

The effects of labor supply shocks on labor market outcomes:

The case of the venezuelan migrants in Colombia

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Main Motivation - Venezuelan Migrants

According to Colombian Migration authorities, in february 2019 there were 1,226,507 Venezuelan living in Colombia:

- 760,883 (62%) are regular migrant.
 - 96,760 with under three month permits.
 - 74,578 with work permits.
 - 589,445 with transitory special work permits.
- 465,724 (38%) Venezuelans were irregular migrants
 - 140,122 overstayed three months.
 - 325,602 got to Colombia using irregular migration.

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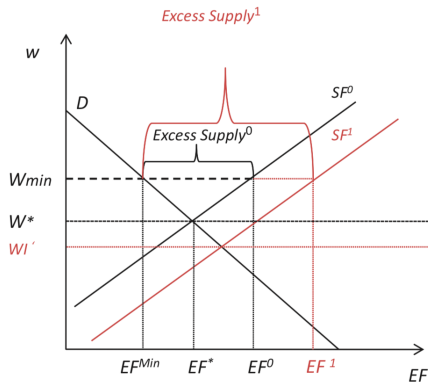
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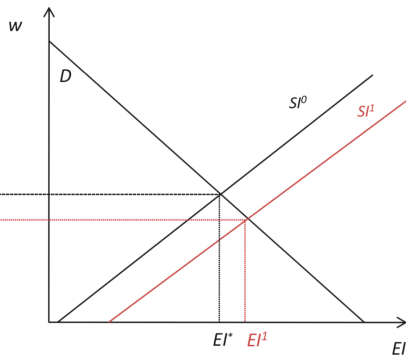
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Main Motivation - Labour Supply Shocks - Short Run

Formal Sector



Informal Sector



This research agenda

What are the potential effects of labor supply shock on Colombian labor market?

- What is the profile of the new migrants? and where are they located?
- What is the composition at sector level? specially at agri-food labor market?
- What is the effect on the main labor market outcome income, unemployment..?
- More ideas?

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Main Challenges on this agenda

- 1 How to capture/measure Venezuelan migration?
- 2 What is the participation of this new migration on the labor market?
- 3 What is the effect?

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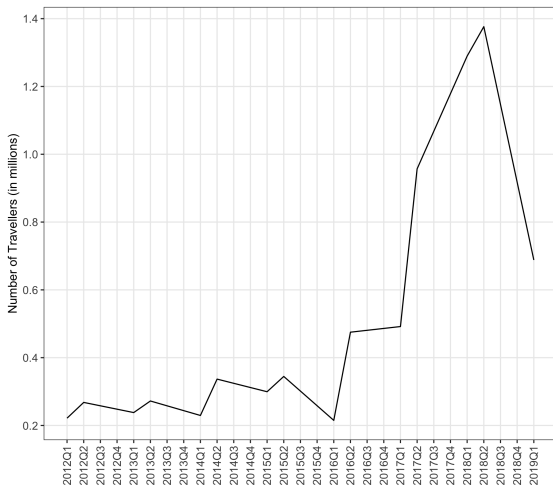
(1) How to capture/measure Venezuelan migration?

Main data sources on migration in Colombia and their characteristics

Data Source	Type of information	Type of migration	Time Coverage
Colombian Migration Authorities Registry	Census of total travelers entry to Colombia	Regular	Daily (January 2014 – June 2019)
Regularization Programs (RAMV-PEP).	Venezuelans migrants participating in these programs	Irregular	2018 (cross sectional)
Monthly Labor Market Survey (GEIH)	Nationally representative survey	Regular and Irregular	Monthly (2014-I – 2019-II)

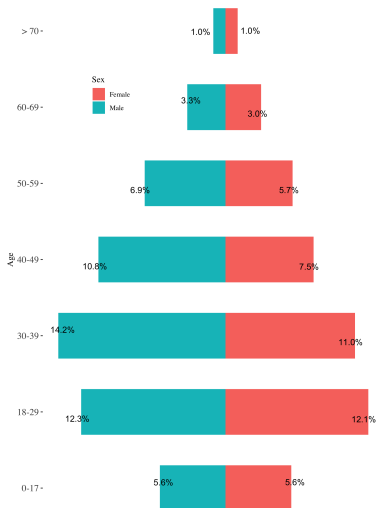
Source: Universidad EAFIT, 2019.

Evolution of Venezuelan travelers entering Colombia, 2012-1 – 2019-1

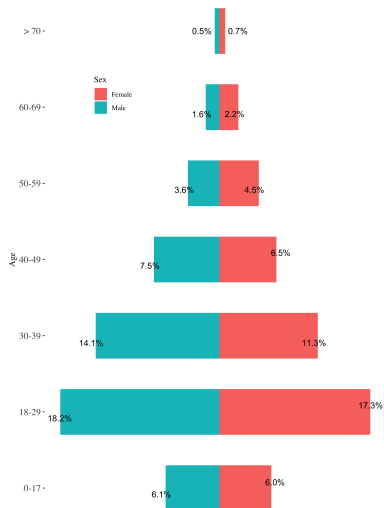


Age distribution by sex of Venezuelan migrants, 2012-1 2019-I

Before 2017 Q1



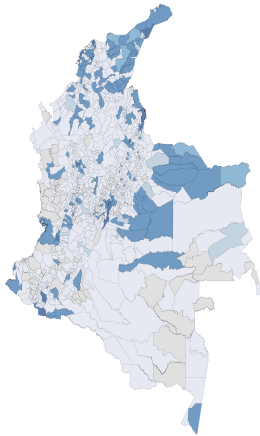
After 2017 Q1 (included)



