

**International
Institute of
Social Studies**

Erasmus

**The dynamics of labor participation of Venezuelan migrant
workers in Colombia's labor market**

**A study of the role of Migratory Policy of Colombia as an emergency response to
the humanitarian, economic and political crisis in Venezuela**

A Research Paper presented by:

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Colombia

in partial fulfilment of the requirements for obtaining the degree of
MASTER OF ARTS IN DEVELOPMENT STUDIES

Major:

Economics of Development

ECD

Specialization

Econometric Analysis of Development Policies

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December 2019

Disclaimer:

This document represents part of the author's study programme while at the International Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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List of Acronyms

UNHCR	United Nations High Commissioner for Refugees
DANE	National Administrative Department of Statistics
IGHS	Integrated Great Survey of Households
ARVM	Administrative Registration of Venezuelan Migrants
GORP	Global Rate of Participation
GRP	Gross Rate of Participation
OR	Occupation Rate
UR	Unemployment Rate
IR	Informality Rate
BMC	Border Mobility Card
PSP	Permanence Special Permit
EAP	Economically-Active Population
EIP	Economically-Inactive Population
WAP	Working-Age Population
ENCOVI	National Survey of Living Conditions in Venezuela
BCV	Central Bank of Venezuela
PDVSA	Venezuela Oil State-led company
IOM	International Organization of Migrations
OAS	Organization of American States
CENDA	Center of Documentation and Analysis for Venezuelan Workers
UGRP	Unit for the Management of Disaster Risk of Colombia
CONPES	Council of Economic and Social Policy of the National Department of Planning of Colombia
STPW	Special Temporal Permit of Work

Abstract

Academic literature on economics of migration has found multiple evidence to support the thesis that documentation (legal) status of labor migrants affects their labor participation and employment outcomes acting as a barrier of entry, and generating, alongside with another sociodemographic variables, different types of labor absorption dynamics in their host countries' labor market. In general, documented migrants tend to do better in host economies in terms of wages, earnings and quality of jobs.

Nevertheless, when labor migration supply shocks occurs because of effects of an economic, monetary, political and humanitarian crisis as that of is currently undergoing in Venezuela, migratory policy can only do so much in channelling and propping up decent, qualified and formal jobs and it is no longer effective in deterring distortions in wages, formality and employment. Using a cross-sectional database for 2018 – the Administrative Registration of Venezuelan Migrants (ARVM), this paper sets out to investigate the effect of the emergency-response migratory policy of Colombia in the labor market participation of venezuelan migrant workers who arrived in the country mostly from 2014-2015. Using logistical and multinomial regressions and Year of Entry's immigrant cohorts for 2015 and 2017, the study found that after controlling for sociodemographic variables, permanence intention and duration of the migration, holding any documentation status was found to be negatively associated with migrants being employed by 2,7 percentual points in 2018. Although when analyzed individually, only the Permanence Special Permit (PSP) and Border Mobility Card (BMC) were associated with migrants having a 12,2 percentage points (pp) and 13,1pp on average higher likelihood to be employed in the Colombian labor market. Even though regardless of the documentation status, the probabilities of being unemployed for a venezuelan migrant were as high if he/she is documented as compared when he/she is undocumented.

These results indicate that the response policy has been partially ineffective in confining labor market pressures and that its scope should be directed towards creating and aligning regional active labor policies that tackle barriers that incentivize migrants to remain undocumented. As late as of October of 2019, the Colombia Labor Ministry had issued a new Special Temporal Permit of Work (STPW) to help smooth workers in their quest in the labor market as well as raising formality levels, and in turn social insurance contributions and taxes. Although, building on the findings of this document, it is thought it will only cause palliatively effects on easing labor opportunities, at the expense of generating segmentation for other group of migrant workers.

Relevance to Development Studies

According to the United Nations High Commissioner for Refugees (UNHCR), over 70 million people have been forcibly displaced from their origin countries. Out of this, over 4 million of Venezuelan nationals have fled their country for economic and political reasons that followed from the country's crisis. Roughly 40% of them have reached Colombia as their second home in the past 5 years. This study is relevant to Development Studies because it addresses the complexities of a fiscal-constrained country like Colombia, in devising ways to alleviate the ongoing humanitarian calamities of the venezuelan diaspora residing in the country, by properly integrating the venezuelan population into the labor market and social security and welfare systems.

Keywords

Labor International Migration, Venezuelan Crisis, refugees, documentation status, labor force participation, employment, migratory Policy of Colombia.

Acknowledgements

To God for giving me this lifetime opportunity to undertake this Master.

To my family, who has been the engine of my life and the reason as to why I am taking this Master.

To Arjun Bedi and Natascha Wagner for their guidance on this thesis. Their enriching insights, endeavour and pedagogic teaching throughout the Major of Economics of Development was key for me to acquire critical thinking and mental acuteness on the economic understanding of development problems.

To my friends who have relentlessly accompanied through this unbelievable journey here in the Netherlands. I hope we can continue walking along.

Finally, this work goes to all the Venezuelan families living in Colombia, which everyday strive to make a better life amidst of difficulties. To them, all my solidarity and support. Looking forward to better days.

Chapter 1

Introduction

This research paper aims to evaluate the effects of the emergency migratory policy of the Colombia Government in the labor participation rates of venezuelan workers who arrived in the country as consequence of the humanitarian, economic, monetary and political crisis in Venezuela. Specifically, it looks at two realms of analysis: The role that documentation (legal) status plays in determining the relative labor participation and employment outcomes of migrants, depending upon the entry year to the country, the decision-making process of permanence intention and duration of migration in the host country, and secondly, the impact of this labor supply shock in Colombia's labor market dynamics.

Several studies have found evidence a positive link between the documentation of immigrants and their relative better performance in the host labor market in employment, wages and earnings in comparison with undocumented migrants. (Constant and Zimmerman 2006, Fasani 2015: 3). Nonetheless, labor participation is heavily influenced by multidimensional factors related to the decision-making process of migration, the duration of stay and permanence intention (Dustmann 2000) and the entry conditions to the host country. Keeping that in mind, if barriers to the immigration entry are flexibilized amidst of the context of a crisis, the upshot turns out to be different. To face up the impact of the Venezuelan crisis in the country's economy and based on the reciprocity principle between the two countries, Colombia adopted an open-door policy to venezuelan migrants and colombian-venezuelan foreign nationals to reduce and flexibilize their terms of entry to the country. A response plan was put forward to facilitate the characterization of migrants, their needs of institutional offer in terms of health, labor opportunities, education housing and public services, and in general their assimilation and socio-economic integration into the country.

As a result, and despite of the measures taken, more than 1.5 million of venezuelan migrants have entered the country, from which a considerable number constitutes irregular or undocumented migrants to whom either their documentation of valid residence expired or crossed the borders through illegal pathways. Colombia has become the country in Latin-America that have the largest population of Venezuelan migrants living in its territory.

The complexity of their situation prompted the UNHCR to catalogue them as refugees or migrants in need of international protection, while calling upon the regional neighbour countries to urge actions that allow to mitigate their dire humanitarian situation.

Currently the overall statistic of venezuelan nationals who have fled their country because of forced, regular migration or seeking asylum status in other countries rises to over 4 million: Nearly 40% live in Colombia and 60% of the latter figure is concentrated in 5 cities, with Bogotá - the capital, accounting for 23,1% in 2018. (AA, 2019; CODHES 2018; UNHCR 2018).

The labor market in Colombia has managed to absorb part of the first flows of migration that arrived since 2014-2015, with informality rising and poverty and inequality rising. To curb such situation, in 2017 the government put in place, among other interinstitutional decentralized measures, the issuing of the Border Mobility Card (BMC) and the Permanence Special Permit (PSP). The former would allow to maintain pendular migration flows only authorized for delimited frontier regions in matter of visiting relatives, purchasing essentials or attending medical appointments, the second, the BMC was the ultimate tool that granted access to health system, education and the right to legally work in Colombia.

The pressures of this supply shock have disrupted the regional and local labor market dynamics resulting in the first sign of non-absorption of this labor force that is actively

seeking for jobs. In that, labor participation rates climbed and the national unemployment rate has started rising while self-employment and informality skyrocketed. Given the complexity of the problematic, it is uncertain how adequate and effective the emergency-related migratory tools have been in enabling venezuelan workers a foothold in the labor market, as well as the whole Integral Migratory Policy of Colombia.

Therefore, this paper sets out to investigate such effects in relationship to the understanding of decision-making process of venezuelan migrant workers to Colombia and the implications for labor assimilation that the year of entry, duration of migration and permanence intention bears on the results.

This paper is organized as follows: The chapter 2-Research problem, describes a contextualization of the Venezuelan Crisis as to understand why venezuelan nationals became refugee subjects of international law protection given their situation of humanitarian vulnerability risk, and why they decided to leave their country to Colombia; On the other hand, this chapter delves into the context of the response policy of the Colombian government and the phenomena behind migrant's reaccommodation of the labor market. The Chapter 3 and 4 lays out the Theoretical and conceptual framework, encompassing the literature review of the main theories and empirical studies of the determinants of labor participation of migrants in a host country in relationship to the decision-making process of migration in the context of economic crises. The conceptual framework establishes explanatory grounds of the documentation statuses of the migratory policy in Colombia and the frameworks of laborforce participation in Colombia according to the Colombia Department of Statistics (DANE). The Chapter 5 – The data, lays out the main informational tool of the study: The Administrative Registration of Venezuelan Migrants (ARVM), the chapter 6 – introduces the Research Objectives and the Research Question(s). The Chapter 7 - Methodology and methods, introduces the Empirical Model, econometric specifications and the limitation and considerations

of the study. The latter is followed by the Chapter 8- presentation of results and discussions, and finally, the Chapter 9 concludes.

Chapter 2

2. Research Problem

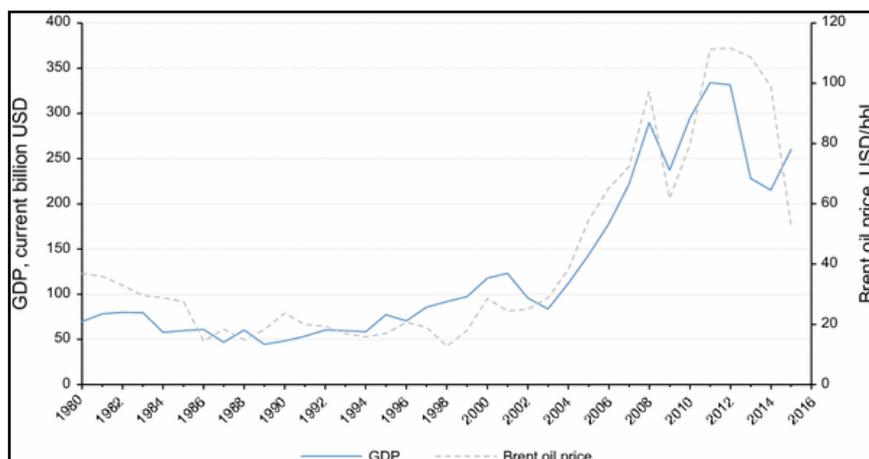
The discussion mentioned in the Introduction underlines the subject of this study, which is the understanding of labor participation dynamics of Venezuelan migrant workers into the colombian labor market towards examining the characteristics of their labor absorption and assimilation, given their decision of fleeing to Colombia due to the humanitarian crisis their country is currently into.

2.1 Why venezuelans emigrated: The context of Venezuelan

Crisis

The venezuelan crisis was underlyingly engendering in line with signals of mismanagement of oil state-nationalized companies and assets (among of them, PDVSA Oil state-owned company) system and the drop of oil prices in international markets that started declining steeply in 2014 from 100 dollars a barrel to 30 dollars a barrel (Xian-Zhoung and Guang-Wen 2018: 201) ending the boom the country was enjoying from a decade ago.

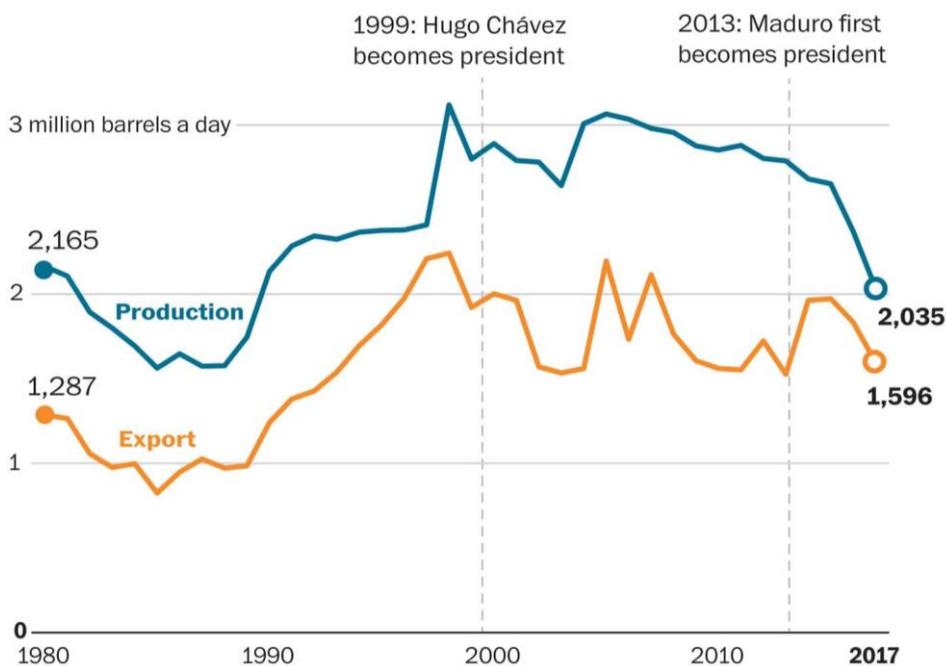
Figure 1. Evolution of Venezuela GDP and Brent Oil Price (1980-2016)



Source: Xian-Zhoung and Guang-Wen 2018

The country's economy is and has been heavily dependent on oil exports and production, accounting for 96% of total exports and more than 60% of government royalties in 2015. (Xian-Zhoung and Guang-Wen 2018: 201) This reliance, which has been depicted extensively in the academic literature as the 'Resource Curse' has been systematically connected to the worsening of all economic and social indicators and subsequent impact on oil production, food shortage (Venezuelan and Ausman 2019), household consumption, poverty and misery rates to what it is catalogued as the "largest migration' in Latin American history" (Human Rights Watch 2019).

Figure 2. Trajectory of Venezuela exports and production of Oil during Hugo Chávez and Nicolás Maduro presidential administrations



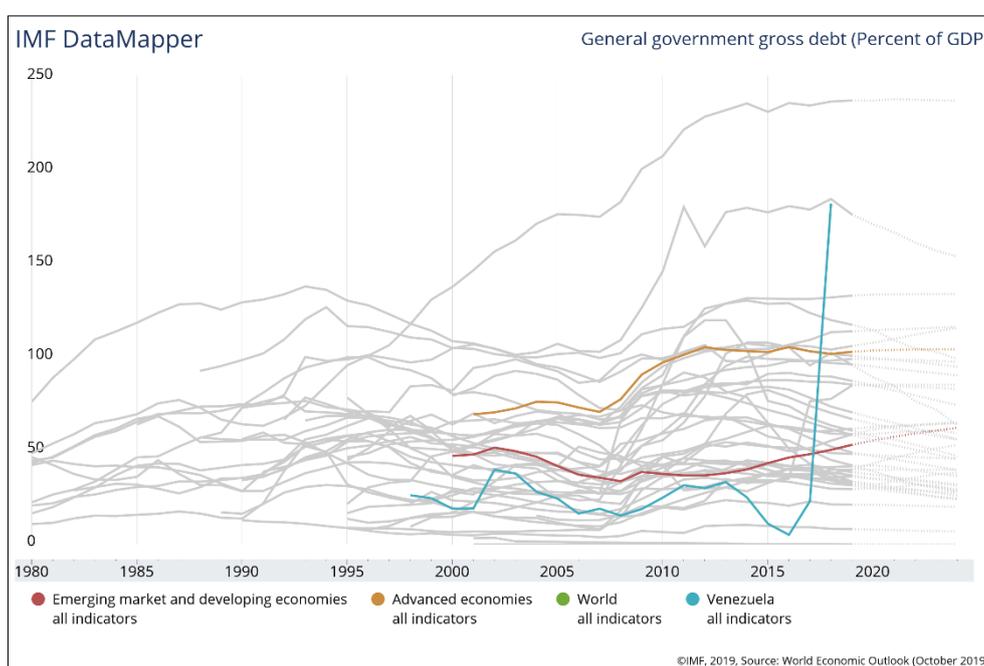
Source: The Washington Post based on the Organization of Petroleum-Exporting Countries (OPEC) (2019)

As fewer revenues were being yielded by the government, it became unsustainable to keep the level of public expenditures that former President Hugo Chávez and his successor Nicolás Maduro had used to subsidize a considerable package of social policies, ranging from keeping lower price of gasoline that leveraged consumption and national production, to

social welfare programs such as the *Misiones Sociales* (ENCOVI 2018: 14) in sectors like health, education and public services.

As of March 2019, social indicators had backfired, bringing public health system into a devastating epidemiologic crisis. Levels of morbidity and mortality rose considerably, health burden of disease rose given the reappearing of outbreaks of measles, diphtheria, mumps and pertussis due to the lack of access to potable water and vaccination shortages. Maternal mortality went up by 65,4% percent and infant mortality 30% to 2016, children suffering from malnourishment increased to 17 percent in March 2018 and 80% of household were classified as food insecure as the country struggles with shortages of medicines and medical equipment. (The Lancet 2019: 1255).

Figure 3. General Government Gross Debt (Percent of GDP)



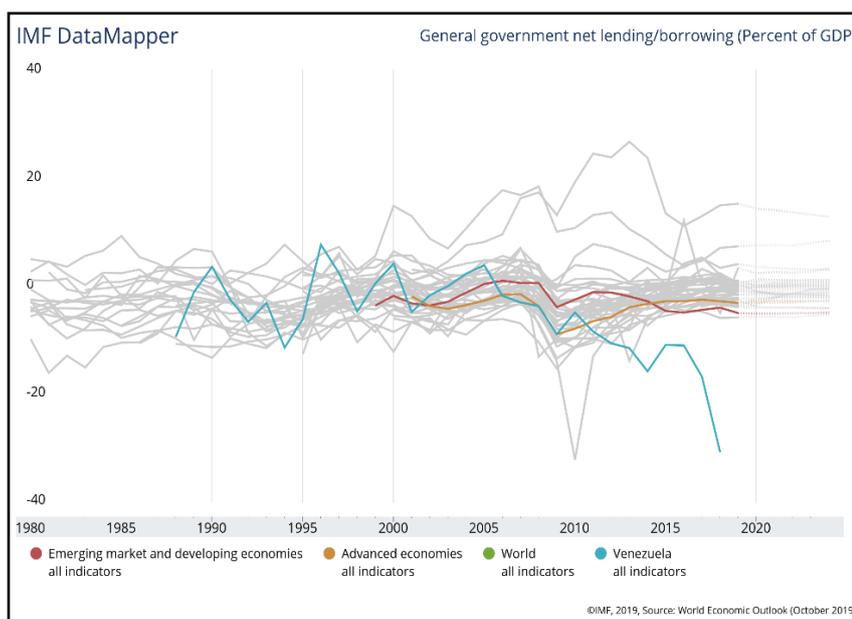
Source: International Monetary Fund (IMF) (2019)

On the other hand, as the government gross debt went up to 58% in 2012 (The Lancet 2019: 1254) the exchange rate devaluated strongly compromising its lending capacity as well. (IMF 2019) The Bolivar Soberano official currency - has lost considerable ground

against the dollar in such fashion that prices are gone so volatile that it has become complex to study their behavior to produce short-term solutions to hyperinflation’s current episodes. (The Guardian 2019).

