



Socio-economic inclusion of migrants in Latin America

Lessons from OECD countries

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The context for integration in Latin America

- High migration is recent phenomenon, though inter-regional migration (free mobility-like) has been increasing for more than a decade). Strong recent increase in **inter-regional migration** driven by the Venezuelan crisis.
 - Though Venezuelans account for only about 1 in 4 foreign-born across the region, they account for about 90% of the increase over the past five years
 - Share of Venezuelans among immigrants differs widely across countries, even within the large destinations in South America: only 1/10 in Argentina, 1/4 in Brazil, 1 in 3 in Chile but 6 out of 10 in Peru and more than 9 out of 10 in Colombia
- Latin American countries are at the same time **origin** (traditionally), **transit** (longstanding but increasing) and **destination** (new) countries
- High degree of **vulnerability** of migrants: Lack of permits in some contexts; high informality in the labour market; de facto access to social and health services very limited (even where the formal right exists)
- As in other contexts, migration initially seen as **temporary** but will be there to stay...and integration is not automatic, even where language is not an issue.
- **Lack of experience** with migration and migrant inclusion.



After meeting immediate needs (health, shelter, etc.): What are the next steps?



- The first step for inclusion in the host-country is that migrants have working rights, but this is not always guaranteed
- Key stakeholders – notably employers – often lack the knowledge and support needed in navigating the rules and regulations
- Uncertainty about length of stay in host country poses considerable risk to employers, particularly where some upfront investment is needed to have a fully functional worker

What can different stakeholders do?

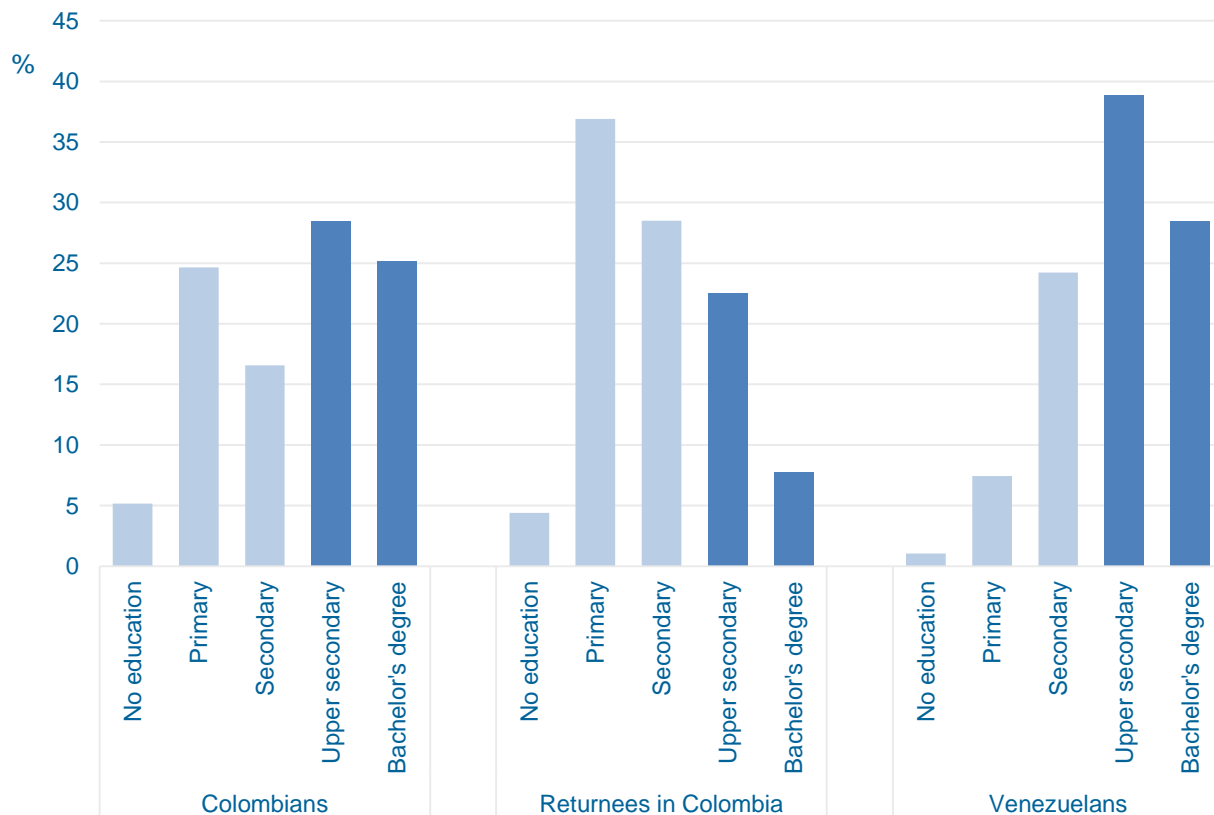
Public authorities and employment services	Employer associations	Civil society organisations
<ul style="list-style-type: none">• Offer legal information to employers• Consider the potentially negative impact on labour market integration of issuing shorter residence permits	<ul style="list-style-type: none">• Make case to governments on how legal uncertainty poses a barrier for the hiring of refugees	<ul style="list-style-type: none">• Inform employers and refugees about working rights• Assist refugees and employers with information about work rights



