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

Ana María Ibáñez (IDB, Universidad de los Andes)
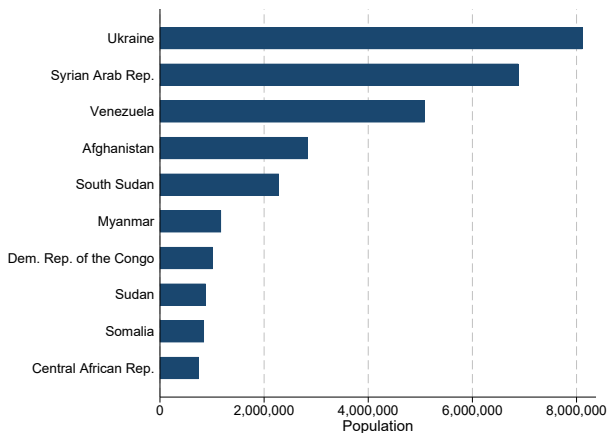Andrés Moya (Universidad de los Andes)
María Adelaida Ortega (University of California Davis)
Sandra V. Rozo (World Bank, Research Department)
María José Urbina (World Bank)

October 5, 2022

# Forced Displacement is a Global Challenge



- 21.3m refugees worldwide by 2021, +7.4m from Ukraine by June 2022
- This population has more than doubled in the last decade

## How to effectively support refugees?

- Most work focused on impacts of forced displacement in host communities (Becker and Ferrara, 2019; Schuettler and Verme, 2021)

- Emerging evidence on how to effectively support refugees

  1. Cash transfers (Altındag, and O'Connell, 2021; Özler et al., 2020; Moussa et al., 2022; Hızıroğlu et al., 2022)

  2. Shelter programs (Miguel et al., 2022)

  3. Mental health value of work (Hussam et al., 2022)

- **This paper:** How to promote economic self-reliance for refugees through economic regularization?

What are the impacts of migratory amnesties/regularization on refugee's lives?

- **Migratory amnesties**: give undocumented migrants working rights, legal free mobility, and access to safety nets in hosting countries.

- Identify the impact of a generous amnesty for undocumented Venezuelan refugees:

  1. Well-being: consumption, labor income, employment

  2. Health (physical and mental)

  3. Access to state services

  4. Other labor market outcomes

## Most Related Literature

- **Existing evidence**
  - Native workers (Fallah et al. 2018; Bahar et al., 2021)
  - Local crime rates (Baker 2015; Pinotti 2017)
  - Developed countries and labor markets (Amuedo-Dorantes et al., 2007; Amuedo-Dorantes and Antman, 2016, 2017; Monras et al., 2018)
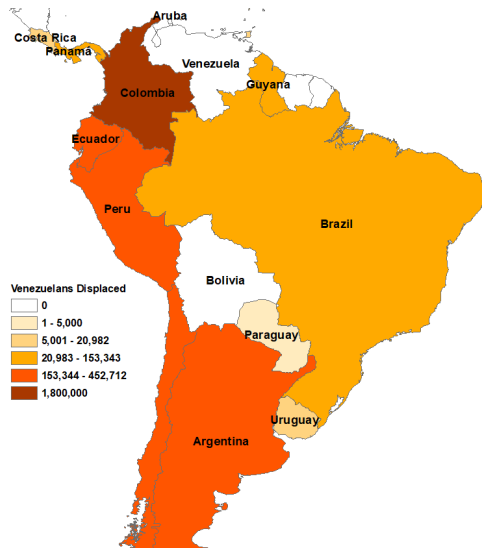
- **Contribution**
  - Developing country: ↑ informality
  - Comprehensive life outcomes
  - Large scale sudden regularization
  - No eligibility criteria

