



TECHNICAL NOTE N° IDB-TN- 2825

A Fair Chance For Migrants In The Labor Market

David Kaplan
Alejandra Rivera
Cynthia van der Werf

Inter-American Development Bank
Migration Unit and Labor Markets Division

October 2023



A Fair Chance For Migrants In The Labor Market

David Kaplan
Alejandra Rivera
Cynthia van der Werf

Inter-American Development Bank
Migration Unit and Labor Markets Division

October 2023

A FAIR CHANCE FOR MIGRANTS IN THE LABOR MARKET



**Cataloging-in-Publication data provided by the
Inter-American Development Bank
Felipe Herrera Library**

Kaplan, David Scott.

A fair chance for migrants in the labor market / David Kaplan, Alejandra Rivera, Cynthia van der Werf.
p. cm. — (IDB Technical Note ; 2825)

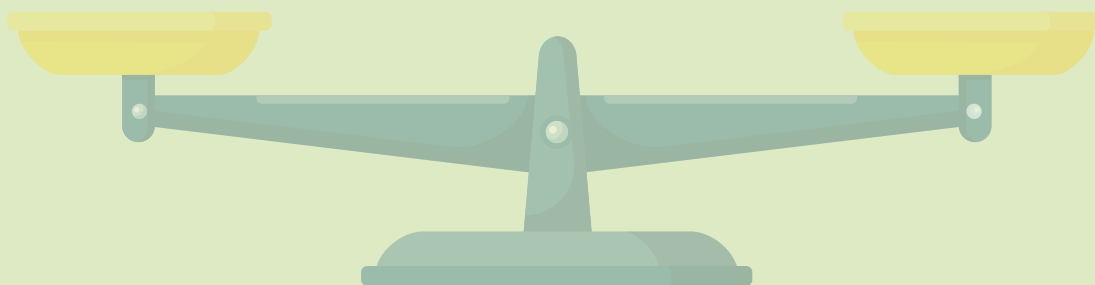
Includes bibliographical references.

1. Foreign workers-Latin America. 2. Foreign workers-Caribbean Area. 3. Labor market-Latin America. 4. Labor market-Caribbean Area. I. Rivera Rivera, Alejandra. II. Werf, Cynthia van der. III. Inter-American Development Bank. Migration Unit. IV. Inter-American Development Bank. Labor Markets Division. V. Title. VI. Series.

IDB-TN-2825

JEL codes: F22; F63; F66

Key Words: labor migration, immigrants, socioeconomic integration, labor integration



<http://www.iadb.org>

Copyright © 2023 Inter-American Development Bank (“IDB”). This work is subject to a Creative Commons license CC BY 3.0 IGO (<https://creativecommons.org/licenses/by/3.0/igo/legalcode>). The terms and conditions indicated in the URL link must be met and the respective recognition must be granted to the IDB.

Further to section 8 of the above license, any mediation relating to disputes arising under such license shall be conducted in accordance with the WIPO Mediation Rules. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the United Nations Commission on International Trade Law (UNCITRAL) rules. The use of the IDB’s name for any purpose other than for attribution, and the use of IDB’s logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this license.

Note that the URL link includes terms and conditions that are an integral part of this license.

The opinions expressed in this work are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.

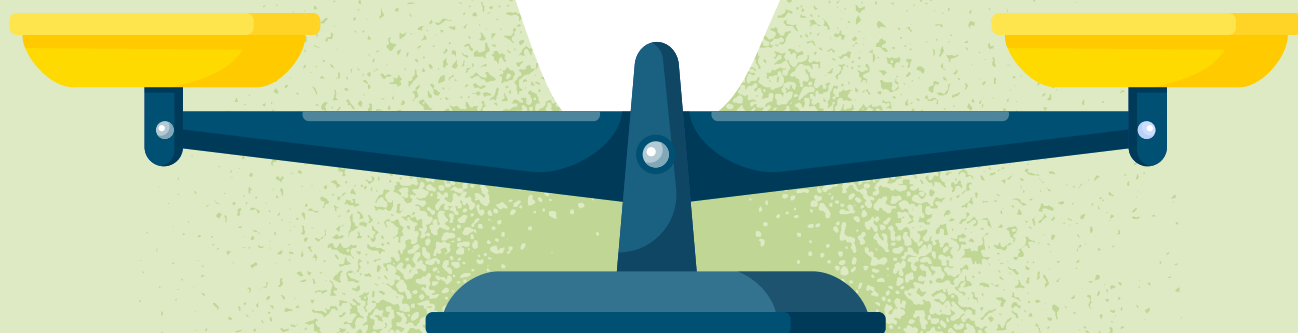
A FAIR CHANCE FOR MIGRANTS IN THE LABOR MARKET

David Kaplan
Alejandra Rivera
Cynthia van der Werf



CONTENTS

FOREWORD	5
1. INTRODUCTION	7
2. MIGRANT'S LABOR INTEGRATION	9
3. LABOR MARKET INDICATORS IN LATIN AMERICA AND THE CARIBBEAN19
4. CHALLENGES TO LABOR MARKET INTEGRATION	29
5. POLICIES TO PROMOTE LABOR MARKET INTEGRATION	33
6. HOW IS THE INTER-AMERICAN DEVELOPMENT BANK SUPPORTING MIGRANT' LABOR INTEGRATION?41
7. CONCLUSIONS AND POLICY RECOMMENDATIONS	47
REFERENCES.	50





FOREWORD

When people migrate, they carry little more than the clothes on their backs, leaving behind family, friends, and their previous life. Yet, even in the greatest adversity, migrants hold onto their most valuable assets – knowledge, talents, and the drive to build anew.

With the right conditions, those skills allow millions of migrants worldwide to start over and enrich their host communities, both socially and economically, with their work and culture.

In Latin America and the Caribbean, however, formal employment is already a hurdle, making the labor inclusion of the migrant population a complex challenge. On top of the difficulties that labor inclusion implies for native workers, migrants must also overcome administrative, legal, social, and cultural obstacles that often hinder a full socioeconomic integration, which would allow them to contribute to the full extent of their abilities.

This analysis by the Migration Unit and the Labor Markets Division of the Inter-American Development Bank (IDB) offers guidance for regional governments to enable labor migrant integration in a mutually beneficial way.

The task is vast. As the document details, labor indicators across the region present major challenges. Considering the current migratory flows, where humanitarian crises drive migration in different countries in the region, the goal of labor integration seems distant.

Nonetheless, the potential of labor inclusion of migrants in the labor markets of their host countries can not only boost their full socioeconomic integration, but also contribute to the economic and social development of the recipient countries.

With proper strategies and resources, migration can aid regional growth. As some IDB supported initiatives demonstrate and different regional experiences show, it is possible to achieve an integration of the migrant population that benefits everyone, contributing to the development of our region.

Laura Ripani
Chief, Labor Markets Division

Felipe Muñoz
Chief, Migration Unit

Inter-American Development Bank

1. INTRODUCTION



1. INTRODUCTION

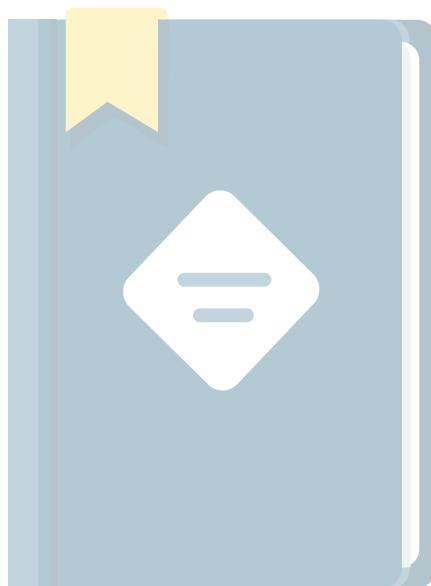


Intra-regional migration in Latin America and the Caribbean (LAC) has grown exponentially in the last eight years, creating ripple effects in the region. Over 7.7 million Venezuelans have left the country, with around 6.5 million residing in elsewhere in LAC (R4V, 2023). Migration to and from Central America is also increasing. In 2022, almost 87,000 migrants requested asylum in Costa Rica and 198,000 migrants returned to northern Central America from the United States and Mexico (IADB, 2023). Moreover, to August 2023, over 330,000 migrants have crossed the Darien Gap in 2023, and there were over 2 million encounters with US Border Control at the US-Mexico border during the 2022 fiscal year.

Migratory flows initially pressured receiving countries' public finances and presented political and policy challenges. Since 2018, as extraordinary regularization programs granted migrants regular status, migrant populations became eligible for among others, health care and education services, potentially straining national and local governments.¹ However, the fiscal deficits that rose due

to the acute influx of migrants are forecast to narrow as immigration crises shift from urgent crises to permanent settlements that bring positive mid-term and long-term economic and social opportunities for the receiving countries.

Many of the inter-regional migrants plan to settle in their receiving countries. Most Venezuelan migrants plan to settle in their receiving countries (Ibanez *et al.*, 2022; Bandiera *et al.*, 2023; Cruces *et al.*, 2023). Given migrants' advantageous characteristics, settling in their receiving countries can be seen as an opportunity to promote the region's economic growth. For instance, Venezuelan migrants are younger and have higher education levels and labor force participation rates than their native counterparts (IDB, OECD, UNDP, 2023). Similarly, Haitian and Nicaraguan migrants and refugees can fill labor supply shortages in agriculture and care jobs in Chile and Costa Rica. However, immigration's full economic and social benefits can only be reached by strengthening migrants' labor market integration (Blyde *et al.*, 2020; ILO, 2018).



¹ Extraordinary regularization programs are processes that only apply for a limited time and are normally adopted through administrative decrees or orders. As other regularization, extraordinary regularizations are a tool used by countries to grant temporary residence permits to migrants without regular migratory situation.

2. MIGRANT'S LABOR INTEGRATION



2. MIGRANT'S LABOR INTEGRATION



I. How Do We Measure Labor Integration?

Given the increased intra-regional migration in LAC, measuring labor market integration is crucial to understanding the economic and social dynamics at play. A comprehensive measure of labor integration requires accounting for several dimensions and each metric for the foreign-born should be measured relative to the native-born. The labor force participation rate of migrant populations, which is the share of migrants aged 15-64 in the labor force, provides insights into migrants' willingness to work. Likewise, the unemployment rate among migrants allows for a better understanding of why they may be finding it difficult to find a job if they want to work. In addition, given the regional prevalence of informal employment arrangements, gauging the extent of migrants' involvement in the informal labor market, in the sense that workers do not accrue contributions to social security, is crucial in assessing their integration. This is of particular importance to ensuring that migrants have access to jobs that offer social security benefits. Examining each group's wage levels and income distribution can shed light on potential disparities between native workers and migrants, offering valuable insights into the economic assimilation process. However, labor market integration should not be limited to finding any employment or even any formal employment. Instead, adequate labor integration requires securing employment in occupations that match migrants' highest qualifications in industries that offer opportunities for upward labor mobility. An adequate labor integration strategy necessitates the formal placement of a former plant manager into a managerial role within a production plant, rather than hiring them as an operator. Likewise, it requires a former doctor to be employed as a physician in a hospital rather than a nurse or a technician.

Building on the above-mentioned discussion, we define an adequate job as one situated within the formal sector that pays a sufficient income, provides social protection for both workers and their families, offers prospects for personal development, and grants migrant workers the same rights as native workers. Our definition of an adequate job is, thus, closely related to the definition of decent work used by the International Labor Organization (ILO).² However, adequate integration into the receiving country's labor market also requires allocative efficiency: it requires that migrant workers are employed in the jobs where they can be most productive in terms of jobs that best use their human capital, a mix of education and skills. By matching migrant workers to optimal jobs, adequate labor integration increases the country's total economic output, benefiting native and migrant populations.³

[Sections II](#) and [III](#) delve into the myriad benefits of labor integration for migrants and recipient countries. By examining the advantages from various angles, we aim to provide a comprehensive understanding of how promoting the inclusion of migrants in productive jobs in formal labor markets in LAC can positively impact migrants' welfare and the welfare of host communities. For migrants, this integration opens up opportunities for higher wages, which, in turn, provide them with increased economic stability and an improved standard of living. Labor integration also grants migrants access to health insurance and pension plans, thereby offering the prospect of improved healthcare and financial security for their future. For receiving countries, migrants who work in formal jobs contribute to the country's tax revenues. Moreover, their contributions to social security systems strengthen the sustainability of social safety nets. In addition, migrants working on jobs that match their skills are more productive, increasing the recipient country's economic growth and

² According to ILO, work is considered decent when it meets six conditions. First, it pays a fair income. Second, it guarantees a secure form of employment and safe working conditions. Third, it ensures equal opportunities and treatment for all. Fourth, it incorporates social protection mechanisms for workers and their families. Fifth, it offers prospects for personal development and encourages social integration. Sixth, workers are free to express their concerns and organize collectively.

³ When migrant populations work in their optimal jobs, the total surplus of the economy or the total welfare is larger than when migrant workers are placed in suboptimal jobs that don't match their capabilities.

development. As a result, the adequate integration of migrants enhances their well-being and fosters a mutually beneficial relationship wherein the country can harness the talents and potential of its diverse workforce, leading to a more prosperous and inclusive society.



II. The Benefits to Migrants of Labor Market Integration

The following analysis divides the benefits of labor market integration for migrants into two parts: tangible and intangible. Tangible benefits include concrete advantages such as higher wages, improved access to healthcare, pension plans, and increased economic stability. Intangible benefits describe aspects such as the psychosocial value of employment and associated improvements in mental health, self-esteem, social connections, social cohesion, and overall quality of life. By examining these two categories of benefits separately, we aim to gain a comprehensive understanding of the multi-faceted advantages that migrants gain by being better integrated into the recipient country's labor force.

Pecuniary Benefits

Obtaining adequate employment leads to higher wages and improved access to various social protections and benefits. These may include healthcare, the possibility to contribute to a retirement plan, unemployment benefits, and various other workplace entitlements. Formal jobs typically come with more predictable income streams, providing income stability and financial security to migrants. Moreover, with stable incomes, migrants can invest in education and save for unforeseen circumstances. Beyond the mechanical positive effects, obtaining adequate employment places migrants on a different employment trajectory. Because of this, the timely entry of new immigrants into adequate employment is crucial as the failure to do so can result in a persistent negative impact known as the 'scar effect,' which can significantly affect the migrant worker's career trajectory (OIT, 2018).

Although having access to adequate employment generates access to a wide range of social protections and benefits, it also generates obligations. Among them, accepting a formal job requires

migrants to pay payroll taxes and contribute to cover health and retirement expenses. These payroll taxes range from 10.7% to 44.5% in LAC, according to Alaimo *et al.* (2017). Paying those contributions may not provide migrants real benefits as they may not be able to receive pensions either in the receiving country or in their home country. Thus, providing access to adequate employment may not be sufficient to motivate migrants to take those jobs, especially if they are unaware of the formal employment wage premium.

