

Attitudes and Policies toward Refugees: Evidence from Low- and Middle-Income Countries

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September 2024

Motivation

- At least 55% of refugees live in countries that significantly restrict their access to the labor market (Ginn et al, 2022)
 - Large, negative effects on refugees
 - Also missed opportunities for host communities
- Why do country governments impose these restrictions?
 - Protect their citizens from crowd out of jobs
 - Maintain social cohesion
 - Boost political approval
 - Among others (i.e. perceived increase likelihood of return, security concerns)
- Inclusionary policies, on the other hand, could foster mutual gains and positive relations

This Paper

- We examine how economic, social, and political outcomes are affected by the arrival and presence of refugee populations
- We then ask whether outcomes differ across places with more and less restrictive policies
- We focus on low and middle-income countries, where there is relatively little research
- We examine sub-national regions (within countries) that experience a rapid increase in the refugee population

This Paper

- We build and combine three main datasets to address our research question
- We work with UNHCR to construct a region-level dataset of refugee populations
- Use Gallup World Poll data between 2005 and 2018
- Combine with dataset on de jure labor market access
 - Developing World Refugee and Asylum Policy (DWRAP)
- We find no significant effects of refugees on average or differences between places with restrictive and inclusive policies like de jure access to the labor market

Literature

- Verme and Schuettler (2021): meta-analysis of 49 studies on forced displacement
 - 45-52 percent of the results on household well-being are positive and significant, 34 to 42 percent are insignificant, and 6 to 20 percent are negative
- Pottie-Sherman and Wilkes (2017): meta-analysis of 55 studies on immigration attitudes and group size:
 - “more than half of these results show no relationship and the remainder shows both positive and negative relationships”
- Single contexts might not generalize, and meta-analyses are constrained by available studies, which may be a biased sample.
 - We study the **average** effect across situations in LMICs

General description of data

- Gallup World Poll outcomes
- Data on refugee population from UNHCR
- Data on data on refugees' right to work
- Additional data: World Bank, AidData

Gallup World Poll (GWP)

- GWP conducts annual, nationally representative surveys of approximately 1,000 individuals in each country on a wide range of topics
- Covers 2,017,774 respondents from 168 countries from 2005 to 2018

Three Main Measures from GWP:

1. Income: Per capita income
2. Attitudes measure: “Is the city or area where you live a good place to live for immigrants from other countries?” (Yes / No)
 - *Strongly correlates with other individual-level measures from a subset of Gallup World Poll surveys and at the region-level with measures from 12 other surveys (World Barometers, ESS, etc.)*
3. Political approval: “Do you approve or disapprove of the job performance of the leadership of this country?” (Yes / No)

Attitudes Outcome - Correlations with Other Measures

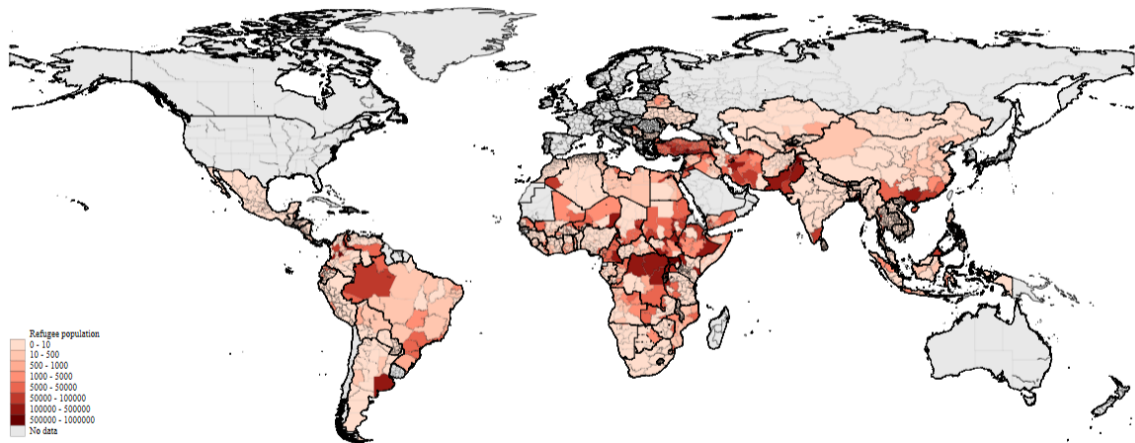
Correlating Main and Additional Outcomes: Individual Level