This dynamic has limited the capacity of productive sector to import and produce both intermediate and final goods, compromising domestic output at competitive prices. In turn, when national production gets affected, supply levels fall, and prices tend to soar. Inflation rates skyrocketed to unsurmountable levels in the past 5 years. Average consumer prices reached almost 1 million percent by 2018 – (Americas Quarterly 2019) and it is projected to reach levels of 10 million percent by the end of 2019. (IMF 2019)

Figure 4. General government net lending/borrowing as percent of GDP



Source: International Monetary Fund (IMF) (2019)

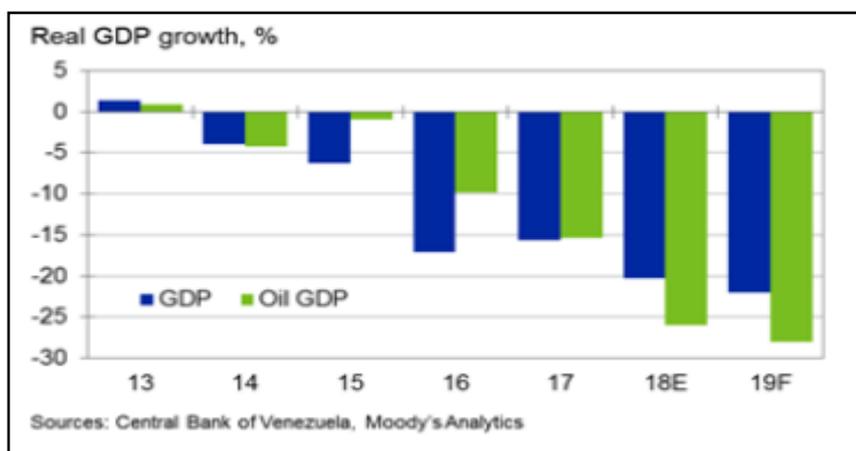
As put forward by de Bolle (2019), one of the causes for hyperinflation to occur, has to do with when the government is “engaged in policies that erodes the trust in the value of a country’s currency”. The official nominal exchange rate has surpassed the amount of 19.932 *bolivares soberanos* for a 1 US Dollar as of October 12/2019, that created incentives for a black currency trade market, that given the low inflow of dollars into the economy has also seen

the “parallel dolar” price increased to similar prices. (BCV 2019; Dollar Today 2019; NTN24 2019)

The venezuelan government had not only incurred in ‘competitive’ devaluation of its currency’ and manipulated the exchange rate engaging in ‘ rationing through a complex multi-tiered currency control system’ (Vera 2017: 9) to cope with inflation, but also has imposed artificial caps on prices of basic goods, declaring a “economic war” to the private sector by expropriating, mismanaging companies’ assets and bringing about closures and re-allocations elsewhere. About 1000 companies were nationalized between 2005 and 2017. (Venezuelan and Ausman 2019: 4)

Twenty years ago, the country’s estimated number of private companies on operation was 650.000, however, up to 2018 there were approximately 140.000 according to the Caracas Chamber of Commerce (The Financial Times 2018)

Figure 5. Venezuela - Real GDP Growth (in percentages)



Source: Moody’s Analytics (2019) based on macroeconomic data from Central Bank of Venezuela

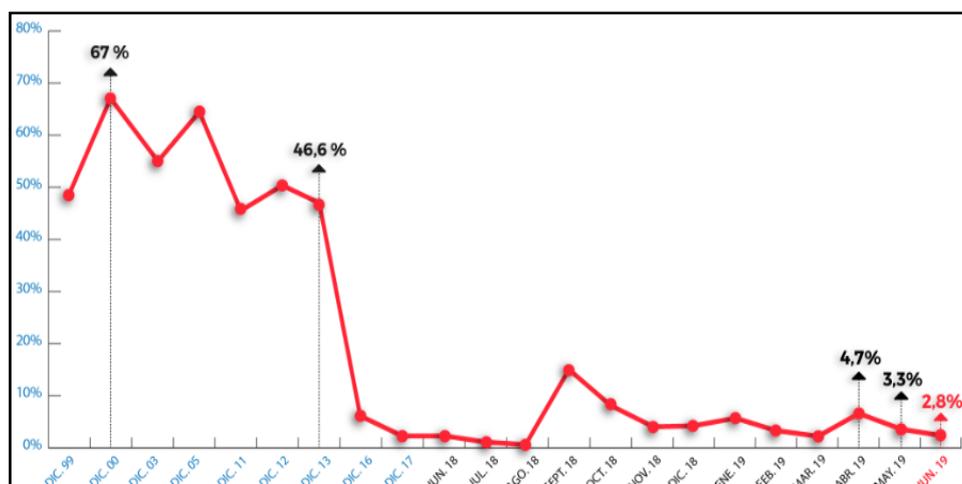
Overall, the country’s cumulative depression of real Gross Domestic Product (GDP) has hit a record high of 52% for the period 2016-2018 and it will reach 65% for the current year 2019. (Fuentes 2019: 2; BBC 2019)

According to the National Survey of Living Conditions in Venezuela (ENCOVI 2018: 3)³, 87% of venezuelan households can be classified as monetary poor (Poverty line) due to hyperinflation. If related poverty measurement methods are explored such as

structural, conjunctural, integrated and multidimensional poverty, rates tend to fall, yet remaining at high levels.

Observing the labor market, official figures differ one from another. While the unemployment rate as reported by the IMF has climbed to 35% in 2018, it is estimated to surge to 44,3% in 2019 and 47,9% in 2020, (World Economic Outlook 2019: 48), ENCOVI reported 10% marked by a transition of working-age population to inactivity. Meanwhile, the minimum wage has barely no *purchase power* standing at US\$1,90 monthly (Bs.\$40.000) and representing 2,8% of household's basket essential goods by September 2019 that hovers around US\$177 (Bs.3'724.390,25) (CENDA 2019)

Figure 6. Evolution of Minimum Wage in Venezuela (percentual share of a basket of goods in June 2019)



Source: CENDA (2019)

2.2 The legal limbo of Venezuelan migrants' documentation status

Nonetheless, the context of the Venezuelan crisis is unlikely to follow traditional patterns of traditional migration. The 4,3 million Venezuelan nationals that have fled their

country as of August of 2019 (Proyecto Migración Venezuela 2019) have a combination of different legal and documentation status, in which a share are ‘refugee status-migrants’- and asylum seekers, figure that is close to 650.000 venezuelan nationals worldwide (UNHCR 2019) On the other hand, a large share of individuals that do not hold documented status, are not to be categorized within normal legal frameworks of international rights for refugee and migrants as defined by the United Nations Geneva Convention for Refugees (1951) or the emergency handbook of the UNHCR. Whereas a refugee is someone who has been forced to leave his/her country, a migrant does it by choice and is able to return to his/her country.

Rather, the reasons for venezuelan nationals to move their country are close to being involuntarily forced, otherwise the cost of opportunity of facing starvation, under or malnourishment, illnesses, political repression and violence threats is higher. The latter entails that returning to their country may not be a feasible option since there is an ongoing risk to their human rights. The UNHCR has called upon international community to recognize venezuelan migrants within their internal laws and institutional frameworks a special ‘refugee status’, (Van Praag 2019) in need of international protection (UNHCR 2017:1) or in a vulnerable situation through which a Regional Response Plan has been activated. Besides of these considerations, the UNHCR uses a rights-based approach to mixed movements (refugees and non-refugees), like the Venezuelan case, to distinguish and mandate policies that ‘bear an appropriate framework of ‘rights, responsibilities and protection’. (UNHCR Emergency Notebook 2019)

Following the Cartagena Declaration (1984) that urged for an enlargement of the concept of ‘refugee’ and New York Declaration for Refugees and Migrants (1993), Venezuelan mass migratory wave is to be regarded as of ‘situational vulnerability’ (UNHCR 2017: 2), a condition that describes situations in which the “persons (the refugee) flee the country because their lives, security of freedom have been threatened by generalized violence, foreign

aggression, internal conflicts, massive violation and human rights or other circumstances which have seriously disturbed public order”(OAS 1984: 3) and “...arising from the conditions in which movement takes place, or from conditions in a country of migration” (UNHCR 2017: 2)

Several studies carried out to determine the economic reasons for Venezuelan nationals to emigrate, found similarities in their respondents’ answers nevertheless nuances appear when data is disaggregated and responses are multifold. 86% of surveyed individuals at the Cúcuta-Táchira frontier pathway between Colombia and Venezuela, declared having emigrated the country to search for new and better work opportunities while at the same time, 69,3% of respondents answered ‘to sustain a family member economically’, 46,5% declared having difficulties in maintaining living standards; 13,8% said unemployment was their first reason and 8,1%, did not have any income to pay their rent. 53,2% manifested (Venezuelan Human Mobility Report II 2019: 26). Two thirds of ENCOVI surveyed individuals – a nationwide coverage survey – mentioned that they would leave their country to look or get job. (ENCOVI 2018:35)

2.3 Colombia’s migratory Policy responses

2.3.1 The principle of reciprocity and Open-Doors Immigration Policy

Venezuela and Colombia, neighbor countries located in the most septentrional part of the continental area of South America have had a long history of migratory flows due to the fact that out of 6.342 kilometers of terrestrial frontiers that Colombia has, 2.219 Kilometers are shared with Venezuela (Ares and Eguden Rodríguez 2017: 21-22).

Dating from the *Republican* period until the late fifties, Venezuela had a “ Open-doors” Policy to immigrants, characterized by a flexible legal framework for obtention of residence permits, as well as status legalization in case the immigrants were undocumented

and naturalization of Spain and Latinoamerican foreigners residing in the country (Dávila 2002). After changes in the National Constitution in 1961, control to the entrance of immigrants were tightened to favour the reception of skilled-labor immigrants that needed to be absorbed by productive sectors, resulting in a decline of European migrants, though after more than a decade, in 1973 a silent migratory wave of neighbor illegal and legal countries' immigrants was begotten. (Dávila 2002)

Colombian immigrants were the majoritarian migrant population living in Venezuela and by 1981 Census, their number had tripled representing roughly half the population born overseas that resided in Venezuela. (Texidó and Gurrieri 2012:16 as cited in Bidegain, G. and Freitez, A. 1989). While Colombia was undergoing a devastating internal armed conflict, a rising two-digit unemployment and political bipartisan polarization – The National front between Liberals and Conservatives, Venezuela would experience rapid economic growth characterized by the development of physical infrastructure and basic industries that demanded large quantities of workforce. Besides, given the increase of oil international prices, their currency was strong and allowed migrants to send remittances back to their countries (Texidó and Gurrieri 2012:17)

2.4 The Venezuelan Crisis in Colombia

As late as January 2019, the UNHCR issued a report on which informed that the number of Venezuelan migrants living in Colombia had reached 1'174,143 individuals, meanwhile the Colombia's Office of Immigration *Migración Colombia* rounded this figure to 1,300,000 persons of whom, 47% fall under the regular migration status. "The number of those staying in the country rose from less than 39,000 at the end of 2015, to 1,032,000 at the end of September 2018, an increase of almost 2,550 per cent". (IOM 2019).

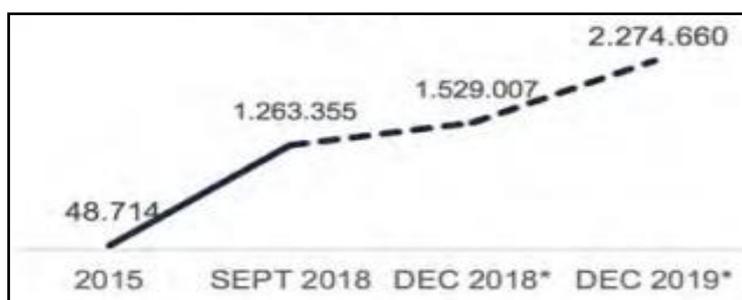
Table 1. Number of Venezuelan nationals in Colombia

Number of Venezuelan nationals in Colombia					
Cut-off date	Overall Number of Venezuelans	Rate of growth	Immigration Status		
			Regular Status	Under regularization process	Irregular status
30 June 2018	870'093	0%	381.735	442.462	45.896
30 September 2018	1'032.016	15,68%	573.502	240.416	218.098
30 Junio 2019	1'408.055	26,7%	742.390	240.276	665.665

Source: Migración Colombia (2018, 2019), Proyecto Migración Venezuela Colombia (2019)

On the other hand, *Migración Colombia* and the Proyecto Migración Venezuela (Proyecto Migración Venezuela 2019) by Research Magazine SEMANA revised upwards this figure to 1'408.055 to 30 June of 2019. It is estimated by the same office that this number will go up until 1'8 -2 million of venezuelans by the end of the current year (Oppenheimer 2019). Out of this total, 52,7% fall under irregular (undocumented) status.

Figure 7. Projected number of refugees and migrants in Colombia (December 2019)



Source: IOM (2019)

2.5 The Policy Responses

While the Colombian government have come up with a set of emergency policies aimed at ensuring legal permanence, primary care attention, vaccination, food security and sheltering, principally aiming to alleviate the heavy burden people carry when crossing frontiers and establish in a host country, the labor market, public health and social protection systems do not seem to rely on enough technical, financial and institutional capabilities to deal with the

situation of venezuelan who crossed their home country's frontiers seeking for better life opportunities.

To face up this situation and since the country is resolved to facilitate mechanisms to enable venezuelans and colombian returnees to settle in the country, the colombian government set out to flexibilize the fiscal rule from 2,4% to 2,7% as percentage of GDP. The latter constitutes the maximum amount of public debt the central government can acquire to meet their constitutional requirements, such as providing health and educational services to a venezuelan migrant population that is increasingly flowing to the country. Among them, the affluence of venezuelan migrants in the country represents marginal expenditures that accrues to 0,5% of the country's GDP. The government expect that the funding requirements (or debt ceiling) lowers down as eventually venezuelan immigrants' workers are gradually absorbed by the labor market, reducing the external debt needs to 0, 5% of GDP by 2021. (CESLA 2019)

2.5.1 The Permanence Special Permit (PSP)

As a response to the current crisis faced by the neighbour country, the Colombia government put in place a Permanence Special Permit (PSP) since August 2017 to regularize the situation of those individuals.

The PSP, according to the Decree 1288 of 2018 and the Resolution 5797 of July 25th of 2017 is a “[...] document that serves as legal identification for venezuelans citizens in Colombian territory, by which they can stay in the country under conditions of migratory regularization, while having access to the government institutional offer on health, education and employment, as well as other type of services such as bank accounts opening. By using the PSP, individuals are legally authorized to stay, live and work inside the country up until 2 years. (Presidencia 2018).

2.6 Dynamics of the labor Market in Colombia

77,5% (1'092.415) out of the total number of venezuelan nationals living in Colombia are within working-ages between 18 and 49 years old (SEMANA 2019), characterizing a population whose main reason for having emigrated from their origin country is the finding of better occupational opportunities and better quality of life and welfare, so this allows them to cater their most basic needs, as well as send remittances to their relatives in Venezuela.

Regarding this reality, the DANE started including from 2018 within one of their main multi-purpose national surveys – *the Integrated Great Survey of Households (IGSH) - la Gran Encuesta Integrada de los Hogares (GEIH)*- a module or section of Migration aiming to characterize and study, among other labor market trends in terms of foreign workers, the rates of participation, occupation and unemployment of venezuelans workers that have arrived in the country as a consequence of the humanitarian crisis of their country in the last 5 years. (DANE 2019: 29)

By December of 2018 1,3% out of the 22,9 million of individuals that comprise the labor market in Colombia were migrants that worked in Venezuela 12 months ago. (El Tiempo 2019) The most recent report dated to March of 2019 accounted for 723.000 individuals who lived in Venezuela a year ago, to whom 345.000 were found to have a job in the colombian labor market.(SEMANA 2019). It means, slightly more than a third of venezuelan individuals living in Colombia on working-ages are employed.

The Labor Participation Rate for the August 2018-July 2019 period for those who declared having lived in Venezuela 12 months ago was 74,3% whereas for those who did not, was 63,5%. With this, the Labor Occupation Rate for this measured period is 60% and 57,1% (Colombia nationals) while the Unemployment rate for the first group is 19,2% and 10,1%. The latter remains stable in comparison to one period a year ago (August 2017-July

2018), however the unemployment rate for those who declared not to be living in Venezuela a year ago went up by 0.7 percentage points. (DANE 2019: 29)

This dynamic indicates different questions: The participation rates for those who declared having lived in Venezuela a year ago (the first group) was higher than those who do not, pointing of ongoing pressure of that population in seeking actively for jobs; (ii) The occupation rate was found to be higher for the first group than for the second group, which could be inferred as possible indication of an effect of substitution of jobs (of different occupational skills) and (iii) the general unemployment rate and the unemployment rate for the second group are both higher than one period of measurement ago.

Chapter 3

3. Theoretical and Conceptual Framework

This study relies on several strands of academic literature surrounding theoretical underpinnings developed on immigration studies and economics of immigration. This section was broken down in two parts:

On the one hand, it analyses the determinants of labor participation of migrants from the perspective of the decision to migrate of individuals, as well as considering internal factors shaping economic assimilation in the host country. On the other hand, this will be contrasted with literature that analyses empirical evidence of the impact of national immigration policy frameworks, acting as barriers, doors and conditions regarding documentation status and the granting of basic human rights on immigrants socioeconomic integration and specifically to what extent this influence their labor participation; Lastly, it will be outlined the theoretical models to shed a light that guides the design of the empirical model and consequently, the econometric specifications.

The second part disseminates the conceptual background of the study in relationships to the variables used in the analysis, as well as the contextual considerations herein implied. These topics are: the Colombia's Emergency Response Plan to the Venezuelan Crisis; the Documentation (Legal) Statuses in the context of the migratory policy and Colombia and its relationship and the national definitions of Labor Force Participation according to the DANE.

3.1 International Labor Migration and the determinants of Labor Market

Participation of migrants in host countries

International labor migration has been a quite extensive topic studied in migration studies, and furthermore the exploration of the counterfactual hypothesis that explain the determinants for individuals to emigrate have as common root the availability of better economic opportunities in host countries as compared to their country, among other non-labor or economic-driven reasons (Djajic 1984:1)

According to the vast academic literature on international labor migration, Labor Market Participation of migrants in a host country, hinges on a dynamic process of decision-making on which the migrant weigh in on alternatives that better maximizes his/her utility functions, his arrival pre-conditions and the interactions with entry policies and conditions, the nature of labor market dynamics and the composition of the productive sectors of the host country.

The rational choice explained by conventional neoclassical models (Borjas 1985, Chiswick 1978, Dustmann 2003) assumes that migrants would stay in the host country whereby their purchase power allows him/her to be better off than their home or origin country. Although, as Dustmann (2003) suggest a counterfactual hypothesis by stating that ‘the income effect’ provoked by higher wages’ in host countries could lead to a reduction in the optimal migration duration, prompting migrant to return their countries.

While this study centers on the role of migration policies in influencing labor force participation in terms of employment and type of employment, it will address briefly other determinants that contribute to robust the discussion of labor participation of migrants in host countries.