. Main destination of Venezuelan Migrants, 2012-I 2019-I

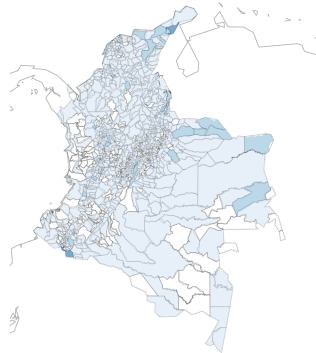
Persons

% local population



People

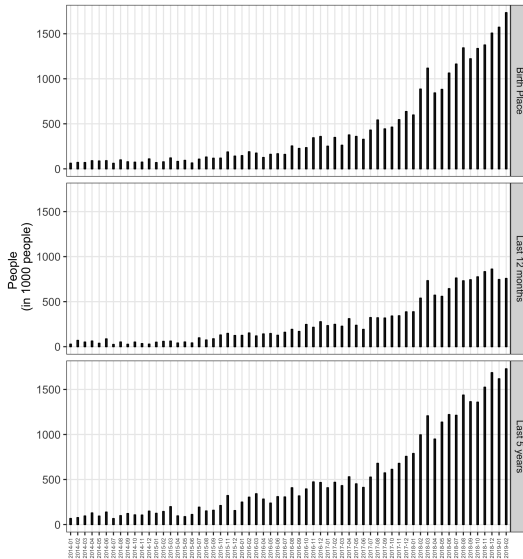
≤ 100	>10,000-≤50,000	>50,000
>1,000-≤10,000	>100-≤1,000	NA



% Local
Population
(Census 2015)

≤ 1%	>1%-≤5%	>50%	NA
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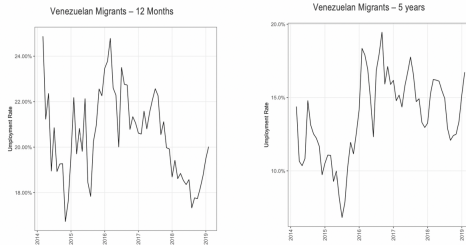
Venezuelan Migration using different definition of migrants from GEIH, 2014 - 2019 (trimester)



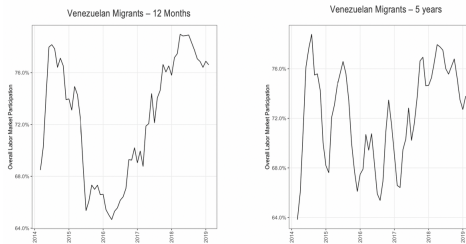
(2) What is the participation of this new migration on the labor market?

Unemployment rate and Overall Labor Market Participation 2014-2019 (mobile quarter)

(a) Seasonally Adjusted Unemployment rate



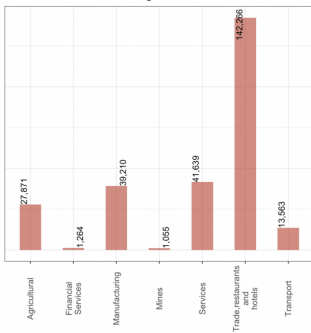
(b) Seasonally Adjusted Overall Labor Market Participation rate



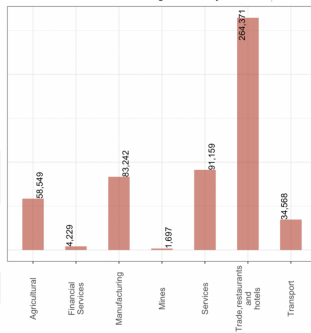
Source: calculations based on GEIH - DANE, seasonally adjusted using the X-13 seats(ARIMA) correction.

Average of Venezuelan employees by sector during 2018)

Venezuelan Migrants – 12 Months

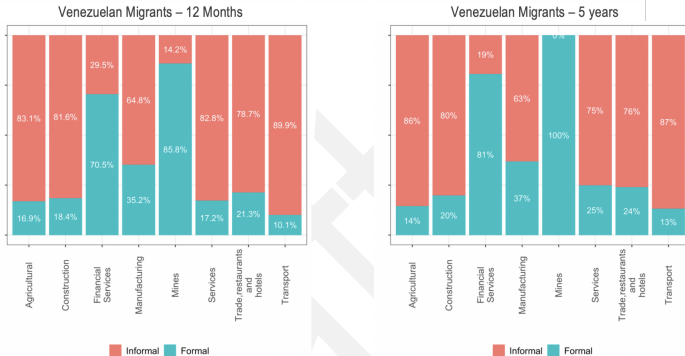


Venezuelan Migrants – 5 years



Source: GEIH, 2019.

Venezuelan employment composition of formality across sectors, 2018



Source: GEIH, 2019.

(3) What is the relationship between migration in Colombia labor market?

Basic Correlations

	Informality	Employment	Unemployment	Inactivity	Primary Food Production	Processing	Retailer
Venezuelan Migrant 12 Months	0.033*** (0.007)	-0.026*** (0.007)	0.058*** (0.006)	-0.031*** (0.003)	-0.001 (0.001)	0.001 (0.002)	0.029*** (0.004)
R-squared	0.14	0.279	0.021	0.321	0.2725	0.044	0.013
Venezuelan Migrant 5 Years	0.132*** (0.00)	0.073*** (0.004)	0.013*** (0.003)	-0.086*** (0.043)	-0.006*** (0.001)	0.005** (0.002)	0.053*** (0.004)
R-squared	0.144	0.279	0.021	0.321	0.2725	0.044	0.013
N	1,255,842	1,255,842	1,255,842	1,255,842	1,255,842	1,255,842	1,255,842

Source: author's elaboration based on GEIH 2018.

(4) Next Steps - Causality!

next steps

- 1 Bartik shift share instrument.
- 2 Other alternatives?
- 3 Diff-in-Diff?

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Thanks