Outcome	OLS	Obs	Years	Regions
Immigrant neighbors	0.232*** (0.016)	2,170	11	1,223
Immigration on crime	0.143*** (0.027)	1,176	8	805
Immigration on jobs	0.301*** (0.023)	1,939	11	1,001
Immigration on economy	0.105*** (0.020)	2,022	11	848
Immigration policy	0.250*** (0.020)	2,374	10	1,263
Immigration is an issue	0.220*** (0.018)	1,694	10	313
Immigrants and vacancies	0.179*** (0.029)	1,047	7	721
Immigration on culture	0.244*** (0.022)	2,022	11	848
Refugee policy	0.219*** (0.023)	1,623	6	780

Refugee Populations at the Regional Level

- Sub-national data on refugee population from UNHCR on locations and populations in LMICs
- Includes populations who are displaced outside of their country of birth, which captures people who UNHCR classifies as refugees, asylum-seekers, Venezuelans displaced abroad, and others of concern
- We aggregate it to the lowest sub-national region available in GWP

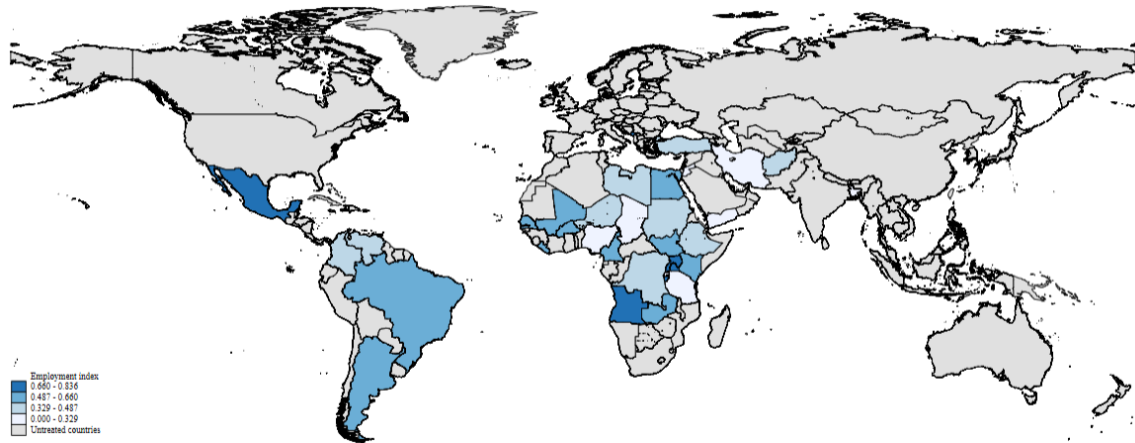
Refugees across sub-national regions in 2018



Policy data

- Utilize the data and methodology from the Developing World Refugee and Asylum-Seeker Policy (DWRAP) dataset by Blair et al. (2021)
- Does the law or policy...
 1. guarantee the right to work
 2. guarantee the right to self-employment
 3. guarantee the right to work in professional fields provided an individual holds the requisite training or certification
 4. oblige individuals to hold a work permit
 5. place additional restrictions on individuals in terms of work, including restrictions on which industries they may work in, or where they may work
- Follow Blair et al and generate Anderson index (std devs)
- De jure policies strongly correlate with de facto practices at all income levels (Ginn et al, 2022)

Employment index in our main sample



Higher DWRAP indices indicate laws that allow refugees more access to the labor market

Empirical strategy: definition of a shock

- Treatments are 'sudden' shocks to the refugee population of a region, defined as an increase of a certain threshold relative to the last year
- In our main specifications we use absolute increase of 10k, which identifies around 100 events
- Results are generally robust to other cutoffs: 5k, 50k, 100k, 10%, 50%, 100%, and 150% increases, and per capita jumps of similar magnitudes

