

Background

UNHCR works with a wide range of development actors, international financial institutions (IFIs) and academic institutions, to contribute to the joint analysis of the impact of refugees and asylum seekers on Costa Rican society at the macro level, in the labor market and in specific sectors. This evidence-based approach helps develop a strategic vision for supporting the integration of refugees and asylum - seekers.



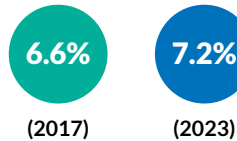
What evidence shows

The Economic Research Institute of the University of Costa Rica (IICE-UCR), with technical and financial support from UNHCR, carried out a study called "[Comparative Analysis of the Living Conditions and Experiences of the Nicaraguan Population in Costa Rica vis a vis the Costa Rican Population](#)". The analysis of national statistics for the years 2017 to 2023 provided a better understanding and a comparison of demographic characteristics, participant integration into the labor market, wages and access to education, while profiling their living conditions respecting to the ones of Costa Ricans.

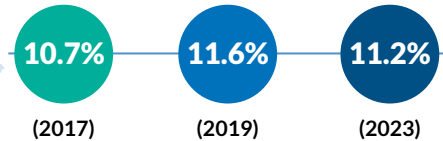
Key Figures (2017 to 2023)

The proportion of Nicaraguans living in Costa Rica ranged from **6.6%** (2017) to **7.2%** (2023). Similarly, the proportion of Nicaraguan households - that is, households with either the head or partner born in Nicaragua - ranged from **10.7%** (2017) to **11.6%** nationally (2019) and was **11.2%** in 2023.

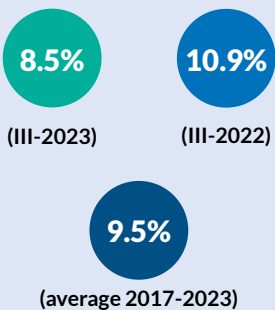
Nicaraguans living in Costa Rica



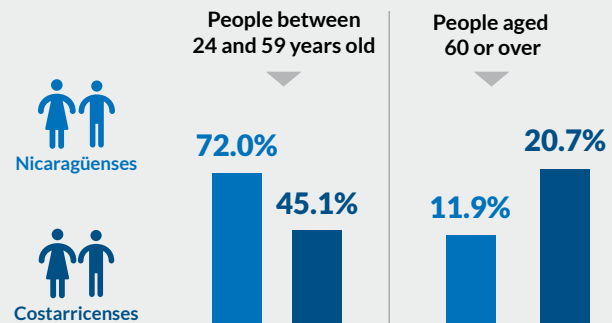
Nicaraguan households with either the head or partner born in Nicaragua



The proportion of Nicaraguans in Costa Rica's workforce fluctuated between **8.5%** (III-2023) and **10.9%** (III-2022), with an average of **9.5%**, a more proportional average of the population in the country.



The Nicaraguan population is generally younger than the national population: **72%** of Nicaraguans are aged between **24** and **59**, compared with **45.1%** of Costa Ricans. The proportion of nationals aged 60 or over is twice that of Nicaraguans in the same age group, **20.7%** vs. **11.9%**. The latter proportion has remained similar over the years, without the growth observed in the national population.



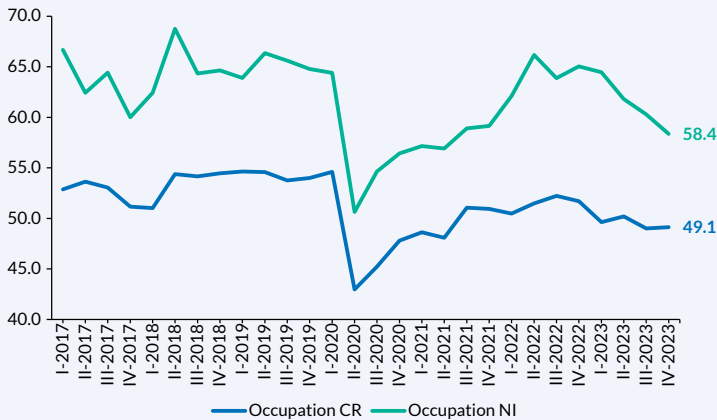
Nicaraguans have a lower level of education than Costa Ricans: **30.2%** of those aged 25 and over had incomplete primary education and **48.1%** had incomplete secondary education, compared with **13.9%** and **42.7%** respectively for Costa Ricans, with a predominance of those with secondary or university education among Costa Ricans (**43.6%** compared with **21.0%** of Nicaraguans).

