Socioeconomic Inclusion
of refugees and migrants

UNHCR
The UN Refugee Agency

The socioeconomic inclusion of Refugees and Migrants in an investment in host economies.

Hosting refugees and migrants is not only a generous act but also brings **significant benefits** to host countries, including opportunities for economic growth, cultural enrichment, and stronger, more cohesive communities. Studies conducted by academic institutions, think tanks, and multilateral development banks emphasize the positive **socioeconomic impacts** of welcoming refugees and migrants. This factsheet highlights key findings that demonstrate how inclusion can drive development and shared prosperity. This highlights the importance of prioritizing integration policies that facilitate their economic and social inclusion, while addressing their basic needs. (World Bank & UNHCR, 2024, *Venezuelans in Chile, Colombia, Ecuador and Perú A Development Opportunity*).

The impact of inclusion on...

the labor market

Globally

- Refugees and migrants contribute to host countries by **boosting labor supply**, particularly in sectors facing shortages or in societies with aging populations. They **also enhance workforce skills** and **broaden the tax base**. Ensuring refugees have access to basic services and promoting social integration further magnify these economic benefits. (World Bank & UNHCR, 2024).

In Colombia

- A regularization program for Venezuelan forced migrants in Colombia resulted in substantial improvements in well-being, including a **48% increase in per capita consumption, a 22% rise in labor income, and improved health outcomes**. These advancements were made possible through greater access to social protection systems, subsidized healthcare, and financial services. (World Bank, 2024, *Life Out of the Shadows: the Impacts of Regularization Programs on the Lives of Forced Migrants*).
- Colombia's 2018 amnesty program, which provided job permits to half a million Venezuelan migrants, boosted **formal employment rates** by 10 percentage points. Many regularized migrants are now contributing to the economy through tax payments, **enhancing public revenue**. (World Bank, 2023, *World Development Report 2023: Migrants, refugees and Societies*).

the fiscal balance

Globally

- Young migrants often provide a **net fiscal benefit** over their lifetimes, improving the fiscal balance of host countries. Successful integration and employment in sought-after roles enhance this positive impact. In the US, immigrants with high employment rates and education levels contributed an average **lifetime fiscal benefit** of $173,000 per person in the past decade. (Peri, 2020, *Immigrant Swan Song*. IMF).

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In Colombia

- Regularized migrant households generated **lower fiscal costs** for the Colombian government compared to irregular households. (World Bank, 2024).
- The World Bank (2021) estimates that in Colombia, for every dollar invested in the socioeconomic integration of refugees and migrants, there can be a **return of up to two dollars** for the society. (World Bank, 2021, *Un futuro de oportunidades para Colombia y sus migrantes*).

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- Venezuelan migrants in Colombia **contributed a total of USD $529 million** to fiscal revenue in 2022. (OIM, 2024, *Estudio de Impacto Fiscal de la Migración Venezolana en Colombia: Realidas vs. Potencial*).
- According to the World Bank, **the impact on tax revenue** from direct and indirect taxes would be significant if the migrant population in Colombia achieves adequate socioeconomic integration — totaling an estimated USD $804,360,433. (World Bank, 2020, *The Distributive Impact of Taxes and Expenditures in Colombia*).
- The medium-term Fiscal Plan, developed by the Ministry of Finance of Colombia, estimates that the Colombian **fiscal revenue** of the Government will increase in 2.9% of the GDP between 2021 and 2030, compared to a baseline scenario without migration. (Ministerio de Hacienda, 2021, *Marco Fiscal de Mediano Plazo*).

the demographic dividend

Globally

- Increased immigration, particularly of young people, helps **address population decline**, sustains labor force size, **improves age dependency ratios**, and generates positive fiscal gains for advanced economies. (IMF, 2020).

In Colombia

- As Venezuelan refugees and migrants are younger than the average Colombian population, they contribute to a **more dynamic workforce**, positively impacting human capital and **supporting GDP growth** in the short and medium term. (World Bank, 2022, *Notas sectoriales de política - Migración*).
- In Colombia, forcibly displaced population are largely within the **working-age** group (15-64), with approximately 75% concentrated in the younger demographic of 15 to 39 years, contributing a **dynamic and productive workforce**. (IDB, OECD & UNHCR, 2024, *Spotlight Note: Socio-economic integration of forcibly displaced populations in Latin America and the Caribbean*).

When effectively managed, **migration can deliver significant benefits to host countries**, despite potential costs and disruptions. These benefits largely depend on robust policies, strong institutional frameworks, and regional cooperation. With the right strategies in place, the positive impacts can be substantial. (World Bank & UNHCR, 2024).

The studies cited above show that treating socioeconomic inclusion as an early investment yields benefits for both forcibly displaced individuals and host communities in the medium to long term.