3.1.1 Determinants of Labor participation

Figure 8. Determinants of Labor Participation of Migrants

Figure 1. Determinants of Labor Participation of Migrants		
Corresponding author(s)	Theoretical assignation	Determinant
Borjas (1985), Chiswick (1978), Dustmann (2003)	Entry Policies and conditions	Wage differentials between host and origin countries, earnings, premiums and shadow wages (cost of opportunities)
Chiswick (1978)	Assimilation theory	Human Capital Accumulation of local economy skills
Dustmann (2003)	Endogenous decisions	Intention of permanence (Optimal duration)
Clark and Lindley (2006)	Arrival Effects	Earlier personal spells of un(employment)
Borjas (1995)	Arrival Effects	Skills compatibility or complementarities (in occupation and sectors) and previous education
Fasani (2014)	Entry Policies	Immigration policies: Documented and Undocumented status
Dustmann et. al (2011); Piiil Damn (2013);	Arrival Effects	Job-search networks or referrals and neighborhood quality
Borjas and Bronars (1991)	Arrival Effects	Family ties, acquaintances and social networks
Brown (2008)	Entry policies and conditions	Geographical proximity of markets to the host country
Kloostermann (2003)	Entry Policies and conditions	Favorability to constitute and open uni-personal enterprises (entrepreneurship)
Esses et al. (2014)	Labor Market conditions	Discrimination at workplace
Dustmann et al. (2005)	Labor Market conditions	Competition of job posts with native workers
Andersson et al. (2013)	Labor Market conditions	Geographical concentration of businesses (Clusterization and Agglomeration)

Source: author's own elaboration

3.2 Wages differentials between origin and host countries

As put by Kerr and Kerr (2011:4) 'Migrants frequently cite higher income levels, better personal safety, short distance to home countries, and established immigrant networks as the main reasons for choosing their new host countries'. Although economic opportunities are bound to certain set of existing specific conditionalities, regulations and nuances of the host country.

The characteristics of the Venezuelan crisis prompted their nationals to immigrate to Colombia and other countries to take advantages of the wage's differential between the two

countries (Dustmann 2003: 353) and acquire purchase power in affordability of goods in comparison with the cost of opportunity of not emigrating.

Unlike the Venezuela's Bolivar Soberano currency, the Colombian peso is in a better international position with respect to the dollar. Their hopes of finding and being employed explain the fact that Venezuelans have been willing to accept to be underpaid in several types of formal and informal jobs that Colombians workers might unlikely be able to accept, to send funds to their families back in Venezuela, where conversion (in the currency parallel market) allows them to afford. Certainly, there has not only been wages edging downwards in specific regional settings under local labor contracts arrangements, but also a substitution effect in different occupational levels and categories of labor between colombian and venezuelans workers that may be disrupting labor market.

The presence of *shadow wages or income premiums* in colombian productive sector at regional and intermediate cities creates incentives for equally-skilled individuals to reap off the benefits of labor market (Bell 1991), yet at the expense of pushing upwards local unemployment. If factors such as the department where they arrive, the economic dynamism of the productive sectors within those departments and the arrival dates are not taken for granted, they play a key role in rendering a clearer picture of how the situation tend to look like.

The latter is resulting of the fact that Venezuelan migrant workforce present similar level of compatibility of skills in common clerical (administrative), low and mid-skilled jobs in sectors such as construction, retailing, restaurant, merchandising sector, manufactures and services. The flexible migratory policy of Colombia has not also prevented undocumented migrants from having crossed the frontiers using illegal pathways to make part of the labor force. The panorama gets blurry if it is considered than undocumented venezuelan migrants could also be receptor of formal labor opportunities in Colombia. Additionally, their decision

of emigration becomes reinforced if they have families and acquaintances in Colombia that can support them in times of economic need, as social networks acts on as cushions and job referral sub-systems (Pill Damn 2014) that grant the individual assurance and the foundations to undertake his/her own responsibilities.

Finally, the role of frontier territories such as Cúcuta (Norte de Santander), Riohacha and Maicao (La Guajira) among the geographical borders between the countries are to bear in mind, as it has been exposed that the number of migrants that have arrived to frontier departments, where there are clear enabled formal and informal pathways, are considerable numerous in relationship to departments and principle cities with better economic performance indicators such as the Capital, Bogotá (Cundinamarca), Medellín (Antioquia), Barranquilla (Atlántico), Cali (Valle del Cauca), Cartagena (Bolívar) and Bucaramanga (Santander) and intermediate cities that are physically proximal to frontier territories such as Santa Marta (Magdalena), Valledupar (Cesar), among others.

3.3 The role of Immigration Policies and Skills

Djajic (1984) presents a two-country model of international migration that differentiate individuals according to their ability and age and the factors that determine them, the qualitative and quantitative restriction to immigration, the emigration tax to analyze the equilibrium flow of migrants and the pattern of factors. The author assumes that “individual's productivity is fully retained even if he/she moves between countries and industries” which apply for many of the cases herein studied; that migrants need to have certain unit of skills to qualify for work in the host country and that migrants would receive the same wage per unit of efficiency labor as the native workers do; finally, that ‘wage differential is sufficiently large relative to the cost of migration to induce migrants to seek for employment abroad”.

His model concludes that there is an inverse relationship between the aptitude of formation of skills of migrants and their age and the minimum requirements of skills imposed

by the host country to work, so the decision to migrate is given by what age the migrant becomes qualified for work in the host country (Djajic 1984:6) More importantly, regarding the nature of immigration labor policy, the model, supported in Bhagwati and Srinivasan (1983) found that by lowering qualitative barriers to immigration, the host country may improve the quality of its laborforce and self-select the migrants that are coming in.

Djajic and Vinogradova (2017) employed a model that explored partially such problem for a non-western country, Thailandia, labor-exporting country, by inquiring the role of immigration policy in determining whether a potential migrant *chooses* to go abroad as an ‘undocumented alien’ or ‘documented guest worker’ (1-4). The authors found that when immigration policies incorporate protocols to treat documented foreign workers rather than using enforcement mechanisms for those who are undocumented, migrants would tend to migrate documented.

In sum, to discourage a migrant worker to go undocumented, authors found in their research that wages would have to increase 1,197% in the origin country compared with 1% increase in the host country. (Djajic and Vinogradova 2017: 24)

By setting an optimization problem, from a utility-maximizing agent perspective, the optimization is a function of the discounting exercise of cost of documentation, the length of duration of the permit, their time horizon of permanence, the different level of compensation offered by their host country’s potential job, the asset-accumulation in the pre-migration period and the conditions of consumption and employment in the host country. (Djajic and Vinogradova 2017: 7)

Nevertheless, this paper does not properly address the fact in the context of humanitarian crisis with inter-regional consequences, the issuing of special documents such as Permanence Special Permit (PSP) and the Border Mobility Card (BMC) used for in-between both countries transit, do not only influence venezuelan to emigrate to work in the host

country, but also that the documents allows to flexibilize the length of permanence from 90 days to 2 years of legal permanence that do not discriminate between low-skilled and high-skilled jobs and that charge no cost to the applicant. This policy even disincentivizes a potential smuggling operation, if their permit documents were expensive to afford for poorer migrants. (Auriol and Mesnard 2016). In addition to that, the Policy response was activated as a contention measure to deal with the mass exodus of Venezuelans to Colombia that were crossing frontiers either legally or illegally. This means that the cost of migration for many of them to Colombia were valued lower than the cost they would take on had they stayed.

Another consideration that bears importance is that of Reservation Wages, given by the fact that for many of migrant workers, the range of variability of wages that they can accept or choose to be paid in the Colombian labor market is considerable and it is fair to argue that for many of them, this variable is close to inelastic in their function of utility maximization, since their local currency in Venezuela is so undervalued with respect to Colombian peso and regional currencies than any income that they earn on normal formal or informal conditions in their host country, represent a marginal utility.

In this respect, labor participation dynamics for migrants in host countries are given by tensions regarding the nature of specific combination of labor immigration policies that determines the degree of 'self-selecting' the country. Amuedo-Dorantes and De la Rica (2007) provides data for Spain with respect to how labor market assimilation occurs for a documented migrant whenever there is lengthening in the residence. The authors found that the probability for migrants to scale up in their occupational ranking, measured by the degree of earnings, would go up as they are allowed for longer periods in the host country.

Finally, Fasani (2014) drawing on several authors, list a set of considerations and implications of legalization or documentation status in labor market outcomes for migrants. The author argues that legalization increases labor mobility by broadening labor opportunities that otherwise were unavailable if the migrant is undocumented. In addition to that,

legalization includes access to social insurability, acting as cushion in case the migrant suffers any calamities. As a third reason, having social additional benefits reduces reservation wages, which in turn diminishes labour seeking behaviour and ‘allow them to spend more time in unemployment while looking for better employment opportunities. Fourth, when gaining legal status, immigrants cease being exposed to the hazard of migration authority’s enforcement. (Fasani 2014: 3)

3.4 The role of permanence duration and optimal migration

The profile and character of Venezuelan migrant workers in Colombia because of the crisis are, besides of being attracted by better wages and economic performance conditions of the country, to some extent temporary. To this Dustmann (1995, 1997, 2001, 2003) argues that *optimal migration* and here the respective implications are such that the latter influences the probability of being employed or otherwise in the colombian labor market, allows for the migrant to rationalize his/her decision to return (or stay) to the origin country’.

It follows, that determinants of the length of stay and the subsequent decisions is linked to their chances in the short-term and long term of well-being and future life projects in their home country (Dustmann and Kirchkamp 2002: 352).

3.5 Labor Market Participation of Immigrants: Empirical Studies of Assimilation on earnings and wages

Analysing the labor market integration of migrant workers, empirical findings suggest that as general trend, immigrants from middle-and low-income countries -foreign nationals enjoy from lower employment, higher unemployment rates and present greater disadvantage in finding employment. While this is a fact, when observed, being a foreign-born individual change somewhat better the job-findings position, though. “[...] The likelihood of attaining a high-status job is influenced mostly by immigrant status, regardless of region of origin and

gender". (Gorodzeisky and Semyonov 2017: 1; Münz 2008) At the same line of analysis, migrants under the refugee status – asylum seekers- also experienced similar occupational opportunities patterns. Fasani et al (2018) found that refugees are 11.6% more likely to have a job and 22.1% percent more likely to be unemployed than migrants with similar characteristics. Many of these studies focused on isolating and modelling the contribution of the migrant in the host country as a measure of productivity and skill endowment. (Borjas 1994: 1671; Chiswick 1978; Carliner 1980)

The literature's analysis point of start begins with the revision of how and why conditions of entry of migrants into the host country play out a key role in their outcomes that they will eventually turn out to experience in their social mobility functions. The literature attributes the existence of an immigrant-entry effects between migrants themselves and concerning host nationals and foreign-born nationals.

Bakker et. al (2017) and the authors cited herein, addressed these empirical findings, through the foundation of a set of theories that help frame, situate and explain the relationship between immigration and labor market. The classic assimilation model argues that incoming newly arrived migrants are more likely to undergo hardships to prevent them to place smoothly in the host country. The reason behind this lies on the asymmetries in access to information, social networks, cultural differentiation, language, unsuitable labor skills, among others. As the migrant experiences this adaptation process, the immigrant gap tends to be assimilated and the migrants would experience higher wages, earnings and social mobility (Kerr 2011:6; Chiswick 1978; Borjas 1985).

Nevertheless, this theory has been nuanced by the incorporation of elements of segmentation, in the argument that from the outset, newly migrants are bound by an unequal and inequitable offer of opportunities, and therefore in the immigrant society different rugs of inter-generational social and labor mobility are formed. (Gorodzeisky and Semyonov 2017: 1)

In this sense, within a host country, it can be found several groups of migrants whose status can be understood through an immigrant gap that depending on the structure of the society, can get to be persistent or over the years and make difficult their integration to the labor market. On the opposite, other authors argument that when assimilation takes place, the labor market participation and social mobility gap tends to get reduced. Nonetheless, entry and preconditions of migrants in terms of education, social networks in the host country, and acquaintance with sociocultural traits are a key determinant in delivering better social integration. (Fokkema and De Haas 2011)

Chapter 4

4. Conceptual and Normative Framework

This brief chapter provides a referential framework to contextualize the realms in which the Venezuelan-Crisis Policy Response Plan implemented by the Colombian government situates and some working definition proposed for this study.

4.1 Characterization of the Documentation Status in the ARVM

Database

The broad characteristics of the massive inflow of Venezuelan migrants in Colombia from the last 5 years is that a large part of them are temporary, pendular and irregulars. These designations have several implications for the understanding of the context of this study.

The migration is pendular as an undetermined number of persons every day make commuting all along the frontier zone between Venezuela and Colombia to visit families, buy basic essential staples or any other groceries, access to healthcare (CONPES 2018: 14) and among other things, perform informal jobs or self-employment. The migration is irregular because i) They have entered the country using illegal pathways, perhaps due to the lack of passport or any other valid immigration document or because their entry permits expired and decided to remain in the country. (CONPES 2018: 12) iii) and the migration is temporal because they have reported in the ARVM their intention to stay depends on the length of the residence permit; as well as staying temporarily to transit to another country, to work for some undetermined period of time or return to their country if their socioeconomic conditions improve.

55% of migrants reported in a national survey, planning to go back to their countries, nevertheless 81% they do not have any time horizon, or determined time horizon to do it (Proyecto Migración Venezuela 2019)

In these respects, the ARVM database registrations corresponds to all of these categories of migrants who were under irregular status, yet they were holders of (temporarily non-updated or valid) immigration documents. Their registration allowed to regularize their situation by renovating their residence permit (Visas or foreign ID, PSP) or obtaining a first-time Permanence Special Permit (PSP).

Ultimately, this study classified as Documented migrants, those who reported being holders of such documents or having their passport cleared at any migratory post, but they were in need of updating them, and undocumented migrants, those persons who did not report having or being holder of a valid immigration document and they either presented venezuelan national documents or present none.

4.2 The CONPES 3590 and the Strategy of Attention of Migration from Venezuela

On 23 November of 2018, the Colombian Government, through the Document 3950 of the Council of Economic and Social Policy (CONPES) introduced the “Strategy for the attention of Migration from Venezuela”, an inter-institutional roadmap to strengthen the State capabilities to attend the migrant population at territorial level on an array of issues such as labor insertion, migratory regularization, education, health, early childhood, childhood, adolescence, and youth, housing and water, ethnic affairs, armed-conflict victims’ returnees, security and conflictivities and information system management. From 2018 to 2021, the estimated Budget was 422.779 million of Colombian pesos (124’127.715 million of dollars)

Before this policy was put forward, the government had implemented emergentist measures to deal with the mass flow of migrants entering to Colombia, using as mechanisms of regularization of undocumented migrants who wanted to live in the country, the Permanence Special Permit (PSP) through the Resolution 1272 of July 28th of 2017, the Border Mobility Card (BMC) in August of 2017, the Administrative Registration of Venezuelan Migrants (ARVM) and the fast-response plan that allows to install Unified Control Posts in the three Colombian frontier departments. Additionally, emergency attention in hospital and health centers were put in place while it was enabled a humanitarian corridor.

Although, as mentioned by the document, the complexity of the migratory process has made difficult the creation of capabilities of identification and registration of all migrant population (CONPES 2018: 18).

4.3 Types of Immigration Documentation

4.3.1 Permanence Special Permit (PSP)

The Permanence Special Permit (PSP) is the principal migratory tool to regularize the situation of hundreds of thousands of venezuelan migrants who sealed their passport at a Frontier migratory control posts before February of 2018.

It is a special free-of-charge authorization (not a valid Identification Document) that allows the venezuelan migrant to stay and work legally for a period of time that ranges from 90 days to 2 years. In addition, the PSP enables the access to institutional offer on health, education or perform any legal economic activity. (UNGRD 2019, Resolutions 5797 and 1272 of 2017)

As of May 2019, nearly 600.000 venezuelan were PSP holders and the government has introduced four rounds of PSP issuing.

First Round: August 3 – October 31, 2017

Second Round: February 6 – June 7, 2018

Third Round: August 2 – December 2, 2018

Fourth Round: December 27, 2018 – April 27, 2019 (Proyecto Migración Venezuela 2019)

4.3.2 Border Mobility Card (BMC)

The BMC is a free-of-charge authorization - it is not a valid identification document- that entitles the venezuelan migrant to enter, transit and stay in Colombia for up to 7 days within the frontier municipalities. As explained below, this document was the first crisis-contention mechanism used to allow venezuelans to buy groceries and visit families, although due to the non-compliance of its terms as venezuelan citizen would not come back to their country, it was suspended in February of 2018.

However, the colombian government reintroduce its issuing in December of 2018 (Proyecto Migración Venezuela 2018) and the validity for those who already were holders. By the end of December, more than 800.000 persons had pre-registered (GIFMM 2018: 1)

According to the National Office of Migration *Migración Colombia* to February of 2018 1.624.825 were holders of this document with 70.000 migratory flows daily (CONPES 2018: 17). The BMC does not entitle or allow the venezuelan migrant to work legally in the country. Yet, an 14% of this figure, used mainly among other reasons, to enter the country to perform industrial or agricultural works and non-wage activities (CONPES 2018:33), to buy or commercialize merchandise.

4.3.3 The Visas

According to the Resolution 6045 of August 2nd of 2017 , the Ministry of Foreign Affairs of Colombia established three classes of Visas

Visitant Visa (Type V): It is granted to the foreigner national who desires to visit one or several times the national territory – Colombia or stay in the country without the intention of settling down in the country. The Ministry may authorize discretionally the issuing of work permit for a 2-year period, depending upon the economic activity and the visa application study.

Migrant Visa (Type M): It is granted to the foreigner national who desires to reside or settle down in the country, but that however do not apply the conditions for applying to a Resident Visa. The Ministry may authorize discretionally the issuing of work permit for a 3-year period, depending upon the economic activity and the visa application study.

Resident Visa (Type R): It is granted to the foreigner national who desires to reside or settle down in the country permanently. It does not have expiration date, it has open work permit and allow to the holder to perform or carry out any licit activity in the country.

4.3.4 Foreigner Identification Document (ID)

The Foreigner ID is a document granted by the Administrative Special Unit *Migración Colombia*, whose aim is to identify the number of foreigners in the Colombian territory. (Ministry of Foreign Affairs 2019)

The document can be requested for individuals who are holders of a Visa of 3-months or over, and it allow to perform any licit economic activity.

4.4 Labor Market Participation and employment

To measure Labor participation of migrant venezuelan workers in Colombia, it was adopted as measurement criteria, conceptual definitions supplied by the DANE to measure employment and all the variables that make up the labor market.

In this respect, the DANE proposes two measures of Labor Participation: (i) The Global Rate of Participation (GORP) and (ii) The Gross Rate of Participation (GRRP). As it follows, the first is 'the percentual relation between the Economically Active Population (EAP) and the Working-Age Population'. (WAP). The indicator shows the 'the pressure of population' on the labor Market. In the chapter of Results, it will be shown detailly such phenomena. The second indicator displays the percentual relation between the number of individuals in the labor market against the total population.

The EAP correspond to the share of working-age population who are either actively seeking for a job or are employed. The WAP is the share of population whose ages are above 12 years for the urban zones and 10 years old, for rural zones that can work.

Even though The ARVM database do not include ranges of ages of the Venezuelan migrants, it classifies population according to whether they are employed or are working and those individuals who are not. The latter are designated as the Economically Inactive Population (EIP) and make up the individuals who do not need, cannot, are not interested in having a paid activity. To this group belongs, students, househeads, retirees, disabled population.

