

# 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 migrants
  - 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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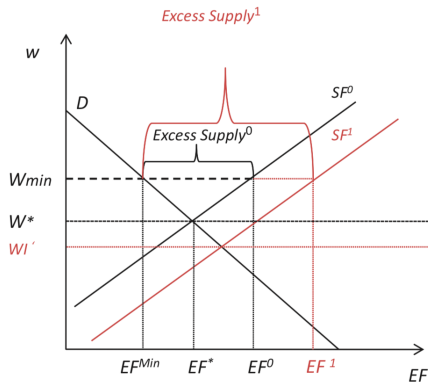
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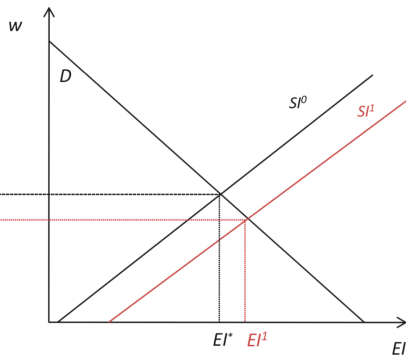
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# Main Motivation - Labour Supply Shocks - Short Run

## Formal Sector



## Informal Sector



# This research agenda

What are the potential effects of Labour Supply Shock on Colombian Labour 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 labour market?
- What is the effect on the main labour 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 labour market?
- 3 What is the effect?

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(1) how to capture/measure Venezuelan migration

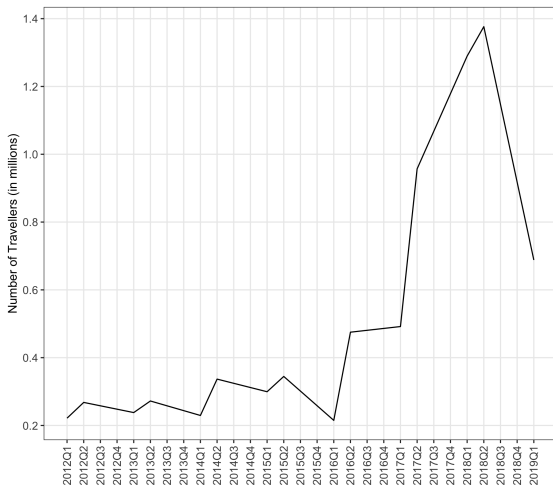


# Main data sources on migration in Colombia and their characteristics

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

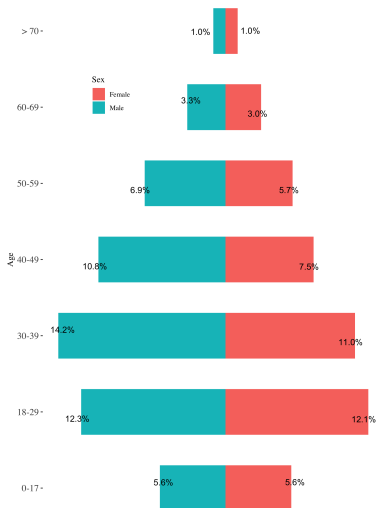
Source: Universidad EAFIT, 2019.

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

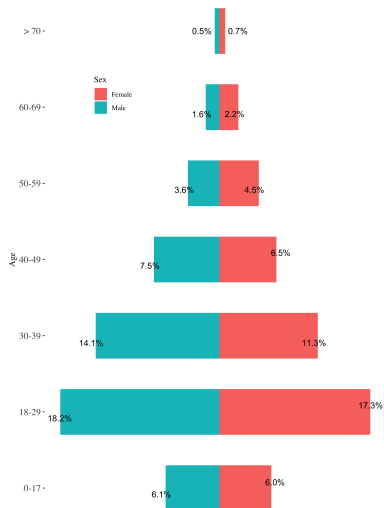


# Age distribution by sex of Venezuelan migrants, 2012-1 2019-1

Before 2017 Q1



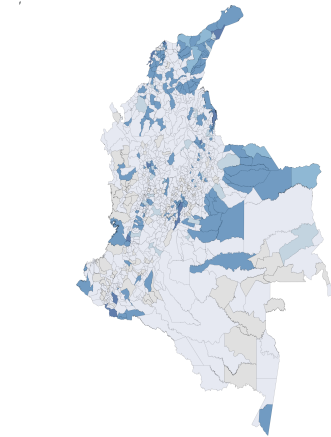
After 2017 Q1 (included)