To understand properly the costs and benefits of accepting an employment offer in the formal sector for migrant workers, it is important to note that many of the benefits of formal work only accrue after the worker contributes sufficient time to the social security system. For example, a worker typically can only retire with a pension after contributing ten years or more (depending on the country). In some countries, when a worker contributes to a pension system without reaching the requirement for a pension, the worker receives their contributions in a lump sum payment, often with a zero or negative real return. In other countries, the worker receives absolutely nothing in return for their contributions. Given that migrant workers will often spend only part of their working life in the receiving country, migrant workers are particularly susceptible to situations where their social security contributions do not translate into tangible benefits. Since migrants tend to be far from retirement age, it might appear that these concerns are more applicable to the future than the present. However, the fact that migrants anticipate that their contributions will be wasted could affect their labor decisions today.

The Caribbean sub-region has advanced substantially in the portability of social security benefits. The Caribbean Community (CARICOM) Agreement on Social Security aims to harmonize Member States' social security legislation. Workers and their dependents registered in one of the ratifying Member States are entitled to benefits paid by the social security schemes in the countries where they have contributed but with some limitations. The benefits covered by the Agreement include contributory pensions for invalidity, disability, old age, and death and survivors' benefits (Caricom, 2010). The LAC region as a whole may consider advancing along these lines to ensure the equitable treatment of migrants in their social security systems.

BOX 1. Flexible Rules on Social Security and Pensions Benefits Migrant Workers and Host Countries

The significant shares of informality that prevail in LAC, together with a restrictive labor regulation model in destination countries, can discourage migrant workers from seeking employment in the formal labor market. The informality cycle is also boosted by migrants' networks that facilitate finding employment opportunities in this sector. Working in the informal labor market allows migrant workers to meet basic needs and, sometimes, even send remittances to their countries of origin without incurring the costs and bureaucratic processes of being part of the formal labor market (Levinson, 2005).

The decision to enter the formal market includes a complete assessment of the wage conditions, the tax contribution regime, and the possibility of enjoying the same rights as native workers, such as accessing retirement pensions. Therefore, an important component in the decision to accept a job in the formal sector is the existing limitations on access to social security benefits such as pensions. This highlights the importance of addressing pension access for migrant workers, as it provides insights into the incentives for choosing between formal and informal employment.

The rules and conditions for accessing pensions and social security depend on international agreements ratified by States and their national legal frameworks. Overall, social security entitlements, particularly concerning pension flexibility in the LAC region, are highly variable and depend on the rules for access established according to different nationalities. While there is limited comparative data accessible regarding social security systems in the LAC region, the primary finding is the significant diversity in legal frameworks.

- » In several instances, countries have ratified both international multilateral and bilateral agreements on the subject and have implemented the established conditions under their national frameworks. These regulations are advantageous for migrant workers as they can

retire or transfer their pensions to their home countries in the same or better conditions than natives. Unfortunately, these rules are not necessarily standardized in all countries nor target the same nationalities.

- » In other countries, the possibility of retiring or transferring pensions depends only on their social security legislation and the specific right-holders they include. For example, there are dispositions opened for "everyone" or with an explicit reference to "foreigners", offering avenues to safeguard the social security rights of migrant workers in similar ways as natives.
- » Finally, there are some countries that have not signed any kind of international agreement nor have national dispositions integrating migrants into the social security system. This lack of commitment increases migrants' vulnerability and undermines the importance of ensuring fair and equitable access to social security benefits.

In conclusion, ensuring social security rights and generous access to pensions regardless of nationality is a crucial step toward successfully integrating migrant workers into the labor market. From a bottom-up approach, it will benefit migrant workers by giving them a sense of safety and financial security, improving their quality of life in destination countries and psychosocial well-being (Betts and Sterck, 2022). Counting on the material exercise of these rights can enhance their work performance, resulting in contributions across multiple sectors that drive economic growth. On a top-down approach, states may also find incentives to reform their legal framework into a more adaptable one, as it constitutes a potent instrument for guaranteeing income security, poverty, and inequality reduction, and the advancement of social inclusion and dignity (Hirose, Nikac̃ and Tamagno, 2011), especially in the LAC context where intraregional migration has increased and become more dynamic.

Nonpecuniary Benefits

Beyond providing a necessary source of income, employment holds profound significance for individuals' well-being. This holds true for both foreign-born and native workers, as they derive substantial psychosocial benefits from employment. However, the psychosocial value of employment becomes especially noteworthy in the context of forced migrants and refugees, who often fled their home countries under traumatic circumstances and possess limited financial and social resources in their recipient nations. For this demographic, formal employment may take on particular importance, serving as a pivotal mean to establish a foundation in the recipient country.

Being employed, and thus having a stable source of income, reduces poverty which has been shown to tax the mental and emotional bandwidth needed to think through consequential decisions (Banerjee and Mullainathan, 2008; Mullainathan and Shafir, 2013). Having a job also determines an individual's beliefs of what they can achieve, influencing their hopes, aspirations, confidence, and perceptions of self-efficacy (Banerjee Niehaus and Suri, 2019; Banerjee and Duflo, 2012). Employed refugees are also less risk-averse Hussam (2022) and, although refugees' increased risk tolerance is not necessarily positive, it is likely to be a reflection of better underlying conditions such as optimism, trust, and individual's locus of control or their belief about the extent to which they can control events and outcomes in their life (Cobb-Clark *et al.* 2022). Therefore, integrating migrants into the local labor markets may be instrumental to their integration into the receiving countries community.

Increasing employment also has the potential to reduce the incidence of depression and, thus, further benefit migrant individuals. In Bangladesh, employment opportunities increased the cognitive function, measured through an index of memory and basic arithmetic tests, of refugees living in camps (Hussam 2022). As explained by Hussam, the improvements in cognitive function are unlikely to come from higher levels of employment. Instead, being employed has been linked to lower levels of depression, leading to improvements in cognitive function (Semkovska *et al.*, 2019). This effect is meaningful in the Latin American context, as depression rates are high among Venezuelan migrants and refugees. For instance, 23.5%

of Venezuelans in the Dominican Republic are at least moderately anxious, and 21.6% are at least mildly depressed, which is between four and six times the prevalence among Dominicans (Bandiera *et al.*, 2023). Likewise, 7.1% of Venezuelan migrants in Colombia without regular status reported experiencing symptoms of severe anxiety or depression (Ibanez *et al.*, 2022). This is not limited to Venezuelan migrants as ASIES and KAS (2022) explain that poor mental health is among the main challenges for social reintegration among returnees in Central America.

Finally, beyond the psychosocial value of employment, working on a formal job — and earning a higher wage — also benefits migrants' children and society. This is because having grown up in an environment with lower economic resources leads to higher crime levels and poorer schooling outcomes for migrant children (Andersen *et al.*, 2019).



III. The Benefits to Recipient Countries of Adequately Integrating Migrants into the Labor Market

In many LAC countries, segments of the native population question the benefits of the labor-integration of migrants. Particularly among those countries in the region that received the highest migratory flows in the past five years, less than 45 percent of the population agrees with a policy of receiving migrants (World Value Survey 2005-2020; Latinobarómetro 2020). Similar to sentiment in the United States and Europe, 59 percent of Latin Americans believe that immigrant workers will compete for their jobs (Latinobarómetro 2020). The political discourse surrounding the impact of migrants on labor markets and the idea that migrants displace native workers is strong throughout the region.⁴

Despite the concerns mentioned above, the literature that studies the impact of immigrants on natives' labor market outcomes has found zero or small effects on natives' average wage and employment level (Blau and Mackie, eds, 2016; Blyde, 2020; Clemens and Hunt, 2017; Kerr and Kerr, 2011). There may be, however, differences in the impact of immigration on natives' wages and employment levels depending on natives' (and immigrants') initial skills. For example, in the United

⁴ For further information on perceptions toward migrants in Latin America and The Caribbean, consult the IDB Migration Unit Public Perceptions Laboratory on Migration at: <https://laboratoriomigracion.iadb.org>.

Kingdom, between 1997 and 2005, when immigrants were on average better educated than natives, Dustmann *et al.* (2023a) find that the overall wage effect of immigration is slightly positive, but there are differences along the income distribution. Specifically, immigration depressed wages at the bottom of the income distribution (below the 20th percentile) but wages increased in the upper part (above the 40th percentile).

Among other factors, the effect of immigration on the labor market outcomes of natives varies depending on the degree of complementarity or substitutability of skill sets between migrants and natives (Blyde, 2020a). In the extreme case, when immigrants have the exact same skills as natives, and these new arrivals increase the labor supply, depressing native employment rates and overall wages. In contrast, when migrants and natives are complements (or imperfect substitutes), the newcomers have capabilities that complement native workers or possess skills that the native-born lack. In this scenario, the immigrants' entry into the workforce increases the demand for natives' skills, potentially lifting natives' employment, and wages. It is, however, important to take into account skill-downgrading, as its existence affects the rate of substitutability among native- and foreign-born workers of particular skill sets and can make some groups particularly vulnerable to migration shocks (Lebow, 2023).

In Latin America, some evidence suggests that low-skilled native workers may be particularly affected by immigration. In Chile, between 2011 and 2017, immigrants have, on average, one more year of schooling than their native-born counterparts. However, migrant workers are usually employed in sectors with predominately low-skilled jobs.⁵ Moreover, there is evidence that suggests that migrants downgrade their skills or quickly accept jobs even when they are overqualified for these positions (Blyde *et al.*, 2020). Unsurprisingly in this context, Contreras and Gallardo (2020) find that immigration reduced the wages of low-skilled men, but there is no evidence of a negative effect among high-skilled native workers. However, as there is evidence that skill downgrading declines over time (Dustmann *et al.*, 2016), it is reasonable to expect the pressure on low-skilled natives to decline and the negative effect on natives' employment conditions to disappear over time.

Similarly, in Ecuador, Olivieri *et al.*, (2020) find that up until 2019, there was no discernible negative impact on natives' overall labor market participation or employment levels stemming from the arrival of 0.4 million Venezuelans. However, the authors did find evidence indicating that, in the short term, the employment prospects of young and less-educated natives deteriorated due to the influx. This evidence suggests that, much like the situation in Chile, natives employed in sectors and occupations that experienced a greater influx of migrants were more susceptible to the effects of their arrival.

In a similar vein, Santamaria (2020) conducted research on the impact of the Venezuelan influx into Colombia. Her findings suggest that this influx had minimal effects on average wages within both the formal and informal sectors. Additionally, Santamaria (2020) precisely estimated no discernible impact on the employment levels of native workers. Yet the study did reveal some evidence of a slight negative effect among native workers employed in occupations where migrants entered in disproportionate numbers. This finding is consistent with the results obtained by Tribin-Uribe *et al.*, (2020), who reported no effect on overall employment but did identify a minor negative impact on labor market participation.

Overall, consistent with the consensus in the literature, the evidence from Latin America suggests that immigration does not affect native's average level of employment or wages. The literature also suggests that some groups — those with skills that closely match immigrants or those working in the sectors and occupations where immigrants disproportionately find jobs — can be negatively impacted. For example, Tribin-Uribe *et al.*, (2020) find that early Venezuelan migrants in Colombia, who migrated to the country prior to the migratory crisis, bore the brunt of the impact caused by the later inflow of Venezuelan migrants.

Immigrant workers also impact natives differently depending on their gender. For instance, Blyde (2020) finds evidence of heterogeneous effects in Costa Rica. Using data between 2010 and 2018, when Nicaraguan immigration increased from 6.13% to 7.0%, the author finds that immigration reduced low-skilled native workers' employment. However, the inflow of Nicaraguans had a positive impact on high-skilled women's employment and wages. We explore this relationship in more detail in [Box 2](#).

⁵ Contreras and Gallardo (2020) note that half of immigrants in Chile work in four sectors: Whole-sale and retail commerce, hotels and restaurants, real estate, and domestic work in private homes.

BOX 2. Female Migration and Native Women's Labor Supply

Integrating migrant-paid domestic labor into the economic landscape may be an underappreciated yet transformative facet of migration. International evidence underscores that domestic workers shoulder the responsibilities of care work and household chores that would otherwise remain unpaid (GDLab, 2023). Labor migration, particularly of “low-skilled” workers, tends to be highly gendered, with male migrants going mainly into the construction, agricultural, and manufacturing sectors and female migrants concentrating in service occupations such as domestic work (ILO, 2016). In Colombia, for instance, 20% of migrant women who are employed work in tasks related to cleaning or care services. Migrant men, however, are much less likely to work on related tasks. Only 6% of foreign-born males work in this type of task (GEIH, 2021). In Argentina, the gap is even wider. While 33% of occupied migrant women work in cleaning and care services, this proportion is only 0.8% for migrant males (CASEN, 2020).

Paid domestic labor leads to substituting unpaid labor and, in turn, expanding natives' supply of work. This mechanism is usually called, among academic studies, the *Home*

and personal services channel. The mechanism works through two phases. First, by shifting the Domestic Labor Landscape, previously uncompensated household chores and caregiving tasks turn into remunerated work. Second, by offloading domestic responsibilities to paid domestic workers, high-skilled women can redirect their time toward employment opportunities, thereby increasing the supply of high-skill work. This channel can allow women who were previously working part time to allocate more hours to paid employment while curbing their involvement in unpaid care duties and enable women who were out of the labor market to be part of the labor force.

Domestic workers, due to the distinctive nature of their work conducted within private households, are vulnerable to labor exploitation. Migrant domestic workers may be, in addition, vulnerable due to their lack of regular migratory status. Therefore, policymakers must recognize the role of paid domestic labor and apply labor legislation to domestic services to promote inclusive economic growth and gender equity. Examples of labor standards that can help achieve decent work for domestic workers can be found in the *Decent Work for Domestic Workers* written by ILO in 2011.

While immigration has an immediate direct effect on the receiving country's labor supply, immigration also generates secondary labor market adjustments. For instance, Foged and Peri (2016) found that the influx of refugees in Denmark displaced a small group of low-skilled natives from their jobs. These displaced native workers then transitioned to occupations that demanded greater communication expertise, positively affecting native unskilled wages, employment, and occupational mobility. Although answering this question carefully goes beyond the scope of this technical note, more research is needed to determine whether natives in LAC also transitioned to occupation requiring skills in which they were particularly strong, thus positively impacting the demand for unskilled labor and increasing wages and employment level in the medium and long term.

The discussion has focused on task specialization and how the complementarity of sustainability of native and foreign workforce determines the impact of immigration. However, this is not the only channel through which migrants affect the recipient economy. **The economy and the labor market respond to an inflow of migrants in at least seven ways:**

1. **Demand for goods and services:** The presence of migrants inherently stimulates the demand for goods and services, as the growing population naturally seeks these essential commodities and amenities. For instance, when a substantial number of migrants move to a region, they may require housing, groceries, transportation, and healthcare

services, thereby increasing the demand for these goods and services.

