



# Forced Displacement Literature Review

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## The effect of hosting 3.4 million refugees on native population mortality

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This paper **examines the effects of Syrian refugees in Turkey on the health care resources and the mortality outcomes of natives**, focusing on neonatal, infant, child, and elderly mortality.

At the end of 2017, when this analysis was undertaken, Turkey hosted 3.4 million Syrian refugees who can access public health services free of charge. Syrian refugees arriving in Turkey had substantial health care needs and high utilization of health services due to injuries, poor living conditions and the disruption of health services in Syria, and higher prevalence of several diseases.

The authors compare provinces with high concentrations of refugees to those with low concentrations of refugees, before and after the arrival of refugees. The analysis is based on several data sources, including (1) annual, province-level data from the Turkish Statistical Institute (TurkStat) covering population, births, deaths, and causes of deaths; (2) data from the Turkish Ministry of Health on numbers of health workers and hospital beds in the health sector; and (3) data from multiple sources on the number of Syrian refugees across provinces from 2009 to 2017.

Main results:

- **The Turkish government responded to the Syrian refugee influx by increasing the number of nurses, pediatricians, and hospital beds in refugee hosting provinces.** A 10-percentage point increase in the ration of refugees to natives led to a 7-8 percent increase in the number of nurses and an 8 percent increase in the number of hospital beds. There isn't any evidence of an increase in the overall number of doctors, midwives, or intensive care beds in response to the arrival of Syrian refugees.
- **The investment of the Turkish government in extra nurses and hospital beds prevented an adverse effect of the refugee influx on these inputs in per capita terms.** There isn't any effect of refugees on the number of nurses or hospital beds per capita.
- **The numbers of doctors, midwives, hospitals, and adult intensive care beds did not keep up with the increase in population due to refugee arrivals, and the numbers of these health inputs per capita all declined.** A 10-percentage point

increase in the ratio of refugees to natives decreased the number of doctors per person by around 6-9 percent.

- **Refugees are more likely to settle in provinces where infant and child mortality is declining more slowly than elsewhere in the country.** Refugee arrivals have an adverse effect on infant and child mortality because refugees are more likely to settle in provinces close to the Syrian border, where infant and child mortality is declining at a slower rate relative to other provinces.
- **After accounting for the settlement patterns of refugees, there isn't any evidence of an effect of refugee arrivals on native mortality for any age group.**

The authors conclude that **the arrival of large numbers of Syrian refugees has strained the physical and human resources of the Turkish health care system. However, this shock does not translate into increases in native mortality for any age group.** The authors suggest several possible reasons for this result: (1) the increase in the number of pediatricians in refugee-hosting provinces may have prevented or reduced any impact of refugee arrivals on infant and child mortality in the native population; (2) a Family Medicine Program implemented between 2005 and 2009 increased resources for maternal and infant health and substantially increased immunization levels; (3) Turkey has a universal health coverage system; (4) there may have been excess capacity in the health system; and (5) the native population may have switched to the private health system (although this is not evident in the data). The author cautions, however, that **even though pressure on the public health care system did not adversely affect mortality rates, it could worsen the satisfaction of the native population with health services or have eventual effects on health outcomes of the native population.**

## Forced Migration and the Spread of Infectious Diseases

Ana María Ibáñez, Sandra V. Rozo, and María J. Urbina

*Journal of Health Economics*, Volume 79 (2021), Article 102491

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This paper **examines the effect of Venezuelan displacement on the spread of 15 infectious diseases in Colombia.** Official statistics suggest that by the end of 2018, when this analysis was undertaken, 1.26 million Venezuelans had migrated to Colombia with the intent to stay there, although the actual number is likely to have been higher. Given the

collapse of the health system in Venezuela and low vaccination rates, migrants may have contracted infectious diseases before migrating or while travelling to Colombia.

The authors draw on monthly municipal data on the incidence of 15 infectious diseases between January 2012 and December 2018. They classify diseases into three categories: (i) *vector-borne diseases*, including malaria, dengue, leishmaniasis, chagas disease, and yellow fever; (ii) *vaccine-preventable diseases*, including chickenpox, measles, rubella, tuberculosis, diphtheria, and whooping cough (pertussis); and (iii) *sexually transmitted diseases*, including HIV, syphilis, hepatitis B, and chlamydia.

The authors exploit the fact that municipalities close to the main migrant arrival points experienced a disproportionate exposure to Venezuelan migrants. They estimate monthly migration inflows in each municipality based on the distance to the main migrant arrival points and the total monthly migration flows from Venezuela to Colombia. The authors also use the censuses of 1993, 2005, and 2018 to calculate a municipal measure of native out-migration to assess whether changes in the composition of the native population are driving the results.