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

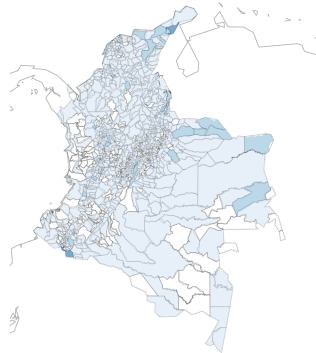
# Persons

% local population



# People

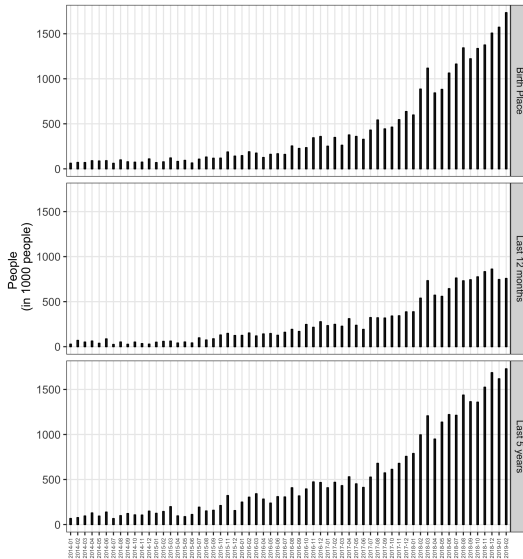
|                |                 |         |
|----------------|-----------------|---------|
| ≤ 100          | >10,000-≤50,000 | >50,000 |
| >1,000-≤10,000 | >100-≤1,000     | NA      |



% Local  
Population  
(Census 2015)

|      |         |      |    |
|------|---------|------|----|
| ≤ 1% | >1%-≤5% | >50% | NA |
|------|---------|------|----|

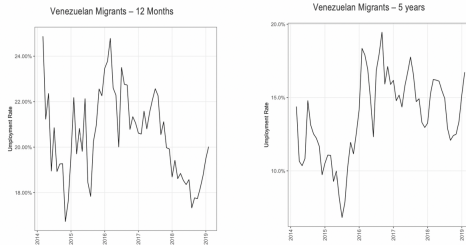
# Venezuelan Migration using different definition of migrants from GEIH, 2014 - 2019 (trimester)



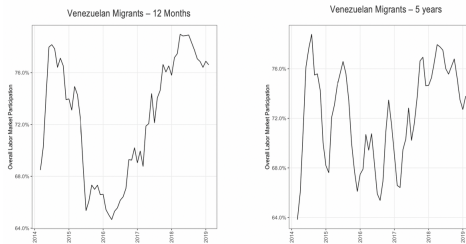
(2) What is the participation of this new migration on the labour market?

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

(a) Seasonally Adjusted Unemployment rate



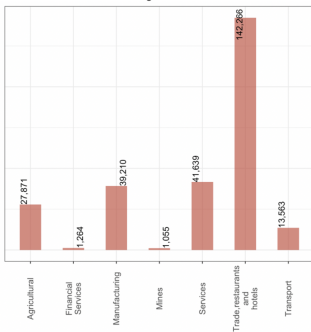
(b) Seasonally Adjusted Overall Labor Market Participation rate



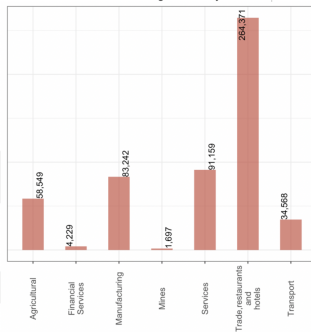
Source: calculations based on GEIH - DANE, seasonally adjusted using the X-13 seats(ARIMA) correction.

# Average of venezuelan employees by sector during 2018)

Venezuelan Migrants – 12 Months



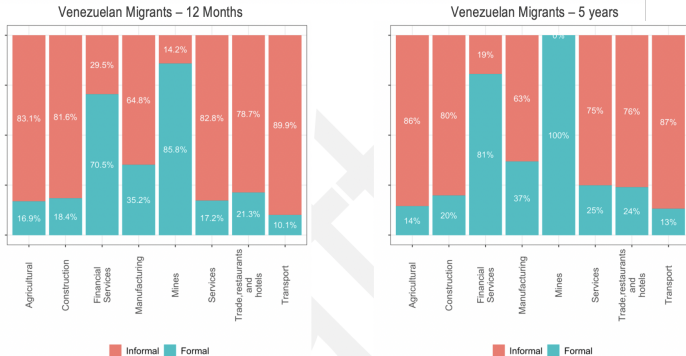
Venezuelan Migrants – 5 years



Source: GEIH, 2019.



# Venezuelan employment composition of formality across sectors, 2018



Source: GEIH, 2019.

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

5

[illegible]

(4) Next Steps - Causality!

## next steps

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

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Thanks