2. **Home and personal services:** Foreign-born workers, particularly foreign-born women, often contribute significantly to home and personal services, potentially reducing the cost of these services for the general population. As noted by Cortes (2008), this can lead to increased participation of high-skilled female native workers in the labor force or an increase in their working hours. Her findings have been replicated by other studies such as Cortes and Tessada (2011) and East and Velazquez (2023) in the United States, and Hiller and Rodriguez Chatruc (2023) in the Dominican Republic.
3. **Filling vacancies:** Migrants can address previously unfillable job vacancies in LAC. There are opportunities to increase employment matches as migrants and refugees in the region are characterized by having higher education levels than natives, while firms report having issues recruiting skilled labor, as indicated by reports from the World Economic Forum (WEF, 2019) and the International Labor Organization (ILO, 2020).
4. **Investment:** The labor market also undergoes transformations as new businesses emerge and existing ones expand their operations to accommodate the additional workforce. This expansion is facilitated by the willingness of (some) migrants to accept lower wages than their native counterparts, thus influencing investment dynamics (Ottaviano and Peri, 2008; Mahajan, 2021; Lee and Peri, 2022; Bahar *et al.* 2023).
5. **Specialization of labor:** A notable impact is observed in the specialization of native workers, who tend to focus on tasks where they possess comparative advantages over their foreign-born counterparts. For example, in the United States and Europe, immigrant workers often excel in jobs requiring manual skills, while native workers may upgrade their job roles to communication-intensive occupations that typically offer

higher wages, as highlighted in research by Peri and Sparber (2009) and Foged and Peri (2016).

6. **Knowledge transfer:** International migrants transfer knowledge, or “know-how,” across countries which can generate economic growth. As explained by Hausman (2018), economies expand by diversifying their production portfolio with new products and services rather than merely increasing the output of existing ones. The key to achieving such diversification often lies in gaining access to knowledge and expertise. By relocating skilled individuals to new countries, migration generates the transfer of specialized knowledge into the existing skill sets in recipient countries. For instance, Bahar *et al.* (2018, 2020, and 2022) show that migrants’ knowledge transference can contribute to exploiting comparative advantages, increasing technological innovation, and improving exporters’ productivity.
7. **Research and patents:** Highly educated immigrants, particularly those working in science and technology, can bolster productivity through scientific innovations, contributing to research and patent developments that benefit the recipient economy. This phenomenon is well-documented, as seen in research by Peri (2012), and exemplified by the contributions of immigrant scientists and researchers to advancements in various fields.

In summary, although immigration raises the receiving country’s total labor supply, it does not necessarily imply a decrease in native workers’ wages and employment levels. On the contrary, immigrants can lead to economic gains in recipient countries that offset the initial fiscal costs of receiving foreign-born populations.⁶ The arrival of migrants immediately boosts internal demand for goods and services, increases the labor force, and eventually can lead to productivity gains and increased economic growth (IMF, 2022). Highly skilled immigrants, known for their ability to innovate and generate patents, are expected to drive up per capita GDP growth. Additionally, skilled migrants promote entrepreneurship. On the other

⁶ Among others, the fiscal costs of host migrants include the additional costs of granting them access to education and health services.

hand, low-skilled immigrants can lower the prices of personal services, including childcare, benefiting both native and immigrant consumers (Blau and Mackie, 2017).

However, if migrants have limited opportunities to participate in the formal labor market and work in the sectors and occupations that best match their skills, their potential contributions to their recipient economy will be diminished. As migrants in the LAC region have, on average, higher levels of education, as will be detailed in [section 3](#), than their native counterparts. Their knowledge and skills make them well-suited candidates to meet the demands of companies needing skilled workers. Suppose, however, that these well-educated migrants end up taking low-skilled informal jobs. In that case, the benefits gained from a more efficient allocation of labor, skill specialization, and task complementarity will be limited, thus reducing the overall economic gains from migration.

It is crucial to emphasize that the adequate integration of migrants into the labor market affects a country's aggregate productivity. To the extent that the abilities of migrant workers are not employed in their most productive activity — even if the migrant has a formal job with basic labor benefits — the country's overall GDP will not be maximized. While it is important to recognize the fact

that there may be groups in the native population whose labor market outcomes are negatively affected by incoming migrants in the short run, it is also essential to acknowledge that, when migrant workers constitute a large percentage of the total labor force, the relegation of migrant workers to jobs for which they are not well suited (that is, overqualified), generates an inefficiency that can potentially affect the entire aggregate economy. It would be unfathomable to force a state-of-the-art port to only receive shipments from smaller tankers; it should similarly be unfathomable to prevent high-skilled workers from taking full advantage of their skills in the labor market.⁷

Altogether, the challenge for recipient countries in LAC lies in devising strategies to integrate migrant labor adequately. To achieve this goal, migrants require access to suitable employment opportunities — stable, formal jobs that align with their skills and offer the potential for upward mobility. The strategy's design should also take into account the attributes of both newcomers and native populations. An all-encompassing approach that considers these factors and promotes a smooth integration of migrants into the labor market can yield positive outcomes, including economic growth, diminished skill shortages, and heightened workforce diversity.



⁷ To gauge the magnitude of the difference, the International Monetary Fund estimated that on average, migration flows could represent an annual GDP growth in the largest host economies, in LAC of 0.01 to 0.25 percent as of 2030 in a scenario with frictions. In contrast, in a frictionless scenario (where migrants integrate seamlessly into the economy), annual GDP growth would increase between 0.01 and 0.30 percent as of 2030.

3. LABOR MARKET INDICATORS IN LATIN AMERICA AND THE CARIBBEAN



3. LABOR MARKET INDICATORS IN LATIN AMERICA AND THE CARIBBEAN



In this section, we delve into key labor market trends in LAC. The information presented relies on data sourced from the Labor Market Integration chapter within the (IADB OECD UNDP, 2023) report, titled *How Do Migrants Fare in Latin America and the Caribbean? Mapping Socio-Economic Integration*. We encourage curious readers to explore the comprehensive integration metrics detailed throughout the document for a more comprehensive understanding of the broader integration landscape in LAC. To ensure reliable and representative findings, the chapter focuses on 11 countries with substantial migrant populations in their household surveys or censuses in the past five years (Perdomo Rico, 2022).⁸ The information comes from data spanning from 2019 to 2022, aligned with each country's data availability. Therefore, these rates reflect the challenging period of the COVID-19 pandemic, characterized by economic downturns. However, the patterns were very similar for countries for which more recent data was available.

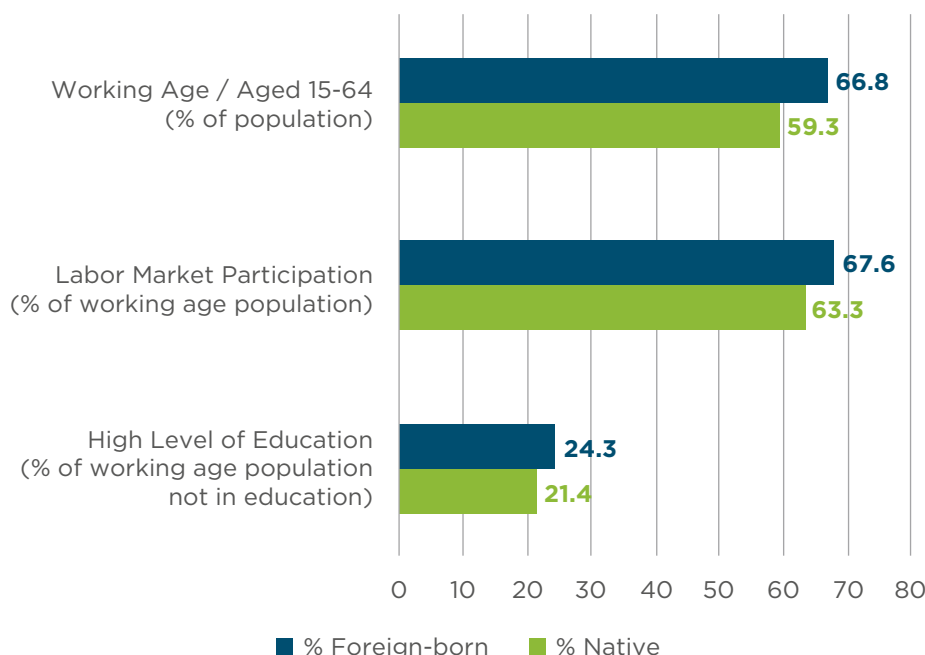
We begin by summarizing various characteristics of the migrant population such as their educational attainment, the proportion of the population

within the working-age bracket, the percentage of the population in the labor force, the segment of workers engaged in the informal sector, and the types of employment contracts under which employees work. Subsequently, we compare outcomes for native and foreign-born individuals to highlight disparities between these groups, which underscore the existing barriers to immigrants' economic integration. Overall, labor market indicators show that, although migrants are, on average, better prepared than native workers, there is a gap relative to native workers regarding the quality of employment.

[Figure 1](#) summarizes the average labor market indicators of native and foreign-born workers in LAC. On average, 59.3% of native-born individuals are aged between 15 and 64 years, and, overall, between 60% and 70% of natives in the countries included fall within the working-age range. Although, compared to Europe and the United States, LAC populations are relatively young, foreign-born populations in the region are younger, and a higher fraction of them, 66.8%, fall within the working-age range.

⁸ These 11 countries are Mexico (2020 Census), Chile (2020 household survey), Colombia (2021 household survey), Costa Rica (2021 household survey), Argentina (2021 household survey), Ecuador (2022 household survey), Dominican Republic (2021 household survey), Panama (2019 household survey), Peru (2021 household survey), Paraguay (2020 household survey) and Uruguay (2019 household survey). It is worth mentioning that the averages for LAC are slightly different, as we exclude the information from Trinidad and Tobago's 2015 household survey because we relied on the data from the last five years.

FIGURE 1. Labor indicators for natives and foreign-born, LAC average



Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Ecuador (ENEMDU, 2022), Dominican Republic (ENCFT, 2021), Mexico (ENOE, 2020), Panama (EHPM, 2019), Paraguay (EPHC, 2020), Peru (ENAO, 2021), and Uruguay (ECH, 2019). Displayed numbers are simple averages of national percentages.

Similarly, although LAC workers are highly engaged in the labor market, the share of foreign-born workers participating in the labor force is, on average, 4.3 percentage points higher. Interestingly, although there is regional variation in the labor force participation rate, with a few exceptions (namely, Paraguay and Mexico), the labor participation rates of the foreign-born are always higher than those of the native-born.⁹ For example, in Uruguay, where 74% of native-born are active, the share of foreign-born is even higher at 82%.

In terms of educational achievement among workers in the LAC region, we classify individuals as highly educated if they hold a short-cycle tertiary degree or higher, corresponding to the International Standard Classification of Education (ISCED) levels 5-8.¹⁰ According to this classification, approximately 17% of native-born workers fall into the highly educated category, whereas 23.9% of foreign-born workers meet this criterion. As with the previous indicators, there is significant

variation in these indicators across countries, and the share of highly educated foreign-born workers ranges between 10% and 34%.

Foreign-born workers in Uruguay, Paraguay, and Panama, where the majority of migrants originated from earlier waves of migration, display a higher proportion of individuals with a tertiary education compared to their native-born counterparts. A similar pattern occurs in Peru and Ecuador, where Venezuelan migrants, who are recognized for their relatively high educational attainment, form a significant migrant community. However, the situation differs in Colombia, where Venezuelan migrants represent the largest migrant group. Here, the share of foreign-born workers with tertiary education is comparatively lower, possibly because migrants with advanced educational backgrounds traveled longer distances and settled in countries further away from Venezuela. Conversely, in Chile, the Dominican Republic, and Costa Rica, which have absorbed significant

⁹ As explained in detail by (IADB OECD UNDP, 2023), many migrants in Mexico were born in the United States and returned to Mexico when they were very young. Therefore, their labor market outcomes usually differ from those of other migrants in the region.

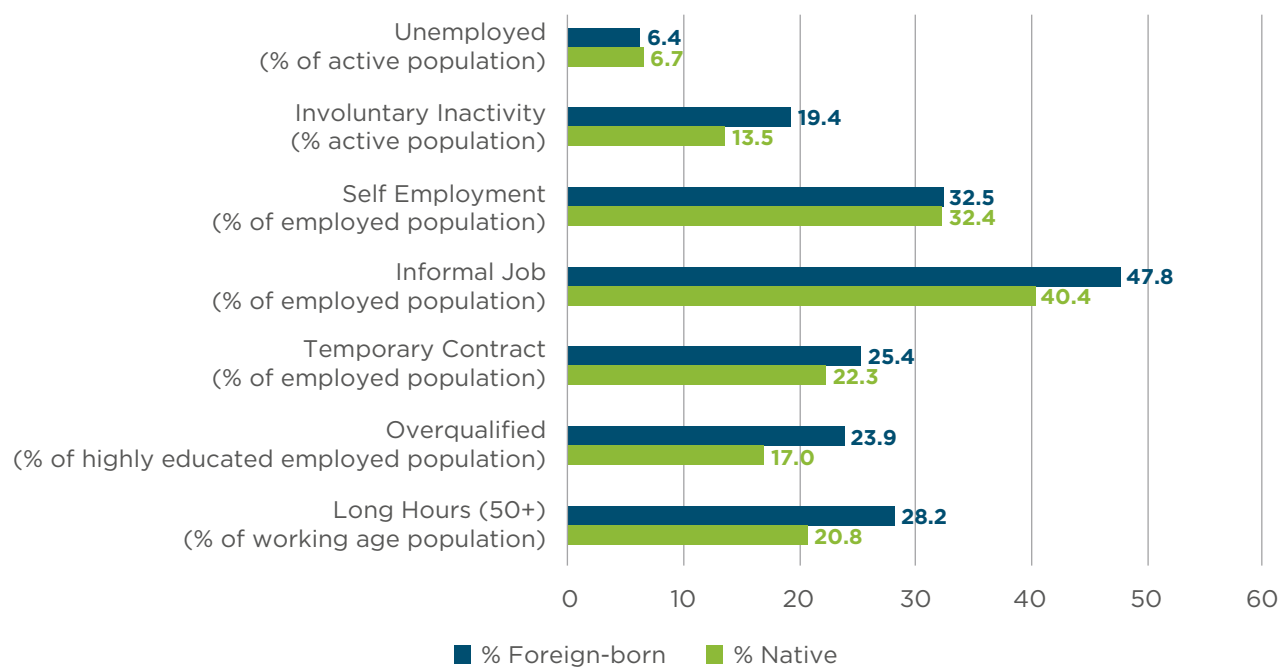
¹⁰ (ISCED) levels 5-8 include technical training institutes, and vocational schools, and bachelor, masters, and doctoral degrees.

numbers of Haitian and Nicaraguan migrants, the percentage of foreign-born workers with tertiary education is lower.

