proof of Ven. nationality	1.56%

Reason for not having PEP

	Non-RAMV	RAMV-NO PEP
Did not have Passport	30.64%	16.13%
Did not know of PEP	21.33%	6.45%
Did not register in RAMV/Census	11.15%	0.00%
Was not in Colombia	9.13%	3.23%
RAMV registration got lost	7.81%	22.58%
Did not know or understand benefits of PEP	7.73%	4.84%
Did not plan to stay in Colombia	4.30%	0.00%
Did not have access to internet	1.84%	3.23%
Did not need it	0.44%	0.00%
Other	5.62%	43.55%

Empirical Strategy

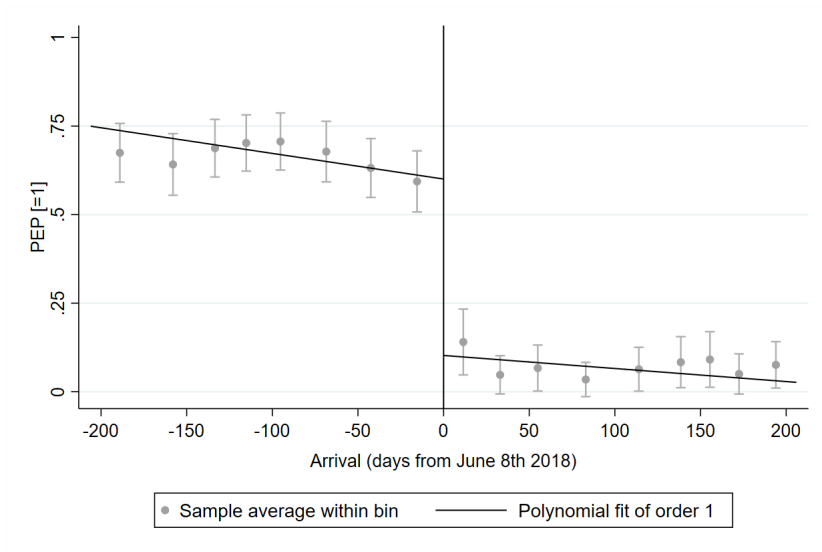
The Empirical Design: Fuzzy RDD



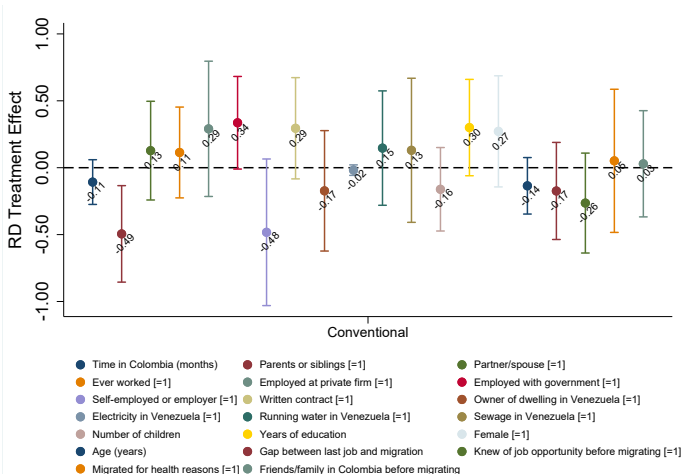
— Probability of treatment (left) Families by week of arrival
[McCrary test p-value: 0.969]

* Observations grouped by week of arrival

The Empirical Design (cont'd): Fuzzy RDD



Validity of the local continuity assumption



Notes: This table tests the validity of the local continuity assumption in all the baseline covariates used as controls in all the specifications. The controls are defined as dependant variables in a sharp RD estimation. The estimation uses a triangular kernel and a common MSERD optimal bandwidth.

Alternative Empirical Design: OLS

① **ITT**: control for biases in the RAMV registration

$$Y_{ij} = \alpha_0 + \alpha_1 \mathbb{1}[RAMV_{ij} = 1] + \theta' X_{ij} + \gamma' Z_j + \phi + \epsilon_{ij}$$

where:

Y_i : outcome of refugee i in family j ,

X_i and Z_j : pre-specified individual and household baseline characteristics

$\mathbb{1}[RAMV_{ij} = 1]$ if registered in RAMV census

Results

Analysis was Structured Around a Pre-Analysis Plan

- Impacts of PEP visa on Venezuelan refugees life outcomes
 - ① Mechanical Outcomes:
 - labor formalization
 - Access to safety nets
 - Access to financial services
 - ② Primary Outcomes:
 - Welfare: consumption and income per capita
 - Employment
 - Mental and Overall Health
 - ③ Secondary Outcomes
 - labor outcomes (reservation wages, job satisfaction, etc.)
 - food security
 - integration
 - COVID-19 resilience
- Pre-analysis plan (written before survey collection).
- IRB Approval: IPA protocol 15396, approved Oct 2020.