Finally, the employment estimates of this study are guided by the Occupation Rate, that shows the relationship between the Occupied Population (OP) and the Working-Age population (WAP). (DANE 2019)

4.5 International Migrant Worker

The International Social Security Association (ISSA) defines an “International migrant workers are those employed outside their country of origin. As for internal migrant workers, although the principal reasons for moving to a new country are normally work-driven, there may be other reasons such as family reunification, fleeing political persecution or suffering discrimination. Such workers are more likely to be moving to a country with a different culture and language to their own and therefore are likely to face more barriers than internal migrants”. (ISSA 2014:11)

Chapter 5

5. Data - The Administrative Registration of Venezuelan Migrants (ARVM)

The Administrative Registration of Venezuelan Migrants (ARVM) is a survey carried out by the Colombian Government to widen the information of migratory status of Venezuelan citizens as well as designing Venezuelan crisis' immigration public policy responses. The survey was mandatory for venezuelan individuals that are living currently in Colombia and manifest their intention to stay in the country temporally or in the long term. (UGRD, 2019)

In this sense, in total 443.937 venezuelan individuals were surveyed between April 6 and June 8, of 2018. The survey is ruled by the Decree 542 de 2018 and its main purpose is to contribute to the design of an integral policy of humanitarian aid for Venezuelan migrants in Colombia.

52,6% (232.776) of surveyed individuals entered the country in 2018 while 35,4% (156.758) did it in 2017, meaning that 87% of the database registration may likely correspond to venezuelan migrants who were escaping their country's humanitarian, political and economic crisis.

This assumption also agrees with the *migratory status moment* given by the survey "Under process of regularization", as a situation that exemplifies either they entered the country through illegal pathways, or their foreigner ID or legal permanence expired or are first-time residents with no Permanence Special Permit (PSP). In sum, most of venezuelan citizens surveyed were likely to be "under illegal temporarily status" in the country. (Migración Colombia 2018)

Table 2. Main characteristics of the ARVM

Administrative Registration of Venezuelan Migrants (ARVM)									
Main information	Numbers	Occupation status		Departments of registration		States of origin		Educational level	
Men	222.330	Informal employees	23,6%	Norte de Santander	82.286	Zulia	32,72%	Primary education	17,9%
Women	219.799	Formal employees	7,5%	La Guajira	74.874	Carabobo	10,76%	Secondary education	49,9%
Transgender	333	Self-employed (independent)	21,8%	Bogotá D.C	43.483	Táchira	7,37%	Tertiary education	6,0%
Children	118.709	Unemployed	18,1%	Atlántico	42.771	Lara	6,59%	University and graduate education	9,87%
Adults >18 years old	312.318	Household labor	9,7%	Magdalena	30.688	Caracas	6,37%		
Elderly >60 years old	11.435	Student	7,7%	Arauca	26.261	Falcón	5,66%		
No Enrollment to social security	98,8%					Aragua	5,47%		

Source: Administrative Registration of Venezuelan Migrants (ARVM) (2018)

It is important to stress that a great part of the individuals surveyed, approximately around 50% self-employment and informal workers. The former are usually, in most the case, also classified within the broader category of informality, given their lack of a contract to ensure a defined pay, no health or social security insurance and, moreover, given the characteristics of works that venezuelan immigrants are performing in the city where they were surveyed, their job is likely to be associated with daily subsistence such as food security needs and shelter. In addition to that, inactive population, herein classified as those individuals within working ages, however unable to work or not seeking actively for a job such as students, household carers, elderly adults comprise more than 35% of the total population. This means, in terms of economic dependence that the active working age population (57,5% of individuals) can only afford to bear economically as much as 0,61% individuals who do not work.

5.1 Description of Variables

This cross-sectional database contains 57 variables and is considered a reliable set of information to produce analysis that guide the design of public policy that constitute responses to the impact of the venezuelan crisis on many institutional realms of policy action in Colombia. To produce the analysis, some working variables that allow to carry out the empirical model and econometric analysis of this study are mentioned here.

Consequently, the variables used for this purpose were (See original and complete table in Annex section):

Table 3. List of Variables

Variables Set	Description
Employed (Y)	A dummy outcome variable that describe whether the individual is employed (1) or otherwise (0). This category includes the inactive population, and corresponds to the Gross Labor Rate of Participation (GRP)
Employedecon (Y)	A dummy outcome variable that describe whether the individual is employed (1) or otherwise (0). This category includes the inactive population, and correspond to the Global Rate of Participation (GORP)
Immigrant Cohort 2017	Variables that split immigrants who entered the country in this date at any date in this year or after and 0: otherwise (who entered before)
Immigrant Cohort 2015	Variable that splits immigrants who entered the country at any date in this year of after :1 and 0: otherwise (who entered before)
Entry Year	Variable that depicts immigrant according to the Year of Entry to the country
femployee	A dummy outcome variable that describe whether the individual reported being formal employee:1 and 0: otherwise
iemployed	A dummy outcome variable that describe whether the individual reported being informal:1 and 0: otherwise
selfemployed	A dummy outcome variable that describe whether the individual reported being self-employed and 0: otherwise
Unemployed	A dummy outcome variable that describe whether the individual reported being unemployed and 0: otherwise
Labor Categories (Labor Force Participation)	A categorical variable that describes categories of employment or occupation (formal, informal, self-employment, unemployed, student, household head and a category of inactive population for individuals who are unable to work (children, elderly people and with disabilities)
ADS (Any documentation Status)	This category depicts all the individuals who holds any documentation status except for those who only hold national venezuelan identification documents. The latter are not immigration valid documents; therefore, they are categorized as irregular or undocumented migrants.
Immigration Statuses	
Permiso (PSP)	Variable that describes those individuals holding the Permanence Special Permit (PSP) against to those who do not
Cedula (Foreigner ID)	Variable that describes those individuals holding a foreigner ID against to those who do not
Pasaportes (passport)	Variable that describes those individuals holding a passport) against to those who do not
Visa 1 (Visitant)	Variable that describes those individuals holding a Visa 1) against to those who do not
Visa 2 ^a (Migrant)	Variable that describes those individuals holding a Visa 2) against to those who do not
Visa 3 ^a (Residence)	Variable that describes those individuals holding a Visa 3) against to those who do not
Skilfulness	
Primary Level (No education is the control variable)	Highest educational attainment:1 and 0: otherwise
Secondary Level	Highest educational attainment:1 and 0: otherwise
Tertiary Level	Highest educational attainment:1 and 0: otherwise
Postgraduate level	Highest educational attainment:1 and 0: otherwise
Educationlevel	Variable that classifies individuals according to their educational level
Certified experience	Variable that shows whether individuals have certified labor experience

Chapter 6

6. Research Objectives

6.1 General Objective

1. To determine how the Migration Policy affects labor participation of Venezuelan immigrant workers residing in Colombia in the context of the impact of the Venezuelan crisis in the Colombia Labor Market.

6.2 Specific Objectives

2. To isolate the contributions of the migratory tools - Permanence Special Permit (PSP) and the Border Mobility Card (BMC) – deployed by Colombia as policy response to the Venezuelan humanitarian, economic and political crisis in the labor participation of Venezuelan workers.
3. To discuss on the determinants of Labor Participation for Venezuelan immigrants' workers in the Colombian labor market.
4. To observe to what extent the intention of permanence and stay time in Colombia is associated with the probability of being employed or otherwise
5. To discuss the role of frontier regions and geographical proximity (cities and departments) between Colombia and Venezuela in labor market dynamics of Venezuelan migrants and Colombian Nationals.

6.3 Research Question

1. Does Colombia Migration Policies influence Labor participation of Venezuelan workers in the labor market? If this is the case:

The following research sub-questions correspond to methodological routes to guide the econometrical analysis and can be responded through it; thus, it is convenient to enunciate them.

6.4 Research Subquestions

- 1.1. How documentation status influences the probability of venezuelan migrant workers of being employed or having jobs in comparison with undocumented venezuelan migrants.
- 1.2. What is the effect of the Permanence Special Permit (PSP) and the Border Mobility Card (BMC) in the probability of a venezuelan migrant worker of being employed or having jobs?
- 1.3. What is the effect that documentation status has on the probability of venezuelan migrant worker to fall into different labor categories (unemployed, informal employee? self-employee)
- 1.4. Are there differential marginal effects in the likelihood of being employed for frontier departments (capital) Norte del Santander (Cúcuta), La Guajira (Riohacha), and Bogotá for venezuelan migrant workers participating in the labor market in Colombia?
- 1.5. What are the implications attributed to the duration of migration of venezuelan workers in influencing their labor participation?

Chapter 7

7. Methodology and Methods

The principal methodology used for this research paper follows a quantitative approach, using as main method econometric analysis of empirical evidence of economics of international immigration and insights from impact evaluation techniques to estimate the assumptions of the objectives and research question, given that the main source of information is a large cross-sectional database comprising over 400.000 registrations of Venezuelan immigrants that were surveyed in Colombia in 2018 – The Administrative Registration of Venezuelan Migrants (ARVM).

In addition, as it will be seen in econometric analysis and the use of Logit and Multinomial regressions and the Maximum Likelihood Estimates (MLE) have been an extensively used techniques in migration studies to analyze vast bulks of statistical information that often derived from nation-wide or inter-national surveys. (Lozano and Steinberger 2012: 163)

“Logistic regression is a statistical method to describe a dataset and explain the relationship between a dichotomous dependent variable and one or more independent variables” (O’Connell 2006 as cited by Yucel 2016: 23)”.

$$\text{logit}(p) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n$$

Where p is the probability of presence characteristic of interest :

$$\text{logit}(p) = \log(p(y=1 | x) / p(y=0 | x))$$

Besides using this method, the paper also counts on secondary documental information, statistical reports and academic literature that work as complementary elements to support theoretically and empirically the findings herein laid out. Furthermore, since the study has a specific scope, it acknowledges the presence of limitations and shortcomings to produce further analysis, as some informational elements escaped out of the database, therefore, secondary information helps to supply for that conditionality.

In correspondence, these sections comprise of two methodological subchapters: (i) Empirical Model and (ii) Econometric Specification.

7.1 Empirical Model

Drawing on the works of Kerr (2011), Djajic and Vinogradova (2017), Clark and Lindley (2017), Dustmann (2003) and Borjas (1985) it is proposed an empirical model that seeks to capture the role of the Venezuelan Crisis-Response's Immigration Policies in affecting labor force participation of Venezuelan migrants in Colombia in terms of their probabilities of employment outcomes. This model also considers partialling out for important sociodemographic variables that influence the significance and size of final coefficients.

To proceed in doing so, it will be compared the effects that holding a valid document of residence in the country have on the probabilities of being employed in the Colombian Labor Market in comparison with documented migrants who hold different types of valid immigration or residence documents, and with respect to undocumented (irregular) migrants who are not holders of any valid residence permit in the country. By doing that, this analysis captures the impact that Venezuelan-Crisis Policy responses' tools such as the Permanence Special Permit (PSP) and the Border Mobility Card (BMC) have in curbing economic and health-related pressures of migrants while their permanence in Colombia.

As a second purpose, the analysis sets out to observe how holding different documentation statuses influence Venezuelan migrants to fall into categories of Labor

Participation such as being formal or informal employee, self-employed, unemployed or inactive population.

To carry out the present analysis, it is needed to set out some limitations

- i) The proxy variable used for isolating the effects of frontiers in affecting the likelihood of employment and employment categories is the Border Mobility Card (BMC), rather than using the variables of frontier regions as such, as explained above the BMC is a crisis policy-response tool created to dynamize trans-frontier commercialization of goods, services and businesses. As explained by the National Unit of Risk Management (UNRGD), Venezuelan nationals are only authorized to use it to transit within the Frontier Zone. (UNGRD 2019)
- ii) The ARVM database do not include any information of wages, earnings or gross and disposable income of surveyed migrants. Therefore, it is difficult to provide with insights or make assumptions about the assimilation of migrants in the Colombian labor market in comparison with native workers.

7.2 Model Specification

7.2.1 Working Hypotheses

In this respect, this study seeks to test the following working hypotheses–

- i) **Effect of the emergency migratory tools:** PSP (treated) and BMC holders (treated) regular documented migrants have a higher a probability of being employed in Colombia Labor Market irrespective of the employment category, in comparison with documented migrants who do not hold such document and hold any other valid immigration permit instead. (Control)

- ii) **Documented and Undocumented Status:** Regular documented migrants have a higher a probability of being employed in Colombia Labor Market irrespective of the employment category, in comparison with undocumented migrants who do not hold any other valid immigration permit (Control).
- iii) **Immigrant Cohorts:** Having arrived at the country after 2015, as well as having declared to wish to settle (more than 1 year) is associated with weaker chances of being employed in comparison with more recent migrants.

Having stated that, labor force participation is represented as a function of the migrant's documentation status, the cohort of immigrants which is given in turn by the Year of Arrival to the country, the duration of migration which here it is taken on as a proxy of the intention permanence in the country and the length of time they reported to stay, skilfulness (education level, certified experience and validated degree in Colombia) and socio-demographics variables like age, morbidity variables (health burden of disease).

Holding one exclusive documented immigration status

Consequently, the equation takes the following form:

$$E_i = \alpha + \beta os + C_i + \theta Skill + \beta PI + \beta m + \theta dem + \mu_i \quad (1)$$

Where E is a dummy outcome variable that takes on the value of 1 if the individual is employed (either formal, informal or independent) or otherwise (unemployed), os is a dichotomic variable that collects the information on whether the migrant worker holds a specific valid immigration document (treated group) equal to 1 and 0, is the worker does not hold that specific document (control group) (e.g.: PSP:1 and 0:otherwise). This supposes the generation of several regressions and controlling for observable sociodemographic characteristics. The control group, it means, all the migrant workers who are not holders are

comprised of both, documented migrants and undocumented migrants. The equation takes similar form to the one above presented.

OS is a dummy variable representing the attributes of holding one documentation status based on its priority (e.g.: Being holder of any kind of visas overwrites Passport), insofar as it is required that they are mutually exclusive one another to be able to isolate its effects on the probability of employment.

Ci is an immigrant cohort variable given by the Year of Arrival as drawn from Borjas (1985) and here it is categorized as 1, migrants who arrived at any date in 2015 and 2017 or after and 0 if they did it before.

The cut-off year was chosen due to the fact that it reflects different moments in time that characterize the intensification of migratory flows from Venezuela to Colombia, as well as, as it appears to give a sense of the impact that Venezuelan Crisis' Policy-Response migratory tools, namely the PSP and BMC, has had on the immigrant population living and (floating) between in Colombia and Venezuela when they were first enacted.

Skill is vector that summarizes the level of labor experience a venezuelan immigrant has, based on three individuals variables: education level, certified experience and validated degree in Colombia; *PI* is a **dummy** variable that tells of the permanence intention of the migrant measured as 1 if the migrant intends to stay in Colombia and 0, otherwise, return to Venezuela and 0; otherwise; or transit to another countries and 0;otherwise. *Md* describes the stay duration reported by the migrant to the ARVM Survey in three possibilities: Permanence of 1 year or more (Long-term Stay): 1 and 0: otherwise, medium term stay: more than 6 months and less than 1 year, and short-term stay: less than 6 months. *sdc* is a vector that contains sociodemographic observable control variables such as health status, age, civil status, genders, pregnancy, among others specified in the database.

Documented and Undocumented Status

The previous equation takes on a second form for the second and fourth specification of the econometric analysis (see below) in which DS is also a dichotomic variable that describes whether: the migrant holds any valid documented status (regardless of which) and 0: whether the worker holds none, hence is catalogued as undocumented.;

$$E_i = \alpha + \beta ds + C_i + \beta PI + \theta Skill + \theta dem + \mu_i \quad (2)$$

Criteria of mutually exclusivity and interactions

Setting aside undocumented migrants who do not hold either passport or any other valid document, the procedure decision taken to develop the set of specifications was to create exclusive categories of documentation status in which if Venezuelan migrants hold:

- The PSP and Passport, then only the PSP is considered.
- The BMC and passport, then only the BMC is considered.
- The visas and passport, then only Visas are considered.
- The Foreign ID and passport, then only Foreign ID is considered.

Labor Participation categories

Besides of this specification, the study carries out a further analysis to look depth at the performance of documentation statuses and the other control variables altogether concerning the joint probability that the venezuelan immigrants' workers falls into a specific category of labor participation as described in the Data chapter. Accordingly, this is the corresponding equation.

$$Y_{ec} = \alpha + \beta ds + C_i + \beta PI + \theta Skill + \theta dem + \mu_i \quad (3)$$

where Y_{ec} is a categorical outcome variable that takes on the value of 1 if the migrant reported to be unemployed; 2, whether he/she reported being informal employee, 3: otherwise; self-employed and 4, whether she/he reported to be formal employed. DS is a dichotomic variable that describes whether the migrant holds any valid documented status: 1 (regardless of which) and 0: whether the worker holds none, hence is catalogued as undocumented.

The concept of labor participation chosen for this specification following the concept of the (Global) Gross Rate of Participation of the DANE.

7.3 Econometric Specifications

The analysis proposes four specifications for which it was used two concepts of Labor Participation, hence different number of registrations used. The Gross Rate of Participation (GRP) and Global Rate of Participation (GORP)

- **First Specification (GRP):** Holding the attribute of one documentation status (treated) against not holding that specific document (Control).
- **Second Specification (GRP):** Migrants who hold any valid documented status against not holding any valid documented status, hence undocumented (irregular migration)
- **Third Specification (GORP):** Migrants who hold any valid documented status against not holding any valid documented status, hence undocumented (irregular migration)
- **Fourth Specification (GRP):** Holding any documentation status in the joint probability of falling into a category of labor participation described in the data section of this study.

7.4 Limitations and considerations

- a. Information on average wages was not included as part of the questionnaire of the ARVM Database, so it was not possible to estimate the degree of convergence or divergence of wages of venezuelan workers with that of natives.
- b. To isolate the effect of frontier regions in labor market participation of venezuelan migrants, it was decided to use the Border Mobility Card (BMC) as the prioritized variable and not including references of frontier department and cities, instead given the possible collinearity.
- c. For further research, this study may include robustness checks using impact evaluation methods to ensure more internal validity.

Chapter 8

8. Results

8.1 Descriptive Statistics

The Table 4 presents the t-test calculations for the comparisons of the means of two groups of individuals that make up the laborforce of surveyed venezuelan migrant workers in the Administrative Registrations of Venezuelan Migrants (ARVM): *Unemployed* (surveyed individuals who are actively seeking job opportunities) and *employed* (surveyed individuals who reported to have been employed at any labor category). Specifically, it was measured for the purpose the econometric analysis whether the two groups were statistically different from each other, as well as spotting some important differences that explain their features towards their labor market participation. It must be clarified that Economically Inactive Population (EIP) were ruled out of this analysis as they are not part of the laborforce nevertheless, some of them are within working-ages, hence taking as measure the Global Rate of Participation (GORP).

In this respect, as it can be observed through their p-values, both groups individuals are statistically not different from each other in most of the variables measured, so that it cannot be rejected the null hypothesis that they are equal, with only just a few exceptions. For instance, those individuals who reported their intention to return to Venezuela are not statistically different from the rest who declared staying in the country or transit to another countries, perhaps because their perspectives of return have different degrees of uncertainty variability, given the long-standing effects of the crisis on their personal economies back in their country. Nearly 90% of surveyed individuals declared having the intention of residing in Colombia and over 80% of them wanted to stay more than one year.