	Incomplete primary education	Incomplete secondary education	Complete secondary education
Nicaraguans	30.2%	48.1%	21.0%
Costa Ricans	13.9%	42.7%	43.6%

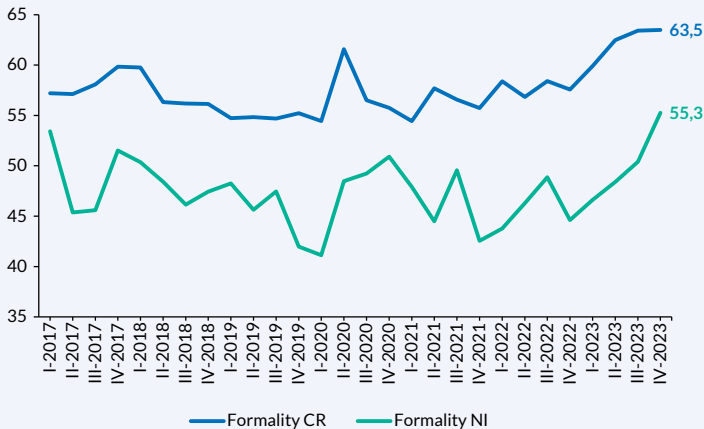
MAIN FINDINGS OF THE STUDY:

1. The employment rate is higher for Nicaraguans than for Costa Ricans, but they face lower rates of formality. Meanwhile, unemployment rates have behaved similarly in both populations.

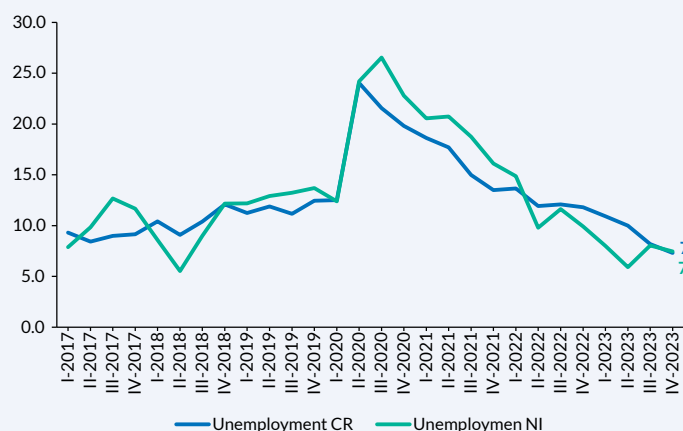
Evolution of occupation rates per birth country