# Context: The Amnesty Program
# Permiso Especial de Permanencia (PEP)

## Massive Out-Migration from Venezuela

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

# Massive Regularization in 2018



Registro administrativo
De Migrantes Venezolanos
**(RAMV)**

April 6th to June 8th, 2018

441
municipalities

442,464
individuals

253,375
households

Permiso Especial de
Permanencia
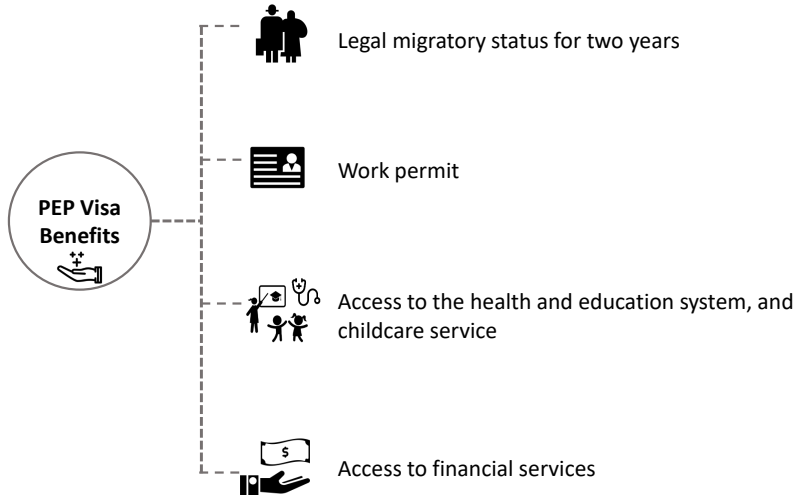**(PEP)**

August 2nd to December 21st, 2018

281,803
individuals

# PEP was a Generous Amnesty



**PEP Visa Benefits**

Legal migratory status for two years

Work permit

Access to the health and education system, and childcare service

Access to financial services

Life out of the shadows

# Study Design

## The Venezuelan Refugee Panel Survey (VenRePS)



Control: irregular migrants



Treatment: PEP-RAMV

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

# The Survey Collection



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

**Size: 2,232 refugee families**
- Eligible (RAMV): 1,110
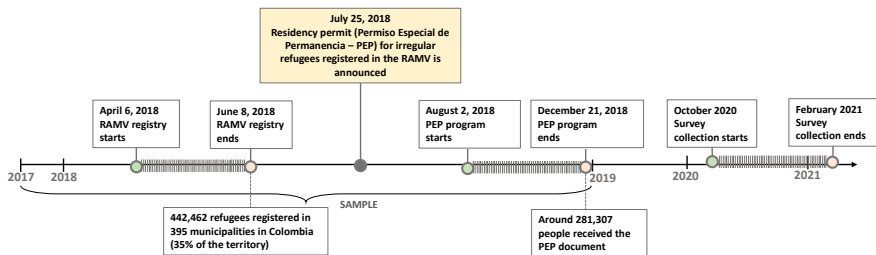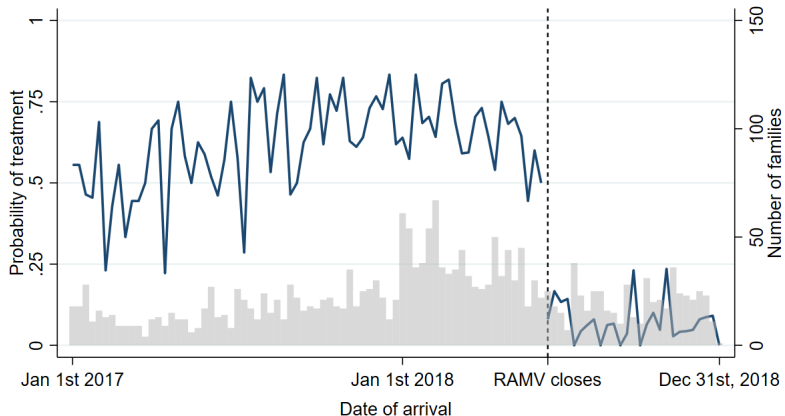- Ineligible (Non-RAMV): 1,122

**Phone surveys by Venezuelan enumerators**

**Language modified to Venezuelan day-to-day common words**

# Empirical Strategy

# Timeline



July 25, 2018
Residency permit (Permiso Especial de Permanencia – PEP) for irregular refugees registered in the RAMV is announced

April 6, 2018
RAMV registry starts

June 8, 2018
RAMV registry ends

August 2, 2018
PEP program starts

December 21, 2018
PEP program ends

October 2020
Survey collection starts

February 2021
Survey collection ends

2017    2018                                                          2019          2020              2021

SAMPLE

442,462 refugees registered in 395 municipalities in Colombia (35% of the territory)