Main results:

- **Higher inflows of Venezuelan migrants led to a higher incidence of vaccine-preventable diseases, including chickenpox and tuberculosis.** When predicted migration inflows increased by one standard deviation, chickenpox and tuberculosis incidence increased by 0.22 and 0.23 cases per 100,000 individuals, respectively. These are sizable effects given that the mean incidence of chickenpox and tuberculosis during the period of study was 5.58 and 6.57 cases per 100,00 individuals, respectively. The effects of Venezuelan migration on the incidence of chickenpox are disproportionately concentrated in minors (individuals 18 years of age or less) and adults between 19 and 64 years of age. Tuberculosis is more prevalent in seniors (aged 65 or above).
- **Higher inflows of Venezuelan migrants led to a higher incidence of sexually-transmitted diseases, namely syphilis and HIV for some regions.** When predicted migration inflows increased by one standard deviation, the incidence of syphilis increased by 0.09 cases per 100,000 individuals. This is a substantial effect given that the mean incidence of syphilis during the period of study was 1.73 cases per 100,000 individuals. Syphilis is concentrated in adults (aged 19 to 64).
- **There weren't any significant effects of migration on the spread of vector-borne diseases.**
- **The Caribbean region was particularly affected by arrivals of Venezuelan migrants.**

- **Contact with infected migrants upon arrival seems to be the main mechanism driving increases in disease incidence.** The spread of the diseases occurs five to six months after migrants arrive in Colombia and, in the case of chickenpox, in municipalities with incidence levels below the national mean before the onset of migration and in municipalities in which it was eradicated. Natives did not migrate from migrant hosting municipalities, so increases in the incidence of chickenpox, tuberculosis, and syphilis is not the result of changes in the composition of the population or the spread of disease due to internal migration.

The authors conclude that **there are adverse effects of forced migration on the spread of chickenpox, tuberculosis and syphilis, driven by contact between recently arrived migrants and the local population.** The authors recommend vaccination campaigns in regions with a high density of migrants and offering full health services to migrants on arrival. They note that providing access to health care may not be effective if it is not accompanied by regularization of migrants to ensure that they will not avoid using health services due to fear of deportation.

## Do refugees cause crime?

Aysegul Kayaoglu

*World Development*, Volume 154 (2022), Article Number 105858

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This paper **examines the short- and long-term impacts of Syrian refugees on crime rates in Turkey**, either because they are directly involved in illegal activities or because they increase the criminality of the native population. At the time this analysis was undertaken, there were 3.7 million Syrian refugees living in Turkey, the majority of whom were living in urban areas.

The Syrian refugee population differs from the native population in several important respects: (1) few Syrian refugees have work permits and they are more likely to work in the informal sector; (2) there is a higher proportion of young, single men among the Syrian refugee population; and (3) on average Syrian refugees have lower educational attainment (half of Syrian refugees in Turkey are illiterate and more than 90 percent have less than a high school education). The theoretical literature on crime suggests that these characteristics may contribute to a higher propensity for crime.

The author exploits the variation in the refugee presence and inflows across the country and compares crime rates before (January 2009 to January 2013) and after (January 2013 to January 2014) the mass arrival of Syrian refugees in Turkey to assess short-term effects. For long-term effects, the author looks at the entire period from January 2009 to January 2017. As a proxy for crime rates, the author uses data from the Ministry of Justice on the number of new cases opened each year at the Basic Criminal Court (cases with potential sentences of less than 10 years) and at the High Criminal Court (cases with potential sentences of 10 years or more).

Main results:

- **Syrian refugees do not have any impact on crime rates in Turkey in the short or long term.** Provinces with refugee shares among the total population above 1 percent (treatment provinces) in 2013 did not experience an increase in crime rates within one year of the refugee inflows. Neither did these provinces experience an increase in crime rates in the long term.
- **The arrival of Syrian refugees leads to a decrease in per capita crime rates in Turkey.** As Syrian refugees display a lower propensity to commit crimes, their presence

leads to a reduction in per capita crime rates, while it has no effects on the crime rates per native residents.

- **Refugees do not have an effect on the crime rates per native resident.** This suggests that refugees, on average, have a lower propensity to commit crime compared to natives, and do not increase the criminality of natives.

The authors conclude that **refugees have a lower propensity to commit crime, and post that this is because of the higher deterrence costs they face in their host countries such as the risk of imprisonment or deportation.**

## Jobs, Crime and Votes: A Short-run Evaluation of the Refugee Crisis in Germany

Markus Gehrsitz, and Martin Ungerer

*Economica*, Volume 89, Issue 355 (2022), Pages 592-626

<https://doi.org/10.1111/ecca.12420>

This paper **examines the short-term effects of refugee arrivals on labor markets, crime, and voting behavior in Germany.** Between 2014 and 2015, more than one million refugees arrived in Germany.