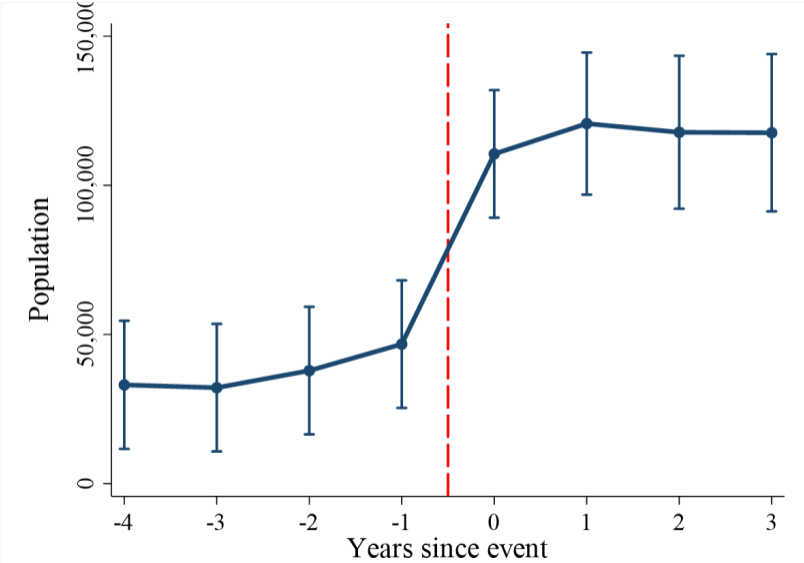
Empirical strategy: selection of events and the sample

- Look across 8-year windows and take the maximum change within the period
- Yields 4-year pre and post periods
- Regressions are at the region-event level, with 9% of regions included 2x
- Must have outcome data from at least one pre-event and one post-event year
- Collapse from individual to region-event level (the level of the treatment) and use event time

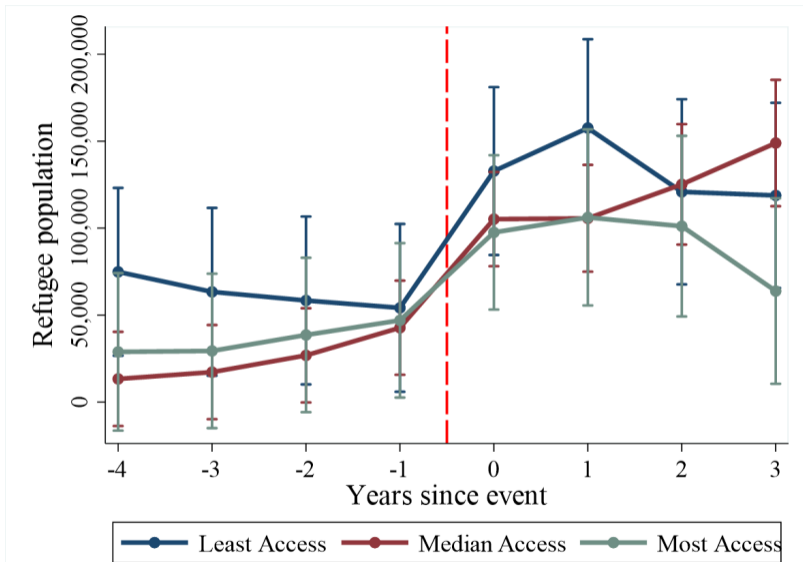
Summary statistics by employment policies

	Least Access	Median Access	Most Access
Total Population	4,096,381 (7,201,821)	3,337,450 (2,797,805)	6,751,345 (8,809,896.487)
Refugee population	127,872 (167,560)	112,626 (132,459)	89,110 (120,822.923)
GDP per capita (USD PPP)	4,362 (4,999)	7,857 (4,753)	4,627 (6,774.088)
Rural (%)	38.8 (38.3)	13.0 (24.6)	28.7 (29.063)
Camp presence (%)	60.6 (49.6)	36.4 (48.7)	45.2 (50.588)
Employment index	0.24 (0.15)	0.46 (0.10)	0.66 (0.108)
Good Place for Immigrants	0.610 (0.240)	0.644 (0.167)	0.627 (0.185)
<i>N</i>	33	44	31

