

THE ECONOMIC CASE FOR WELCOMING REFUGEES

Did You Know

A growing body of evidence shows refugees contribute to host communities. With inclusive policies, sustainable financing and opportunities to become self-reliant, refugees can drive economic growth, enhance public finances, and create more dynamic labour markets.



Refugees Boost Local Economies and GDP

- In **Kenya**, the [UNHCR-World Bank Yes in My Back Yard report](#) estimates refugees increased the host county's gross regional product by 3.4%, created jobs, and improved health and education services for local communities. Giving refugees the right to work and move freely is believed to have increased the host economy's per capita income by 6%.
- In several **Latin American** countries, Venezuelan refugees and migrants are believed to have boosted annual GDP growth in the largest hosting countries by 0.10 to 0.25 percentage points on average since 2017, the [IMF's Regional Spillover report](#) estimates. It suggests that if Venezuelans fully integrate into local labour markets, their economic activity could raise host countries' GDP by up to 4.4% by 2030.
- In **Brazil**, a [UNHCR and FGV DAPP study](#) shows Venezuelan refugees and migrants boosted the hosting state Roraima's GDP by 2.3%, surpassing by 1.4% the average growth of other Brazilian states. Roraima also saw greater economic diversification, higher tax revenues, and more international trade.

INTERNATIONAL MONETARY FUND

WESTERN HEMISPHERE DEPARTMENT

Regional Spillovers from the Venezuelan Crisis Migration Flows and Their Impact on Latin America and the Caribbean

Prepared by Jorge Alvarez, Marco Arena, Alan Brousseau, Hamid Faruque, Emilio Fernandez-Corugedo, Jaime Guajardo, Gerardo Peraza, and Juan Yépez Albornoz

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FGV DAPP
THE FEDERATION OF
PRIVATE POLICY
ANALYSTS

THE ECONOMY OF RORAIMA AND THE VENEZUELAN FLOW:
EVIDENCE AND SUBSIDIES FOR PUBLIC POLICIES

The Brazilian state of Roraima is at the forefront of the country's efforts to manage the influx of Venezuelan refugees and migrants. The state has been providing temporary protection to Venezuelan refugees and migrants, and has granted residence status in Brazil, with the vast majority entering through Roraima. The state is receiving help from federal authorities and international organizations, and is providing services to the refugees and migrants, including food and assistance to the arrivals. A major initiative, the Intercredo voluntary relocation programme, has relocated more than 25,000 Venezuelans from Roraima to other Brazilian cities where there are opportunities for social and economic integration.

Driven by the need for data-based analysis to inform interventions and the overall debate on the influx's impact on Roraima's society and economy, researchers – from Brazil's Department of Public Policy Analysis of Fundação Getulio Vargas (FGV DAPP), from the University of São Paulo (USP), and from the University of Roraima (UFR) – analyzed official socioeconomic data and interviewed key actors managing the state's economy and migration. The report also presents the results of a survey of Venezuelan refugees and migrants in Roraima during the period of intense Venezuelan flow. Unemployment and poverty, on the other hand, rose during this period, and the report also highlights the challenges of the integration of Venezuelan refugees and migrants in Brazil.

DEMOGRAPHIC CHANGES

The Venezuelan population in Roraima is mostly of working age (15-64 years old), showing a significant increase from 2014 to 2019 (Figure 1). The report also highlights the implications for policies related to education, training and migration, as well as the need to improve the quality of Venezuelan and facilitate their integration in Brazil.

Figure 1: Report: Population Pyramid of Roraima (2019)

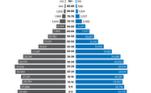
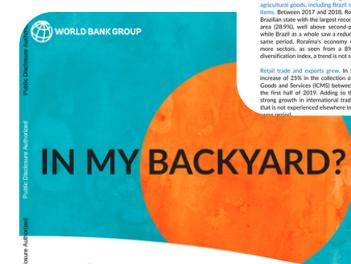


Figure 10: Report: Value of Exports and Imports Roraima, January-November, 2019 (BRL)



IN MY BACKYARD?