The authors exploit exogeneous variations in the number of refugees per county within and across states to isolate the effect of refugees on labor market, crime and election outcomes. The analysis relies on several data sources including: (1) administrative records from the 16 German states on the allocation of asylum seekers to 401 subordinate counties; (2) data on registered migrants from the federal registry of foreigners (Ausländerzentralregister, AZR); (3) information on the locations and capacities of large-scale reception centers (EAEs); (4) quarterly unemployment data from the Federal Labour Office; (5) annual data on criminal activity and criminal suspects from the Federal Criminal Police Office; (6) data on election outcomes for the federal vote in 2013 and 2017, and vote polls; and (7) a variety of county characteristics from the Federal and States Statistical Offices' regional statistics database, including per capita GDP, age structure, shares of the population that are male/female and German/non-German, and the share of the population receiving housing benefits.

Main findings:

- Counties with small refugee and asylum seeker inflows and those with large inflows appear to follow identical time trends in terms of unemployment, crime and voting patterns.

- **There isn't any evidence of displacement of native workers by refugees.** An analysis of various labor market outcomes—unemployment rates, absolute unemployment numbers of immigrants from crisis countries, employment rates, and wages—indicate that recent migrants slowly enter the labor market without displacement or strong wage effects.
- **Refugees struggle to integrate into labor markets.** The marked increase in non-native unemployment, which parallels the increase in the number of immigrants who were granted asylum (and who therefore became eligible to work), indicates substantial difficulties of the German labor market to absorb this labor supply shock, at least in the short run.
- **Crime increases moderately with larger asylum seeker inflows.** Even after immigration offences are excluded from crime statistics, the number of asylum seekers allocated to a county is significantly and positively associated with increases in crime. A one standard deviation increase in migrant inflow is associated with about 123 additional crimes per 100,000 (equivalent to roughly a 1.9 percent increase). In particular, counties with bigger reception centers experienced increases in drug offences and violent crime, and a rise in the number of non-German suspects. 200 additional EAE beds per 100,000 inhabitants are associated with an extra 7.6-12.7 drug offences per county (equivalent to roughly a 2.5-4.2 percent increase).
- **Right-wing parties, and the AfD party in particular, have fared comparatively less well in municipalities with larger inflows than in those with smaller inflows.** Neither refugee inflows nor EAE capacities have a statistically significant impact on the AfD Party's vote share, the electoral success of right-wing parties in general, or election turnout. The presence and size of an EAE decreases support for the AfD significantly—a one standard deviation increase in the number of asylum seekers reduces the AfD Party's vote share by about 0.2 percentage points.

The authors conclude that: (1) **a significant labor supply shock of low-skilled prime-age workers has not had a displacement effect on native workers or earlier immigrants, nor is there any evidence for negative wage effects;** (2) **the presence of asylum seekers is associated with moderate increases in crime rather than a large spike in crime,** possibly driven by authorities devoting more resources to policing areas with larger asylum seeker presence; and (3) while there exists evidence on a macro-level connection between electoral success of anti-immigrant parties and increased refugee migration, **local exposure to asylum seekers is associated with a small drop in the electoral success of right wing parties in Germany.**

## The impact of mass migration of Syrians on the Turkish labor market

Ege Aksu, Refik Erzan, and Murat Güray Kırdarb

*Labour Economics*, Volume 76 (2022), Article 102183

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This paper **estimates the effects of the Syrian refugee influx on the labor market outcomes of natives in Turkey**. The authors use data from the end of 2015, when there were 2.5 million registered Syrian refugees in Turkey, almost all of whom were working in the informal sector. Syrian refugees in Turkey are, on average, younger and less educated than natives.

The authors exploit the variation in the ratio of Syrian refugees to natives across Turkish regions to isolate the effect of Syrian refugee inflows on labor market outcomes of natives. The analysis draws on several datasets including: (1) demographic characteristics and labor market outcomes from the 2004-2015 Turkish household labor force surveys (THLFS); (2) numbers of Syrians across the 81 provinces of Turkey from 2013 to 2015 from several sources; (3) regional data on trade activity from TurkStat; (4) data on regional consumer price indices for 2003-15 from the Central Bank of Turkey; (5) data on the openings, closings, and liquidation of firms, business cooperatives, and self-proprietorships from the Union of Chambers and Commodity Exchanges of Turkey for 2009-15; and (6) data on internal migration across regions for the 2008-15 period from TurkStat.