In summary, intra-regional migrants in LAC on average are young, highly engaged in the labor force, and, with a few exceptions, better educated than their native-born counterparts. The first three key indicators collectively underscore the significant potential for migrant workers to make substantial contributions to the economic growth of their host nations. However, the subsequent set of labor market indicators, shown in Figure 2 reveal a concerning underutilization of migrants' human capital.

The region's average unemployment rate, calculated as the percentage of individuals actively seeking employment within the labor force, typically ranges between 6 and 7 percent for both native and foreign-born individuals.¹¹ Although there is considerable variation in the unemployment rate across countries, there are little differences between the native-born and foreign-born in each country. That said, the unemployment rates hide important disparities in labor market exclusion rates. As the next indicator shows, foreign-born individuals in the region are 6.1 percentage points more likely to be involuntarily out of the labor force than their native counterparts.

FIGURE 2. Labor indicators for natives and foreign-born, LAC average



Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Ecuador (ENEMDU, 2022), Dominican Republic (ENCFT, 2021), Mexico (ENOE, 2020), Panama (EHPM, 2019), Paraguay (EPHC, 2020), Peru (ENAHO, 2021), and Uruguay (ECH, 2019).

Note: Displayed numbers are simple averages of national percentages. The employed population excludes people not of working age. Long hours and temporary contract indicators exclude self-employment and people in education. The overqualification indicator excludes the population in education.

¹¹ We adhere to the ILO's definition of unemployment, which requires individuals to have actively searched for a job within the previous week to be classified as unemployed.

In the region, countries can be broadly categorized into two groups based on their employment conditions. Argentina, Chile, Costa Rica, and Uruguay distinguish themselves because the share of individuals working for firms as employees exceeds 70%. In contrast, Colombia, Peru, and Ecuador report lower rates of 47%, 48%, and 50%, respectively. In these latter countries, self-employed individuals make up a significant portion of the workforce, accounting for 44%, 38%, and 34%, respectively. Similarly, when examining informal employment rates, which measure the percentage of workers without jobs providing them with social security benefits, we find that Argentina, Uruguay, Chile, and Costa Rica have informal employment rates below 30%. In contrast, Peru, Paraguay, Colombia, and the Dominican Republic have informal employment rates exceeding 50% of the total working population. In both groups of countries, only 4% of workers work as employers or firm owners.

Notwithstanding the within-region difference in employment conditions, [Figure 2](#) shows that, on average, the rate of informal employment among the foreign-born population is 7.4 percentage points higher than the same rate among the native-born population. This pattern holds for all countries in the region, except for Paraguay and Uruguay, where the differences are not statistically significant. Foreign-born individuals are also more likely to hold temporary contracts; on average, the rate of workers with this type of contract among foreign-born workers is 3.1 percentage points higher than among native-born. Foreign-born workers are also more likely to be working long hours. On average, 28.2% of foreign-born workers work more than 50 hours per week, while 20.8% of their native counterparts do so.

[Figure 2](#) also shows that migrant workers are more likely to be in jobs where they are overqualified when compared to native-born workers. This indicator follows the methodology from (OECD

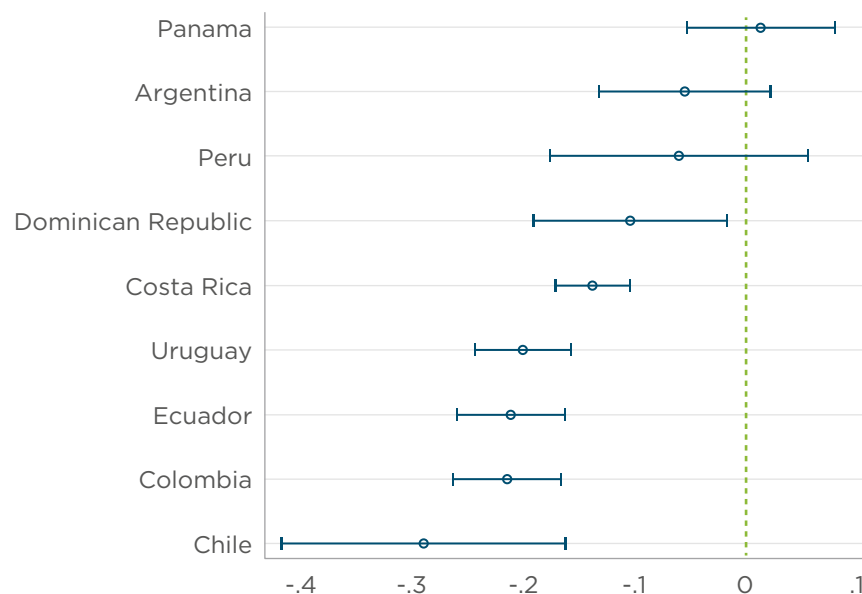
UNDP IADB, 2023) which classifies a worker as overqualified if he has some tertiary education or more (corresponding to ISCED levels 5-8) and workers in a low-or medium-skilled job (ISCO classified at levels 4-9).¹² On average, 23.9% of highly educated foreign-born workers are overqualified as opposed to 17% of native-born. As with the previous indicators, although there is regional variation in the differences, foreign-born workers are more likely to be overqualified than comparable native-born workers, except in the Dominican Republic, Paraguay, and Mexico. In addition, on average, foreign-born workers have higher household monthly incomes (\$ 926) than native workers (\$ 903). However, this raw comparison of their incomes hides differences in the number of hours they work as well as in their educational attainment.

To get a better sense of the differences between foreign-born workers and their native counterparts, in [Figure 3](#) we compare the hourly wages of foreign-born workers taking in to account their skills and experience. To do so, we compute the hourly wages by dividing their monthly incomes by the number of hours they reported to work in the previous month. Then we run a regression of their hourly wages on their level of education, their age, and a binary indicator denoting foreign-born status. By doing this type of statistical analysis, we measure the difference in the wages of native-born and foreign-born who have the same age and level of education. The dots in [Figure 3](#) correspond to the coefficients of the binary indicator denoting foreign-born status. The horizontal lines depict confidence intervals. A coefficient and its confidence interval falling to the left of the zero line indicate the existence of a significant wage gap, implying that foreign-born workers earn less than their native counterparts. The coefficients show that in at least 6 out of 10 countries shown, foreign-born workers earn significantly less than their native counterparts who have similar skills.¹³

¹² ISCED levels 5-8 include technical training institutes, and vocational schools, and bachelor, masters, and doctoral degrees. ISCO classified at levels 4-9 includes clerical, service, and sales workers, skilled agricultural and trades workers, plant and machine operators, assemblers, and elementary occupations.

¹³ Mexico is not included due to data availability.

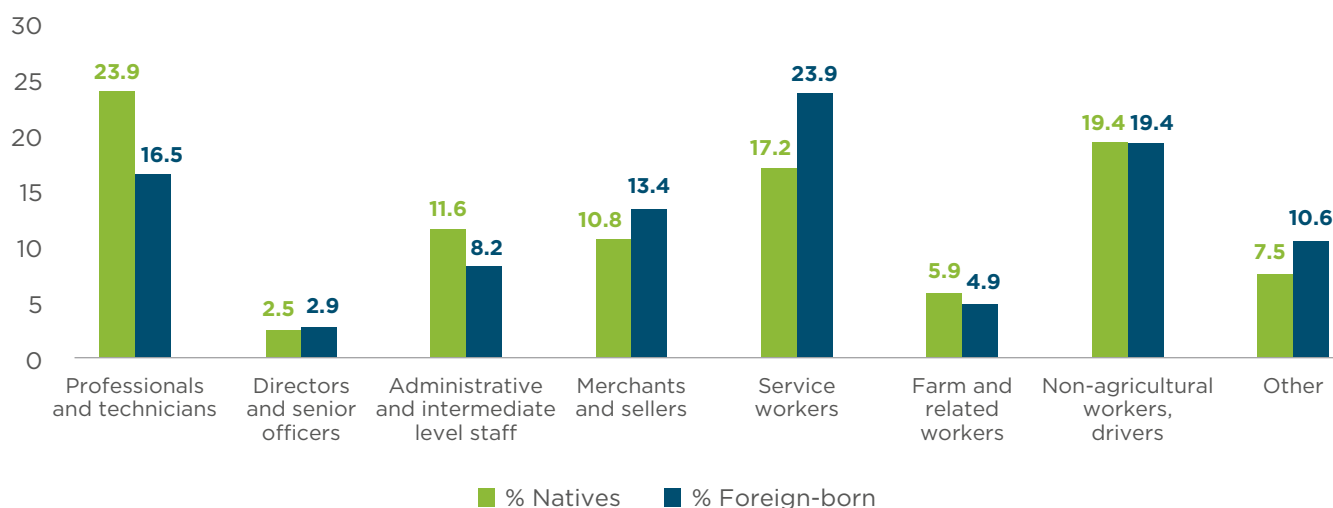
FIGURE 3. Disparities between migrants and natives' wages of same age and level of education



Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Ecuador (ENEMDU, 2022), Dominican Republic (ENCFT, 2021), Panama (EHPM, 2019), Peru (ENAH, 2021), and Uruguay (ECH, 2019).

Note: The graph displays the estimated coefficients from a regression analysis that correlates hourly wages with a binary indicator indicating foreign-born status. The analysis also considers controls for age and level of education. The horizontal lines on the graph represent a 95% confidence interval.

FIGURE 4. Employed natives and foreign-borns by occupations, LAC average



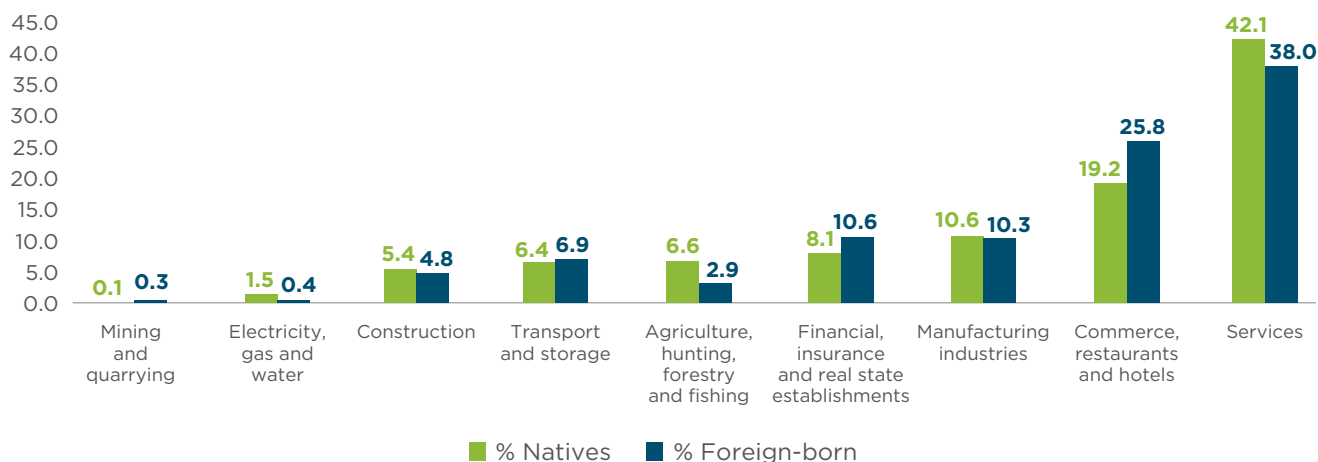
Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Dominican Republic (ENCFT, 2021), Ecuador (ENEMDU, 2022), Panama (EHPM, 2019), Peru (ENAH, 2021), and Uruguay (ECH, 2019).

Note: Displayed numbers are simple averages of national percentages.

Figure 4 summarizes the main occupational categories. It is worth explaining that occupations refer to the type of work that an individual performs within a sector, and workers are classified based on the specific tasks, duties, or responsibilities associated with a particular job role or profession. For example, a chef or a waiter are two different jobs within the restaurant industry. The figure shows that migrants are less likely to work in high-skill occupations and more likely to work in the services sector, where workers frequently have low-skill jobs, than natives. For instance, a higher proportion of the native-born population works as professionals (36%) or administrative staff compared with migrants (25%), who are more likely to work as service workers, merchants, and sales clerks.

Figure 5 summarizes the primary employment sectors. Broadly speaking, sectors refer to broad categories of the economy, such as healthcare, finance, or manufacturing. The figure shows that migrants exhibit similar patterns as natives in relation to working sectors. Both groups work mainly in services, commerce, manufacturing, and agriculture. However, foreign-born workers are relatively more concentrated in commerce than natives (26% compared to 19% of natives) and are less concentrated in services than native-born individuals (38% against 42% for natives). That said, Box 3 shows that some sectors are of disproportional importance for migrant workers, such as platform work, part of the gig economy.

FIGURE 5. Employed natives and foreign-borns by sector, LAC average



Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Dominican Republic (ENCFT, 2021), Ecuador (ENEMDU, 2022), Mexico (Census, 2020), Panama (EHPM, 2019), Peru (ENAHQ, 2021), and Uruguay (ECH, 2019).

Note: Displayed numbers are simple averages of national percentages.

BOX 3. Migrants and Platform Work (1 of 2)

There is a common perception that migrant workers often turn to platform work as a viable employment option, given the many challenges migrants face in the labor market. The fact that in LAC, at least to date, platform workers have typically been classified as independent workers allows the platforms and platform workers to operate largely without

the restrictions of labor regulations, which may be particularly difficult for migrants.

Although there is not much data available, there is some evidence that the perception of the importance of platform work for migrant workers is correct. A study from Chile, for example, finds that 15% of platform

BOX 3. Migrants and Platform Work (2 of 2)

workers are migrants versus only 10% in the traditional economy. When one considers delivery platforms, however, the percentage of migrant workers rises to 25%. However, the majority presence of migrant workers truly manifests itself in delivery platforms, with the percentage of migrant workers rising to 60%. It, therefore, seems safe to say that at least some sectors of platform work are of disproportional importance for migrant workers.

The importance of platform work for migrants implies that the policy debate regarding the regulation of platform work will be of particular importance for migrants. Despite the complex nature of the policy debate, the basic issue to be addressed can be summarized quite simply. The basic question is whether a platform worker should be classified as an employee of the platform or as a self-employed worker with a commercial relationship with the platform. Unfortunately, however, there does not exist a simple and straightforward way to make this determination, which generates the possibility of significant disagreement.

The ILO's recommendation 198 does offer guidance on what factors should be taken into account when deciding if a worker is an employee or self-employed. A partial list of factors that might suggest that a platform worker is an employee of the platform would be: (i) the work is carried out according to the instructions and under the control of the platform; (ii) is carried out within specific working hours; and (iii) remuneration constitutes the worker's sole or principal source of income. In practice, it can be difficult to determine the correct classification of a platform worker. It is also likely the case that a one-size-fits-all approach, in which the legislation classifies all platform workers (or all platform workers of a particular sector) as either employees or independent workers, is likely to miss the mark.

