

POLICY BRIEF

A Critical Assessment of the Labour-based Regularization Programme (PEPFF) of Venezuelan Refugees and Migrants in Colombia

Key messages

1. The PEPFF programme ran from March 2020 to May 2021 and provided Venezuelan refugees and migrants with a temporary work permit. It was designed to benefit Colombian employers with an identified labour need and support the economic and social inclusion of Venezuelan refugees and migrants through access to formal employment.
2. The PEPFF initiative successfully provided regular residence status to 82% of Venezuelan refugees and migrants and 85% of the employers who requested it.
3. The PEPFF programme supported short-term employment-related outcomes and helped mitigate occupational downgrading. Beneficiaries of the PEPFF programme saw an increase in participation in highly qualified activities relative to their previous jobs, in contrast to non-PEPFF beneficiaries. Moreover, the PEPFF provided 50% of the beneficiaries with short-term work stability as they remained in the firm after the end of the programme.
4. The PEPFF programme led to higher wages and better working conditions, as beneficiaries saw a significant increase in earnings between their jobs before the PEPFF and their current jobs. This increase in earnings by PEPFF beneficiaries was far higher for beneficiaries than non-beneficiaries (87% vs 48%). In addition, beneficiaries' average hours worked per week declined when comparing their jobs before the programme and their current jobs.
5. There are no clear differences in employment rates between successful and unsuccessful PEPFF participants over time, indicating the programme's limited impact on access to the labour market over the medium term.
6. The study's insights have clear policy implications and show how regularization programmes can be essential to a comprehensive response to forced displacement. They also underscore the importance of targeted approaches for refugee and migrant women, and the role of medium and small firms as key stakeholders in the success of such programmes.

PEPFF as an innovative approach to regularization

Due to the political and humanitarian crisis in Venezuela since 2015, over 2.8 million Venezuelans have arrived in Colombia ([Migración Colombia, 2023](#)). Considering this influx, the Colombian government developed various measures to facilitate the regularization of Venezuelan refugees and migrants. Among these initiatives, the

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Permiso Especial de Permanencia (PEP) was an initial programme implemented between 2018 and 2021, showing positive impacts on access to formal employment, access to financial products, an increase in income and consumption, and well-being of Venezuelan refugees and migrants ([Ibañez et al., 2022](#)). Subsequently, in 2021, the Colombian government introduced the Temporary Protection Statute for Venezuelans (ETPV), an expanded regularization and integration programme for Venezuelan refugees and migrants in Colombia.

Before the current ETPV, and as a complement to the original PEP programme, the Colombian Ministry of Labour and Migración Colombia designed a separate labour-based regularization initiative named *Permiso Especial de Permanencia para el Fomento a la Formalización* (PEPFF)¹. The PEPFF programme ran from March 2020 to May 2021 and provided Venezuelan refugees and migrants with a temporary work permit, allowing them to access the formal labour market. The programme aimed to promote economic integration and social inclusion by facilitating access to formal employment and enhancing job quality for recipients.

The PEPFF programme was designed to benefit Colombian employers with an identified need for labour and Venezuelan refugees and migrants able to meet that demand. The programme is unique as it relied on organic matching between employees and employers, and the employer is responsible for applying on behalf of the potential participant. The PEPFF programme proved successful at providing documentation and access to formal employment to a significant number of Venezuelan refugees and migrants. Out of the 23,193 individuals who applied for the PEPFF, 19,106 (82%) were approved and issued with regular status on a temporary basis.

Considering the unique design of the PEPFF programme, UNHCR collaborated with Innovations for Poverty Action (IPA) to develop an innovative learning agenda focused on the PEPFF programme. The study's objective was to analyze the impact on Venezuelan refugees and migrants benefiting from regular status and employers who could hire Venezuelan workers as a result. The study employed a mixed-methods approach using both quantitative and qualitative methodologies to identify some of the programme's main achievements and challenges from both the perspectives of the employees and the firms. The findings are particularly relevant considering Colombia's current regularisation programme and the ongoing negotiations around a new labour reform bill. However, they are also relevant to other countries within the region and globally, facing similar challenges when integrating refugees and migrants into society.