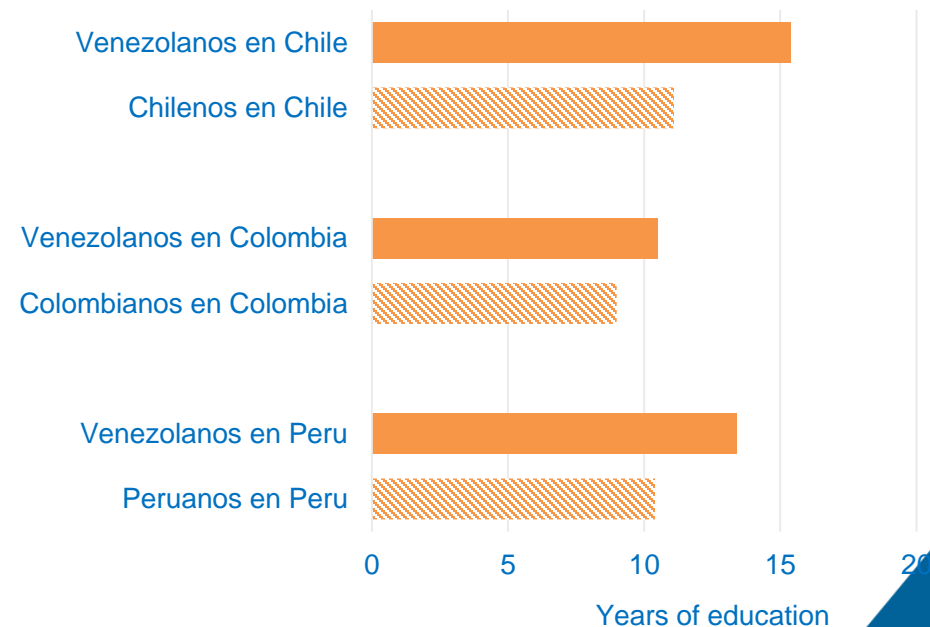
The starting point for inclusion: Taking stock of qualifications and skills – the example of Venezuelans

What do we know about the skills and qualifications of Venezuelan migrants?

Distribution of the adult population resident in Colombia by level of education, 2018



Years of education of Venezuelans living in Chile. Peru and Colombia compared to the native-born



Source: OECD calculations from Santamaria (forthcoming) on the basis of Colombian labour force survey data. Refers to migrants who arrived over the past 12 months.

Source: OECD calculations with data from Chile: DASEN 2017. Peru: BBVA research.



What do we know about the skills and qualifications of migrants in Latin America? – The example of Venezuelans (cont.)

In spite of often above-average formal qualification level, the qualifications of Venezuelans are often not well used:

- Many high-educated Venezuelans work in low-skilled jobs
- Average hourly earnings in Colombia 40% below those of Colombians
- Strong concentration in low-skilled services sectors (25% in trade and a further 25% in hotels and restaurants)
- Much higher degree of informal employment than among host-country population

Underuse of skills is problematic:

- Economic cost due to suboptimal use
- Enhances competition at the bottom end of the labour market
- Enhances migrants' vulnerability and informality in the labour market
- Threat to social cohesion



Reasons for the observed discount of qualifications and skills

General factors

- More vulnerable situation in the labour market (legal status, etc.)
- Lack of networks and knowledge about labour market functioning
- Discrimination and stereotyping

Factors that limit the transferability of qualifications and skills

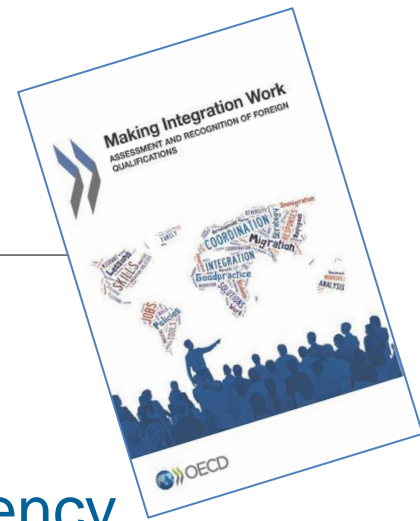
- Employer uncertainty about the nature of qualifications and the quality of the education system
- Work experience has been acquired in a very different environment and labour market setting