It may be the case that a particular relationship appears to exhibit some of the characteristics of a traditional employer-employee relationship while at the same time exhibiting other characteristics normally associated with non-employment relationships. For this reason, Gruber (2022) recommends that platforms be required to extend some of the benefits associated with a traditional employer-employee relationship to platform workers, but in a way that does not eliminate the flexibility of the work, which is clearly valued by the workers themselves. Azuara and others (2022) also find that platform workers in Mexico highly value the flexibility afforded by platform work.

Despite the complex nature of the regulation of platform work, **we can state two clear guiding principles for the regulation of platform work, which will often be of particular importance for migrants:**

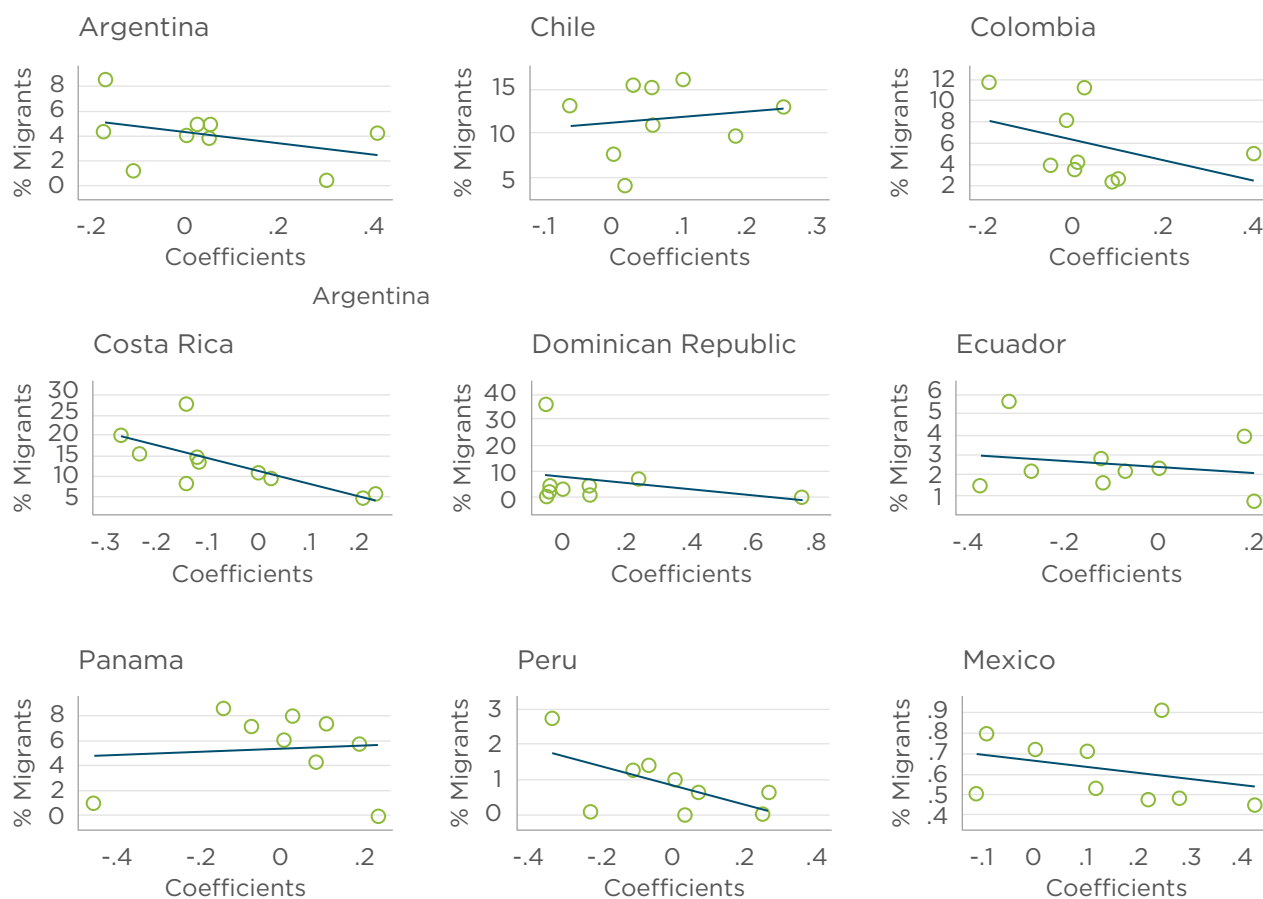
- » Governments should avoid the classification of platform workers as employees in situations when the platform does not act in practice as an employer. The imposition of labor regulations designed for traditional employer-employee relationships on commercial relationships in which the workers in fact enjoy considerable autonomy may eliminate important economic opportunities for certain groups, including migrants.
- » Governments should not, however, permit that platform work be abused as a manner in which de facto employers can avoid labor regulations and deny the standard protections afforded to employees. The hiring of a worker through a platform should not constitute a loophole through which firms may simultaneously exercise control over the (often migrant) workers as if they were employees but deny them their labor rights.

Although the distribution across sectors is similar between migrants and natives, the employment sector may play a key role in migrants' labor outcomes as, depending on the country's economic composition, some sectors may offer more job opportunities. To explore this possibility, using household survey data, we regressed the salaries of native employees against primary economic sector fixed effects and controlled by the native's level of education and age. We then plotted the economic sector coefficients against the percentage of migrants working in each sector for each country. The results, shown in Figure 6, exhibit the relationship between the economic sectors migrants tend to work in and the degree to which those sectors offer good salaries. In almost all

countries, the relationships are negative, pointing out that migrants are more likely to allocate to sectors with lower sector premiums. In Panama, there appears to be a negative correlation as well, once the agriculture sector — an outlier — is excluded.

Together, the existing gaps in the labor market indicators between native and foreign-born workers, as well as the fact that the former are more likely to be overqualified for the task they are doing, show that immigrants in LAC have the potential to contribute to their host economies. Nevertheless, there is suggestive evidence of barriers that are preventing them from fully integrating into the labor markets in the receiving countries.

FIGURE 6. Correlation between migrants' allocation and sectors' wages



Source: Authors calculations based on national surveys of the following countries: Argentina (EPH, 2021), Chile (ENE, 2020), Colombia (GEIH, 2021), Costa Rica (ECE, 2021), Dominican Republic (ENCFT, 2021), Ecuador (ENEMDU, 2022), Panama (EHPM, 2019), Peru (ENAHO, 2021), and Mexico (Census, 2020).

Note: The X-axis depicts estimated coefficients obtained from a regression between the salaries of native employees and the primary economic sectors, including controls of level of education and age. The Y-axis denotes the percentage of migrants working in each sector.

4. CHALLENGES TO LABOR MARKET INTEGRATION



4. CHALLENGES TO LABOR MARKET INTEGRATION



It can be difficult for any person to find a job that suits their profile and preferences. Even before talking about a person's individual circumstances, it is worth noting that in LAC, high-quality jobs are scarce overall. For example, the majority of jobs in the region are informal in the sense that workers do not accrue contributions to social security. There are numerous reasons why the LAC labor markets do not generate enough formal jobs, but it is safe to say that the design of the labor regulations, taxes, and the social security system create an environment that limits the extent to which formal and productive jobs are created.¹⁴ In this sense, a migrant worker who arrives in a country characterized by high informality and low productivity will have more limited options in the labor market. Even a successful entry into a highly-distorted labor market may lead to disappointing outcomes for many migrants.

A successful entry into the labor market, however, is likely to be extremely difficult for most migrant workers. Even in the case where the migrant worker finds a job opportunity that fits their profile and preferences perfectly, legal restrictions or administrative burdens may make it difficult for the migrant worker to be hired. If the migrant worker lacks the necessary documentation, for example, it is likely that the employer would be unable to offer a formal job. Even if it is possible for the employer to help the job seeker obtain the necessary documents, this would represent an administrative burden that the employer may consider excessive. Moreover, even for migrants with complete legal status in a country, they may be excluded from certain occupations or the firm may face additional reporting requirements when hiring of a migrant worker. A lack of knowledge on the part of employers may also be a limiting factor. If the firm is simply unaware of its administrative obligations regarding migrant workers, this uncertainty may be sufficient to dissuade the hiring of a migrant worker who would otherwise be a good candidate. For this reason, countries might consider

adapting their labor regulations to distinguish as little as possible between migrants and natives.

Numerous additional factors may limit the extent to which a migrant worker can integrate completely. For example, migrants may not have access to their educational and professional records. It would be difficult for an employer to hire a qualified migrant worker if they cannot provide proof that they meet the job's educational or professional requirements. Even when the migrant has access to their records, it may be difficult for the employer to interpret them. The employer might not be familiar with the educational system in the migrant's home country and therefore may have difficulty understanding the migrant's qualifications. In this sense, setting up an educational clearing house to help migrants obtain educational records in a way that offers a concordance between the person's educational path and the institutions of the receiving country could help not only the migrants themselves but also help employers in their search for qualified candidates.

Efforts to help migrants make their abilities and qualifications more transparent will be insufficient in the case where the migrants lack the appropriate abilities and qualifications. Perhaps the most obvious example may be a language barrier. If the migrant has difficulties with the recipient country's language, their labor-market opportunities will be severely limited. Arendt *et al.* (2023), for example, finds evidence that programs to help refugees learn Danish have important long-term positive effects on the refugee's labor-market success. However, language abilities are likely not the only skill that refugees and migrants need to acquire. Although language barriers are less important for Venezuelan migrants in Andean countries, language classes are important for other groups of migrants. For instance, Spanish-speaking Venezuelan migrants in English-speaking Trinidad and Tobago or French-speaking Haitian migrants in the Dominican Republic, Chile, or Brazil.

¹⁴ The IDB's Migration Unit is developing a study on the regulatory framework for international labor migration in Latin America and the Caribbean with the objective of identifying the conditions under which migrant workers can access and perform in the labor market. The report is based on diverse normative sources including constitutions, laws, labor codes, treaties, regulations, and administrative precedents.

Likewise, migrants from Spanish-speaking Guatemala, El Salvador, and Honduras face significant language barriers in English-speaking Belize.

Workers lacking skills that are aligned with the needs of a sector is a challenge that applies to migrants and natives alike. Nevertheless, there are numerous reasons why not having the right skills is a particular problem for migrant workers. In many cases, the very same difficulties that lead a person to leave their home country also imply skill deficits. Additionally, the migration process itself may have interrupted the migrants' educational or professional trajectory, further eroding their human capital. In this sense, migrants are likely to have a particularly important need to strengthen their abilities after they arrive in the recipient country. Once again, the obvious policy recommendation would be to ensure that migrants have access to the skills formation system that could analyze the profile of the person, compare their abilities with the needs of the productive sector, and design and implement a plan that would be most effective in making the migrant more attractive to employers.

Unfortunately, the job training systems of LAC suffer from significant deficiencies. Despite these deficiencies, it is not clear that the best policy for migrant workers is to implement special programs for the upskilling and reskilling of migrants. If such programs were to be implemented, it would be important that these programs not exist in isolation, but rather be connected as closely as possible with the skills-formation system as a whole. To the extent that a migrant would benefit from existing skills-formation programs, it may not be necessary to create a separate program for migrants. Skills-formation programs for migrants would be ineffective if they do not take into account general attempts to measure the skills demands of employers, as well as economic policies that would imply changes in the demand for skills over time. For example, a country's industrial policy could be informative regarding the skills that could be needed in the near future.

It is also likely that migrants lack the necessary information to find the jobs to which they are best suited. This hurts both the migrants themselves who do not find the best possible jobs and the firms that cannot find the most productive workers. Many people find jobs as a result of personal

or family networks, connections which migrants may not have in their receiving countries. For this reason, public employment services may play a particularly important role in the case of migrant job seekers and public policies should seek to ensure that migrant workers can receive these services. Among other issues, it is crucial that migrants be able to obtain the identification and documents necessary to receive support from the public employment service. Furthermore, the governmental institutions in charge of migration issues should maintain close contact with the public employment service to ensure that the migrants are aware of the support they may receive and so that the public employment service is aware of changes in migration policy that may affect the number of people they would need to support in the future.

Encountering discrimination and prejudice from employers, colleagues, and public employment officers, among others, can also worsen migrants' access to labor market opportunities. It is, therefore, important to make all efforts to reduce the extent to which migrant workers are viewed with hostility. In a climate in which migrants are viewed as unwelcome intruders, even an employer who might otherwise view migrants positively might be reluctant to hire a migrant worker to attend to customers. Even the best labor-market policies might be ineffective in an environment that is generally hostile to immigrants.

Nevertheless, the extent to which at least some groups of the native population might have legitimate concerns about the effects of migration on their own situation should not be ignored. Although the majority of studies show that migration generally has positive impacts on the labor markets of the receiving countries, individual groups may have legitimate concerns that an influx of migrants with similar abilities may increase the supply of such skills and generate lower wages (at least in the short run). In many cases, the rejection of migrant workers will likely be due to xenophobia, but in some cases, there may be legitimate concerns from workers about their own welfare. In this sense, the overall strengthening of labor-market institutions that support all workers, migrants as well as their host communities, can be an important element in the seamless integration of migrants into the labor market.

5. POLICIES TO PROMOTE LABOR MARKET INTEGRATION



5. POLICIES TO PROMOTE LABOR MARKET INTEGRATION



I. What Policies to Promote Labor Market Integration are Usually Provided?

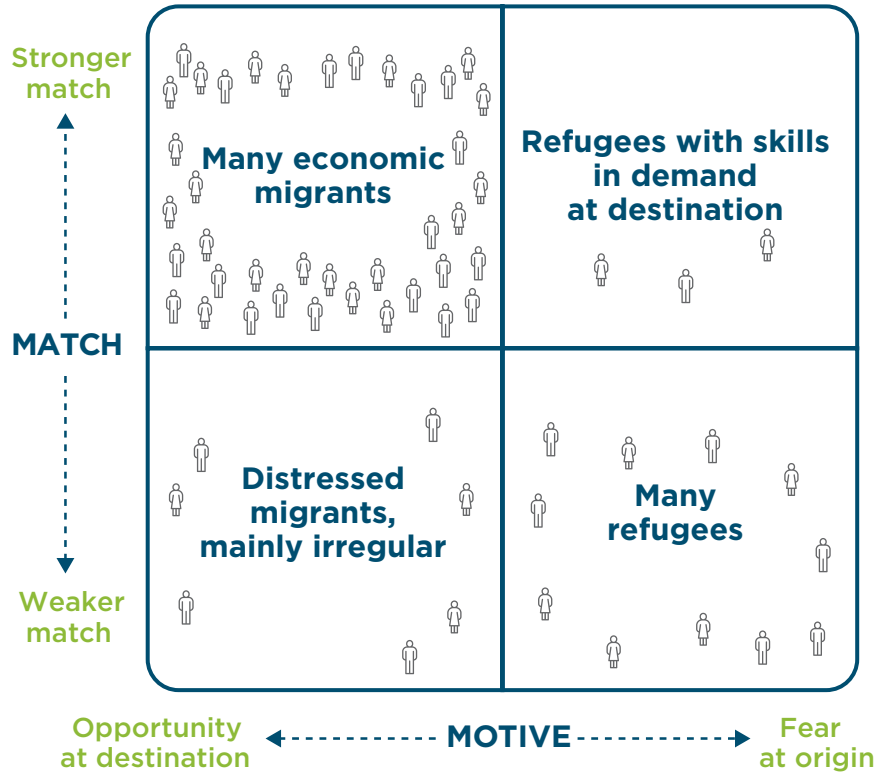
Migrants are not a uniform group, so they do not always need the same type of services. There are important distinctions in the benefits and costs that different groups of migrants bring to their destination countries. In the most recent World Development Report, the World Bank characterizes migrants into four groups using the Match and Motive Matrix (World Bank, 2023). The match dimension refers to the focus in labor economics on the match between migrants' skills and characteristics and the needs of the destination country. The better the match between the skills and the needs, the higher the gains for migrants and the destination country. The motive dimension is related to individual needs for protection as, under international law, migrants' reason for leaving their country of origin determines the destination country's obligation. At the extreme, refugees are entitled to international protections under the 1951 Refugee Convention and cannot be returned to their country of origin. On the other end, there are economic migrants who leave their country

looking for better economic opportunities (but they may also have protection needs). The combination of these two dimensions results in four groups shown in [Figure 7](#).