This policy brief provides an overview of the fundamental aspects of the PEPFF programme. It summarizes the main findings relating to the impact on Venezuelan employees and Colombian employers. Crucially, this work is part of UNHCR Colombia's collaboration with the private sector to demonstrate how including the refugee and migrant population in private sector firms can contribute to greater innovation, improved organizational culture, enhanced social responsibility and overall growth. Moreover, throughout the brief, we reflect on how the results relate to the current policy discussions in Colombia concerning the socioeconomic integration of Venezuelan refugees and migrants.

Methods and data

The mixed-methods approach consists of complementary quantitative and qualitative instruments that allow for a comprehensive understanding of the PEPFF programme. The quantitative component consisted

¹ For further information: Resolution 289 of 2020 is the resolution issued by Migración Colombia that grants the PEPFF.

of primary data collection based on a complete administrative database of beneficiaries and enterprises benefiting from the PEPFF. Importantly, it also provided the opportunity to sample individual applicants along with their potential employers who were unsuccessful in their application, allowing for a suitable comparison that provides reliable estimates of the programme's impact. The main outcomes of the individual and firm surveys include formal employment, job quality, firm satisfaction, intra-work relations, and broader social cohesion.

Alternatively, the qualitative component consisted of interviews and focus group discussions with beneficiaries, employers, and other relevant stakeholders to understand the experiences and perspectives of those involved in the programme. This helped to identify important successes and challenges of the PEPFF. For employers, nearly a third of respondents held owner or managerial positions in the company when applying to the programme. This is consistent with their role at the time of the interview, helping to support the reliability of the information provided by the firm.

The data collection for this project took place from 11 July to 23 September 2023. A total of 1,232 surveys were completed, including 540 employers and 692 individuals (Table 1). While the initial sampling design was to randomly select *matched* individuals and employers that a) applied and received the PEPFF and b) applied for the PEPFF but did not receive it, challenges associated with receiving consent resulted in a lower-than-expected completion rate. As a result, we were unable to achieve a sufficient sample size of *matched* individuals and employers, and the subsequent analysis is based on a random sample of each separately.

Table 1: Completed surveys by treatment status

Treatment status	Employers	Individuals
Successful PEPFF applicant (treatment)	418 (77.4%)	463 (66.9%)
Denied PEPFF applicant (control)	122 (22.6%)	229 (33.1%)
Total	540	692

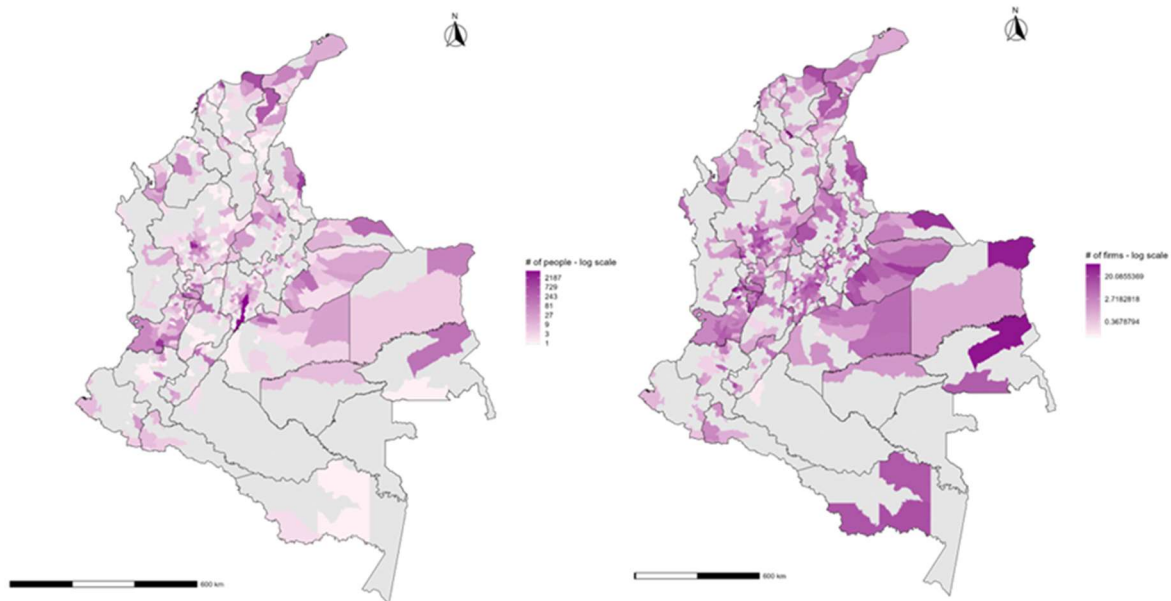
Note: 18 individuals were adjusted from control to treatment post-data collection as a result of verification.