The Venezuela's economic crisis defines the character of temporality in Colombia and intention of returning of this venezuelan migratory wave in Colombia since 98,5% of individuals entered the country in or after 2015. Within this threshold, 89.87% of migrants arrived in the country in 2017, meaning that labor absorption of venezuelans in the labor market is being measured from a two-year horizon (2017-2018). Besides, the emergency-created migratory policy instruments, namely the PSP and BMC were introduced since 2017, reinforcing the objectives of the thesis of comparing the former with another normal valid immigration documents.

When observed venezuelan migrants characterized by the ARVM, by their age ranges, the mean age of the venezuelan migrant was 31 for both groups and a half of them are women. It was found that 80% (over 300.000 registrations) are older or equal to 12 years, from which according to the DANE definition are defined as working-age population (WAP). If the economically-active population (EAP) are over 280.000 individuals, it means that they represent 86% of the working-age population and slightly more than 45.000 individuals can work but are economically inactive. Moreover, 73% of the surveyed population are older than 18 years – the legal age in Colombia. The latter points out of the importance of emergency-created migratory policy instruments in attracting venezuelan for reasons of seeking economic and labor opportunities.

Nevertheless, this is not entirely a causality point, given that nearly almost 80% (79.28) of venezuelan migrants were found to be undocumented, - excluding those who had requested BMC and PSP – emergency-created migratory policy instruments from 2017. This means that people were emigrating their country regardless that the Colombian government offered such documents. It all indicates that the venezuelan migrant decision-making process was motivated by reasons addressed above.

The rate of female unemployment in the sample remained slightly higher for women (15,3% out of the EAP) than for men (13,4% of EAP). Meanwhile, 22% of employed male

individuals are informal workers, 15,4% for women. 20% of male individuals live off self-employment in comparison with 14,6% of self-employment that of women. 98,8% of migrants reported not to be enrolled to the social security system, aggravating the condition of 'informality' of their working conditions.

An interesting finding was that individuals who were single and under free-union civil status were more employed than those of who were married. In addition to that, a relationship between civil status and education shows that those who accomplished secondary level education – the largest number of individuals with this level of education (221.892 individuals) – were single while for the free union (24.000 individuals) and married (70.000 individuals) statuses as well. Besides, secondary level being the largest group, those who accomplished either university and technical tertiary levels represented more than one sixth of the sample. This data did not differ extensively from that found by Reina (2018) who using the DANE Integrated Great Survey of Households (IGSH) found that almost 30% of migrants have achieved education levels equal or beyond tertiary levels, in comparison with almost 20% of the sample herein studied and below the 34% of non-migrants who achieved such levels.

Despite this, as Reina et al., (2018) argues, venezuelan migrants declared being unemployed because of their competences and skills set, a labor category that addresses unemployment and underemployment on population that struggle to find and accommodate in positions with wages and salary conditions according to the skill sets (Reina et al.2018: 4)

Overall, the participation rate of venezuelan migrants as of 2018 in June 2018 hovered around 72%, similar figure to the economically active population (EAP) characterized in the sample of the ARVM, which is 71.80% and higher than that of non-migrant colombian nationals (64%). Likewise, while unemployed population was found to be 28,2% for the EAP when working-age population is observed alongside with inactive population, this percentage goes up steeply. Reina et al attributes a high cost of opportunity to venezuelan migrants due

to their immediateness with which they need to cater minimum standards of living in the host country. (Reina et al.2018: 4) Below, it will be explained further in detail the implications of laborforce absorption of venezuelan migrants in colombian labor market.

Unfortunately, the ARVM did not provide with income distribution information of migrants which help shape a complete picture of the economic situation of migrants, the increasing affluence of migrants have made the poverty headcount ratio to go up from 38% in 2013 to 51% in 2016 (World Bank 2018:59).

8.2 First Specification: Gross Labor Participation (GRLPP), Documentation Statuses and Immigrant Cohort (Year of Entry)

The first econometric specification introduces an evaluation of the effects of documentation statuses of migration policy in Colombia and the labor participation of Venezuelan migrants, using as a framework the concept of Gross Rate of Participation. The latter is a percentual measure that accounts for the economically active venezuelans against the total population surveyed in the ARVM.

The table 5 displays the results for this analysis in which the four regressions had different features. While the first regression addresses the results of the relationship between documentation statuses and control variables, and the probability of a venezuelan migrant of being employed in the Colombia labor market, the remaining three regressions include time or immigrant cohort to observe the impact of the crisis in terms of the pressure of the arrival of mass migration to different regional economic settings, specially frontier cities and the capitals of Colombia's largest cities. Likewise, it gives account about how the length of stay of a migrant and their permanence intention also influence the probability of employment outcomes.

In this respect, it can be observed in the first column, unlike Permanence Special Permit (PSP) and Border Mobility Card (BMC), all the documented statuses presented negative significant probabilities of being associated with employment outcomes for venezuelan migrants. Results are consistently similar for all the regressions in which it was controlled for Time cohorts (year of entry) for 2015 and 2017.

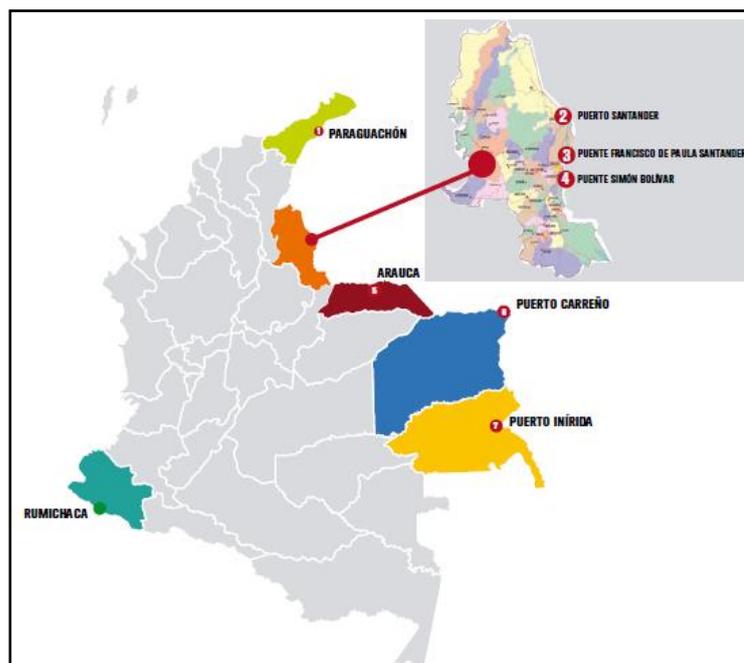
Migrants workers who were holders of the Permanence Special Permit (PSP) were 12,2 percentual points more likely to be employed on average in comparison with those to whom it has not been issued from 2017. Most of the PSP holders, namely the 85% of the 1639 PSP holders in the ARVM, are adults whose ages are above 18 years old, the legal age to work in Colombia. In total, to May 2019, nearly 600.000 PSP were issued. Despite of that, the document itself does not translate into more formal occupational opportunities. The PSP, as reported by the ARVM is being used mainly by informal employees and self-employed individuals, and parallelly for venezuelan migrants that take advantage of the additional benefits that offers in term of access to health attention and enrolment to the social security system. Yet, while having the document entitles to seek for jobs and it is certainly being used for that purpose, due to the number of persons who reported being holders and unemployed to the ARVM, venezuelan worker's high cost of opportunity of immediateness of obtaining any kind of paid working activity is associated with jobs grabbing without the need of any documented status.

Similarly, the Border Mobility Card (BMC), policy instrument created to be exclusively used in frontier delimited regions was found to be associated with a higher likelihood of pendular migrants of being employed. Migrant workers who were holders of this document had a probability of being employed of 13,1 percentual points more on average in comparison with those who were not holders of this document. This result is interesting given the fact that the BMC does not entitle venezuelan migrants to work legally in the country as they would require another document to do so, nevertheless the BMC was created to

facilitate the commuting of venezuelans and colombian nationals among the authorized frontiers in a matter of issues such as visiting families and relatives, buy food staples and medicines. Surprisingly, the BMC has been used by venezuelan migrants to work under different modalities.

- i) Venezuelans who resided in both sides of the Colombo-venezuelan frontiers and looked to perform short, non-continuous, temporal, self-employed and informal labor for the period granted on the BMC: Seven days. In many cases, their BMC permit would expire making them to remain illegally in the country until they would return to Venezuela; The ARVM reports that the majority of venezuelan nationals who were granted it, declared themselves to be informal employee or being self-employed. In addition to that, pendular migration is made up of predominantly low-skilled laborforce with primary and secondary educational level attainments.
- ii) Venezuelans' businesses owners who would commute to Colombia to purchase merchandise (mainly from the retailing sectors) for many reasons associated to scarcity of basic goods, frontier hallway closures, normal rotation in the inventories of goods, among others.

Figure 9. Delimited area to use the Border Mobility Card (BMC)



Source: Colombia Migration Office (Migración Colombia 2018)

Describing the sociodemographic and other control variables, having one additional year increases the probability of employment by 0,11 percentage points while being female is negatively associated with having employment as compared with the male population, whereas persons who declared themselves as transgender were found to be more likely to be employed in 0,59 pp with a significance to the 10% level.

In terms of measuring the ‘employability’ by the migrant’s educational attainment, absolutely all the levels yielded positive probabilities. Migrants who reported having completed tertiary levels of education such as a university degree, technical and technological studies or postgraduate levels were found to have 53 pp and 40pp more probability of being employed respectively, in comparison with those did not take any education. Meanwhile, the results for those individuals with primary and secondary levels of education were also similarly favourable with 34 pp and 48pp respectively.

On the other hand, the introduction of time cohorts allowed to separate the immigrants on two criterias to observe labor assimilation in the Colombia labor market.

Immigrants that entered the country before or after 2015, which corresponds with the political and economic moments that triggered the mass flow of venezuelan to Colombia; and before and after 2017, a year marked by the heightening of such migratory flows and the enactment of the emergency-created migratory policy response plan by the United Nations and regional partners. This specification was drawn from Dustmann (2003), Borjas (1994) who related labor assimilation depending on the length of time the migrant has been residing in the host country.

Immigrants who arrived in the country in or after 2015 were 0,141 pp less likely to be employed in the Colombia labor market than those who arrived in the country before this year. Meanwhile, having as cut-off date the 2017 and onwards, the negative probability goes to 0,4 pp, confirming the authors' thesis that stated that in normal situations of labor migration, assimilation in the labor market takes place more firmly the more years (or time) the migrant has spent in the host country. However, the humanitarian, economic and political crisis' impact on neighbour countries poses a different scenario since their mass arrival has disrupted dynamics of occupation, wages and informality in the colombian cities where they decided to settle in. Likewise, most venezuelan migrants who fled their country are considered under a special status of "economic vulnerable refugees" on need of international protection. In this respect, having entered the country one year closer to the survey date (April – June 2018) decreases their probability of employment by 0,06 pp, a small thought statistically significant coefficient.

Additionally, as reported by the DANE, the per capita monthly income of venezuelan migrants residing in Colombia in 2018 was US\$137, income that is considerably bigger than their country's monthly income, a fact that also confirm the thesis of the wage differential between home and host country. (Murcia 2019)

Almost all the morbidity variables were statistically significant and negatively correlated with employment probability, except for tuberculosis which were found positively associated and sexual transmission and lung disease which were not statistically significant.

Finally, two important variables that alongside with immigration/time cohorts of 2015 and 2017 altogether allow to ascertain how the duration of migration influences employment outcomes for venezuelan migrants were found to explain interesting insights. The persons who declared wanting to reside in Colombia were found unlikely to being employed by a negative probability of 4,5 pp on average in 2017, in comparison with transit-intention migrants. An even more nuanced fact is that if they declared their intention of staying for six (6) months or more (medium-term) and/or one year or more, their probabilities of employment would be 2,7 pp and 1,8 pp on average in 2017 respectively in comparison with those who declared a short-term (less than six months) stay. 83,5% of residence-intention migrants wanted to reside in Colombia one year or more.

8.3 Second and Third Specification: Global Rate Participation (GORP), immigration statuses and immigrant cohorts

The second and third econometric specification addresses the effects of the combined documentation statuses of the migratory policy in Colombia against the probability of employment for undocumented migrants who entered to Colombia. Their aim is to observe whether being documented is a *sine quanon* premise or condition for a migrant to find or being employed in the Colombia labor market amidst the context of the propagation of impacts of the Venezuelan crisis in Colombia's local and regional economies. Whilst the indicator Gross Rate of Participation (GRP) is used for the second specification, the Global Rate of Participation (GORP), that only considers economically active venezuelan over working-age venezuelan population, it means 280.000 individuals out of the 443.000 registration in the ARVM.

The specifications found that for migrants that come in the country in or after 2017, a year of the intensification of the Venezuelan crisis, holding any documentation statuses in comparison with those who do not hold any valid immigration document or are undocumented to enter, reside or work in the country, does not make difference, and on the opposite, if they hold any immigration document their probability of employment decreases on average by 2,7 pp for the GROP and 8,1pp for the GRP measurement. If the documented migrant entered the country one year closer to 2018, the year of the survey, their probabilities goes down by 2,6pp for the GRP in comparison with undocumented migrants. Unlike the previous specification, combining all of the statuses in a single variable dragged the individual results of statuses with positive probabilities of employment for migrants, however the interpretation that should be taken from, it is the increasing pressure on the labor market that supposes the uncontrollable entry of labor migration from Venezuela to Colombia in irregular or undocumented status over already Venezuela nationals living in Colombia holding different statuses. If a migrant were visas V, M or R, their probabilities of employment decrease by 25pp, 1,1 and 1,2 pp (the last two were found not to be statistically significant) on average respectively in comparison with those did not have these documents. For passport and Foreigner ID holders, their probabilities of employment would also decrease by 8,9 and 7,3 on average respectively.

In this sense, the documentation statuses that are supposed to be the mechanisms through which the right of working legally in the country are exerted, are no longer more effective in guaranteeing better chances of obtaining job opportunities if the labor market is disrupted by regional and local dynamics in which many features and traits, skills of the undocumented equalize the ground for them to compete and outdo documented migrants. The number of undocumented migrants with any level of education from primary levels to doctorate level is more than four times that of the documented, while it was found in the ARVM there were 239 undocumented migrants that held doctorate, nearly 400 undocumented

magisters, 423 who carried out specialization (post-graduate level), nearly 20.000 undocumented technical professional and more than 30.000 undocumented migrants holders of a bachelor degree from an university. Thus, there is a parallel market of varied skilled venezuelan workers who struggle to find a job against their national counterparts and colombian natives.

8.4 Fourth Specification: Documentation Statuses, immigration cohorts and Labor categories

The fourth specification evaluated Labor Force Participation in the probability of venezuelan migrants to fall into different labor category, considering the documentation statuses, the immigrant cohort or years of entry, their intention of permanence and duration of stay and their skilfulness level and control sociodemographic variables. Most of the variables show unemployment as the most probable where migrant would be allocated. The results have shown that if the migrant arrived in the country by 2017 or after their probabilities of being unemployed increase by 4,6% on average, in comparison with being formal, informal or self-employed, categories that exhibit negative probabilities. If they were holders of PSP and BMC, their probabilities of obtaining formal employment were 1 and 1,2pp on average in comparison with migrant who did not hold such documents, while for informal employment and self-employment, these probabilities would go up by 5,5 and 3,6 for the former and 1,6 and 3,8pp for the second on average respectively. On the opposite, owning these documents, their unemployment chances are negative. On the other side, all the categories of visas continue to display negatives likelihoods of linking employment to holding such statuses and they were found positively correlated with unemployment. (The residence visa's coefficient was found statistically non-significant)

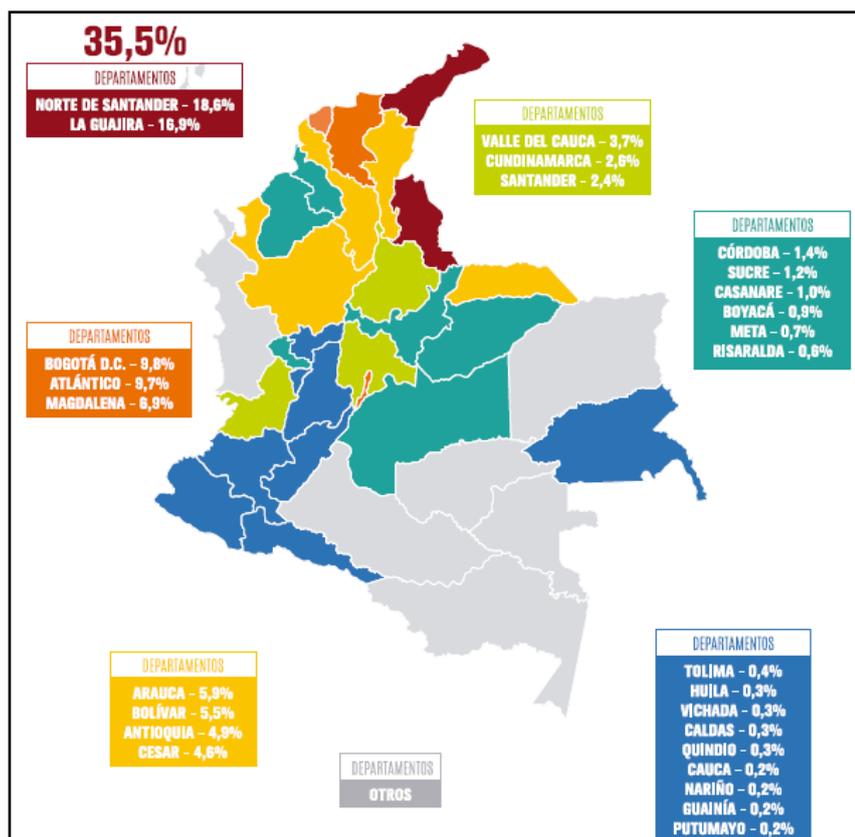
When the migrant is a female the probability that she falls into the unemployment category increases by 1,7 pp in comparison with men, whereas all the remaining categories

of employment gets reduced, pointing out that migrant women struggle harder than man to allocate in labor opportunities. If the migrant is either single or married would find their probabilities of unemployment increase by 1,8 and 2,4pp on average in comparison with other civil status (such as widowed-divorcee).

Regarding the vector of skilfulness, all the coefficients of the labor categories are positively associated and statistically significant, yet too small, meanwhile if the migrant achieved primary and secondary education is more likely to fall into informal employment (31 and 32 pp respectively on average), however the probabilities of being unemployed are similarly high (23pp on average). In contrast, if the migrant achieved any level of tertiary education, the probabilities of falling into informal employment rises by 48pp and 31pp for self-employment and 1,2 for formal employment on average. The post-graduate level's migrants exhibit similar probabilities than the latter. The ARVM database shows that 63% of tertiary-level migrants are employed as opposed to 58% for the secondary-level and 34% for the primary level.

Lastly but not least, is the fact that having a validated title is negatively related with higher probabilities of having employment in previous specifications, but for this, the persons who have their titles validated are more likely to be unemployed or informal employees.