Policies to support migrants vary considerably, contingent upon the alignment of their skills with the demands of recipient countries and their entitlement to international protection. Migrants whose skills closely match those needed in their recipient countries require less public assistance to effectively integrate into the local labor markets, although they may require help to certify the abilities they have and to find the available opportunities. In cases when the migrant lacks proficiency in the language of the receiving country, there is a substantial return on investment in terms of socioeconomic integration when economic migrants are provided access to and incentives for language classes, even if the migrant needs to pay some of the cost.

Because of the differential need for public support to properly integrate, the rest of this section focuses on the policies to support distressed migrants and refugees.

FIGURE 7. Match and Motive: Two perspectives on cross-border migration



Source: The World Bank World Economic Report 2023.

Note: Match refers to the degree to which a migrant’s skills and related attributes meet the demand in the destination country. Motive refers to the circumstances under which a person moves—whether in search of opportunity or because of a “well-founded fear” of persecution, armed conflict, or violence in their origin country. “Match” determines the net gains of receiving migrants; “motive” determines their international protection needs.

BOX 4. Migration Trends in Northern Central America

Overview

Since 2018, the influx of returning migrants to Northern Central American countries (NCA) has seen a consistent rise, with an annual average of 160,000 returning migrants. In 2020, owing to COVID-19 restrictions, returnee numbers significantly decreased but rebounded in 2021. In 2022, a total of 197,216 people returned to Honduras, Guatemala, and El Salvador (OIM, 2023). Currently, the primary source of these returnees is Mexico, primarily with individuals attempting to enter the United States. Data from 2019 to 2022 indicates that 57% returned from Mexico, while 42% returned from the United States (OIM, 2023).

Challenges Faced by Returnees

Upon returning to their home countries, migrant returnees encounter various challenges, including accumulating debts to finance migration expenses, family separation, and a lack of employment and housing. Moreover, they face societal discrimination, often seen as unsuccessful or associated with criminal activities. Recognition of foreign-acquired education and local social networks may also be lacking. Additionally, forced returnees often require psychosocial support to address traumas or adapt to cultural and language differences, particularly second-generation returnees unfamiliar with Central America.

Country-Specific Trends

Guatemala

As of 2020, Guatemala has emerged as the point of origin for approximately 1.4 million migrants, nearly doubling the 700,000 recorded in 2005. Notably, Guatemala experienced the return of over 260,000 individuals in the three years preceding the pandemic, constituting approximately 1.5% of the nation's population (OIM, 2023). This trend

continued in 2022, with over 90,000 persons returning to Guatemala.

Honduras

Between 2020 and 2022, it is estimated that over 212,000 migrants were repatriated to Honduras, primarily from Mexico (59%) and the United States (33%) (INM, 2023). An analysis of the 2018 Survey on Migration on the Southern Border of Mexico (EMIF Sur in Spanish) reveals that the majority of adult returnees are young men (average age of 27) with limited education (over 70% did not complete high school). Most interrupted their education to emigrate, with many needing additional work experience to compensate for their lost learning. Approximately 21% of the returnees stayed away for over a year, primarily working in the agricultural, manufacturing, and construction sectors.

El Salvador

Between 2017 and 2019, in the three years preceding the pandemic, more than 90,000 Salvadorans were repatriated from the United States and Mexico, equivalent to 1.4% of the country's population (OIM, 2023). In recent years, returns have slowed, partly due to the pandemic and stricter controls at the United States' southern border, making irregular migration more challenging. Nevertheless, over 14,000 returns were recorded in 2022, with nearly 6,000 in the first half of 2023 (DGME, 2023).

Reintegration Challenges

The process of returning, whether voluntary or forced, presents challenges for the countries of origin. Today, Honduras, Guatemala, and El Salvador grapple with the task of creating conditions conducive to sustainable reintegration into the local labor markets while deterring re-migration.

Public Support for Distressed Migrants and Refugees

Immigrants with poor skill matches require additional support to integrate adequately into the local labor markets. Most interventions to increase distressed migrants' and refugees' labor integration in the global north focus on supply-side barriers. Among them, the focus is on Active Labor Market Policies or Programs (ALMP) that aim to help participants find and retain their jobs. These programs are usually divided into work-first policies and human capital policies, which affect employment rates through different mechanisms. Work-first programs offer incentives to enter work quickly by increasing job search efforts or alleviating the obstacles they face when seeking new employment opportunities. In contrast, human capital programs aim to increase workers' skills or provide them with country-specific human capital. Given the mechanisms through which they operate, choosing between work-first and human capital policies implies a trade-off between shortening the time it takes to find employment and maximizing workers' lifetime earnings.

The evidence from the literature is consistent with such a trade-off. For example, Arendt (2022) estimates the effect of a work-first policy aimed at speeding up refugees' entry into jobs in Denmark. The policy required refugees to search for jobs actively and to participate in on-the-job training immediately upon arrival. The results show that, although the policy shortened the time to enter the job market for men, they were usually employed in precarious conditions and only worked a few hours per week.¹⁵ In contrast, Arendt *et al.* (2023) study a country-specific human capital policy that increased resources and incentives for refugees to attend language training in Denmark. Their results show that the policy increased earnings significantly and permanently.

Drawing upon the extensive longitudinal individual data available from Denmark, Foged, Hasanger, and Peri (2023) compare the impact of several public policies aimed at improving the assimilation of refugees in the country. Their analysis suggests that a combination of improved language training and fortuitous placement in cities with strong labor markets significantly augments the long-term prospects of refugees. Furthermore, their research findings underscore that reducing initial welfare payments — a strategy envisioned to

bolster economic self-sufficiency incentives — does not appear to expedite the assimilation process. Similarly, in 2018, the Nordic Council of Ministers suggested that vocational training with integrated language training in the workplace produces the best results in the shortest time. In such a scheme, an immigrant's vocational and language skills are developed partly on the basis of his or her level of interest and partly on the needs of the local labor market, reiterating the importance of labor market demand.

There is limited evidence on demand-side barriers that prevent firms from hiring migrants, and there is even less research on the effect of interventions that seek to reduce such barriers. The next section summarizes the existing literature and discusses solutions that may be implemented to reduce the barriers firms face when hiring and retaining migrant workers.

Policies to Incentivize Firms to Hire Migrant Workers

Initiatives that support employers in hiring refugees and forced migrants must help firms navigate the obstacles highlighted in the previous section. To start, distressed migrant workers need to have a valid form of identification as well as a permit to work in the country. Although it is possible for firms in the region to request work permits for migrant workers, the size of the irregular migratory flows requires large-scale policies that provide global access as opposed to individual, case-by-case, solutions. As described in [section II](#) the most common strategy has been extraordinary regularization processes. In fact, there were 41 extraordinary regularization processes between 2015 and 2021 (Acosta and Harris, 2022).

As described in the previous section, a lack of knowledge about the legal restrictions and the logistics of hiring migrant workers may be enough to dissuade employers. An immediate solution to this problem is to provide employers with easy-to-access information such as the step-by-step guides or telephone hotlines suggested by OECD and UNHCR (2018). Other potential solutions include personalized support through WhatsApp bots or other types of artificial intelligence support. However, as suggested in Hernandez (2023), a long-term solution requires simplifying the administrative burden of hiring foreign workers and ensuring

¹⁵ The policy did not speed up entry for women.

that regulations are evenly applied across the country by local authorities. That said, the current process may be sped up by developing a public office that process firms' employment request individually or as part of the newly developed one-stop shops to support migrants' integration in Peru and the Dominican Republic.¹⁶ Alternatively, the process can be supported by incentivizing private intermediary offices that process firm employment requests for a small fee.

Hiring migrant workers comes with additional risks for employers. It can be challenging to invest in the training or upskilling of migrant workers due to uncertainty regarding their expected length of stay in the recipient country and their ability to obtain a permanent working permit. This uncertainty is driven by both legal restrictions and personal preferences (ILO and USAID, 2021). Consequently, firms may hesitate to hire immigrants, especially in sectors where workers lack country-specific skills and need additional training, such as jobs requiring legal or accounting support roles. To alleviate this concern, countries can extend the duration of work permits granted through extraordinary regularization processes or establish practical pathways for distressed migrants to obtain regular permanent resident permits after their initial temporary permits expire. Another viable approach, proposed by OECD and UNHCR in 2018, involves granting temporary residence permits to migrants, allowing them to stay while they are enrolled in vocational training. Germany, for example, has successfully implemented this strategy, permitting active or failed asylum seekers to stay in the country while they complete vocational training, which typically spans up to three years (OECD and UNHCR, 2018).

Hiring migrant workers is also risky as immigrants' lack of professional networks makes it harder for firms to assess workers' reliability. Increasing contact between migrants and firms may reduce firms' reluctance to hire migrants and, in the long run, create professional networks future migrants can rely on. There is a limited number of interventions that have dealt with this issue. Among them, researchers in Uganda have looked at the effect of subsidized employment. In particular,

Loiacono and Silva-Varga (2023) found that subsidizing refugee employment for a week changed managers' beliefs about refugees' skills. Moreover, when refugees with positive attitudes toward locals and firms with positive attitudes towards refugees were (randomly) matched, such matches increased firms' willingness to hire refugees. However, their results come from a small-scale experimental setting so their results have limited external validity.

Other mechanisms to substitute professional networks for migrants include job fairs or online platforms. Worldwide, specific professional networks have been developed to support migrants (or refugees in particular). For instance, Science4refugees in Europe or the Welcome Talent Program for refugees by LinkedIn (OECD and UNHCR, 2018). In Latin America, public employment boards have the potential to provide such services. Nevertheless, access to these services needs to be expanded as currently hardly any — if any — migrants can access such services.

Finally, it is important to reduce hostility and discrimination toward migrants. Data from the Citizen Perception Laboratory on Migration from the Migration Unit at the Inter-American Development Bank (IADB) indicate that there is a general perception that migrant workers worsen natives working conditions. For example, 60% of individuals surveyed in the *Encuesta Mundial de Valores* in LAC believe that migrants increase unemployment. Along the same lines, 68% of migrants believe that [firms] should prioritize the hiring of nationals over migrants. Likewise, data from Latinobarometro indicate that 60% of people surveyed think migrants come to compete for their jobs. Nevertheless, 43% of the population believe that migrants do useful jobs. Although the Migration Unit from the IADB has not directly worked on reducing xenophobia in the workplace, our unit (and its collaborators) recently tested the effectiveness of a low-cost intervention where native individuals watched either a short emotional or an informational video and found that both videos improved native perceptions of migrants in the short-run (Cruces *et al*, 2023).

¹⁶ Between 2019 and 2022, as part of an initiative focused on strengthening the region's capacity for integration and social inclusion of migrant populations, the IDB developed ALÍA, a toolkit for designing one-stop-shop models through which social services are provided to migrants. The toolkit is available at <https://www.kit-alia.org/>. Some examples of newly developed one-stops are the *Ventanillas Únicas de Atención* in the Dominican Republic or the *Migracentros* in Peru.



II. Who Usually Provides the Policies to Promote Labor Integration?

Although there is broad consensus on the importance of promoting labor market integration and economic self-sufficiency among refugees and forced migrants, there is less agreement on the way to achieve that result effectively. Worldwide, the response from policymakers has been different. In the United States, for example, immigrants are expected to survive and thrive in the labor market mainly by their own efforts. That is, immigrants are expected to use their own economic and social resources to integrate into the local labor markets, and there is no federal policy to support their integration (Bloemraad and de Graaw 2012), although some states have integration policies. In some cases, migrants get support from the local communities, however, this support is by no means systematic or homogeneous and relies heavily on local organizations such as churches and private charities. As a result, immigrant integration support can be widely different across political jurisdictions in the US (Bloemraad and de Graaw, 2012).

In contrast, most European governments have national integration policies to support the integration of immigrants. For instance, Germany, France, The Netherlands, and Denmark provide language training and civic training for all immigrants or, at the very least, for refugees (Hubschmann, 2015; Martin *et al.*, 2016; Lochmann, Rapoport, and Speciale, 2019; Joppke, 2007; De Vries, 2013). That said, given the lack of consensus on the effectiveness of such policies to promote socioeconomic integration, policies are, in some countries, moving away from language training programs toward policies that promote early labor market entry (Arendt *et al.*, 2013). Still, the existing programs are determined at the national level and implemented homogeneously throughout the countries by local authorities.

Contemporary migration policies in Latin America have evolved in response to the significant intra-regional migration patterns witnessed over the past decade, primarily originating from Venezuela and Haiti. While the initial response to the Venezuelan exodus was characterized by emergency measures to address the immediate crisis, the persistent intention of migrants to establish long-term residence in their recipient countries has prompted a shift in policy orientation. This shift is moving away from emergency-centric responses and towards the development and implementation of policies that facilitate the economic and social integration of migrants.

The most common response in the region has been extraordinary regularization processes that grant migrants the right to work for a temporary period (Acosta and Harris, 2022). Such permits have gone from short periods, six months in Trinidad and Tobago, to extended permits, such as the latest ten-year permit issued by Colombia. This type of response broadly matches the US-type policies where forced migrants and refugees rely on their own social and economic resources to thrive. Nevertheless, there is increasing interest in including migrants in national employment policies. In addition, there have been national and regional efforts to translate and certify migrants' education credentials.

There is a growing interest in integrating migrants into national employment policies, reflecting an evolving perspective. For instance, significant efforts are underway to bolster their domestic human capital through access to short-term technical training programs or exams designed to certify their skills. Additionally, national and regional initiatives are in progress to streamline the certification of migrants' educational credentials.