Specific factors in the transferability of qualifications and skills from Venezuela

- Lack of documentation
- Even for those who have documentation, difficult to formally verify formal qualifications due to lack of co-operation in Venezuela
- Longstanding difficult economic situation has often been associated with lack of recent relevant work experience
- Indications that the quality of the education system in Venezuela has strongly declined in recent years



Recognition of qualifications vs. assessment of skills



- **Formal recognition of qualifications:** *required* only for exercising regulated professions.....

....but having a formal recognition of qualifications enhances transparency and employability also in other contexts

- **Assessment of skills** (rather than formal qualifications) is particularly important where uncertainty about the «value» of formal qualifications is great or proof thereof lacking

Native-born – particularly those with low or no formal qualifications can also benefit from skills assessment

- For the outcome of the procedure to be accepted by employers, they need to be part of the procedure



Conclusion

- After meeting basic needs, for those who settle the issue of labour market integration will be crucial – it is the prerequisite for broader socio-economic inclusion
- Taking stock of the qualifications and skills is a necessary first step in the labour market integration process
- Getting more transparency on prior skills use is a key step in better assessing and using actual skills
- Native-born would also benefit from better procedures of assessment of prior learning and skills (both formal and informal)
- More generally, measures should never come at the expense of the vulnerable host-country population, but rather be designed to benefit them as well
- In the current COVID-19 context, there is a risk of a (further) backlash in public opinion – facts-based communication and heightened awareness regarding discrimination will be key to tackle this...as well as the reference to the host country's own emigration past...



Thank you

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Migration Policy Debates

www.oecd.org/migration #130, September 2016

In 2015, the number of refugees and asylum-seekers entering Europe reached record levels. In just a few months, more than 1 million people, the majority fleeing war, violence and persecution, made the perilous journey across the Mediterranean into Europe. As these trends continue in 2016, it is imperative that all actors – public and private – recognise and adjust to this new reality and contribute to making integration work.

Recognising the challenges of integration, and building on their collective experience in this area, UNHCR and the OECD wish to jointly support the successful labour market integration of refugees. While public policies play a key role in facilitating the integration process, the private sector can make a critical contribution by training and employing refugees. Therefore, it is essential to engage the business community, learn from its experiences and hear its concerns.

This edition of Migration Policy Debates presents the first findings of a joint consultation process with employers started by the OECD and UNHCR, in order to enhance understanding of the challenges faced by employers when employing refugees, identify good practices in overcoming them, and provide inputs into strategies and approaches being developed by participating businesses and organisations.

Hiring refugees - What are the opportunities and challenges for employers?

Unprecedented numbers of asylum seekers arrived in the OECD in 2015, and many of them will be recognised as refugees or receive complementary protection. Their labour market integration, however, will take time and to a large extent depends on employers being able to recruit and integrate them in their workforces. In order to better understand the challenges employers face in hiring asylum seekers and refugees and to design appropriate policy responses, UNHCR and the OECD co-organised a series of dialogues with employers and employer associations.



Key findings include:

- Many employers do not see an immediate business case for hiring refugees or asylum seekers.
- Particularly among larger employers, the main motivation for employing refugees is currently corporate social responsibility, rather than meeting labour needs. While many employers are willing to support refugees through training and internships, hiring – especially into more skilled occupations – has so far been limited.
- Employers cite several reasons for the slow up-take of employment of refugees and asylum seekers, ranging from uncertainty about the rules governing the refugees and asylum seekers' rights to labour market access, and uncertainty about their skills and qualifications, to lower productivity due to a lack of necessary language skills, or legal obstacles, and a public opinion that is sceptical about hiring refugees or asylum seekers.
- In order to overcome these challenges, employers would benefit from:
 - Assessment of asylum seekers' and refugees' skills, ideally in co-operation between employers and the public employment service, with subsequent upskilling provided where needed, and with a specific focus on shortage occupations.
 - More transparent and more accessible information on refugees' right to work, the recognition of foreign qualifications and the availability of working support for refugees, including through one-stop shops and facilities.
 - Stronger co-operation between public employment services and social partners, to facilitate the matching process between refugees' skills and local demand, and
 - Ongoing support after initial work placements to ensure long-term employability.

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Making Integration Work

ASSESSMENT AND RECOGNITION OF FOREIGN QUALIFICATIONS

Settling In 2018

INDICATORS OF IMMIGRANT INTEGRATION