Figure 10. Percentage of Venezuelan nationals in departments of Colombia (September 2018)



Migración Colombia (2018:12)

As with respect to the permanence intention and duration of migration, if the migrant expressed having the intention to reside in Colombia, which is found to be linked to stay of more than one year for more than 80% of surveyed venezuelans in the ARVM Database, their probabilities both for unemployment and informal employment and self-employment were found to be negative in comparison with transiting to another countries. For formal employment, probabilities were also negative, small and statistically non- significant. Long-term stay (in comparison with short-term stay) was found negatively associated with unemployment by 1,2 pp on average (to the 1% significant level) and positively correlated to informal employment with 2,1pp on average, however negative for self-employment and formal employment. Even for medium-term stay, (between 6 months and 1 year) the only positive probability for migrant is that of informal employment with 2,4pp.

8.5 Discussions and Implications

Several implications can be drawn from these findings. Borjas (2017) for United States found that the labor force participation of migrants – who are calculated to be more than 11 million - was higher and for undocumented male migrants in comparison with both legal and undocumented women and with natives. Furthermore, undocumented male migrants labor supply has found to be inelastic and are “less responsive” to wage fluctuations with respect to legal immigrants in the host country, and they in turn to that of natives (Borjas 2017: 1-2). This finding is like to what it has been found in this study given that the number of working-age migrants entering the country, as of the end of 2019, has not stopped growing up. Part of the explanation to this phenomenon aside from the effects provoked by the venezuelan crisis in their personal incomes, has been the enabling role of the frontiers between the two countries and the open-door policy of the Colombian’s government following the principle of reciprocity for venezuelan nationals and colombian returnees.

Flippen (2016) in Durham (United States) attributes a role of legal documented status over how much wage and hours worked immigrant Hispanic women do: The shadow labor. “While undocumented women were no less likely than their peers with legal status to work, among the employed they do average a significantly shorter (10 percent) work week”. “Undocumented women are more likely to work for a subcontractor, at predominantly Hispanic worksites, and for small firms, the latter of which is also associated with a shorter work week” (Flippen 2016:10)

Reina et al (2018) emphasizes that the surplus of laborforce participation in the country can be understood from the so-called Welfare Magnet Hypothesis (Reina 2018: 1691-70), that states that generous social benefits tend to attract migrants in need of such, at first instance, low-skilled labor with low-income level. The venezuelan crisis prompted the fleeing

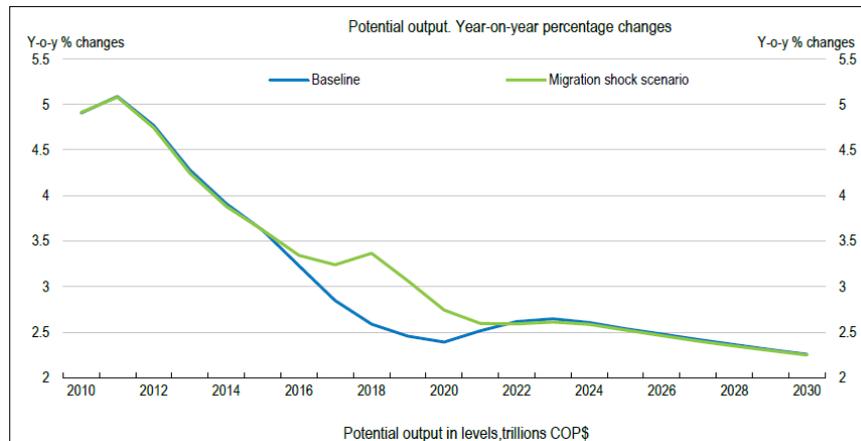
of its nationals to Colombia in a situation that cuts through all of income and education levels.

This unrestricted entrance of foreign laborforce to Colombia's local economies, has "thickened the productive-age population (WAP) that in turn mitigates the effects of the demographic transition, lengthen the demographic bonus, hence improving the potential growth of the economy" (Reina et al 2018: 166)

Their projections using as assumptions and laborforce supply shock in the EAP population from 500.000 to 1,5 million (Reina 2018: 166) showed that the Colombia's GDP would grow from 3,4 to 3,6-3,9% in 2018 and from 3,2 to 3,4-3,7% in 2019. (Reina 2018:169). Milanovic (2016) building on Pritchett argued that migration's first-order effects are positive, and countries can deal with the second-order effects "by compensating the losers with unemployment benefits or retaining workers" (Milanovic 2016)

Another factor that should not be taken for granted is that of proximity of origin and host countries, which Lucas (2003: 18) argued as reason for labor markets to resemble one another, hence enhancing the transferring of jobs or jobs finding skills.

Figure 11. Projections of potential output from a migration shock



Source: OECD (2019)

Notwithstanding this, their estimation of the fiscal impact for absorbing into the labor and social security systems the crisis-arrived migrants cancel off those benefits. The fiscal cost for 2018 was projected at 0,19 and 0,42% of the Colombia’s GDP in 2018. The four social axis that accrue this estimation were basic and superior (tertiary) education, access to health services and social conditional programs, humanitarian assistance and access to housing (Reina 2018: 171)

In close relationship, the internal factors driving the impact of participation of immigrants in the colombian labor market can be examined through empirical studies and theoretical developments. As pointed out by Peri (2016), new economic models of impact of immigration labor markets, productivity and the general economy, takes on immigrants ‘as a change in the supply of heterogenous workers in a general equilibrium context; through the differentiation between the complementarity and substitutivity of skills with natives workers; the decision-making process and modelling of choices of natives and businesses as a consequence of migration and how migrants affect the total factor productivity at local or regional settings. (Peri 2016:11)

8.5 The Module of Migration of the Integrated Great Survey of Households (IGSH)

Besides of the ARVM, that it is used by this study as a first source of information and analysis, the DANE released monthly the results of the IGSH, a national continuous survey that collects information on income, socio-economic and multidimensional indicators of the colombian households' livelihoods. Labor market, GDP per capita and multidimensional and monetary poverty indicators are calculated from it. Within it, DANE included a module of Migration (that made publicly about one month ago this reported was prepared) with the purpose of characterizing the migratory phenomenon of venezuelan migrants and venezuelan-national colombians as a product of their crisis-related arrival to the country.

According to this, the labor market was able to absorb the supply shock coming from Venezuela at the expenses of an increase in the informality and small reaction in the unemployment rate, nevertheless the labor participation's increase from 2018 to 2019 has started to have an effect in the unemployment rate, and it is more aggravated in some critical cities for migrants due to being frontier cities or big regional poles of economic agglomeration and productive clusters such as Bogotá, Barranquilla or Bucaramanga. Venezuelan migrant population in Colombia can only explain 10 basic points on the unemployment rate but the mechanism of transmission is through a soaring in the level of informality.

The table below presents the Global Rate of Participation of the population who lived in Venezuela 12 months ago arranged by the colombian main cities and cities-Metropolitan Areas (A.M). It can be noticed from the outset that the participation rates are quite high fluctuating from 83,5% in Popayán, nearby city to the frontier with Ecuador and that constitute an arrival point for transit migration of Venezuela to Ecuador and Quibdó with 61,7%, the city with the highest poverty headcount ratio. The high GORP are reflecting

several behaviours: Most of the arriving population to the cities with either long-stay permanence intention or not are actively seeking jobs, which prompts all the indicators edging up.

Figure 12. Labor Market Indicators of migrants who resided in Venezuela twelve months ago. Mobile year August 2018- July 2019

Ciudad	Agosto 2018 - Julio 2019		
	TGP	TO	TD
Popayán	83,5	56,6	32,2
Villavicencio	86,4	63,1	27,0
Bucaramanga A.M.	78,0	57,7	26,0
Cúcuta A.M.	68,0	51,1	24,9
Bogotá D.C.	80,0	62,6	21,7
Valledupar	69,3	54,4	21,4
Neiva	78,3	62,2	20,5
Medellín A.M.	79,6	63,3	20,4
Riohacha	69,0	55,1	20,2
Cali A.M.	77,7	62,7	19,2
Sincelejo	76,2	62,5	17,9
Tunja	81,0	66,6	17,8
Florencia	73,1	60,5	17,2
Manizales A.M.	80,7	67,0	16,9
Cartagena	63,6	53,2	16,4
Barranquilla A.M.	71,8	60,4	15,9
Pereira A.M.	83,2	70,0	15,9
Ibagué	79,1	67,2	15,0
Santa Marta	65,5	56,1	14,5
Armenia	77,3	66,1	14,5
Montería	76,6	66,0	13,8
Quibdó	61,7	56,2	8,9
Pasto	78,2	74,0	5,4

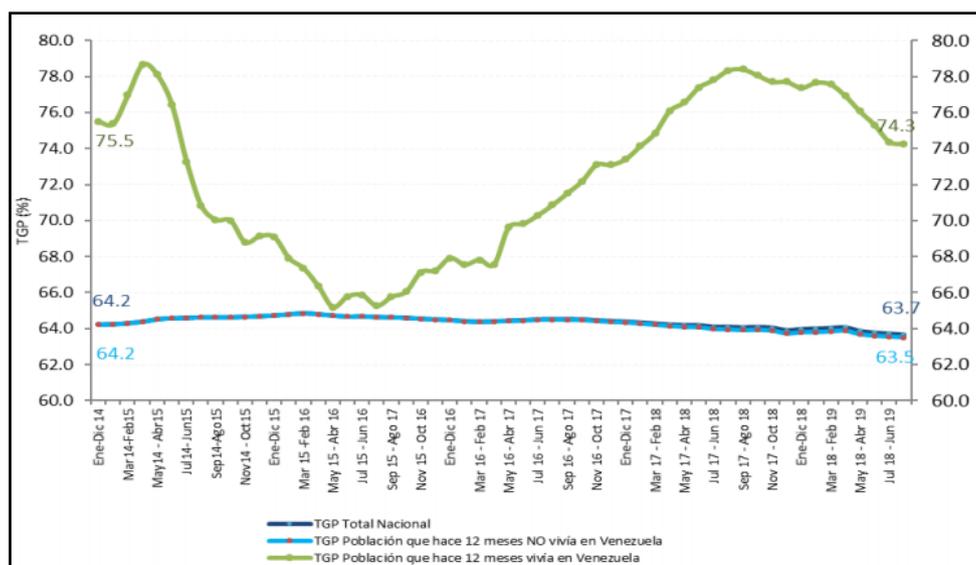
Source: Integrated Great Survey of Households (IGHS) DANE (2019)

The occupation rate, as reported by the DANE, reflects that while some venezuelan migrants and returnees are being able to find jobs, these jobs are temporal and informal, characterized by working seasonally and occasionally in micro small businesses of less than five workers; as domestic employees; as journals in micro business of less than five workers; self-employed in businesses or firm with less than five persons including the owners, among other modalities.

The cities herein depicted are chosen as places of arrival given their different characteristics of economic sector composition, labor specialization, productive cluster of strategic sectors with intensive-labor high utilization on services and manufacturing and or higher relative wages prices and affordable consumption such as is the case of Bogotá, the capital, Bucaramanga, Medellín or Barranquilla; likewise, they are chosen by migrants because of their proximity to frontiers, which increase their probabilities of migrating such as Cúcuta

and Riohacha; Nevertheless, for venezuelan migrants relatively longer distances have not seemed to be a problem as many of them have resorted (because for most of them it is a matter of affordability) to walk extensive distances for days in order the city they want to arrive or to transit to another country.

Figure 13. Global Participation Rate of migration population from Venezuela



Source: Integrated Great Survey of Households (IGSH) DANE (2019). The green dotted line corresponds to the Global Participation Rate of population who lived 12 months ago in Venezuela, the light blue line, for population who do not live in Venezuela 12 months ago, and the dark blue line, is the national total participation rate.

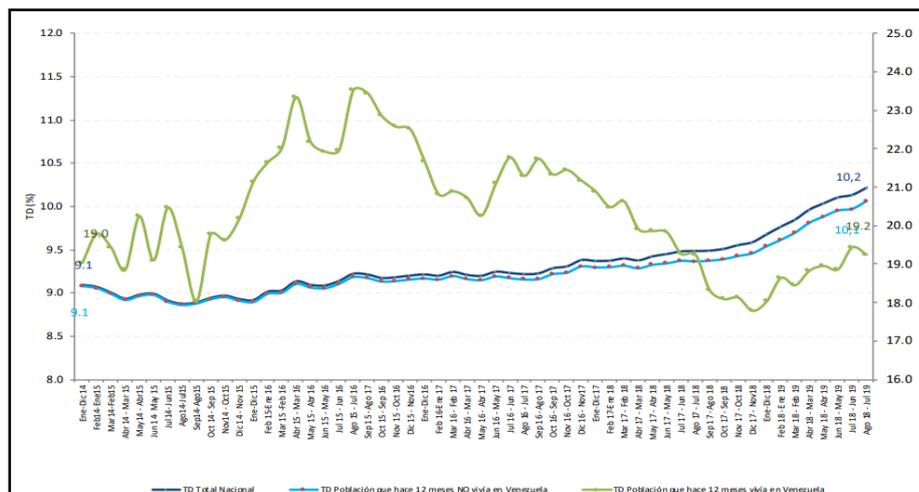
The first city - Cúcuta has border limits with the Zulia State of Venezuela, whereas the second, has limits with Táchira State (San Cristobal). Both cities and regions are thought to be a third country as population from those part of the countries share both cultures, families and relatives and economic traditions that are different than the rest of the part of the countries. In addition to that, frontier regions have a special regimen of economic special zones and a special tax and deduction systems where the trans-frontier commerce generates an important volume of traffic of persons and transportation throughout the economic zones and outside of them, thus it is naturally they are magnet poles that attract laborforce, moreover in times of crisis.

Venezuela is the principal Colombia's commercial partner and despite their bilateral volume of commercialization plummeted as a result of the deterioration of the diplomatic relationship back some years ago, the commuting of venezuelans and colombians back and forth still play an important role in this relationship.

In this way, the pressure on the labor market translates either higher informality or self-employment or unemployment depending on the degree of absorption that these cities can have into their economic structures. Venezuelans are being (self) or employed mainly in labour-intensive sectors and usually low-skilled jobs in sectors such as construction, agriculture, fishery, livestock and cattle-culture, commerce, hotels and restaurants, communal, social and personal services. These jobs have a considerable range of variability in terms of wage differentials with the average wage offered for those positions (including accounting for the level of prices of the cities in which are offered), and the wage offered to natives. As well as, part of this is characterized as shadow labor to which it cannot be attached criterias of formality such as corroborating the migrants are signed to enrol in the social security system or paying personal and business taxes for their economic activities.

The table below depicts the evolution of the unemployment rate for the persons who lived in Venezuela 12 months ago, and it is clearly noted how the downward trend of the green dotted line which went down in the mobile year of June 2017-2018 threshold, has reversed to grow up since December 2018 to locate at 19.2 by July 2019. The latter had been caused by the constant inflow of un(documented) venezuelan and colombian returnees entering the colombian labor market and the inability of cities to absorb the supply shock of migrants. When comparing with native colombians, the unemployment rate of venezuelan migrants and colombian returnees doubles the former. (Fundesarrollo 2018: 3)

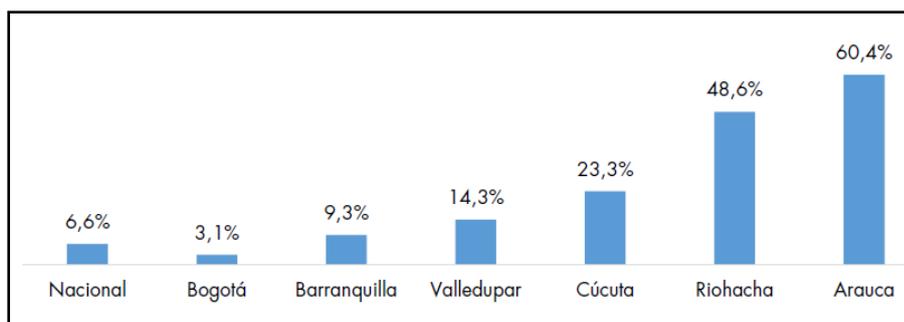
Figure 14. Unemployment Rate for population living in Venezuelan 12 months ago (Mobile Year 2015 -2019)



Source: Integrated Great Survey of Households (IGSH) DANE (2019). The green dotted line corresponds to the Global Participation Rate of population who lived 12 months ago in Venezuela, the light blue line, for population who do not live in Venezuela 12 months ago, and the dark blue line, is the national total participation rate.

According to the ARVM information to June 2018, around 157.000 venezuelan workers were Unemployed in the Colombia labor market, representing the 6,6% of the national unemployment rate. For border cities such as Arauca, 60% of Unemployed were venezuelan workers, for Riohacha, 48,6% and for Cúcuta, the 23,3% were unemployed venezuelan workers (CONPES 3950 2018:)

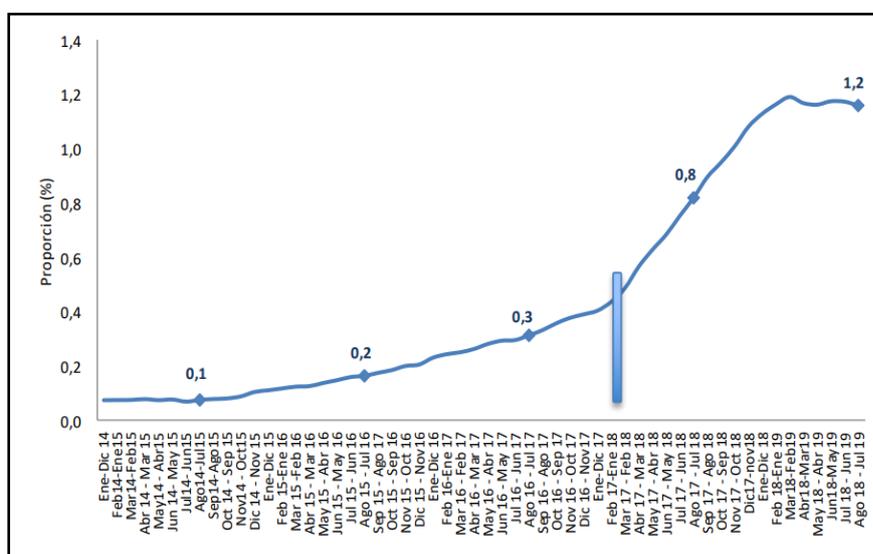
Figure 15. Share of venezuelan nationals' unemployment in the frontier and principal cities in Colombia for venezuelan workers



Source: CONPES 3950 (2018) based on the ARVM, IGHS and the Permanence Special Permit (2017)

As a result of this demographic surplus, the proportion of occupied persons in the informal economy has skyrocketed to the point that the ratio is 1.2:1 the occupation rate to mobile year August 2018-July 2019. The national informality rate of employment went up from 66% in September-November 2010 to 70, 10 by September-November 2018.

Figure 16. Proportion of occupied population that are informal who used to live 12 months in Venezuela



Source: Integrated Great Survey of Households (IGSH) DANE (2019).