Evolution of formality rates per birth country

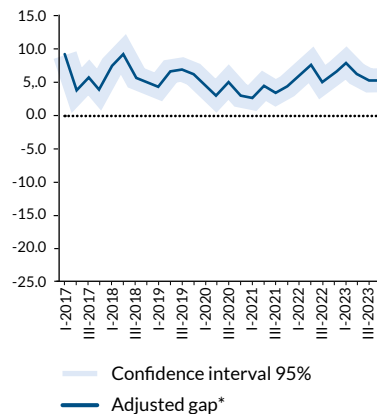


Evolution of unemployment rates per birth country

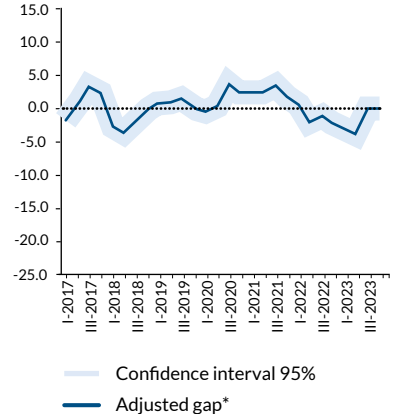


When analyzing employment data comparing working people with the same characteristics, **the employment rate is approximately 5 percentage points higher for Nicaraguans than for Costa Ricans** of working age. In contrast, in the same comparison, **formality rates are significantly lower (8pp)** for Nicaraguans than for Costa Ricans; this gap increased in the post-COVID-19 period. As a reference, the [IMF-IDB-UNHCR](#) study indicates that Nicaraguans' labor specializations are mostly concentrated in **agriculture, construction, accommodation services, commerce and cleaning**, which together account for **71%** of their employment (compared to **43%** for Costa Ricans).

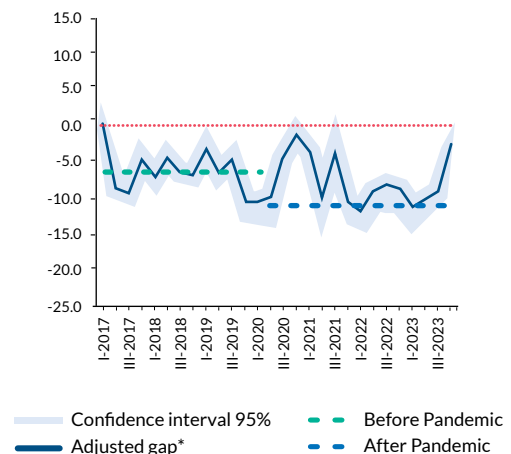
Evolution of the occupation rate gap per birth country



Evolution of the unemployment rate gap per birth country



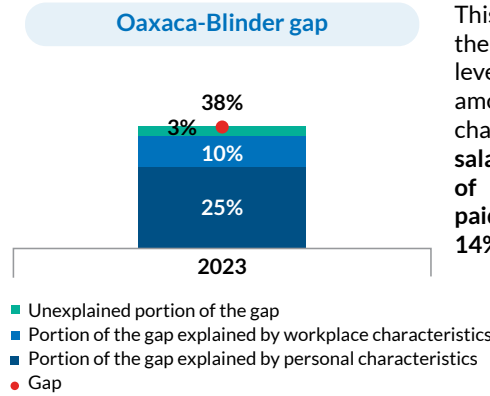
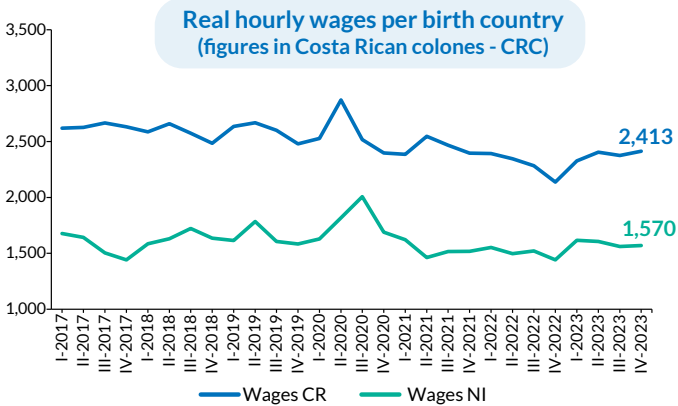
Evolution of the formality rate gap per birth country



*The gap adjustment considers the following characteristics: gender, age, education level, region and area of residence.

MAIN FINDINGS OF THE STUDY:

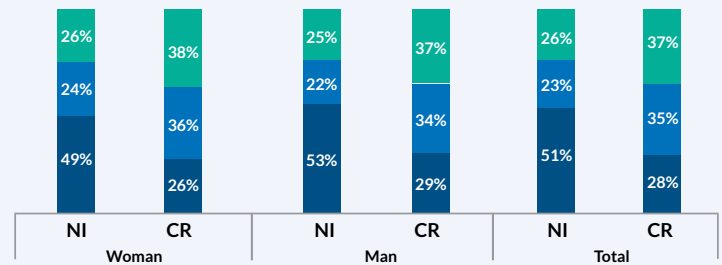
2. The Nicaraguan-born population is paid lower hourly wages than the Costa Rican population. The real hourly wage of a Nicaraguan person in Costa Rica represents 65% of the hourly wage of a Costa Rican person. This gap (38% in 2023) is largely explained by personal characteristics (25%) and workplace characteristics (10%).