Around 281,307 people received the PEP document

# The Empirical Design: Fuzzy RDD



* Observations grouped by week of arrival

# The Empirical Design (cont'd): Fuzzy RDD
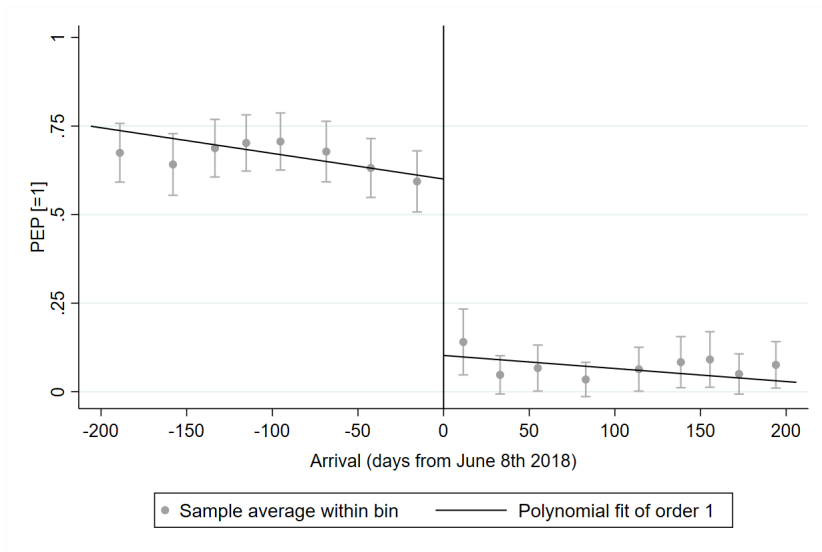
# Validity of the local continuity assumption
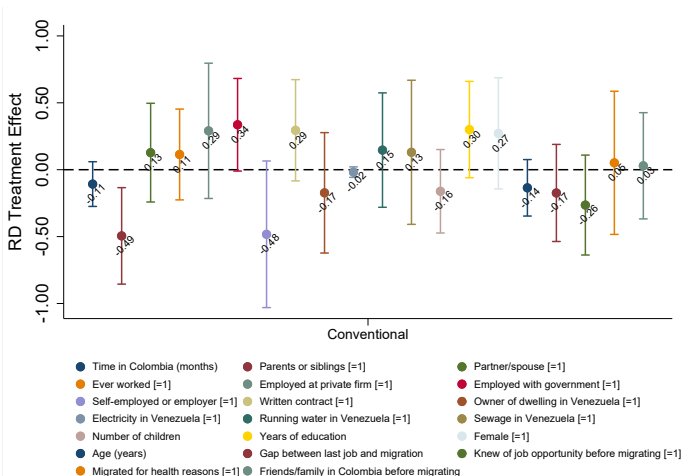


*Notes:* This table tests the validity of the local continuity assumption in all the baseline covariates used as controls in all the specifications. The controls are defined as dependant variables in a sharp RD estimation. The estimation uses a triangular kernel and a common MSERD optimal bandwidth.

# Results

# Summary of Results

**PEP improves migrants well-being and access to state services**

1. **Well-being**: Higher overall well-being (↑ 1.08 STD):
   More labor income (↑ 22%), consumption (↑ 48 %), and employment (↑ 0.26 pp)

2. **Access to state services**: Higher overall access to state services (↑ 1.66 STD):
   SISBEN Access (↑ 56pp)
   Subsidized Healthcare (↑ 26pp)
   Financial products (↑ 44pp)
   Transfers from government (↑ 22pp)

3. **Health outcomes**:
   Higher overall physical health (↑ 1.30 STD):
   Better physical mobility (↑ 1.03 STD)
   Self-sufficiency for personal care (↑ 0.86 STD)
   Self-sufficiency for daily routine (↑ 1.51 STD)
   No changes in mental health

4. **Other labor outcomes**: No changes in labor formalization or hours worked

## Impacts of PEP on Well-being

| | Well-being (Index) | Consumption per Capita (log) | Labor Income (log) | Employed |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| $1[PEP_i = 1]$ | 1.028* | 0.481** | 0.221* | 0.261* |
| | (0.522) | (0.181) | (0.107) | (0.248) |
| q-values | [0.052] | [0.034] | [0.052] | [0.080] |
| Obs. left | 401 | 476 | 255 | 401 |
| Obs. right | 723 | 1036 | 569 | 710 |
| Observations | 3,425 | 3,801 | 1,820 | 3,425 |
| Mean (Ineligible migrants) | -0.237 | 1.373 | 0.351 | 0.561 |
| Outcome level | Individual | Household | Individual | Individual |