PEPFF beneficiary characteristics

The PEPFF initiative was highly successful in providing a regular residence status to Venezuelan refugees and migrants and for the employers that requested it. Four in five Venezuelans who applied had their PEPFF approved, while 85% of the employers successfully obtained the PEPFF for at least one of the employees they attempted to hire. Employers participating in the PEPFF programme are concentrated in the seven main cities: Bogotá, Cali, Medellín, Bucaramanga, Cúcuta, Barranquilla and Cartagena (Figure 1). Comparatively, individuals who were successful in their applications were more likely to live in Cali, Bucaramanga and Cúcuta, whereas those who were unsuccessful resided in Bogotá and other minor cities. Additionally, a comparison between the geographical distribution of the universe of PEPFF beneficiaries and the study sample survey reveals that most individuals were located in the same main cities as the study sample. This pattern could be due to a higher concentration of companies in these cities or a more proactive involvement of local government or social organizations in promoting the permit. The sample for this research matched the overall geographic distribution of the individuals.

Figure 1

Geographical distribution of PEPFF beneficiaries (left) and PEPFF beneficiaries per 10,000 population (right)



Source: Own calculations based on PEPFF administrative data

The programme was used mainly by small firms. Over two-thirds of the firms applying on behalf of a potential employee were micro-firms, defined as having up to 10 employees, whereas another 20% were small firms, with 11-50 employees. Micro-firms represent 95% of the total enterprises in Colombia, while small firms represent 3.5%. On average, each firm attempted to hire 2.26 Venezuelan employees through the programme for an average length of 13 months. The most prevalent economic sectors these firms were engaged in are *other service activities* (32%), *wholesale and retail trade* (11%), and *manufacturing* (11%).

The socioeconomic characteristics are similar between participants who successfully received a work permit through the PEPFF and those whose applications were denied. On average, successful applicants were 34 years old, 43% were women, and resided in relatively large households (3.8 members), categorized as the low socioeconomic stratum. These individuals were also generally highly educated, with nearly half having completed upper secondary level of education, 27% having completed university (13 pp higher than unsuccessful applicants), and another 15% reporting technical schooling. Despite being highly educated, only 6% of all participants reported having homologated their educational degrees in Colombia, which is often associated with occupational downgrading. In fact, nearly a third of respondents said they lost employment opportunities because of a lack of official validation of their educational degrees.

There is evidence of substitutability between the documentation provided by the labour-based PEPFF programme and the more general PEP regularization programme, which were both valid. Around two-thirds of successful participants in the PEPFF programme reported having the *Permiso de Protección Temporal* (PPT), 16 percentage points lower than those with denied applications. Overall, participants who achieved regular status through the PEPFF were less likely to obtain the PPT. However, some beneficiaries mentioned facing specific challenges after the PEPFF expiration, especially after considering the time it took to obtain the PPT. These challenges included no longer having a regular migratory status, losing access to health care, and having

difficulties keeping or obtaining a formal job. Therefore, close coordination between the various regularization schemes that consider the time it takes to complete the full process is crucial, along with an effective communication campaign that advocates for maintaining one’s regular status.