First stage: refugee population trends

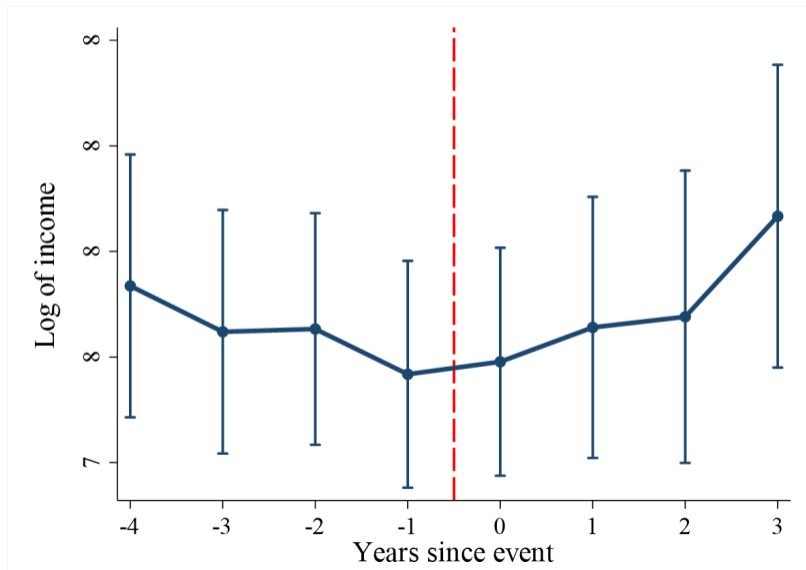


First stage: refugee population trends by *de jure* employment policies



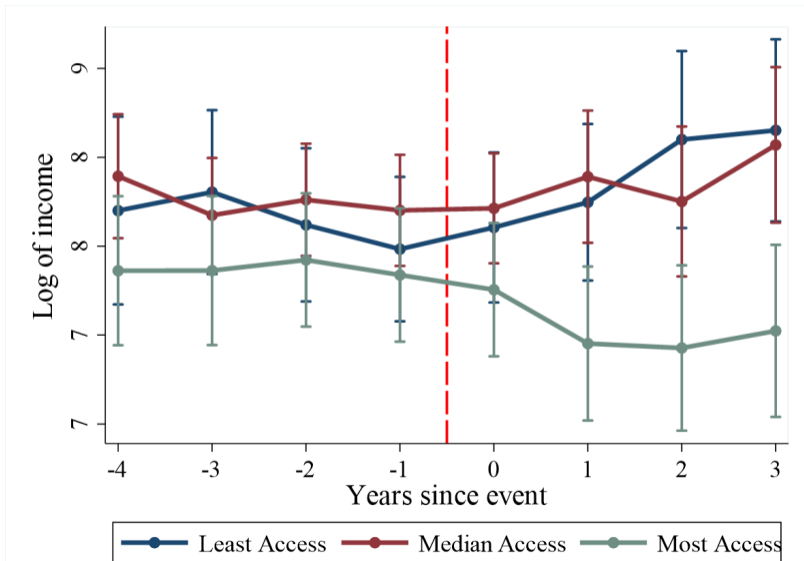
Economic Outcomes: Trends Over Time

Event Study of Per Capita income (USD)