# Impacts of PEP on Self-reported Health Status

|  | Physical (Index) (1) | Mobility (2) | Personal Care (3) | Daily Routine Self-sufficiency (4) | General Health (5) | Mental Health (6) |
|---|---|---|---|---|---|---|
| $1[PEP_i = 1]$ | 1.301** | 1.036** | 0.863** | 1.511** | 0.394 | -0.316 |
|  | (0.497) | (0.437) | (0.407) | (0.562) | (0.530) | (0.579) |
|  | [0.028] | [0.028] | [0.036] | [0.028] | [0.224] | [0.242] |
| Obs. left | 377 | 431 | 464 | 365 | 375 | 411 |
| Obs. right | 701 | 777 | 949 | 661 | 691 | 731 |
| Observations | 3,425 | 3,425 | 3,425 | 3,425 | 3,425 | 3,425 |
| Mean (Ineligible migrants) | -0.040 | -0.007 | -0.043 | -0.025 | -0.040 | -0.037 |
| Outcome Level | Individual | Individual | Individual | Individual | Individual | Individual |

# Impacts of PEP on Access to State Services

| | Rights and Services (Index) | SISBEN Access | Subsidized Healthcare | Financial Products | Transfers from Government |
|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) |
| 1[$PEP_i = 1$] | 1.662*** | 0.567*** | 0.267*** | 0.444*** | 0.221*** |
| | (0.328) | (0.127) | (0.118) | (0.110) | (0.097) |
| q-values | [0.001] | [0.001] | [0.010] | [0.001] | [0.010] |
| Obs. left | 365 | 467 | 429 | 466 | 539 |
| Obs. right | 661 | 990 | 764 | 992 | 1169 |
| Observations | 3,425 | 3,781 | 3,376 | 3,795 | 3,799 |
| Mean (Ineligible migrants) | -0.544 | 0.023 | 0.015 | 0.029 | 0.065 |
| Outcome Level | Individual | Household | Individual | Household | Household |

## Impacts of PEP on Other Labor Outcomes

| | Labor Outcomes (Index) | Formal Job | Hours Worked (log) | Reservation Wage (log) | Wants to Change a job | Self Employed |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| 1[$PEP_i = 1$] | 0.388 | 0.108 | -0.048 | 0.096 | -0.119 | -0.471 |
| | (0.447) | (0.107) | (0.308) | (0.071) | (0.248) | (0.265) |
| q-values | [0.933] | [0.933] | [1.00] | [0.819] | [1.00] | [0.819] |
| Obs. left | 371 | 267 | 152 | 123 | 255 | 239 |
| Obs. right | 785 | 635 | 319 | 207 | 574 | 495 |
| Observations | 2,710 | 2,049 | 1,233 | 661 | 2,049 | 2,035 |
| Mean (Ineligible migrants) | -0.193 | 0.000 | 3.937 | 0.564 | 0.676 | 0.430 |
| Outcome Level | Individual | Individual | Individual | Individual | Individual | Individual |

Robustness Test

1. Multiple Hypothesis testing

2. Different bandwidths

3. Different polynomial order

4. Different kernel specification

5. Show migrants contacted through organizations and migrants are comparable

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

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

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

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

**(Man with PEP in Bogotá)**

**LIFE OUT OF SHADOWS**

Migrants with PEP feel more integrated to society

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

**(Woman with PEP in Barranquilla)**

## Conclusions

1. PEP improves well-being

   - Better consumption, income, and employment and effects are large.
     The increment in consumption from CCTS in Colombia, Mexico and Indonesia
     range from 0-15% (Attanasio and Mesnard, 2006; Angelucci and Attanasio, 2009;
     Cahyadi et al., 2020)

2. PEP improved health status (specially physical self-reported )

3. PEP improved state service access

4. Coupled with low impacts on host labor markets (Bahar et al., 2021)
   make **strong case of virtues of formalization**

# Thank you!

Sandra V. Rozo
Email: sandrarozo@wordbank.org