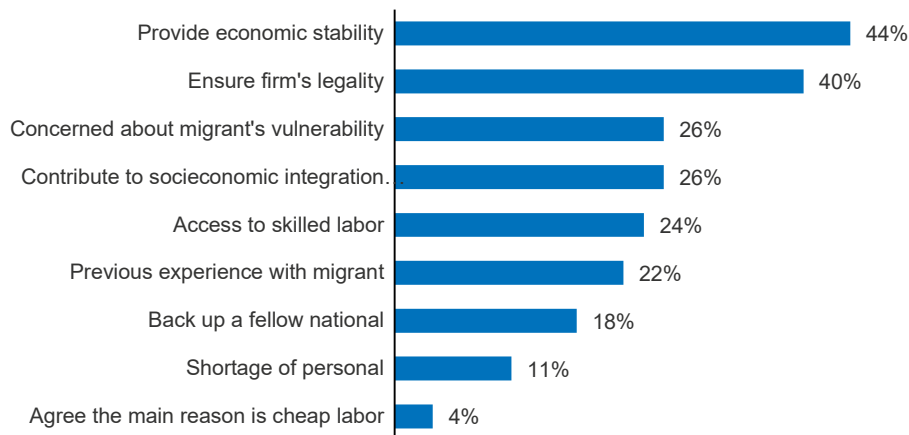
Other migration characteristics are similar across successful and unsuccessful applicants to PEPFF, although successful participants were more likely to rely on help from friends and family. The share of Venezuelan participants who reported having family or friends in Colombia before arrival is similar at 78%, and nearly nine in ten received help from their relatives and friends to make the journey upon arrival. Interestingly, 17% of successful PEPFF participants with relatives and friends in Colombia received orientation and guidance, 8 percentage points higher than unsuccessful participants. This may indicate that informal help positively affected their success in the PEPFF programme. Lastly, both successful and unsuccessful PEPFF participants reported a high desire to stay in the country (86% and 85%, respectively).

Motivating factors and main barriers to hiring through PEPFF

From the employers’ perspective, altruism is an important motivating factor when submitting an application to the PEPFF on behalf of a Venezuelan applicant. Employers emphasized wanting to promote the socioeconomic integration of Venezuelan refugees and migrants in Colombia, provide them with economic stability and guarantee them access to the health system (Figure 2). Overall, three-fourths of the employers surveyed mentioned being motivated by one or multiple of these altruistic reasons. The representatives of the employers interviewed indicated personal satisfaction from improving the quality of life of the Venezuelans they hired along with their families.

Work-related motivation by employers was less prevalent but still present. Nearly 40% of employers reported having had other Venezuelan employees and wanting to ensure their hirings were legal. Another 24% mentioned wishing to access skilled labour, 31% reported incentives related to tax benefits, 18% mentioned access to government subsidies as their motivation, 11% had a shortage of personnel, and 4% their desire to access cheap labour. Regardless, employers ultimately hiring a Venezuelan refugee and migrant through the PEPFF programme often highlighted the dedication and loyalty of those employees.

Figure 2
Employers' motivation to hire Venezuelans



Source: Own calculations based on the PEPFF survey
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Venezuelans' motivations to participate in the PEPFF generally concentrated on the expected benefits of having regular status. Some of the main benefits emphasized by participants included access to government services and the financial system and feeling confident they would be able to stay in the country. Other drivers of participation related to the intrinsic benefits of formal employment, such as improved and stable income and dignified working conditions.