Economic Outcomes: Parallel Pre-Trends

Income - Heterogeneity by Labor Market Policy



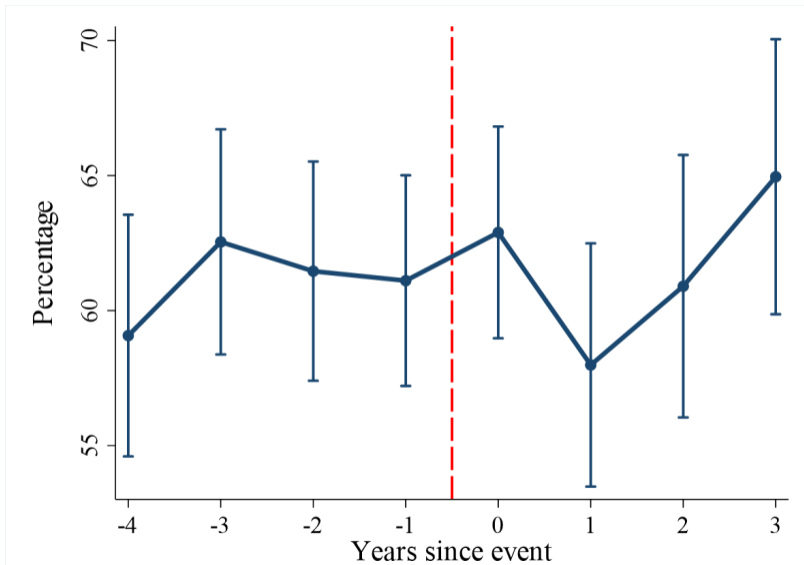
Main results - Economic Outcomes

Log Per Capita Income (USD)

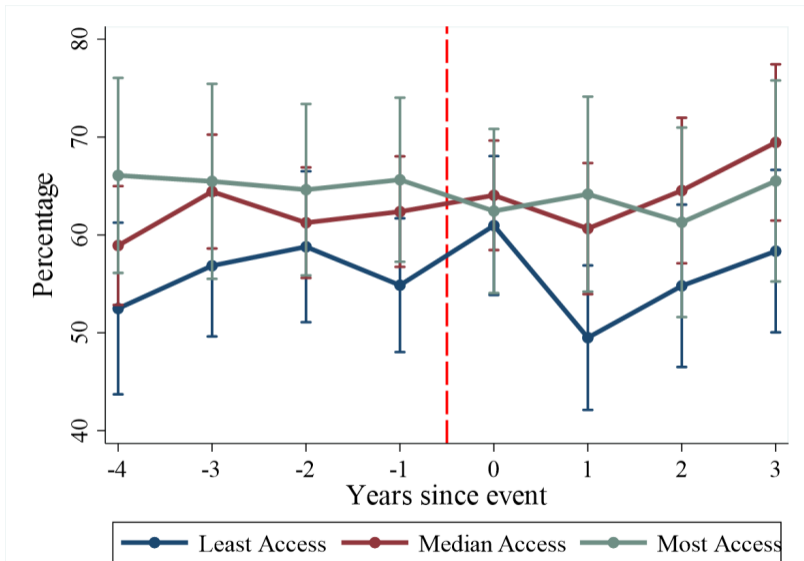
VARIABLES	(1)	(2)	(3)
Post-event: 10,000+	0.192*** (0.046)	-0.022 (0.076)	0.002 (0.111)
Post-event: 10,000+*Emp index			-0.056 (0.229)
Constant	7.574*** (0.021)	7.670*** (0.034)	7.670*** (0.034)
Observations	635	635	635
R-squared	0.886	0.899	0.899
Dep Var Mean	7.645	7.645	7.645
Events	101	101	101
Years	10	10	10
Regions	94	94	94
Countries	31	31	31
Event FE	Yes	Yes	Yes
Year FE	No	Yes	Yes

Notes: Observations are at the region-event level with 4-year pre- and post-windows. Outcome data is from the Gallup World Poll, and events are defined as increases of 10,000 people in one year.

