



Venezuelan migrants and Ecuador's labor market

● Challenges & Opportunities

Ecuador is facing significant labor difficulties at present, with rates of unemployment and informality at their highest level for a decade. The arrival of 400,000 permanent Venezuelans since 2015 exacerbates the country's challenging labor situation.

That said, this migrant influx also presents potential opportunities. Many of the new arrivals from Venezuela are of working age, with six out of ten aged between 19 and 35 years old. Furthermore, their level of education is relatively high, particularly among female Venezuelan migrants (almost half of whom have completed tertiary education).

Indeed, if the Venezuelans now residing in Ecuador could access jobs in line with their skills and training, the country's GDP would increase by two percent. For now, however, migrant and refugee workers share similar vulnerabilities to those low-skilled Ecuadorians at the bottom of the country's labor market.

● Irregularity & Vulnerability

Ecuador's labor market has been extremely tight for a number of years now. This presents challenges in finding good jobs for host and migrant populations alike. However, opportunities for the latter are complicated further by bureaucratic hurdles and labor discrimination – two phenomena that are themselves rooted in Ecuador's tight labor conditions. The combination of these factors results in most Venezuelan migrants struggling to access formal employment.

As with Ecuadorians working in the informal sector, this limits the potential contribution that migrants can make to the country's domestic economy. Again, as with Ecuadorian workers, it also makes them vulnerable to abuse in the workplace. An illustrative case in point is the failure to receive agreed payment: a problem that affects one sixth (16 percent) and one tenth of Venezuelan and Ecuadorian workers, respectively.

● Focal Points of Impact

In areas of the country where Venezuelan migrants and refugees are most densely located, Ecuadorians are encountering problems in finding employment because of the extra competition in the labor market. This is especially the case for

young, low-skilled workers, whose position in the labor market is already weakened by Ecuador's economic downturn. On aggregate, however, the flow of migrants from Venezuela is shown to have no causal link to Ecuador's present labor difficulties. A widespread belief to the contrary still exists, however, which feeds ongoing anti-migrant discrimination in the labor market.

● Integrating Migrant Labor

For Venezuelan migrants and refugees to achieve their productive potential in Ecuador, they would ideally be able to access to good quality jobs that conform to their skill sets. This is particularly true for qualified professionals. The quickest and most effective way to make this happen is to regularize their residency status.

Steps to improve workplace conditions are also essential. Discrimination is pervasive in the Ecuadorian labor market, affecting the country's host and migrant populations alike. That said, migrant and refugee workers face higher rates of discrimination by employers and co-workers than their Ecuadorian counterparts. Similarly, under-age labor is widespread throughout Ecuador, although the risk for minors in the Venezuelan migrant and refugee community is above average.

● Key Recommendations

Most labor market improvements stand to benefit Ecuadorian and migrant and refugee workers equally. Priorities here include:

- Reducing exposure to child labor
- Encouraging non-discrimination policies
- Promoting gender equality in the workplace

Certain additional measures are recommended to address particular barriers faced by migrant and refugee workers, most notably:

- Regularizing migrants' legal status to enable them to work
- Certifying migrants' skills and validating their qualifications

Challenges and opportunities of Venezuelan migration in Ecuador

Ecuador's Labor Market

The Ecuadorian economy is facing a challenging period, with rates of unemployment, underemployment, and informality at their highest level for the last decade.

The recent economic downturn led to a loss of **66 000** suitable jobs between **2013** and **2018**

... although this has been partially offset by an increase in job offerings fewer hours or less pay.



Profile of Venezuelan migrants

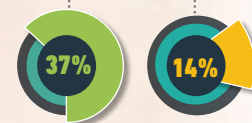
Average ages of **Venezuelan** migrants versus **Ecuadorian** nationals.



Venezuelans in mobility work **five hours more** per week than **Ecuadorian** nationals.



More than one third of working-age **Venezuelan migrants and refugees** have **completed tertiary education**, compared to around one seventh in the case of their **Ecuadorian** peers.



Irregularity and informality

More than half of **Venezuelan migrants and refugee** do not have the necessary residency papers to allow them to work.



Most workers in Ecuador are employed in the informal sector, with the proportion slightly higher for Venezuelans in mobility



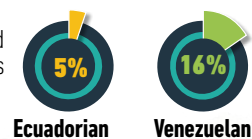
More than **7 in 10** **Venezuelan** migrants work on temporary contracts,

compared to a ratio of just over **4 in 10** **Ecuadorians**.



Labor conditions for migrants

Failure to receive the agreed payment for their work affects



The monthly pay of Venezuelans in mobility is **42% ↓**

lower than that received by their Ecuadorian peers, despite the former working longer.

1/2 **Venezuelan** migrants and refugees face **workplace discrimination**, compared to

1/3 **Ecuadorian men** and

1/8 **Ecuadorian women**.

Opportunities

If every Venezuelan were to be assigned the same labor income as Ecuadorians of the same educational level, it would result in an increase of almost two percent of GDP.