This means that people of the same age, educational level, sex, labor sector, among other observable characteristics earn wages salaries except in the case of Nicaraguans, who are paid lower wages (3% to 14%).

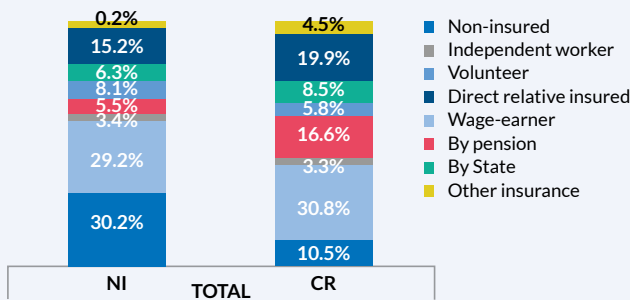
3. For people of school age, i.e., between 4 and 24 years of age, attendance to formal education is higher in the Costa Rican population than in the Nicaraguan population. The gap in the age range of 12 to 18 years (equivalent to secondary school) is 20%: 92% of Costa Ricans in that age group attend some formal school compared to only 72% for the Nicaraguan population.

Proportion of people of 0 to 24 of age or less who attend formal education per nationality and sex, 2023



The main justifications for those who do not attend formal education are work-related for Nicaraguan men, and caregiving-related for women.

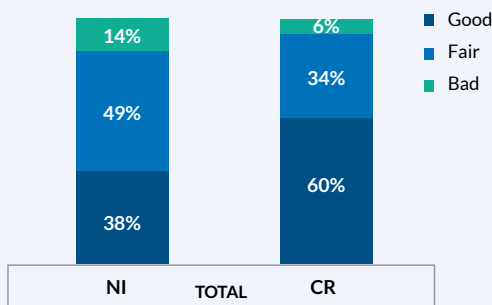
Health Insurance of people of 15 years of age or older per birth country, 2023



■ Attendance to secondary/university ed. (2) ■ Attendance to childcare/primary ed. ■ Does not attend
Notes: (1) Includes the following categories: "maternal care, childcare", "transition or preparatory ed.", "elementary school"; (2) Includes the following categories: "secondary school", "pre-university", "university" and "other type of formal education".

The Nicaraguan population has a higher percentage of persons without insurance than the Costa Rican population. However, 41% of Nicaraguans aged 15 years or older have voluntary insurance, either through self-employment or salaried work. This is very similar to the proportion of Costa Ricans with this type of insurance (40%) in the same age range. Furthermore, a smaller percentage of Nicaraguan households live in housing rated to be in good condition.

Quality of housing per type of household, 2023



Health insurance and housing quality are important indicators of quality of life. Access to health insurance allows workers to contribute to the national health and pension system, resulting in positive fiscal impacts for all populations. In addition to providing security and protection, quality housing protects against adverse weather conditions.

Insurance also represents a macroeconomic grant by Nicaraguans: their contributions to health insurance and pensions are their largest contributions to the Costa Rican treasury (above those via value added tax or income tax).

Once enrolled in the social security system, foreign-born workers' social security contributions exceed their health, pension, social assistance, and housing benefits (IMF-IDB-UNHCR). Therefore, addressing the constraints on transitioning from informal labor to formal labor would help alleviate pressures on Costa Rica's social security system, while reducing the likelihood of refugees and migrants to experience poverty in old age.