Event study of attitudes



Event study of attitudes: heterogeneity by labor market policy



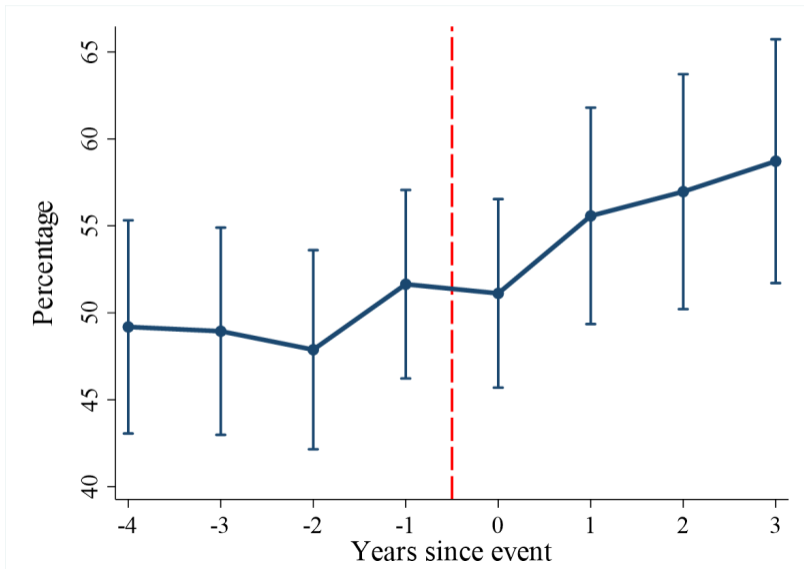
Attitudes toward immigrants

VARIABLES	(1)	(2)	(3)
Post-event: 10,000+	0.007 (0.016)	0.001 (0.023)	0.045 (0.042)
Post-event: 10,000+*Emp index			-0.098 (0.084)
Constant	0.610*** (0.007)	0.613*** (0.010)	0.613*** (0.010)
Observations	679	677	677
R-squared	0.478	0.491	0.493
Dep Var Mean	.611	.61	.61
Events	108	108	108
Years	13	11	11
Regions	99	99	99
Countries	34	34	34
Event FE	Yes	Yes	Yes
Year FE	No	Yes	Yes

Notes: Observations are at the region-event level with 4-year pre- and post-windows. Outcome data is from the Gallup World Poll, and events are defined as increases of 10,000 people in one year.