**6. HOW IS THE
INTER-AMERICAN
DEVELOPMENT BANK
SUPPORTING
MIGRANT' LABOR
INTEGRATION?**



6. HOW IS THE INTER-AMERICAN DEVELOPMENT BANK SUPPORTING MIGRANT' LABOR INTEGRATION?



To reduce employment disparities, lessen labor discrimination, and lower labor market informality, the IADB has taken proactive steps. Through a collaborative approach between the IDB's Migration Unit and Labor Markets Division, the bank has developed a comprehensive portfolio of both financial and non-financial initiatives. These endeavors encompass a diverse range of activities, such as strategic investments, the provision of non-repayable technical assistance, support for the implementation of public policies, and the advancement of a specialized regional knowledge bank.¹⁷

The IDB aims to generate statistical data to enhance the understanding of the labor market dynamics in the region. On one hand, it aims to understand the mechanisms through which public policies shape the supply and the demand for labor and determine the number of successful job matches. On the other hand, it aims to anticipate the needs and future labor demands of the various economic sectors.

These programs are supporting Public Employment Services through targeted institutional capacity-building and modernization plans to promote the effectiveness, interoperability, and overall performance of governmental entities. For instance, some of the initiatives aim to increase coverage and effectiveness in labor intermediation services, by expanding the number of employers who post vacancies and the number of native and foreign-born job seekers who use labor intermediation services. In addition, these programs aim to reduce search costs and increase the number of successful matches.

The expected impact of these IDB initiatives may be substantial. For instance, its resources are expected to support the certification of skills of approximately 100,000 individuals and the engagement of roughly 150,000 individuals in job training programs, including migrants and host communities. These efforts benefit individuals in Chile,

Colombia, and Ecuador. However, beyond measuring the number of beneficiaries, the bank seeks to promote the most efficient use of resources. To do so, the bank is conducting impact evaluations of (some of) its operations to measure the effectiveness of the policies it supports. By gathering this information, the IDB is also contributing to filling the gaps regarding the lack of knowledge on the best strategies to support the integration of migrants into the local labor market.

The next section offers a review of some experiences and initiatives within the Latin America and Caribbean (LAC) region that are geared towards fostering the integration of migrant workers into formal labor markets.



I. Strengthening Policies for the Economic Inclusion of the Migrant Population in Colombia: Regularization, Certification and Social Services

In alignment with the Colombian government's objective of fostering the economic integration of migrants, the IADB formulated a comprehensive operational strategy. This approach addressed three pivotal impediments that significantly impede economic migrants' integration. These encompass migrants' irregular migration status, the absence of official recognition for their professional competencies and qualifications, and their limited access to various social and protective services.

Foremost among the project's principal components was promoting economic integration for the migrant population, focusing on acknowledging vocational proficiencies among Venezuelan migrants. This facilitation was devised to expedite their integration into the Colombian labor market. To achieve this objective, the IDB offered

¹⁷ <https://publications.iadb.org/es/publicaciones?f%5B0%5D=unit%3A7343>.

support to the “Saber Hacer Vale” Program under the auspices of the Ministry of Labor. This program connects the migrant population with labor skills certification programs offered by the National Apprenticeship Service (SENA).

Another facet of this operation pertained to institutional capacity-building to extend the reach of extraordinary regularization processes and to enhance proficiency in managing pertinent information through the implementation of the Temporary Protection Statute for Venezuelan Migrants. In addition to these efforts, the operational framework supported institutional coordination, endeavoring to augment migrants’ access to an array of indispensable social services while enhancing measures against human trafficking.

II. Enhancing Employment Prospects: Institutional Strengthening and Digitalization of Migrant Services in Colombia

In Colombia, migrants encounter significant hurdles when trying to secure formal employment. These challenges arise from key employability limitations affecting a substantial portion of the population. Some of them are a lack of information about available job positions, deficiencies in the skill sets of job seekers, and inadequate recognition of qualifications and validation of competencies.

The IDB developed an operation to enhance the employment prospects of both the Colombian and migrant workforce. This objective was pursued through two main components: (i) to expand the reach and efficacy of employment policies and (ii) to bolster the system responsible for guaranteeing the quality and alignment of job training, alongside broadening the purview of skill-based certification.

To tackle those challenges, the operation’s first component focused on financial support for technological enhancements within the Public Employment Service (SPE). This entails refining services for job seekers, particularly those from vulnerable groups such as migrants, returning Colombians, and individuals with disabilities. The second component focused on several key aspects. It includes the development of a model to ensure the quality and relevance of job training. Additionally, it aims to establish an information platform for credentials and job training.



III. Fostering Inclusive Solutions for Migration and Integration in Peru: Migracentros initiative

With the contribution of Global Affairs Canada, the IDB Migration Unit implemented a project to provide technical support to enhance the operational capacity of the Peruvian government to deliver social and protection services and promote the integration of individuals in situations of human mobility. This project groups regularization, social protection routes, labor intermediation, and social care services as measures to achieve migrants’ socioeconomic integration.

The Government of Perú introduced the MIGRA-CENTROS project to support the protection, integration, and participation of migrants and the host community, focusing on vulnerable groups, particularly women and children. The project adopts a multisectoral and multilevel approach, involving coordination among various stakeholders. These centers aim to create a route of inclusion and social cohesion for migrant populations, particularly Venezuelans, with a strong focus on vulnerable groups, especially women.

The technical cooperation goals encompass ensuring the adequacy of physical spaces for the Migracentros’ operation, as well as strengthening the capacities of the technical teams responsible for providing services at these centers. In addition, the program promotes economic and financial inclusion for individuals in human mobility, particularly women. It involves designing and implementing an employment and entrepreneurship route, establishing a job bank in partnership with private companies to match job needs with immigrant and national professionals, and negotiating with financial institutions to create tailored products and services meeting the needs of migrant populations.



IV. Enhancing Labor Integration for Migrants in Chile: An Approach with a Gender Focus

In Chile, many migrants find themselves employed in positions that don't match their qualifications, indicating a lack of productive inclusion in the labor market. The validation of academic degrees, professional training, and work experience is a cumbersome and time-consuming process for migrants, with a low percentage succeeding in validating their degrees, primarily due to the lack of recognition, cultural barriers, and discrimination in the labor market.

The IDB is developing a Technical Cooperation with the primary objective of supporting the Government of Chile in fostering the effective labor integration of migrants, with a particular emphasis on women. The program, developed with the contribution of Global Affairs Canada, is envisioned to encompass two components. In the first place, a comprehensive study to analyze the labor profiles of migrants, with a specific focus on vulnerable groups and women. The program seeks to design and implement pilots to improve the integration of migrants into specific sectors identified through a matching process that aligns them with available job opportunities, all while considering a gender perspective.

The second component focuses on developing a multichannel pathway for the labor inclusion of migrants, specifically focusing on women. It seeks to evaluate the current processes involved in the certification of international education degrees and propose a multichannel strategy combining traditional in-person and digital channels to enhance the efficiency of certification of educational and professional competencies. Furthermore, to improve services for the migrant population, it also plans to provide training programs for managers involved in the certification process.



V. Supporting the Effectiveness of Labor Policies for the Migrant Population in Ecuador: Bridging Employment Disparities

In Ecuador, the labor force faces ongoing difficulty in securing quality employment; this challenge is especially pronounced for marginalized groups, such as migrants. The pandemic exacerbated this problem, leading to increased barriers to workforce integration. Within Ecuador, a mismatch between the skills offered and those demanded has emerged, often attributed to insufficient job qualifications. Additionally, the existing National System of Professional Qualifications (SNCP), which manages employment training and job skills certification services, faces several limitations, including outdated qualification profiles and a disconnected platform.

The IADB is currently developing an initiative aimed at enhancing the placement of individuals in quality jobs in Ecuador, with a particular focus on those encountering substantial barriers to workforce integration. The program's overarching objectives encompass extending the coverage of pertinent employment training and job skills certification programs to both Ecuadorians and individuals with human mobility. More specifically, the operation seeks to augment the tools and mechanisms used to identify labor market gaps while strengthening information and guidance services. It also intends to promote coordination and opportunities between employers and job seekers. Furthermore, it aims to broaden the scope of employment training and job skills certification initiatives tailored to meet labor market demands and address gaps prevalent among low-employability groups.

Additionally, the operation strives to expand the utilization of the public employment service (SPE), with a pronounced emphasis on inclusivity through technological enhancements and process optimizations. This involves fostering greater engagement between job seekers and employers to facilitate more effective employment matching.





VI. Identifying the Challenges of Migrant Labor Market Integration: A Demand-Side Perspective

Numerous studies have examined the obstacles confronting migrants and refugees in pursuing labor market entry. These challenges refer to the impediments faced on the *supply side* of migrants' labor market integration. However, there is a growing need to elucidate challenges from the perspective of employers—termed the *demand-side* barriers—in the context of migrants' labor market integration in LAC. While addressing the challenges faced by migrants undoubtedly holds immense importance in promoting their labor market integration, policies aimed at comprehending the exigencies and challenges employers encounter equally contribute to the overarching objective.

To address this knowledge need, the Migration Unit of the IADB, in partnership with the International Labor Organization (ILO), is undertaking research to understand the principal impediments that deter enterprises from hiring and retaining migrant workers. This initiative involves a comprehensive study conducted in Ecuador, designed to assess the pervasiveness of demand-side barriers. The objective is to discern the constraining factors necessitating focused interventions to ameliorate these barriers. The study is confined to enterprises operating within Ecuador's two most populous urban centers: Guayaquil and Quito. The research approach integrates qualitative and quantitative methodologies to fully comprehend the issue at hand.



7. CONCLUSIONS AND POLICY RECOMMENDATIONS



7. CONCLUSIONS AND POLICY RECOMMENDATIONS



Intra-regional migration in Latin America and the Caribbean (LAC) has grown exponentially in the last eight years. Although Venezuelans represent the majority of the flows, they are by no means the only migratory flow in the region. While increased migratory flows require upfront public expenditures to provide migrants with services that support their integration, given migrants' advantageous characteristics, their settling in their receiving countries can be seen as an opportunity to promote the region's economic growth.

It is crucial to measure labor market integration to understand the economic and social dynamics at play. Labor market integration should not be limited to finding any form of employment or even any form of employment in the formal sector. Instead, adequate labor integration requires allocative efficiency. That is, it requires securing employment in occupations that match migrants' highest qualifications in industries where their productivity is highest and that offer opportunities for upward labor mobility. By requiring migrant workers to be employed in optimal jobs, adequate labor integration increases migrants' welfare as well as the country's total economic output, benefiting native and migrant populations.

In LAC, high-quality jobs are scarce overall. Most jobs in the region are informal in the sense that workers do not accrue contributions to social security. The fact that employment opportunities in the formal sector are scarce, however, should not be taken as a reason to give up on adequate integration. However, one should recognize that policies directed toward promoting the full integration of migrants into the labor market will be even more effective if combined with reforms that eliminate labor-market distortions more generally.

A successful entry into the labor market is likely to be extremely difficult for most migrant workers. On top of the obstacles faced by native workers, migrants will face legal restrictions, and employers may face administrative burdens that increase the difficulty of hiring migrants. Employers' lack of knowledge about the administrative obligations of hiring migrant workers may also be sufficient to dissuade firms from hiring a migrant worker who would otherwise be a good candidate.

To promote adequate labor market integration, receiving countries can include provisions in the legislation to grant migrant workers labor rights as similar as possible to those of native workers. Restricting the work activities of migrants will not only affect the migrants themselves but also limit the economic efficiency of the receiving country. Along these lines, the hiring of migrant workers should not entail a costly administrative burden for the employer.

Migrant workers will also face difficulties as they may not have access to their educational and professional records. Furthermore, even when migrants have access to their records, it may be difficult for employers to interpret them. In this sense, setting up an educational clearing house to help migrants obtain educational records in a way that offers a concordance between the person's educational path and the institutions of the receiving country could help not only the migrants themselves but also help employers in their search for qualified candidates.

Like native workers, migrant workers may also lack the skills required by the economic sectors. In such cases, efforts to help migrants make their abilities and qualifications more transparent will be insufficient. In some cases, migrants' skill deficits may be larger as these skill deficits may be part of the reasons that lead a person to leave their home country. Additionally, the migration process itself may have interrupted the migrants' educational or professional trajectory, further eroding their human capital. This hurts both the migrants themselves, who do not find the best possible jobs, as well as the firms that cannot find the most productive workers.

To encourage adequate labor integration, recipient countries can promote the use of public employment services and skills-formation opportunities among migrant workers, ensuring, at a minimum, that migrants can benefit from these institutions. This task will likely require coordination among different governmental agencies, including labor, education, and, of course, those agencies in charge of the migration process. Rather than creating special programs to help migrants find jobs, priority should be given to connecting the migrants to

active labor market policies that analyze the profile of the job seeker and compare their skills with the demands of the economic sector for the purpose of identifying the best job matches and/or skills-formation opportunities that would be most effective in helping the migrant close skills gaps.

Migrant job seekers may also lack the necessary information to find the jobs to which they are best suited. Many people find jobs because of personal or family networks, connections that migrants may not have in their receiving countries. For this reason, strengthening the connection to public employment services may play a particularly important role in the case of migrant job seekers, and public policies should seek to ensure that migrant workers can receive these services.

It is also important to incentivize migrant workers to accept offers in the formal sector. To do so, it is necessary to acknowledge that many of the benefits of formal work only accrue after the worker contributes sufficient time to the social security system. Since migrants tend to be far from retirement age, it might appear that these concerns are more applicable to the future than the present. However, the fact that migrants anticipate that their contributions will be wasted, especially if they are starting too late to meet the vesting period of the pension system, could affect their labor decisions today. Therefore, to promote labor integration LAC countries can implement agreements to ensure the portability of social security benefits, guaranteeing that workers who contribute to the social security systems in multiple countries receive pensions and other social security benefits.

Encountering discrimination and prejudice from employers, colleagues, and public employment officers, among others, can also worsen migrants' access to labor market opportunities. It is, therefore, important to make all efforts to reduce the extent to which migrant workers are viewed with hostility and foster an environment in which migrant workers are welcomed and recognized for their contributions to society.

Altogether, the challenge for recipient countries in LAC lies in devising strategies to integrate migrant labor adequately. Migrants and recipient countries are not uniform, and their needs may require differentiated responses. The policies that support migrants worldwide have been implemented through national, regional, or local policies, and there does not exist a strategy that works in every context. Instead, public policies in LAC should be designed in accordance with the requirements and experience of each recipient country. We believe that policies that include the implementation of the recommendations described in the report will help migrant workers become fully integrated into the labor markets of their receiving countries. This integration will benefit the migrants themselves—many of whom are in extremely vulnerable situations and in dire need of support—but will also benefit the overall economy of the receiving nation.