The main challenges reported by firm representatives in hiring Venezuelans were the lack of the required documents and complex procedures. Other reasons mentioned include scarce public information on the PEPFF programme, which was complicated by the COVID-19 pandemic and, later, the new migratory regulation (ETPV). 86% of employers think the PEPFF helped solve the challenges faced before in hiring Venezuelans. Moreover, the duration of the process was a prevalent challenge. The average time for the document to be approved and issued was 38 days, and more than a quarter of firm representatives emphasized this duration as a main barrier. The work permits that the Ministry of Labor provisionally issued through the PEPFF programme had an average processing time of 34 days, while those issued and printed by Migración Colombia took 53 days, meaning that the final step added an average of 19 days to the entire process.

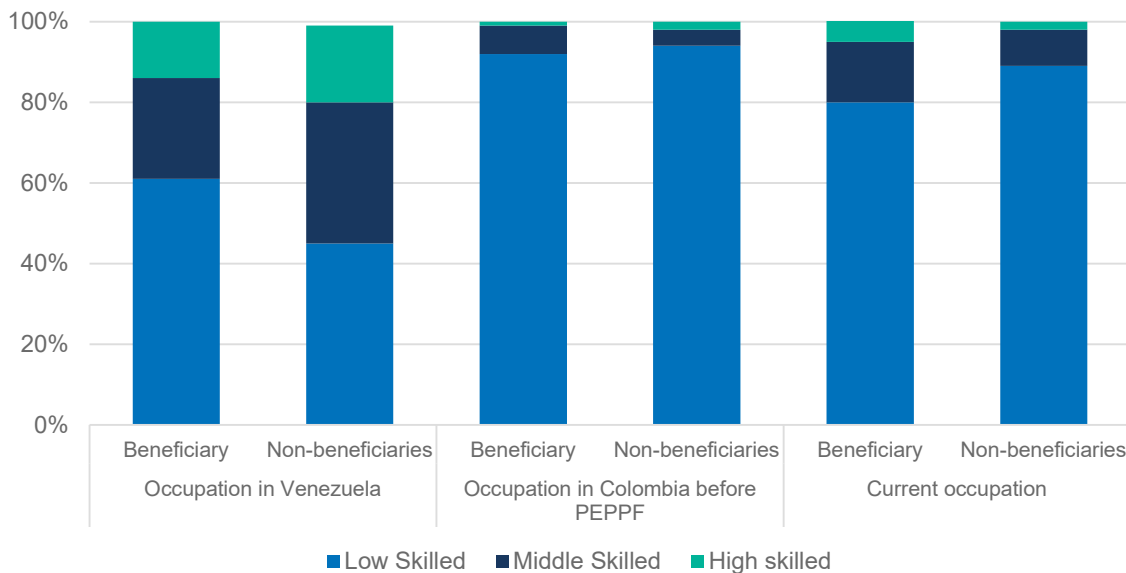
Employers emphasized that there is room to improve communication about applying to the PEPFF programme on behalf of a Venezuelan and check the status of open applications once submitted. Around one in five firm representatives reported a lack of clarity in the application process, which was more prevalent among employers who were unsuccessful in hiring through the PEPFF programme. Employers highlighted poor information, complex and technical language, and failures in government web pages as the main challenges. Nearly 10% reported difficulties in monitoring the application process. Those employers whose applications were denied often indicated they did not understand the reasons for denial.

There is a gender imbalance as two-thirds of the programme participants were men, suggesting a potential gender-specific barrier. While there is no definitive evidence to point to a gender bias within the PEPFF programme, the difference in participation between men and women in the programme is larger than Venezuelan women's more general participation in the Colombian labour market, meaning the latter cannot explain the former. Venezuelan women's participation in PEPFF firms aligns with traditional social and economic roles, as women are more heavily represented in sectors such as human health and education. Men, on the other hand, are more heavily represented in sectors such as mining, construction, and water supply, among others.