MAIN FINDINGS OF THE STUDY:

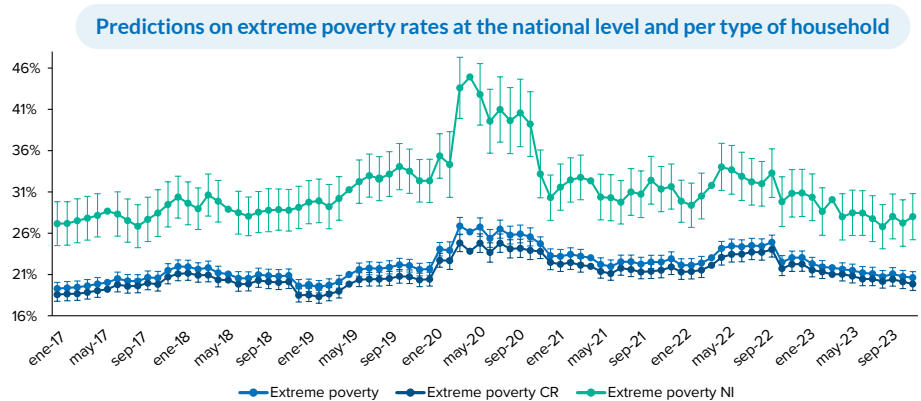
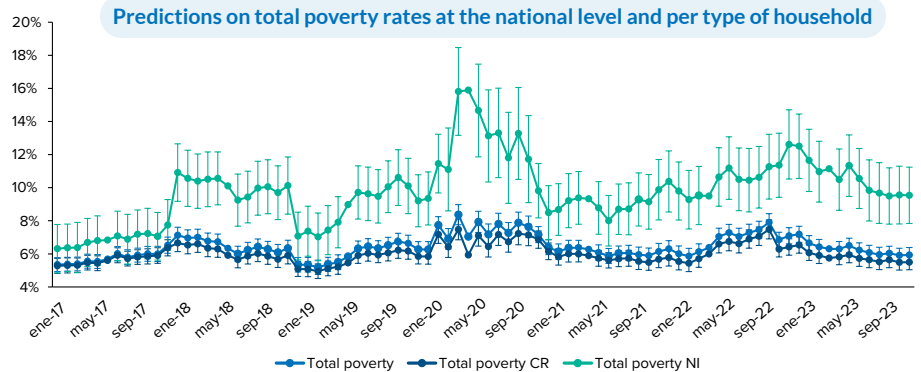
4. Nicaraguan households have much higher total poverty rates than Costa Rican households. In addition, the economic impact related to COVID-19 increased extreme poverty in Nicaraguan households much more than in Costa Rican households.

Because Nicaraguan households make up a relatively small proportion of households in Costa Rica, the poverty and extreme poverty rates of this population do not significantly alter national totals, as evidenced in the graphs. Regardless, this gap represents a challenge to promote the inclusion of the Nicaraguan population in the country, so they can access sustainable and self-sufficient livelihood opportunities, while contributing expertise and labor to the country's economy.



5. Cash assistance contribute to poverty reduction. However, Nicaraguans in poverty receive less assistance than Costa Ricans in poverty. In addition, program enrollment is lower for Nicaraguan households in poverty.

Conditional cash transfers are a public policy strategy that has been proven in various contexts in the region to be a contribution to the fight against poverty and extreme poverty. In the specific case of education, transfers improve the socio-labor profile of refugees and migrants, increasing their competitiveness and thus enabling them to enter the labor market under better conditions. Access to more jobs requiring higher qualifications allows workers to generate higher incomes and contribute more to the treasury, social security, their individual households and society as a whole.



Estimations of poverty rates according to income, including and excluding public transfers, at national level and per type of household, 2023						
	Total poverty			Extreme poverty		
	Before transfers	After transfers	Difference	Before transfers	After transfers	Difference
Poverty rates						
Total	24%	21%	2.2 p.p.	10.7%	6.3%	4.4 p.p.
Costa Rican	23.4%	21%	2.4 p.p.	10.4%	5.8%	4.7 p.p.
Nicaraguan	31%	30.1%	0.9 p.p.	13.7%	11.1%	2.5 p.p.

Estimations of coverage rates before and after public transfers for poor households, 2023		
Coverage rate	Before transfers	After transfers
Nicaraguan households	39.14%	37.26%
Costa Rican households	52.27%	46.89%

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 As of 15 November 2024



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