REFERENCES



- Acosta, D. and Harris, J. (2022), 'Migration Policy Regimes in Latin America and the Caribbean Immigration, Regional Free Movement, Refuge, and Nationality'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/migration-policy-regimes-latin-america-and-caribbean-immigration-regional-free-movement-refuge-and>.
- Alaimo, V., Bosch, M., Gualavisi, M. and Villa, J. M. (2017), 'Medición del costo del trabajo asalariado en América Latina y el Caribe'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/es/publicacion/17272/medicion-del-costo-del-trabajo-asalariado-en-america-latina-y-el-caribe>.
- Álvarez, J. A., Arena, M., Brousseau, A., Faruquee, H., Corugedo, E. W. F., Guajardo, J., Peraza, G. and Yopez, J. (2022), 'Regional Spillovers from the Venezuelan Crisis: Migration Flows and Their Impact on Latin America and the Caribbean', Departmental Papers 2022(019). ISBN: 9798400224478 Publisher: International Monetary Fund Section: Departmental Papers. <https://www.elibrary.imf.org/view/journals/087/2022/019/article-A001-en.xml>.
- Andersen, L. H., Dustmann, C. and Landersø, R. (2019), 'Lowering Welfare Benefits: Intended and Unintended Consequences for Migrants and their Families'.
- Arendt, J. N. (2022), 'Labor market effects of a work-first policy for refugees', *Journal of Population Economics* 35(1), 169–196. <https://link.springer.com/10.1007/s00148-020-00808-z>.
- ASIES and KAS (2022), 'Revista de Actualidad Política No.19 – ASIES'. <http://www.asies.org.gt/revista-de-actualidad-politica-no-19/>.
- Bahar, D., Choudhury, P. and Rapoport, H. (2020), 'Migrant inventors and the technological advantage of nations', *Research Policy* 49(9), 103947. <https://www.sciencedirect.com/science/article/pii/S0048733320300275>.
- Bahar, D., Cowgill, B. and Guzman, J. (2023), 'Refugee Entrepreneurship: The Case of Venezuelans in Colombia', *AEA Papers and Proceedings* 113, 352–356. <https://www.aeaweb.org/articles?id=10.1257/pandp.20231020>.
- Bahar, D., Hauptmann, A., Özgüzel, C. and Rapoport, H. (2022), 'Migration and Knowledge Diffusion: The Effect of Returning Refugees on Export Performance in the Former Yugoslavia', *The Review of Economics and Statistics* pp. 1–50. URL: https://doi.org/10.1162/rest_a_01165.
- Bahar, D. and Rapoport, H. (2018), 'Migration, Knowledge Diffusion and the Comparative Advantage of Nations - Bahar - 2018 - The Economic Journal - Wiley Online Library'. <https://onlinelibrary.wiley.com/doi/abs/10.1111/ecoj.12450>.
- Bandiera, A., Loschmann, C., Luzes, M., Rivera-Rivera, A. and Van der Werf, C. (2023), 'Profiling Venezuelan Refugees and Migrants in the Dominican Republic'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/profiling-venezuelan-refugees-and-migrants-dominican-republic>.
- Banerjee, A. and Duflo, E. (2012), *Poor Economics*.
- Banerjee, A., Niehaus, P. and Suri, T. (2019), 'Universal Basic Income in the Developing World', *Annual Review of Economics* 11(1), 959–983. eprint: <https://doi.org/10.1146/annurev-economics-080218-030229>.
- Bank, W. (2023), 'World Development Report 2023: Migrants, Refugees, and Societies'. <https://www.worldbank.org/en/publication/wdr2023>.
- Blau, F. D. and Mackie, C., eds (2017), *The Economic and Fiscal Consequences of Immigration*, National Academies Press, Washington, D.C. <https://www.nap.edu/catalog/23550>.
- Bloemraad, I. and de Grauw, E. (2011), 'Immigrant Integration and Policy in the United States: A Loosely Stitched Patchwork'. <https://escholarship.org/uc/item/2nc0m8bm>.

- Blyde, J. S. (2020), 'Heterogeneous Labor Impacts of Migration Across Skill Groups: The Case of Costa Rica'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/heterogeneous-labor-impacts-of-migration-across-skill-groups-the-case-of-costa-rica>.
- Blyde, J. S., Busso, M. and Ibáñez, A. M. (2020a), 'El impacto de la migración en América Latina y el Caribe: Un análisis de la evidencia reciente'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/es/el-impacto-de-la-migracion-en-america-latina-y-el-caribe-un-analisis-de-la-evidencia-reciente>.
- Blyde, J. S., Busso, M. and Ibáñez, A. M. (2020b), 'The Impact of Migration in Latin America and the Caribbean: A Review of Recent Evidence'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/impact-migration-latin-america-and-caribbean-review-recent-evidence>.
- CARICOM (2010), 'Annual Report 2010'. <https://caricom.org/documents/annual-report-2010/>.
- Clemens, M. A. and Hunt, J. (2017), 'The Labor Market Effects of Refugee Waves: Reconciling Conflicting Results'. <https://www.nber.org/papers/w23433>.
- Cobb-Clark, D. A., Dahmann, S. C. and Kettlewell, N. (2022), 'Depression, Risk Preferences, and Risk-Taking Behavior'.
- Contreras, D. and Gallardo, S. (2020), 'The Effects of Mass Migration on Natives' Wages: Evidence from Chile'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/effects-mass-migration-natives-wages-evidence-chile>.
- Cortes, P. and Tessada, J. (2011), 'Low-Skilled Immigration and the Labor Supply of Highly Skilled Women', *American Economic Journal: Applied Economics* 3(3), 88-123. <https://www.aeaweb.org/articles?id=10.1257/app.3.3.88>.
- Cruces, G., Fajardo, J., Hernández, P., Ibáñez, A. M., Luzes, M., Meléndez, M., Muñoz, F., Guillen, L. R. and Tenjo, L. (2023), *Un mundo mejor para la población migrante en América Latina y el Caribe*, Inter-American Development Bank. <https://publications.iadb.org/es/un-mundo-mejor-para-la-poblacion-migrante-en-america-latina-y-el-caribe>.
- DGME (2023), 'Portal de Transparencia - El Salvador'. <https://www.transparencia.gob.sv/instituciones/dgme/documents/estadisticas>.
- Dustmann, C., Frattini, T. and Preston, I. P. (2013), 'The Effect of Immigration along the Distribution of Wages', *The Review of Economic Studies* 80(1), 145-173. <https://academic.oup.com/restud/article-lookup/doi/10.1093/restud/rds019>.
- East, C. N., Hines, A. L., Luck, P., Mansour, H. and Velasquez, A. (2022), 'The Labor Market Effects of Immigration Enforcement', *Journal of Labor Economics* pp. 000-000. Publisher: The University of Chicago Press. <https://www.journals.uchicago.edu/doi/10.1086/721152>.
- Foged, M., Hasager, L., Peri, G., Arendt, J. N. and Bolvig, I. (2023), 'Intergenerational spillover effects of language training for refugees', *Journal of Public Economics* 220, 104840. <https://linkinghub.elsevier.com/retrieve/pii/S0047272723000221>.
- Foged, M. and Peri, G. (2016), 'Immigrants' Effect on Native Workers: New Analysis on Longitudinal Data', *American Economic Journal: Applied Economics* 8(2), 1-34. <https://www.aeaweb.org/articles?id=10.1257/app.20150114>.
- Gruber, J. (2022), 'Designing Benefits for Platform Workers'. <https://www.nber.org/papers/w29736>.
- Herrera, O. A., Keller, L. and González, S. (2019), '¿Quiénes son los conductores que utilizan las plataformas de transporte en América Latina?: Perfil de los conductores de Uber en Brasil, Chile, Colombia y México'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/es/quienes-son-los-conductores-que-utilizan-las-plataformas-de-transporte-en-america-latina-perfil-de>.
- Hiller, T. and Chatruc, M. R. (2020), 'South-South Migration and Female Labor Supply in the Dominican Republic'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/south-south-migration-and-female-labor-supply-in-the-dominican-republic>.
- Hirose, K., Nikac̆, M. and Tamagno, E. (2011), 'Social Security for Migrant Workers'.

- Hussam, R., Kelley, E. M., Lane, G. and Zahra, F. (2022), 'The Psychosocial Value of Employment: Evidence from a Refugee Camp', *American Economic Review* 112(11), 3694-3724. <https://www.aeaweb.org/articles?id=10.1257/aer.20211616>.
- Hubschmann, Z., ed. (2015), *Migrant integration programs: the case of Germany*, Global Migration Research Paper ; No. 11, The Graduate Institute of International and Development Studies, Global Migration Centre, Geneva.
- Ibáñez, A. M., Moya, A., Ortega, M. A., Rozo, S. V. and Urbina, M. J. (2022), 'Life Out of the Shadows: The Impacts of Regularization Programs on the Lives of Forced Migrants'. Publisher: World Bank, Washington, DC. <http://hdl.handle.net/10986/36967>.
- IDB, UNDP and OECD (2023), 'How Do Migrants Fare in Latin America and the Caribbean?: Mapping Socio-Economic Integration'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/how-do-migrants-fare-latin-america-and-caribbean-mapping-socio-economic-integration>.
- ILO (2011), 'Convention 189 & Recommendation 201 on Decent Work for Domestic Workers'. ISBN: 9789221252719. https://www.ilo.org/travail/info/publications/WCMS_168266/lang-en/index.htm.
- ILO (2016a), 'Gender sensitivity in labour migration agreements and MOUs'. https://www.ilo.org/global/topics/labour-migration/projects/gap/publications/WCMS_467721/lang-en/index.htm.
- ILO (2016b), 'Skills development and recognition for domestic workers across borders'. https://www.ilo.org/global/topics/labour-migration/projects/gap/publications/WCMS_533536/lang-en/index.htm.
- ILO (2018), *Labour market integration of immigrants*, Technical Report 11. https://www.ilo.org/global/research/publications/what-works/WCMS_644828/lang-en/index.htm.
- ILO (2020), 'Promoción de Medios de Vida para Personas Venezolanas en República Dominicana'. https://www.ilo.org/empent/areas/value-chain-development-vcd/WCMS_760085/lang-es/index.htm.
- INM (2023), 'Retornados/Instituto Nacional de Migración'. <https://inm.gob.hn/retornados.html>.
- Joppke, C. (2007), 'Beyond national models: Civic integration policies for immigrants in Western Europe', *West European Politics* 30(1), 1-22. Publisher: Routledge eprint: <https://doi.org/10.1080/01402380601019613>.
- Kerr, S. P. and Kerr, W. R. (2011), 'Economic Impacts of Immigration: A Survey'. <https://www.nber.org/papers/w16736>.
- Kim, H., Lee, J. and Peri, G. (2022), 'Do Low-skilled Immigrants Improve Native Productivity but Worsen Local Amenities? Learning from the South Korean Experience'. <https://www.nber.org/papers/w30464>.
- Knight, B. and Tribin, A. (2023), 'Immigration and violent crime: Evidence from the Colombia-Venezuela Border', *Journal of Development Economics* 162(C). Publisher: Elsevier. <https://ideas.repec.org/a/eee/deveco/v162y-2023ics030438782200181x.html>.
- Lebow, J. (2024), 'Immigration and occupational downgrading in Colombia', *Journal of Development Economics* 166, 103164. <https://www.sciencedirect.com/science/article/pii/S0304387823001207>.
- Levinson, A. (2005), 'Why Countries Continue to Consider Regularization'. <https://www.migrationpolicy.org/article/why-countries-continue-consider-regularization>.
- Lochmann, A., Rapoport, H. and Speciale, B. (2019), 'The effect of language training on immigrants' economic integration: Empirical evidence from France', *European Economic Review* 113(C), 265-296. Publisher: Elsevier. <https://doi.org/10.1016/j.euroecorev.2019.01.008>.
- Loiacono, F. and Vargas, M. S. (2019), 'Improving Access To Labour Markets for Refugees: Evidence from Uganda'.
- Mahajan, P. (2021), 'Immigration and Local Business Dynamics: Evidence from U.S. Firms'.

- Martin, I., arcarons, A., Aumuller, J., Bevelander, P., Emilsson, H., Kalantaryan, S., Maclver, A., Mara, I., Scalettari, G., Venturini, A., Vidoc, H., van der Welle, I., Windish, M., Wolffber, R. and Zorlu, A. (n.d.), 'From Refugees to Workers. Mapping Labour-Market Integration Support Measures for Asylum Seekers and Refugees in EU Member States | European Website on Integration'. https://ec.europa.eu/migrant-integration/library-document/refugees-workers-mapping-labour-market-integration-support-measures-asylum-seekers_en.
- Mullainathan, S. and Banerjee, A. (2008), 'Limited Attention and Income Distribution', *American Economic Review* 98, 489-93.
- Mullainathan, S. and Shafir, E. (2013), *Scarcity: Why Having Too Little Means So Much*, Macmillan. Google-Books-ID: xUCqAAAAQBAJ.
- OCDE, U. (2018), 'Engaging with employers in the hiring of refugees: a 10- point multi-stakeholder actionplanforemployers,refugees,governments and civil society - World | ReliefWeb'. <https://reliefweb.int/report/world/engaging-employers-hiring-refugees-10-point-multi-stakeholder-action-plan-employers>.
- Olivieri, S., Ortega, F., Carranza, E. and Rivadeneira, A. (2020), 'The Labor Market Effects of Venezuelan Migration in Ecuador'. Publisher: World Bank, Washington, DC. <http://hdl.handle.net/10986/34254>.
- Ottaviano, G. I. P. and Peri, G. (2012), 'Rethinking the Effect of Immigration on Wages', *Journal of the European Economic Association* 10(1), 152-197. Publisher: Oxford University Press. <https://www.jstor.org/stable/41426727>.
- Perdomo, J. C. (2022), 'Making migrants visible: a review of information on migrants in censuses and households surveys in Latin America and the Caribbean'. Publisher: Inter-American Development Bank. <https://publications.iadb.org/en/making-migrants-visible-review-information-migrants-censuses-and-households-surveys-latin-america>.
- Peri, G. and Sparber, C. (2009), 'Task Specialization, Immigration, and Wages', *American Economic Journal: Applied Economics* 1(3), 135-169. <https://www.aeaweb.org/articles?id=10.1257/app.1.3.135>.
- Santamaria, J. (2022), "When a Stranger Shall Sojourn with Thee": The Impact of the Venezuelan Exodus on Colombian Labor Markets', *Documentos de trabajo - Alianza EFI*. Number: 20046 Publisher: Alianza EFI. <https://ideas.repec.org/p/col/000561/020046.html>.
- Schwab, K. (2019), 'The Global Competitiveness Report 2019'.
- Semkovska, M., Quinlivan, L., O'Grady, T., Johnson, R., Collins, A., O'Connor, J., Knittle, H., Ahern, E. and Gload, T. (2019), 'Cognitive function following a major depressive episode: a systematic review and meta-analysis', *The Lancet Psychiatry* 6(10), 851-861. <https://linkinghub.elsevier.com/retrieve/pii/S2215036619302913>.
- Vries, K. d. (2013), *Integration at the border: the Dutch Act on Integration Abroad and international immigration law, number v. 44* in 'Studies in international law', Hart Publishing, Oxford; Portland, Oregon.