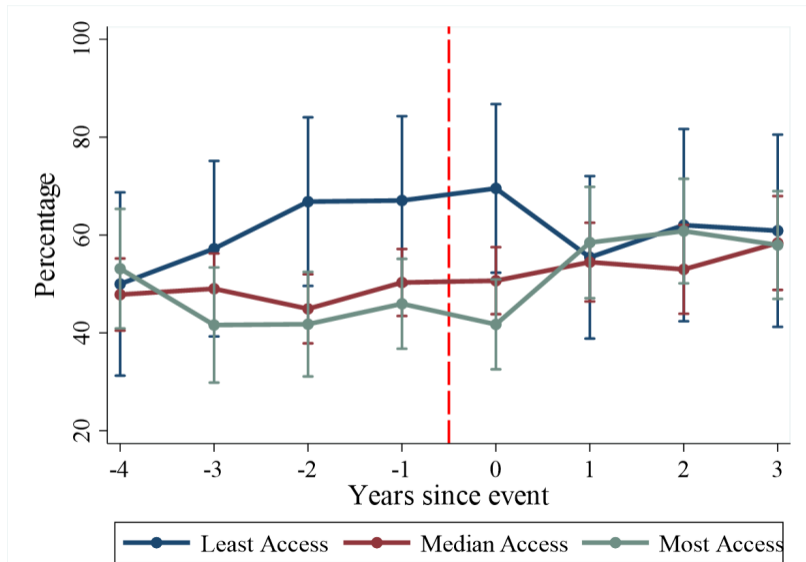
Political Outcomes: Trends

Event Study of Approval of job performance of country leaders



Political Outcomes: Pre-Trends

Approval - Heterogeneity by Labor Market Policy



Main results : Political Outcomes

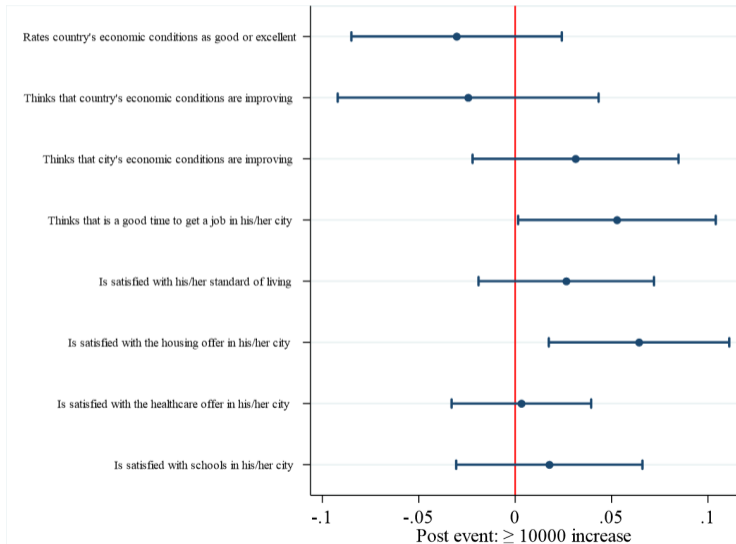
Approval of job performance of country leaders

VARIABLES	(1)	(2)	(3)
Post-event: 10,000+	0.013 (0.016)	0.011 (0.026)	-0.011 (0.040)
Post-event: 10,000+*Emp index			0.046 (0.057)
Constant	0.514*** (0.007)	0.515*** (0.012)	0.515*** (0.012)
Observations	566	564	564
R-squared	0.605	0.618	0.618
Dep Var Mean	.495	.494	.494
Events	95	95	95
Years	13	11	11
Regions	87	87	87
Countries	29	29	29
Event FE	Yes	Yes	Yes
Year FE	No	Yes	Yes

Notes: Observations are at the region-event level with 4-year pre- and post-windows. Outcome data is from the Gallup World Poll, and events are defined as increases of 10,000 people in one year.