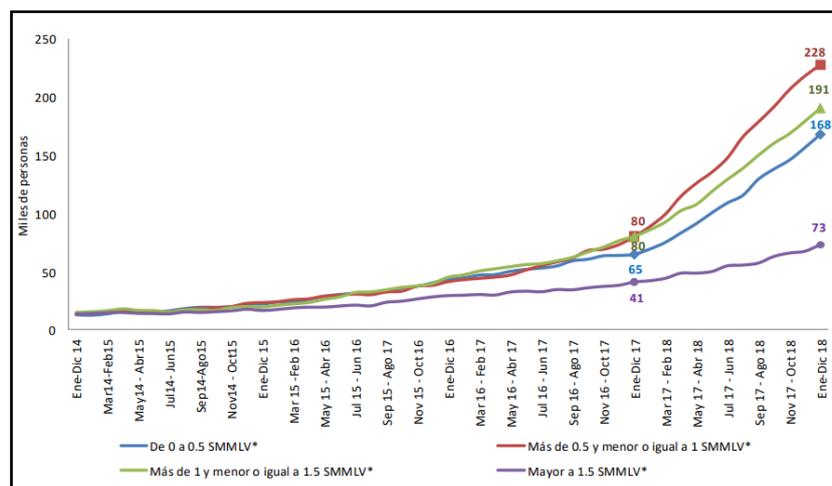
On the occupational skills-compatibility realm, more than 65% of venezuelan migrant workers have reached basic and intermediate education (primary, secondary and tertiary levels) - the ARVM base reports this level to be over 73% of the surveyed population whereas only 56% of the colombian population has only reached such levels. Even though, the wage

gap among natives and venezuelans is closed to 40%. This study found that certified experience was associated with higher probabilities of being employed, although this is more favourable for obtaining informal jobs.

Venezuelan workers who are seeking actively for jobs are not only compatible or suitable for many job positions in the Colombia labor market, but their legal status can act as an incentive for employers to sub-contract without having legal papers, at lower level of wages. While the national average income is \$682.287 (US\$204) for venezuelan migrants and colombian returnees, the average income for national resident is US\$351.3.

The IGSH reports the variability of income obtained by the venezuelan workers measured by the Minimum Monthly Legal Wage of Colombia (SMMLV) calculated at the spot exchange rate of today, November 8th at US\$247.57 or \$828.116 colombian pesos. From 2017, 228.000 venezuelan workers reported to earn an income more than half of the SMMLV but less or equal to 1 SMMLV from 80.000 in 2017; 191.000 individual declared to earn more than 1 SMMLV and less or equal than 1,5 SMMLV from 80.000 in 2017; and 168.000 reported to earn and income from 0 SMMV to 0.5 SMMV. From 2017, the proportion of venezuelan migrants who earn such quantities, have increased nearly threefold for these categories.

Figure 17. Income groups - Employed Population that used to live five years ago in Venezuela – Mobile Year January-December 2018



Source: Integrated Great Survey of Households (IGSH) DANE (2019). The blue line depicts income from 0 to 0,5 SMMLV (Minimum Monthly Legal Wage); the red line depicts an income of 0.5 and less or equal to 1 SMMLV, the green line depicts an income more than 1 and less or equal to 1.5 SMMLV and the purple line depicts an income of more than 1.5 SMMLV

On the other hand, while unemployment rate is rising, some medium-and-high-skilled individuals are finding job opportunities in the formal sector, but the formality remains considerably low. Clavijo et. al (2018) of the National Association of Financial Institutions (ANIF) projected scenarios of unemployment even if the country can absorb as much as the 50% of unemployed venezuelans seeking actively labor opportunities.

The number of venezuelan migrant workers seeking for jobs hovered around 200.000 and 600.000 by March 2018. If the probability of hiring a venezuelan worker is that of 20% in one scenario, and 50% in another, the national unemployment rate would go up by 0,6pp and 1.7pp for the first scenario, and 0,3 and 1pp second scenario. The national unemployment rate was 10,2% in September 2019 from 9,5 in September of 2018, in line with these scenarios.

In terms of informality, the authors considered two scenarios. If 25% of incoming migrant workers is formally hired, the national formality rate would get reduced between

0.1pp and 0.4pp, while if only 10% of incoming migrant workers would be formally hired, the national formality rate would get cut by between 0.3 and 0.8pp. (Clavijo et al. 2018)

9. Conclusions

This research paper aimed to characterize the labor participation of Venezuelan migrant workers (under special status of international protection and vulnerability) and its impact in the Colombia Labor Market in relationship with the influence of their documentation status and the year of entry or cohort to the country. Besides of this, the context of the Venezuela's economic, political, monetary and humanitarian crisis made special this analysis because it involved investigating the nexus between the determinants of migration for many persons from 2014-2015 whose decision-making were weighing in on whether leaving things behind in Venezuela to start over in another country and economic instability or returning, and why this influenced their labor participation in the neighbor country of Colombia. The latter decided to have an open-door policy with venezuelan families and colombian returnees that activated a set of policy response instruments that helped cushion the hardships of the mass flow of immigrants that every day cross the over 2000 kms of shared borders between the two countries.

The labor market had been absorbing part of the laborforce incoming actively seeking for jobs through informality rates and lower wages increasing as venezuelan workers are on average younger in their economical ages with respect to Colombian and have higher level of education and compatibility (resemblance) of skills and techniques with colombian occupations and sectors, which in turn also hold similarities with the local industries that existed in Venezuela, nevertheless at regional level, border cities like Cúcuta, Arauca and Riohacha and other migrant-recipient cities like Bogotá, Barranquilla and Bucaramanga, among others had seen their unemployment edge up with high participation rates for venezuelan than for colombians.

In relation to this, another interest finding was that regardless of the documentation status, the probabilities of being unemployed for a venezuelan migrant is as high if he/she is documented as when he/she is undocumented. At the same time, the probabilities that the migrants into informal or self-employees is bigger than formality which is low for all of the specifications. A highlight is that post-graduate and tertiary-educated population are more likely to be unemployed but they have higher probabilities of being employed in informal and formal sectors than secondary or primary levels.

The empirical literature herein addressed suggested that labor assimilation of immigrants happens after several years when immigrants get to know the market local and regional dynamics, connect with social networks, act culturally similar to that of natives' cultures and their wages converge gradually to that of natives as soon as they accumulate labor experience and education. Although in time of transnational crisis like the Venezuelan crisis, absorption rather than robust, looks trembling and looming the Colombia's fiscal system which has seen their institutional efforts been insufficient to cope with new inhabitants when current social systems (health, housing and public services, government social expenditures, education and security) are struggling.

Having said this, it can be inferred that the emergency response plan put forward by the Colombian have only partially cushioned the impact of the supply shock of labor that immigrated to Colombia in the last 5 years and to 2019, is falling short in responding to the challenges of the labor market in terms of health insurance and enrolment, housing, education and public services.

The public policy response needs to go beyond migratory mechanisms to focus on fixing current coordination problems among the inter-institutional and private sector, that already rely on existing tools that can help further mitigate pressures on local markets and social systems. Most of economically active venezuelans bear a high dependency ratio on their shoulders, and their cost of opportunity of not looking for jobs are starvation and

homelessness, so labor market active policies should concentrate on the redesign of policy instruments that tackle the underlying causes of their deprivation, while guaranteeing formality, social insurance and progressive taxation.

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Appendix

Variables Set	Description
Employed (Y)	A dummy outcome variable that describe whether the individual is employed (1) or otherwise (0). This category includes the inactive population, and corresponds to the Gross Labor Rate of Participation (GRP)
Employedecon (Y)	A dummy outcome variable that describe whether the individual is employed (1) or otherwise (0). This category includes the inactive population, and correspond to the Global Rate of Participation (GORP)
Immigrant Cohort 2017	Variables that split immigrants who entered the country in this date at any date in this year or after and 0: otherwise (who entered before)
Immigrant Cohort 2015	Variable that splits immigrants who entered the country at any date in this year of after :1 and 0: otherwise (who entered before)
Entry Year	Variable that depicts immigrant according to the Year of Entry to the country
femployee	A dummy outcome variable that describe whether the individual reported being formal employee:1 and 0: otherwise
iemployed	A dummy outcome variable that describe whether the individual reported being informal:1 and 0: otherwise
selfemployed	A dummy outcome variable that describe whether the individual reported being self-employed and 0: otherwise
Unemployed	A dummy outcome variable that describe whether the individual reported being unemployed and 0: otherwise
Labor Categories (Labor Force Participation)	A categorical variable that describes categories of employment or occupation (formal, informal, self-employment, unemployed, student, household head and a category of inactive population)

	for individuals who are unable to work (children, elderly people and with disabilities)
ADS (Any documentation Status)	This category depicts all the individuals who holds any documentation status except for those who only hold national venezuelan identification documents. The latter are not immigration valid documents; therefore, they are categorized as irregular or undocumented migrants.
Immigration Statuses	
Permiso (PSP)	Variable that describes those individuals holding the Permanence Special Permit (PSP) against to those who do not
Cedula (Foreigner ID)	Variable that describes those individuals holding a foreigner ID against to those who do not
Pasaportes (passport)	Variable that describes those individuals holding a passport) against to those who do not
Visa 1 (Visitant)	Variable that describes those individuals holding a Visa 1) against to those who do not
Visa 2 ^a (Migrant)	Variable that describes those individuals holding a Visa 2) against to those who do not
Visa 3 ^a (Residence)	Variable that describes those individuals holding a Visa 3) against to those who do not
Skilfullness	
Primary Level (No education is the control variable)	Highest educational attainment:1 and o: otherwise
Secondary Level	Highest educational attainment:1 and o: otherwise
Tertiary Level	Highest educational attainment:1 and o: otherwise
Postgraduate level	Highest educational attainment:1 and o: otherwise
Educationlevel	Variable that classifies individuals according to their educational level
Certified experience	Variable that shows whether individuals have certified labor experience
Validated degree in Colomiba	Variable that shows those individuals who validated their degree in Colombia

Sociodemographics	
Single (Base variable: Other Civil Status: Widowed and Divorcees:1 and 0:otherwise)	Civil status single:1 and 0:otherwise
Married	Civil status married:1 and 0:otherwise
Freeunion	Civil status Free Union:1 and 0:otherwise
Male	Male:1 and 0: otherwise
Female	Female: 1 and 0:otherwise
Transgender	Transgender:1 and 0: otherwise
Genders	Categorical Variable (1)
edad_anos	Age in Years
healthinsurance	Variable of Morbidity
disability	Variable of Morbidity
hipertension1	Variable of Morbidity
diabetes1	Variable of Morbidity
cancer1	Variable of Morbidity
lungdisease1	Variable of Morbidity
mentalimpairment1	Variable of Morbidity
tuberculosis1	Variable of Morbidity
sextransdisease1	Variable of Morbidity
Permanence Intention and Duration of Migration	
Residecol	Permanence intention of residing in Colombia:1 and 0:otherwise
Returnven	Permanence intention of returning to Venezuela:1 and 0:otherwise
Transit	Permanence intention of residing in Colombia:1 and 0:otherwise
Longterm	Duration of stay =>1 year :1 and 0:otherwise
Shortterm	Duration of stay < 6months:1 and 0:otherwise
Medterm	Duration of stay >6months and less than 1 year:1 and 0: otherwise

Table 4. Descriptive Statistics

Main Variable: Employedecon - Population Economically Active (PEA) (employed=1 and 0=unemployed)						
VARIABLES	Unemployed:		Employed:		Diff	Two tailed p-value
	Mean	SE	Mean	SE		
Immigration Status						
Foreigner ID	0.074	0.001	0.044	0.000	0.029	0.000
Passport	0.123	0.001	0.079	0.001	0.044	0.000
Visitant Visa	0.000	0.000	0.000	0.000	0.000	0.151
Migrant Visa	0.002	0.000	0.002	0.000	0.000	0.010
Residence Visa	0.000	0.000	0.000	0.000	0.000	0.000
Border Mobility Card (BMC)	0.041	0.001	0.068	0.001	-0.027	0.000
Permanence Special Permit (PSP)	0.004	0.000	0.005	0.000	-0.001	0.000
Sociodemographic variables						
Age	31.170	0.040	31.965	0.023	-0.796	0.000
Male	0.467	0.002	0.583	0.001	-0.116	0.000
Female	0.532	0.002	0.416	0.001	0.116	0.000
Transgender	0.001	0.000	0.001	0.000	0.000	0.022
Single	0.548	0.002	0.518	0.001	0.030	0.030
Married	0.132	0.001	0.131	0.001	0.001	0.486
Free Union	0.296	0.002	0.326	0.001	-0.030	0.000
Other Civil statuses	0.024	0.001	0.026	0.000	-0.001	0.066
Skillfulness						
No education	0.015	0.000	0.012	0.000	0.003	0.000
Primary Level	0.126	0.001	0.134	0.001	-0.009	0.000
Secondary Level	0.612	0.002	0.628	0.001	-0.016	0.000

Tertiary level (technical and universitar-ian)	0.233	0.001	0.212	0.001	0.021	0.000
Post-Graduate Level	0.005	0.000	0.004	0.000	0.001	0.000
Other	0.020	0.000	0.018	0.000	0.002	0.000
Validated degree in Colombia	0.145	0.001	0.117	0.001	0.028	0.000
Certified Experience	0.186	0.001	0.185	0.001	0.001	0.379
Morbidity and Health Variables						
Enrollment to social insurance/security	0.009	0.000	0.009	0.000	-0.001	0.074
Pregnancy	0.028	0.001	0.010	0.000	0.017	0.000
Prenatal control	0.007	0.000	0.002	0.000	0.005	0.000
Lactant women	0.023	0.001	0.010	0.000	0.013	0.000
Disability	0.026	0.001	0.026	0.000	0.001	0.404
Hipertension	0.029	0.001	0.026	0.000	0.003	0.000
Diabetes	0.009	0.000	0.008	0.000	0.001	0.001
Cancer	0.002	0.000	0.001	0.000	0.001	0.000
Lung Disease	0.010	0.000	0.009	0.000	0.001	0.063
Mental Disease	0.002	0.000	0.002	0.000	0.001	0.007
Heart Disease	0.007	0.000	0.006	0.000	0.001	0.003
Tuberculosis	0.000	0.000	0.001	0.000	0.000	0.101
Sexual transmission disease	0.001	0.000	0.001	0.000	0.000	0.016
Permanence Intention and Duration of migration						
Reside permanently in Colombia	0.877	0.001	0.880	0.001	-0.004	0.006
Return to Venezuela	0.096	0.001	0.096	0.001	0.000	0.928
Transit to another countries	0.027	0.001	0.024	0.000	0.004	0.000
Short-term stay	0.890	0.001	0.899	0.001	-0.009	0.000
Medium term stay	0.077	0.001	0.072	0.001	0.005	0.000
Long-term stay	0.033	0.001	0.029	0.000	0.004	0.000

Table 5. First Specification

Dep. Variable: Employed=1, 0=Unemployed		Marginal Effects After Logit			
Variables	1	2	3	4	
Time Cohorts					
Cohort >= 2015		-0.0141** -0.00708			
Cohort >=2017			-0.0396*** -0.00284		
Entry Year				-0.00592*** -0.000676	
Documentation Statuses					
Permanence Special Permit (PSP)	0.122***		0.120***	0.120***	
	-0.0153		-0.0155	-0.0155	
Border Mobility Card (BMC)	0.131***		0.132***	0.131***	
	-0.00425		-0.00428	-0.00428	
Visitant Visa	-0.253***	-0.253***	-0.251***	-0.251***	
	-0.0451	-0.0451	-0.0457	-0.0457	
Migrant Visa	-0.0123	-0.0111	-0.0103	-0.0108	
	-0.0227	-0.023	-0.0231	-0.023	
Visitant Visa	-0.0104	-0.0126	-0.0181	-0.018	
	-0.105	-0.104	-0.102	-0.102	
Passport	-0.0891***	-0.0897***	-0.0884***	-0.0881***	

	-0.00295	-0.00296	-0.00297	-0.00297
Foreigner ID	-0.0744***	-0.0734***	-0.0735***	-0.0736***
	-0.00359	-0.00362	-0.00361	-0.00361
Sociodemographic Variables				
Age	0.0111***	0.0111***	0.0111***	0.0111***
	-9.17E-05	-9.24E-05	-9.23E-05	-9.24E-05
Female (Base category: Male)	-0.173***	-0.173***	-0.174***	-0.173***
	-0.00172	-0.00173	-0.00173	-0.00173
Transgender	0.0596*	0.0572*	0.0544	0.0561*
	-0.0331	-0.0332	-0.0332	-0.0332
Single (Base category: Other (Widowed, divorcee))	0.0405***	0.0408***	0.0407***	0.0408***
	-0.00633	-0.00637	-0.00637	-0.00637
Married	0.00331	0.00322	0.00345	0.00346
	-0.00675	-0.00679	-0.00679	-0.00679
Free Union	0.0918***	0.0916***	0.0907***	0.0913***
	-0.00666	-0.0067	-0.0067	-0.0067
Skillfulness				
Primary Level (Base category: No education)	0.348***	0.349***	0.349***	0.349***
	-0.00785	-0.0079	-0.0079	-0.00791
Secondary Level	0.488***	0.488***	0.489***	0.489***
	-0.00636	-0.0064	-0.00639	-0.0064
Tertiary Level	0.532***	0.532***	0.534***	0.533***
	-0.00565	-0.00569	-0.00568	-0.00568
Postgraduate Level	0.406***	0.409***	0.410***	0.410***
	-0.0115	-0.0116	-0.0115	-0.0115

Other	-0.00606	-0.00745	-0.00778	-0.00813
	-0.00892	-0.00898	-0.00897	-0.00898
Validated Degree in Colombia	-0.0285***	-0.0283***	-0.0278***	-0.0280***
	-0.00261	-0.00262	-0.00262	-0.00262
Certified Labor Experience	0.0543***	0.0538***	0.0543***	0.0543***
	-0.00275	-0.00276	-0.00276	-0.00276
Morbidity and Health				
Food allowance at school	-0.416***	-0.416***	-0.416***	-0.416***
	-0.00143	-0.00144	-0.00143	-0.00143
School transportation	-0.276***	-0.273***	-0.274***	-0.273***
	-0.0186	-0.0191	-0.0188	-0.0189
Enrollment to Social insurance	-0.00883	-0.00952	-0.0117	-0.0115
	-0.00856	-0.00862	-0.00861	-0.00862
Pregnancy	-0.158***	-0.159***	-0.159***	-0.159***
	-0.00534	-0.00536	-0.00535	-0.00535
Prenatal Control	-0.0604***	-0.0594***	-0.0605***	-0.0602***
	-0.0142	-0.0143	-0.0143	-0.0143
Lactant mother	-0.158***	-0.158***	-0.159***	-0.158***
	-0.00497	-0.00499	-0.00498	-0.00499
Disability	-0.0597***	-0.0606***	-0.0608***	-0.0609***
	-0.0051	-0.00512	-0.00512	-0.00512
Hipertension	-0.0587***	-0.0599***	-0.0603***	-0.0603***
	-0.00628	-0.0063	-0.0063	-0.0063
Diabetes	-0.0766***	-0.0757***	-0.0756***	-0.0764***
	-0.00937	-0.00942	-0.00942	-0.00943