Main findings:

- **Syrian refugees do not affect the overall employment of native men and have a positive effect on their average wages.** There is suggestive evidence of a reduction in men's wage employment, which is compensated by a rise in their self-employment and unpaid family work, that is, there is a transition from wage employment to self-employment and unpaid family work for men.
- **Employment of native women is adversely affected, but there are no adverse effects of the Syrian refugee influx on average wages for native women.** Total employment of native women falls, mainly because native women do not benefit from increased employment opportunities in the formal sector. Declines in women's total employment is concentrated in agriculture and services, and is more pronounced among less educated and older women. Wage employment of native women also falls, mainly

because self-employment and unpaid family work do not make up for a reduction in wage employment (unlike for men). The impact on women's part-time employment is particularly adverse. Most women who lose their jobs leave the labor force, and there is no observed increase in unemployment.

- **In the informal sector, men's total employment and wage employment fall substantially—particularly in construction, agriculture, and manufacturing.** In the informal sector, every 10 Syrians displace six native men (including part-time jobs), all of whom are wage workers.
- **Negative effects of Syrian refugees on employment and wages in the informal sector affects some groups more than others.** Adverse effects are more pronounced for temporary wage workers, less educated and young workers, women who are part-time employed and self-employed, and workers in agriculture and construction. Syrian refugees have a particularly strong displacement effect on temporary wage workers, many of whom are seasonal migrant workers from other regions, particularly in agriculture and construction. The substitutability between native and migrant workers in the informal sector decreases with rising levels of education and with age for natives. There isn't any evidence that regional migration flows of less-educated natives, who are likely to work in the informal sector, contribute to the substantial decline in men's informal employment.
- **Men's employment increases in the formal sector, offsetting the drop in informal employment.** Both wage employment and wages of men in the formal sector increased following the influx of Syrian refugees. This effect largely stems from wage employment in the manufacturing sector and self-employment in the services sector. Every 10 Syrians generate jobs for about 6 native men, of whom roughly 3.5 are wage workers, about 2 are self-employed, and 0.4 are unpaid family workers. Additionally, men's full-time employment rose, while part-time employment fell. Increases in wages in the formal sector are more pronounced for non-college-educated, younger (below 40), and full-time male workers.
- **Increases in consumer prices and capital flow to the treatment regions contribute to the rise in labor demand in the formal sector.** There is evidence for a rise in consumer prices, as migrants increase the consumption base more than the production base. An increase in capital investment in refugee-hosting regions also occurs, as the productivity of capital in these regions increases with the massive labor supply shock. Furthermore, the internal migration of college-educated natives to refugee-hosting areas contributes to the increase in employment and wages in the formal sector.

Overall, inflows of Syrian refugees have no effect on the employment of native men, as the positive effect on formal employment offsets the negative effect on informal employment. For native women, however, overall employment falls, particularly for less educated and older female workers. The analysis also reveals increases in consumer prices and capital investments in refugee-hosting regions. The authors conclude that **the adverse effects on the most vulnerable groups in the labor market, along with the rise in consumer prices, imply that poverty might increase among more vulnerable native groups.**

## The labor market effects of Venezuelan migration to Colombia: reconciling conflicting results

Jeremy Lebow

*IZA Journal of Development and Migration*, Volume 13, Issue 1 (2022)

<https://doi.org/10.2478/izajodm-2022-0005>

This paper **examines the short-term effects of Venezuelan migration on wages and employment of native workers in Colombia.** Between 2015 and 2019, Colombia received around 1.8 million displaced Venezuelans, increasing the country's population by almost 4 percent.

Approximately 60 percent of natives and 90 percent of Venezuelan migrants are in the informal sector. Venezuelan migrants and Colombian natives speak the same language and have a similar cultural background, which increases their substitutability in the labor market. While Venezuelan migrants and Colombian natives have similar levels of education, Venezuelan migrants are heavily concentrated in occupations, such as restaurant work, construction, street vending, and domestic service, which typically require less education and indicating 'occupational downgrading' of migrants.

The author exploits variations in the migration rate across 79 metropolitan areas in Colombia to isolate the effect of migrants on the employment and wages of native workers. In 2019, the migrant share across metropolitan areas varied from 1 percent at the 10th percentile to 8.6 percent at the 90th percentile. The analysis is based on data on labor market outcomes of migrants and natives from the Colombian National Integrated Household Survey (*Gran Encuesta Integrada de Hogares*, GEIH).