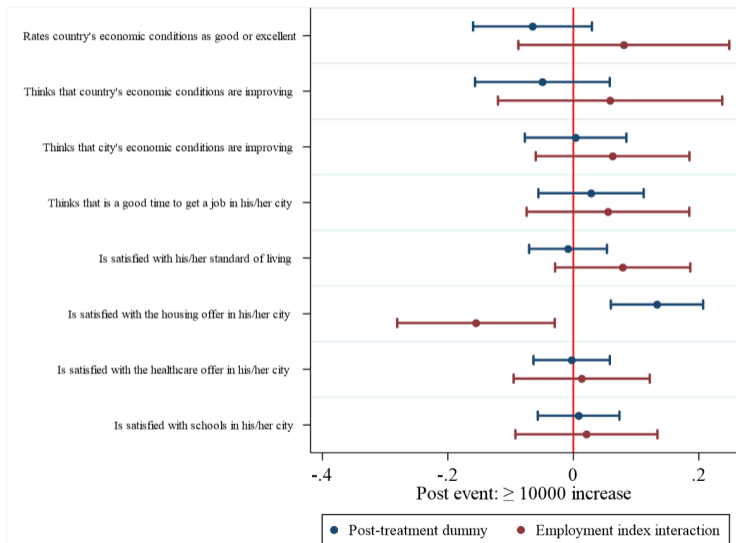
Additional Economic Outcomes

Average effects for economic outcomes



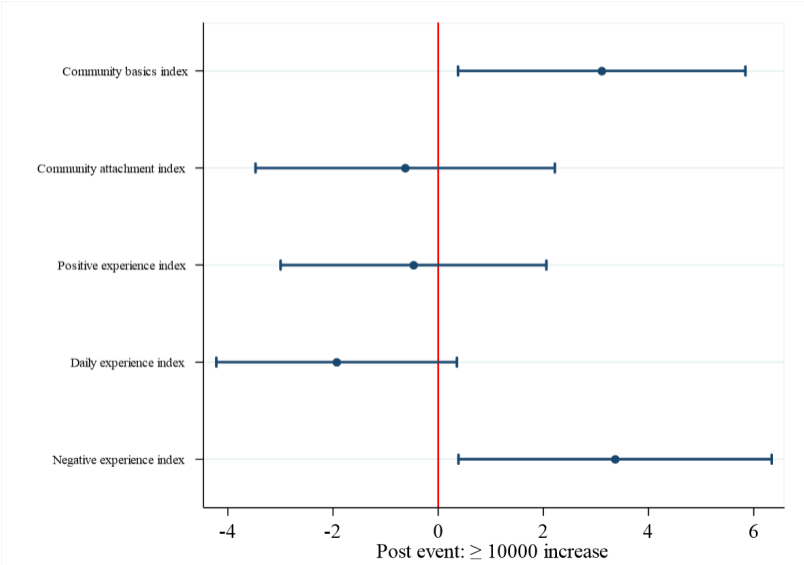
Additional Economic Outcomes

Effects by policies for economic outcomes



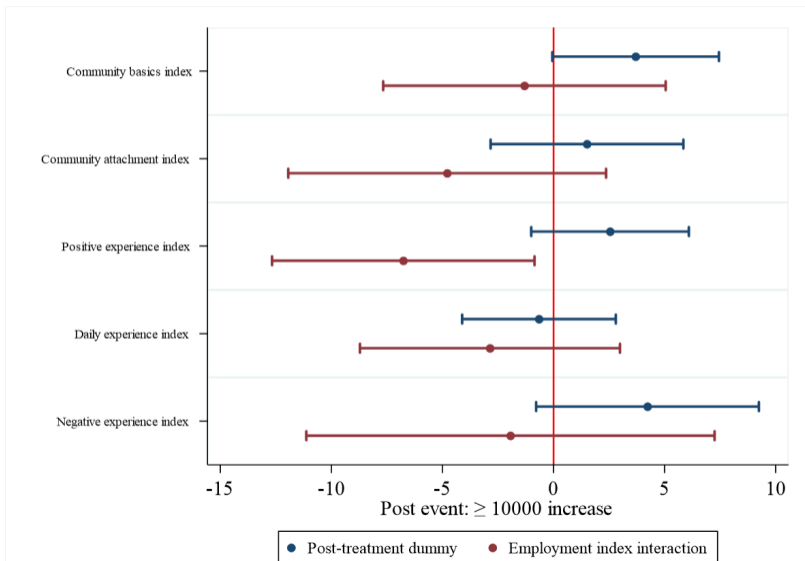
Additional Social Outcomes

Average effects for economic outcomes



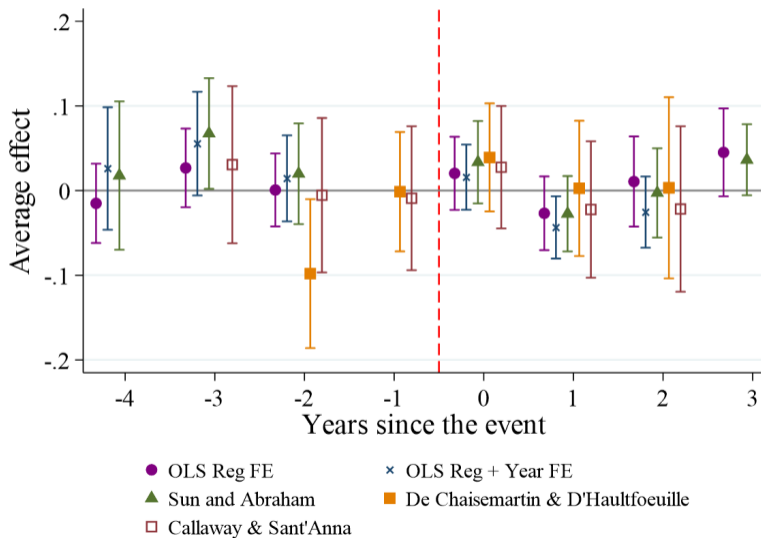
Additional Social Outcomes

Effects by policies for economic outcomes



Alternative Two-Way Fixed Effects Results

Alternative estimators of attitudes towards immigrants



Summary

- Consistent with meta-analyses, we find little evidence of average effects from large refugee flows on social, economic, or political outcomes in LMICs
- We also find little evidence that restrictive policies benefit host communities economically or improve social cohesion
- This suggests labor market access policies in most contexts would make a substantial difference to refugees without a cost to the host communities or governments