Public Disclosure Act Authorized

YES MAYBE NOT

The Economics of Refugees
and Their Social Dynamics in
Kakuma, Kenya

APURVA SANGHI HARUN ONDER VARALAKSHMI VEMURI
2016



Refugees Can Positively Impact Public Finances through Contributions and Taxes

- In the **United States**, the Department of Health and Human Services reported that refugees and asylees had a \$124 billion net positive fiscal impact from 2005 to 2019, with \$31.5 billion benefiting the federal government and \$92.3 billion to state and local governments. In addition, Clemens' research found that sharply lower refugee admissions starting in 2017 cost the U.S. economy over \$9.1 billion per year and public coffers over \$2 billion per year, net of public expenses.
- In **Costa Rica**, the IMF estimates the net fiscal impact of refugees and migrants, mainly from Nicaragua, was positive, averaging 0.5% of GDP from 2017 to 2021. Social security contributions and tax revenue reached 1.1% of GDP, exceeding the 0.6% spent on social services for them.
- In **Colombia**, Ibanez et al. show that regularized Venezuelan refugees and migrants boosted consumption and tax revenues, reducing by 42% the net fiscal costs of hosting them compared to those in irregular situations.



When Refugees Bring Complementary Skills, they Support Local Employment

- Looking at the labour market impact of forced displacement, the World Bank finds that in **Colombia**, **Ethiopia**, **Jordan** and **Uganda**, host community workers are overall unaffected or benefit from the opportunities brought by the arrival of refugees. However, some groups, such as low-skilled workers, may face adverse impacts, pointing to the need for targeted policies to address these challenges.
- In **Jordan**, Fellah et al. find that Jordanians in areas with high numbers of Syrian refugees saw no worse labour outcomes than those less exposed to the influx. In fact, many Jordanians in these areas experienced higher wages and a shift from informal to formal jobs.
- In **Colombia**, Bahar et al. find that a Venezuelan regularization programme led to employment gains for refugees with minimal impact on the local workforce. Where there were negative impacts, these were seen most in highly educated and in female workers, showing the need for targeted support for specific sub-groups.
- Several studies in East Africa find that refugee camps in **Kenya**, **Rwanda**, and **Tanzania** often stimulate local economies, create new jobs and shift host communities from subsistence farming to wage employment, thanks to increased trade and business activities near camps.

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ASSESSMENT
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POLICY

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BRIEF

The Fiscal Impact of Refugees and Asylees Over 15 Years: Over \$123 Billion in Net Benefit from 2005 to 2019

Robin Ghertner, Suzanne Macartney and Meredith Dost

Between 1990 and 2012, the United States welcomed over 2.1 million refugees and accepted over 800,000 asylees. While the purpose of granting visas to refugees and asylees is humanitarian, they do impact the United States economically. This brief summarizes the findings from a technical report estimating the fiscal impact of refugees and asylees on federal, state, and local governments from 2005 to 2019.

KEY POINTS

- The net fiscal impact of refugees and asylees was positive over the 15-year period, at \$123.8 billion. This means that refugees and asylees contributed more revenue than they cost in expenses to the government. The net fiscal benefit to the federal government was estimated at \$13.5 billion, and the net fiscal benefit to state and local governments was estimated at \$92.3 billion.
- Governmental expenditures on refugees and asylees totaled an estimated \$457.2 billion over the 15-year period. Expenditures by the federal government represented 72.5 percent of the total, at \$315.5 billion. State and local government expenditures were 27.5 percent of the total, at \$121.7 billion.
- Refugees and asylees contribute to government. They contributed payroll, income, and consumption taxes, sales, and property taxes.
- Including refugees and asylees a U.S. citizens, expenditures total contributed an estimated \$739.4 billion.
- When compared with the total U.S. comparable net fiscal impact.

INTRODUCTION

Between 1990 and 2012, the United States

admitted 2.1 million refugees and

granted 800,000 asylees. The

U.S. government has a

long history of accepting

refugees and asylees, and

the U.S. has a tradition of

protecting refugees and

asylees. The U.S. has

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Regular Article

Give me your tired and your poor: Impact of a large-scale amnesty program for undocumented refugees

Damy Bahar , Ana María Ibáñez , Sandra V. Rozo 

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<https://doi.org/10.1016/j.jdeveco.2021.102652> 

Highlights

- We study the *labor market* impacts in Colombia of the *Permiso Especial de Permanencia* program.
- We are only able to distinguish negligible effects of the program..
- These effects of the program are predominantly concentrated in highly educated and in female workers.

Abstract

The Labor Market Impact of Forced Displacement

Jobs in Host Communities in Colombia, Ethiopia, Jordan, and Uganda



*the *Permiso Especial de Permanencia* program, the
migrants in a developing-*

Jan von der Goltz, Kirsten Schuetter,
Julie Blaustein, and
Tessa van der Heijden

 **WORLD BANK GROUP**