Cancer	-0.138*** -0.0202	-0.137*** -0.0204	-0.137*** -0.0204	-0.136*** -0.0204
Lung Disease	0.0055 -0.00854	0.00571 -0.00862	0.00567 -0.00862	0.00543 -0.00862
Mental health	-0.0546*** -0.0168	-0.0555*** -0.0169	-0.0563*** -0.0169	-0.0559*** -0.0169
Heart Disease	-0.0342*** -0.0107	-0.0351*** -0.0108	-0.0355*** -0.0108	-0.0361*** -0.0108
Tuberculosis	0.0742* -0.0406	0.0776* -0.0409	0.0778* -0.0409	0.0767* -0.041
Sexual Transmission Disease	-0.0113 -0.0368	-0.0107 -0.0368	-0.0108 -0.0368	-0.00996 -0.0368
Medical Treatment	-0.0602*** -0.00432	-0.0603*** -0.00434	-0.0600*** -0.00434	-0.0600*** -0.00434
Permanence Intention and Duration of Migration				
Reside in Colombia (Base category: Transit no another countries)	-0.0435*** -0.00633	-0.0443*** -0.00637	-0.0454*** -0.00637	-0.0450*** -0.00637
Return to Venezuela	-0.0137** -0.00654	-0.0141** -0.00657	-0.0138** -0.00658	-0.0140** -0.00657
Long-term stay (> 1 year) (Base category: Short-term stay < 6 months)	0.0209*** -0.00513	0.0201*** -0.00516	0.0185*** -0.00517	0.0188*** -0.00517
Medium-term stay (>6m<1y)	0.0280*** -0.00621	0.0278*** -0.00625	0.0278*** -0.00625	0.0274*** -0.00624
Observations	439,525	433,866	433,866	433,866

Note: Standard errors are below coefficients in negative signs. Confidence intervals are provided with * to the 10%, ** 5%, ***1%

Table 6. Second Specification

Dep. Variable: Employed=1, 0=Unemployed		Marginal Effects After Logit		
<i>VARIABLES</i>		1	2	3
Documented and Undocumented Status				
Valid documented immigration status=1, otherwise=0, (undocumented)		-0.0286***	-0.0278***	-0.0284***
		-0.00226	-0.00227	-0.00227
Time Cohort				
Immigrant Cohort >=2017			-0.0412***	
			-0.00283	
Immigrant Cohort >=2015				-0.0172**
				-0.00703
Sociodemographic Variables				
Age		0.0111***	0.0110***	0.0111***
		-9.14E-05	-9.20E-05	-9.21E-05
Female (Bsse category: Male)		-0.173***	-0.173***	-0.172***
		-0.00172	-0.00174	-0.00174
Transgender		0.0611*	0.0560*	0.0588*
		-0.0327	-0.0328	-0.0328
Single (Base categories: Other civil status – Widowed)		0.0373***	0.0375***	0.0375***

	-0.0063	-0.00634	-0.00635
Married	8.90E-05	0.000221	-3.94E-05
	-0.00672	-0.00676	-0.00677
Free Union	0.0911***	0.0900***	0.0910***
	-0.00661	-0.00665	-0.00665
Skilfullness			
Primary Level (Base category: No education)	0.349***	0.349***	0.349***
	-0.00784	-0.0079	-0.0079
Secondary Level	0.487***	0.488***	0.487***
	-0.00637	-0.00641	-0.00642
Tertiary Level	0.527***	0.529***	0.528***
	-0.00572	-0.00575	-0.00577
Postgraduate Level	0.400***	0.405***	0.403***
	-0.0117	-0.0117	-0.0118
Other	-0.00818	-0.0098	-0.00947
	-0.0089	-0.00896	-0.00896
Validated Degree in Colombia	-0.0399***	-0.0392***	-0.0396***
	-0.00255	-0.00257	-0.00256
Certified Labor Experience	0.0547***	0.0548***	0.0543***
	-0.00273	-0.00275	-0.00275
Morbidity and Health			
Food allowance at school	-0.416***	-0.416***	-0.416***
	-0.00158	-0.00144	-0.00159
School transportation	-0.274***	-0.272***	-0.270***

	-0.0189	-0.0191	-0.0193
Enrollment to Social insurance	-0.0137	-0.0167**	-0.0144*
	-0.00842	-0.00847	-0.00847
Pregnancy	-0.158***	-0.159***	-0.158***
	-0.00533	-0.00534	-0.00535
Prenatal Control	-0.0600***	-0.0600***	-0.0588***
	-0.0141	-0.0142	-0.0142
Lactant mother	-0.157***	-0.158***	-0.157***
	-0.00496	-0.00498	-0.00498
Disability	-0.0573***	-0.0583***	-0.0581***
	-0.00509	-0.00512	-0.00512
Hipertension	-0.0591***	-0.0607***	-0.0603***
	-0.00626	-0.00628	-0.00628
Diabetes	-0.0763***	-0.0755***	-0.0755***
	-0.00934	-0.00939	-0.00939
Cancer	-0.136***	-0.135***	-0.135***
	-0.0202	-0.0203	-0.0203
Lung Disease	0.00438	0.00456	0.00462
	-0.0085	-0.00858	-0.00857
Mental health	-0.0575***	-0.0589***	-0.0581***
	-0.0167	-0.0169	-0.0169
Heart Disease	-0.0329***	-0.0343***	-0.0338***
	-0.0107	-0.0108	-0.0108
Tuberculosis	0.0714*	0.0754*	0.0751*

	-0.0405	-0.0408	-0.0408
Sexual Transmission Disease	-0.0213	-0.0207	-0.0208
	-0.0367	-0.0367	-0.0367
Medical Treatment	-0.0581***	-0.0580***	-0.0582***
	-0.00431	-0.00434	-0.00433
Permanence Intention and Duration of Migration			
Reside in Colombia (Base category: Transit to another countries)	-0.0435***	-0.0455***	-0.0443***
	-0.00631	-0.00636	-0.00636
Return to Venezuela	-0.0152**	-0.0152**	-0.0155**
	-0.00651	-0.00655	-0.00655
Long-term stay (> 1 year) (Base category: Short term stay < 6 months)	0.0219***	0.0196***	0.0213***
	-0.00511	-0.00515	-0.00514
Medium-term stay (>6m<1y)	0.0304***	0.0302***	0.0303***
	-0.0062	-0.00624	-0.00624
Observations	439,525	433,866	433,866

Note: Standard errors are below coefficients in negative signs. Confidence intervals are provided with * to the 10%, ** 5%, ***1%

Table 7. Third Specification

Dep. Variable: Economically Active Employee (EAE)=1, 0=Otherwise		Marginal Effects After Logit			
VARIABLES	1	2	3	4	
Documented and Undocumented Status					
Valid documented immigration status=1, otherwise=0, (undocumented)	-0.0547*** -0.00228				
Immigrant Cohort					
Immigrant Cohort >=2017			-0.0812*** -0.00268		
Immigrant Cohort >=2015	-0.0713*** -0.00661	-0.0680*** -0.00669			
Year of Entry to the country				-0.0267*** -0.00263	
Documentation Statuses					
Foreigner ID		-0.105*** -0.00418	-0.105*** -0.00419	-0.105*** -0.00417	
Passport		-0.111***	-0.108***	-0.102***	

		-0.00332	-0.0033	-0.00337
Visitant Visa		-0.0705	-0.0791	-0.0985
		-0.0963	-0.095	-0.0976
Migrant Visa		-0.0497**	-0.0476**	-0.0492**
		-0.0222	-0.0221	-0.022
Residence Visa		-0.399***	-0.391***	-0.384***
		-0.0881	-0.0894	-0.0906
Border Mobility Card (BMC)			0.0933***	0.0903***
			-0.00318	-0.0032
Permanence Special Permit (PSP)			0.0888***	0.0846***
			-0.0109	-0.0109
Sociodemographic variables				
Age	0.00138***	0.00140***	0.00136***	0.00133***
	-9.48E-05	-9.49E-05	-9.49E-05	-9.45E-05
Female (Base category: Male)	-0.0828***	-0.0829***	-0.0834***	-0.0831***
	-0.00181	-0.00181	-0.00181	-0.0018
Transgender	0.027	0.0248	0.0206	0.0196
	-0.0281	-0.0285	-0.0288	-0.0287
Single (Base category: Other civil status (widowed and divorcee))	-0.0207***	-0.0171***	-0.0169***	-0.0167***
	-0.00566	-0.00566	-0.00566	-0.00562
Married	-0.0286***	-0.0249***	-0.0241***	-0.0237***
	-0.00623	-0.00619	-0.00618	-0.00615
Free Union	0.000891	0.00177	0.000621	0.000373

	-0.00575	-0.00573	-0.00574	-0.0057
Skilfulness				
Primary Level (Base category: No education)	0.0118	0.0118	0.0125	0.0132
	-0.0135	-0.0135	-0.0134	-0.0134
Secondary Level	0.0214	0.0233*	0.0262*	0.0273**
	-0.0137	-0.0137	-0.0138	-0.0138
Tertiary Level	0.0135	0.0202	0.0242*	0.0257*
	-0.0135	-0.0133	-0.0133	-0.0132
Postgraduate Level	-0.0201	-0.0119	-0.00733	-0.00575
	-0.0194	-0.0191	-0.0189	-0.0188
Other	-0.0306*	-0.0264*	-0.0285*	-0.0285*
	-0.0158	-0.0157	-0.0157	-0.0157
Validated Degree in Colombia	-0.0433***	-0.0299***	-0.0287***	-0.0285***
	-0.00273	-0.00273	-0.00272	-0.00271
Certified Labor Experience	0.00904***	0.00772***	0.00823***	0.00871***
	-0.00231	-0.00233	-0.00232	-0.00231
Morbidity and Health				
Food allowance at school	0.0261	0.0208	0.023	0.0226
	-0.0568	-0.0566	-0.0571	-0.0564
School transportation	-0.0566	-0.0502	-0.0555	-0.056
	-0.082	-0.0795	-0.083	-0.0815
Enrollment to Social insurance	0.0311***	0.0372***	0.0338***	0.0312***
	-0.00857	-0.00857	-0.00865	-0.00868
Pregnancy	-0.157***	-0.157***	-0.159***	-0.161***

	-0.00879	-0.00882	-0.00888	-0.00888
Prenatal Control	-0.0487***	-0.0494***	-0.0512***	-0.0514***
	-0.0167	-0.0167	-0.0168	-0.0167
Lactant mother	-0.129***	-0.130***	-0.132***	-0.131***
	-0.00813	-0.00816	-0.00821	-0.00818
Disability	-0.0132**	-0.0160***	-0.0167***	-0.0169***
	-0.00559	-0.00562	-0.00564	-0.00561
Hipertension	0.00486	0.00525	0.00439	0.00404
	-0.00602	-0.00601	-0.00603	-0.006
Diabetes	-0.0163*	-0.0152	-0.0148	-0.0157
	-0.0098	-0.00976	-0.00974	-0.00971
Cancer	-0.0853***	-0.0899***	-0.0903***	-0.0884***
	-0.027	-0.0272	-0.0273	-0.0269
Lung Disease	0.0119	0.0133	0.0132	0.0124
	-0.00885	-0.00882	-0.00883	-0.00879
Mental health	-0.0452**	-0.0419**	-0.0435**	-0.0426**
	-0.0198	-0.0196	-0.0197	-0.0196
Heart Disease	-0.0135	-0.0142	-0.0146	-0.0163
	-0.011	-0.0111	-0.0111	-0.0111
Tuberculosis	0.0672*	0.0710**	0.0707**	0.0677**
	-0.0349	-0.0338	-0.0339	-0.0341
Sexual Transmission Disease	-0.0693*	-0.0578	-0.0574	-0.0545
	-0.0376	-0.0368	-0.0369	-0.0364
Medical Treatment	-0.0302***	-0.0326***	-0.0324***	-0.0322***

	-0.00467	-0.00469	-0.0047	-0.00468
Permanence Intention and Duration of Migration				
Reside in Colombia (Base category: Transit to Colombia)	0.0144**	0.0156***	0.0138**	0.0130**
	-0.00565	-0.00568	-0.00565	-0.00561
Return to Venezuela	0.0185***	0.0208***	0.0213***	0.0207***
	-0.0058	-0.00578	-0.00577	-0.00574
Long-term stay (> 1 year) (Base category: Short-term stay: > 6 months)	0.0276***	0.0261***	0.0227***	0.0199***
	-0.00519	-0.00519	-0.00516	-0.00514
Medium-term stay (>6m<1y)	0.0137**	0.0110**	0.0107*	0.00882
	-0.00557	-0.0056	-0.0056	-0.00559
Observations	280,010	280,010	280,010	280,010

Note: Standard errors are below coefficients in negative signs. Confidence intervals are provided with * to the 10%, ** 5%, ***1%

Table 8. Fourth Specification

Marginal Effects after Multinomial Logit					
Dependent Variable: Labor Categories	Unemployment (No Cohort)	Unemployment	Informal employ- ment	Self-employ- ment	Formal Em- ployment
VARIABLES	1	2	3	4	5
Immigrant Cohort					
Immigrant Cohort >=2017		0.0463***	-0.0157***	-0.00823***	-0.00212***
		-0.00139	-0.00187	-0.00173	-0.000339
Foreigner ID	0.0645***	0.0644***	-0.00636***	-0.0427***	0.00155***
	-0.00268	-0.0027	-0.00237	-0.00203	-0.000408
Passport	0.0655***	0.0630***	0.00957***	-0.0635***	0.000606**
	-0.00212	-0.0021	-0.002	-0.00154	-0.000281
Documentation Statuses					
Visa Visitant	0.0568	0.073	-0.011	-0.055	0.00826
	-0.0638	-0.0644	-0.0587	-0.0448	-0.00616
Visa Migrant	0.0392***	0.0376***	0.00312	-0.00933	0.000903
	-0.0136	-0.0137	-0.0136	-0.0128	-0.00223
Visa Resident	0.284***	0.272***	-0.044	-0.139***	0.00395
	-0.0827	-0.0822	-0.0435	-0.0131	-0.00927

Border Mobility Card (BMC)	-0.0423*** -0.00173	-0.0423*** -0.00173	0.0364*** -0.00259	0.0389*** -0.0025	0.00129*** -0.000391
Permanence Special Permit (PSP)	-0.0447*** -0.00549	-0.0429*** -0.00559	0.0554*** -0.00988	-0.0164** -0.00816	0.0102*** -0.00187
Sociodemographic Variables					
Age	0.00221*** -4.73E-05	0.00225*** -4.78E-05	0.00282*** -5.30E-05	0.00450*** -5.90E-05	6.92e-05*** -7.64E-06
Female (Base category: Male)	0.0167*** -0.000968	0.0171*** -0.000973	-0.0621*** -0.00115	-0.0498*** -0.00112	-0.00225*** -0.000183
Transgender	-0.00501 -0.0167	-0.00279 -0.017	0.000974 -0.0174	0.0254 -0.0191	0.00297 -0.0032
Single (Base category: Other civil status (widowed, divorcee))	0.0253*** -0.00307	0.0258*** -0.00309	0.0230*** -0.00368	0.00413 -0.00342	0.000956* -0.000549
Married	0.0183*** -0.00364	0.0184*** -0.00367	0.00464 -0.004	-0.00243 -0.00354	0.00115 -0.000707
Free Union	0.0225*** -0.00346	0.0243*** -0.0035	0.0416*** -0.00417	0.0233*** -0.00367	0.000575 -0.000616
Skilfulness					
Primary Level (Base category: No education)	0.230*** -0.0114	0.232*** -0.0116	0.312*** -0.0122	0.202*** -0.00991	0.00489*** -0.00177
Secondary Level	0.232*** -0.00729	0.231*** -0.00735	0.322*** -0.00799	0.223*** -0.00677	0.00595*** -0.00118

Tertiary Level	0.368***	0.366***	0.486***	0.313***	0.0125***
	-0.0129	-0.013	-0.012	-0.0111	-0.0031
Postgraduate Level	0.378***	0.375***	0.415***	0.275***	0.0189***
	-0.0205	-0.0207	-0.0201	-0.0196	-0.0066
Other	0.0187**	0.0200***	0.00377	0.000666	-0.00152*
	-0.00761	-0.00772	-0.00839	-0.00682	-0.000875
Validated Degree in Colombia	0.0158***	0.0149***	0.0112***	-0.0284***	-0.00016
	-0.00152	-0.00152	-0.0017	-0.00149	-0.000233
Certified Labor Experience	0.00646***	0.00595***	0.0190***	0.00684***	0.00380***
	-0.00137	-0.00137	-0.00164	-0.00152	-0.000351
Morbidity and health					
Food allowance at school	-0.152***	-0.152***	-0.193***	-0.177***	-0.00492***
	-0.000768	-0.00078	-0.000907	-0.000895	-0.000177
School transportation	-0.0907***	-0.0881***	-0.128***	-0.119***	0.000304
	-0.00998	-0.0106	-0.0101	-0.0101	-0.00273
Enrollment to Social insurance	-0.0298***	-0.0272***	-0.0239***	-0.0387***	0.0344***
	-0.00406	-0.00417	-0.00498	-0.00458	-0.00249
Pregnancy	0.0413***	0.0423***	-0.0851***	-0.0413***	-0.00243***
	-0.00429	-0.00434	-0.00323	-0.00367	-0.000549
Prenatal Control	0.00733	0.00883	-0.0177	-0.0321***	-0.000677
	-0.00719	-0.00731	-0.011	-0.00862	-0.00186
Lactant mother	0.0227***	0.0247***	-0.0921***	-0.0314***	-0.00189***
	-0.00371	-0.00377	-0.00287	-0.00354	-0.000547
Disability	-0.00615**	-0.00599**	-0.0358***	-0.00465	-0.000827*

	-0.00285	-0.00287	-0.00298	-0.00308	-0.000454
Hipertension	-0.0184***	-0.0181***	-0.0284***	-0.00905**	-0.000998
	-0.00295	-0.00298	-0.00365	-0.00357	
Diabetes	-0.00794	-0.00848*	-0.0376***	-0.0103*	-0.00148*
	-0.0049	-0.0049	-0.00538	-0.0054	-0.000756
Cancer	0.0217	0.0203	-0.0550***	-0.0397***	0.00156
	-0.0138	-0.0138	-0.0126	-0.0122	-0.00281
Lung Disease	-0.00718	-0.00744	-0.00458	0.00509	0.00136
	-0.00454	-0.00455	-0.0055	-0.0054	-0.000993
Mental health	0.00845	0.0113	-0.0412***	0.000933	1.32E-05
	-0.01	-0.0102	-0.00986	-0.0109	-0.00167
Heart Disease	0.00105	0.00165	-0.0124*	-0.0110*	-0.000471
	-0.00575	-0.00581	-0.00664	-0.00617	-0.00101
Tuberculosis	-0.0266	-0.03	0.0371	0.0202	-0.0014
	-0.0188	-0.0185	-0.0273	-0.0248	-0.00319
Sexual Transmission Disease	0.0518**	0.0514**	-0.0375*	0.0362	0.00186
	-0.0228	-0.0228	-0.0192	-0.0244	-0.00389
Medical Treatment	0.00756***	0.00759***	-0.0227***	-0.0174***	-0.000601
	-0.00249	-0.0025	-0.00268	-0.0025	-0.000405
Permanence Intention and Duration of Migration					
Reside in Colombia	-0.0282***	-0.0263***	-0.0212***	-0.0112***	-0.000358
	-0.00346	-0.00344	-0.00391	-0.00369	-0.000536
Return to Venezuela	-0.0211***	-0.0213***	0.0124***	-0.0218***	-0.00061
	-0.00292	-0.00292	-0.00407	-0.00344	-0.000498

Long-term stay (> 1 year) (Short-term stay)	-0.0148***	-0.0128***	0.0211***	-0.00916***	-0.000467
	-0.00289	-0.00287	-0.00301	-0.00314	-0.000508
Medium-term stay (>6m<1y)	-0.000535	-0.000572	0.0248***	-0.0054	8.84E-05
	-0.00309	-0.0031	-0.00413	-0.00341	-0.000548
Observations	439,525	433,866	433,866	433,866	433,866

Note: Standard errors are below coefficients in negative signs. Confidence intervals are provided with * to the 10%, ** 5%, ***1%