The benefits associated with attaining regular status through PEPFF

The PEPFF programme supported short-term employment-related outcomes and helped mitigate occupational downgrading. We find supporting evidence that upon arrival in Colombia, Venezuelans had difficulties finding employment at the same level of qualification as their previous work experience and in line with their education level. However, beneficiaries of the PEPFF programme saw an increase in participation in highly qualified activities relative to the job they had before the programme, in contrast to non-PEPFF beneficiaries (Figure 3). Moreover, nearly half of the employees hired through the programme remained in the firm after their PEPFF work permit expired, providing them with more formal employment stability. Nonetheless, the proportion of PEPFF beneficiaries with a current formal contract (either written or verbal) was similar to non-beneficiaries, suggesting no medium-term impacts of the PEPFF in formalization.

Figure 3
Evolution of occupational trajectory PEPFF beneficiaries vs. non-beneficiaries

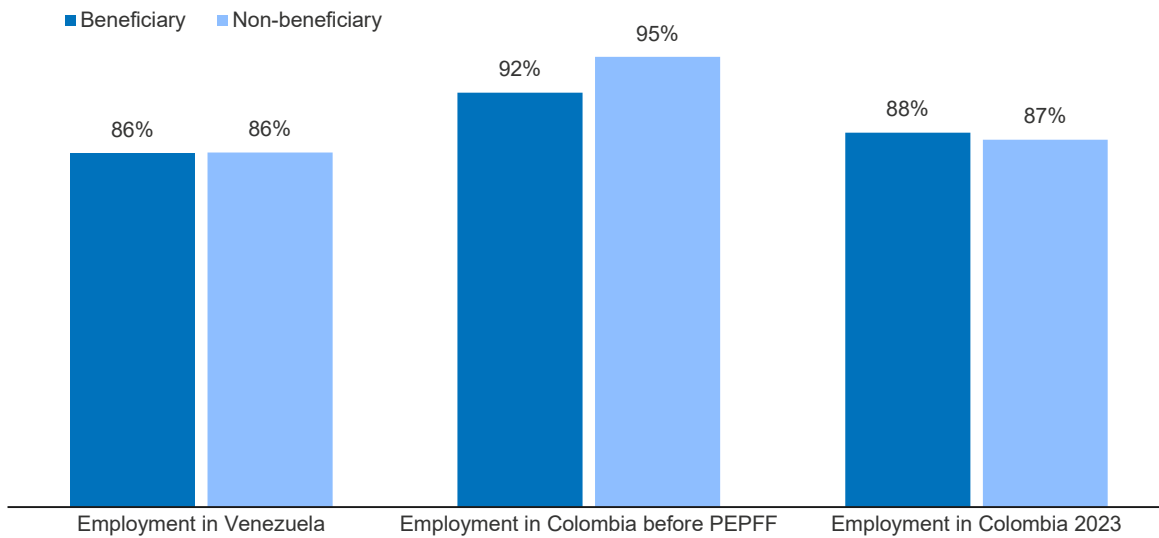


Source: Own calculations based on Individual's PEPFF survey
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The PEPFF programme led to higher wages and better working conditions. Initially, nearly 80% of PEPFF beneficiaries were offered a contract at minimum wage. However, beneficiaries saw a significant increase in earnings between their job before the PEPFF and their current job. Relative to non-PEPFF beneficiaries, this increase in earnings by PEPFF beneficiaries was far higher (87% vs 48%), illustrating the programme's benefit over time. In addition, the average hours worked per week dropped from 56 hours before the programme to 52 in their current job. The overall job satisfaction was higher for PEPFF holders (+0.29 standard deviations), as are the subjective feelings of being valued in the job and having fair compensation. The share of PEPFF beneficiaries that reported wanting to change their job is 9 percentage points lower than that of non-beneficiaries (34% vs 43%).

There are no clear differences in employment rates between successful and unsuccessful PEPFF participants after the programme. Figure 4 shows how participants and non-participants of the PEPFF had similar job conditions before arriving in Colombia, with 86% working in Venezuela. Once in Colombia, both groups remained highly active before applying for the PEPFF, and nearly 9 in 10 reported working at the time of the survey in 2023. Likewise, there is no statistical difference between beneficiaries and non-beneficiaries in formal employment in the few years after the programme. Considering that employment-related changes often take time to materialize, it is possible that the experience gained by participating in the programme will lead to positive employment-related outcomes over a longer time frame.