Summary of Results

① PEP improves migrants well-being

① **Mechanical Outcomes:**

PEP had high impacts in labor formalization (↑ 10pp)

Improved access to state services (↑ 40pp)

Improved access to financial services (↑ 64.3pp)

② **Primary Outcomes:**

Consumption (↑ 60 percent)

Income per capita (↑ 31 percent)

Physical and Mental Health (↑ 1.8sd)

③ **Secondary Outcomes:** (not significant for RDD)

Better labour conditions

Less food insecurity

Higher feelings of integration

Better COVID-19 resilience

Mechanical Effects of the PEP

	Formal Job (1)	SISBEN Access (2)	Subsidized Healthcare (3)	Financial Products (4)	Transfers from Government (5)
<i>Panel A. RDD</i>					
1[PEP _i = 1]	0.099 (0.140)	0.448*** (0.156)	0.196 (0.157)	0.631*** (0.154)	0.176 (0.151)
q-value	[0.315]	[0.006]	[0.172]	[0.001]	[0.172]
Obs. Left	195	302	237	275	276
Obs. Right	421	647	454	611	611
Var. Mean	0.00	0.02	0.01	0.03	0.06
<i>Panel B. ITT</i>					
1[RAMV _{ij} = 1]	0.097*** (0.014)	0.461*** (0.018)	0.297*** (0.017)	0.193*** (0.016)	0.080*** (0.015)
q-value	[0.001]	[0.001]	[0.001]	[0.001]	[0.001]
R-squared	0.122	0.303	0.189	0.143	0.035
Observations	1,547	2,089	2,074	2,097	2,098
Var. Mean	0.00	0.02	0.01	0.03	0.07
Controls					
Department FE	Yes	Yes	Yes	Yes	Yes
Sampling City FE	Yes	Yes	Yes	Yes	Yes
Individual Controls	Yes	Yes	Yes	Yes	Yes
Time in Colombia	Yes	Yes	Yes	Yes	Yes
Outcome Level	Individual	Individual	Household	Individual	Individual

Primary Effects of the PEP

	Consumption per Capita (log) (1)	Income (log) (2)	Employed (3)	Hours Worked (4)	Severe Anxiety/ Depression [=1] (5)	Well-being (Index) (6)
<i>Panel A. RDD</i>						
1[PEP _i = 1]	0.597** (0.239)	0.308** (0.126)	0.267 (0.202)	0.462 (0.443)	-0.067 (0.169)	1.765* (1.017)
q-value	[0.042]	[0.042]	[0.179]	[0.285]	[0.360]	[0.146]
Obs. Left	315	225	532	128	223	224
Obs. Right	677	480	1046	270	438	440
Var. Mean	1.15	0.35	0.56	3.94	0.07	0.01
<i>Panel B. ITT</i>						
1[RAMV _{ij} = 1]	0.146*** (0.023)	0.107*** (0.012)	0.048*** (0.018)	-0.033 (0.036)	-0.024** (0.011)	0.198*** (0.072)
q-value	[0.001]	[0.001]	[0.005]	[0.054]	[0.011]	[0.005]
R-squared	0.136	0.209	0.181	0.065	0.034	0.074
Observations	2,200	1,784	3,382	1,206	2,100	2,100
Var. Mean	1.15	0.35	0.56	3.94	0.07	0.01
Controls						
Department FE	Yes	Yes	Yes	Yes	Yes	Yes
Sampling City FE	Yes	Yes	Yes	Yes	Yes	Yes
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes
Time in Colombia	Yes	Yes	Yes	Yes	Yes	Yes
Outcome Level	Household	Individual	Individual	Individual	Individual	Individual

Heterogeneous Effects

- ① The effects of the program are stronger for:
 - Highly-educated individuals
 - Those residing in urban centers
- ② The program gave women more access to social safety nets but reduced their labor force participation relative to men

PEP partially helps workers to enter formal labour markets and improves their work conditions.

“

“We would wake up at 5 am and at 5:30 am we were in the mountains. At 7 pm, when it was already dark, we were just finishing, covered in mud, wet because even if it rained we did not stop [...] that was the hardest part of this story. Being without a document is very hard. You always lose”

Irregular man in Medellín
(about his experience as a rural wage worker)

“

“We have tried to get the language academy started but many doors have closed to us because we are Venezuelan. Many people have told us they are not willing to hire Venezuelans”

(Man with PEP in Bogotá)



**LIFE OUT OF
SHADOWS**

Migrants with PEP feel more integrated
to society

“

“There is a change because when the police stops me and they ask me: “you are Venezuelan, do you have a PEP?” When I show them my PEP their attitude changes, I mean their face changes, in the sense that they say “ah, you are legal, you can go.”

(Woman with PEP in Barranquilla)



Conclusions

- ① PEP grants access to safety nets and financial services
- ② Large effects of PEP on labor formalization (**↑ 10 pp**)
 ↓ Payroll taxes and employment contributions to health insurance by 13.5% → ↑ formalization by 6.9 pp in Colombia ([Kugler et al., 2017](#))
- ③ PEP improved consumption, income, and well-being of refugees, effects are twice than the highest ones observed for CCTS (**↑ 60%**)
 The increment in consumption from CCTS in Colombia, Mexico and Indonesia range from 0-15% ([Attanasio and Mesnard, 2006](#); [Angelucci and Attanasio, 2009](#); [Cahyadi et al., 2020](#))
- ④ Coupled with low impacts on host labor markets ([Bahar et al., 2021](#)) make **strong case of virtues of formalization**
- ⑤ **VenRePS continues!** on the field collecting 2nd wave.

Thank you!

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