Figure 4
Employment rate over time



Source: Own calculations based on Individual's PEPFF survey
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The PEPFF programme fosters social cohesion through greater contact in the workplace. The proportion of PEPFF benefiting employers that mentioned that at least half of their friends are Venezuelan is 11 percentage points higher than that of the employers whose applications were denied (18% vs 7%). Indeed, PEPFF employers report higher interaction with Venezuelans relative to non-PEPFF employers, which supports the hypothesis that the programme increased employers' and employees' interaction with Venezuelan refugees and migrants. Still, there are no statistically significant differences between PEPFF and non-PEPFF employers across various indicators measuring xenophobia.

Employers benefiting from the PEPFF programme report satisfaction with the performance of Venezuelan employees. The representatives of PEPFF hiring employers reported beneficiary employees exhibiting strong performance, both overall and concerning specific competencies, ability to learn, ability to get along, and ability to gain support among co-workers. More than three-fourths of the employers agreed that employees hired through the PEPFF possessed the required competencies, 86% reported they learnt and acquired new skills quickly, 85% thought they could get along and gain support from supervisors, and two-thirds believed they were capable of working without supervision. Nonetheless, certain workplace challenges, such as time management and nationality-based discrimination, were identified in the interviews. In fact, there were reported occurrences of irregularities among PEPFF beneficiaries, such as being threatened or extorted by their employer, but these appear to be isolated cases. Less than 1 in 10 PEPFF beneficiaries reported facing harassment in the workplace, and a few participants mentioned not fully receiving the benefits of a formal job.

PEPFF as a model for labour-based regularization programs supporting the socioeconomic integration of forcibly displaced populations

Regarding policy implications, the insights of this study indicate that:

1. **Regularization programs must be a priority to support full socioeconomic inclusion.** The evidence shows that regularization programmes, such as the PEPFF, are powerful mechanisms not only to facilitate obtaining regular migration status but also to promote the inclusion of the refugee and migrant populations in formal labour markets. However, for these programs to succeed, the procedures must be simple and fast to encourage employers to incur the associated opportunity costs.
2. **Having a targeted approach for refugee and migrant women is critical to the success of these programs.** This study shows the need to generate more and better data and indicators that account for the challenges that refugee and migrant women face in becoming regularized and employed in the formal sector. This information is crucial to designing programs that consider the particularities of refugee and migrant women and make policy decisions that allow their inclusion and economic empowerment.
3. **Occupational downgrading and job insecurity persist despite the existence of programs such as the PEPFF.** Although Venezuelans who accessed the PEPFF show better indicators of job quality, including better salaries and more stable conditions, 6.2% of PEPFF beneficiaries reported harassment at work and feeling conditioned by the employer for having facilitated the permission. Likewise, the evidence suggests that a large percentage of the Venezuelan refugee and migrant population ends up working in low-skilled activities that do not correspond with their training and professional experience.
4. **Effective communication strategies with the private sector are vital. This study shows the importance of promoting direct information campaigns to firms about the alternatives and procedures to formally recruit the Venezuelan population into their workforce.** Altruism was an important driver of the firms' participation in the PEPFF. Employers are interested in promoting the socioeconomic integration of Venezuelans in Colombia, providing them with economic stability and guaranteeing them access to the health system.
5. **The role and potential of medium and small firms as key stakeholders are crucial to the success of these programmes. This study shows that small firms, in particular, took advantage of the PEPFF programme, indicating the potential in this segment of the business sector.** Medium and small firms can generate shared value by supporting processes that stimulate the economic inclusion of the refugee and migrant population. However, they also benefit from the human and professional capital that Venezuelans bring to the firm, supporting the business case for inclusion.