Main results:

- **Migrants have an adverse effect on the wages of native workers.** A 1 percentage point increase in the migrant share decreases native hourly wages by 1.05 percent, or 0.59 percent after controlling for regional time trends. While these wage effects do not vary significantly by age or gender, they are larger for less educated natives, especially those who are in the informal sector, self-employed, or working in low-skill occupations.
- **Migrants have a negligible effect on native employment and unemployment.** Among natives younger than 25 years of age, migration causes a reduction in labor force participation, which is partially explained by a reduction in school dropouts. However, this result is not robust to the exclusion of metropolitan areas close to the Venezuelan border with high migration rates.
- **Native movements across occupation skill groups and geography are small and play a limited role in mitigating local wage effects.** Men with completed secondary schooling experienced minor upgrading from low- to middle-skill occupations, while men with post-secondary education experienced minor downgrading from high- to middle-skill occupations, alongside increases in self-reported underemployment. There is also a small movement of natives out of the formal sector in response to the migration shock.
- **Wage effects are larger in cities that have a higher baseline informality rate and lower ease of starting a business.**

The author notes that estimates of wage effects are larger than those typically observed in the literature, consistent with evidence that **the economic effects of migration tend to be largest in middle-income developing countries, especially for less-educated workers in the informal sector. Migrant downgrading plays an important role in concentrating wage effects among lower-income natives.** The finding that wage effects are moderately stronger in metropolitan areas with higher baseline informality rates and lower ease of starting a business, indicates that **local economic conditions are a determinant of the labor market effects of migration and motivates the formulation of policies to facilitate business formation or encourage migrant relocation according to local economic conditions.**

## The Labor Market Effects of Venezuelan Migration in Ecuador

Sergio Olivieri, Francesc Ortega, Ana Rivadeneira, and Eliana Carranza

*The Journal of Development Studies*, Volume 58, Issue 4 (2022), Pages 713-729

<https://doi.org/10.1080/00220388.2021.1988077>

This paper **analyzes the determinants of the location decisions of Venezuelan migrants and the effect of Venezuelan migrants on the labor market outcomes of Ecuadorian natives**. In the first quarter of 2019, when this analysis was undertaken, more than 470,000 Venezuelan migrants were living in Ecuador, equivalent to about 3.7 percent of the country's population. More than half of Venezuelan migrants settled in four (out of 221) regions (cantons).

The analysis exploits the variation in the settlement pattern of Venezuelan migrants across regions in Ecuador, comparing labor market outcomes in regions that received Venezuelan migrants relative to regions that did not, before and after the migrant influx. The analysis combines data from Ecuador's household labor force survey with novel data from mobile phone records to measure the geographic distribution of Venezuelan migrants across cantons.

Main findings:

- **Venezuelans' choice of settlement location has been driven by local economic conditions.** Venezuelan migrants are geographically mobile and have mainly chosen to locate in higher income regions. The point of entry into Ecuador explains only a small part of the regional distribution of Venezuelan workers.
- **Overall, regions with the largest inflows of Venezuelans have not experienced any effects on labor market participation or employment,** compared to regions with fewer inflows.
- **High concentrations of Venezuelan migrants relative to the canton's population are associated with displacement of women out of the labor market and a worsening of the quality of employment and wages for young, low-educated workers.** Compared to similar workers in regions with a small inflow of Venezuelans (relative to population), young, low-educated Ecuadorian workers in high-migration regions have experienced a 5-percentage point increase in the rate of informality, and a 13-percentage point reduction in hourly earnings.

The authors conclude that **newly arrived Venezuelan migrants have found employment mainly in informal jobs, placing the burden of the adjustment disproportionately on the more vulnerable workers in the main host regions (such as women and low-educated youth)**. The authors recommend targeted interventions to alleviate the negative effects on these groups of workers in host regions with a view to reducing the likelihood of

conflict, facilitating the integration of the migrants, and realizing the positive effects of migration that may materialize in the long run.

## Living with the Neighbors: The Effect of Venezuelan Forced Migration on Wages in Colombia

Leonardo Peñaloza-Pacheco

*Journal for Labour Market Research*, Volume 56 (2022), Article 14

<https://labourmarketresearch.springeropen.com/articles/10.1186/s12651-022-00318-3>

This paper **investigates the impact of Venezuelan migration on the labor market in Colombia between 2013 and 2019**. By 2019, there were nearly 1.8 million Venezuelan migrants living in Colombia, increasing the share of Venezuelans living in Colombia relative to the national population from 0.07 percent in 2015 to 3.6 percent in 2019.

The author exploits the variation in the settlement of Venezuelan migrants across regions in Colombia, comparing the evolution of labor market outcomes across regions with varying levels of exposure to Venezuelan migrants, before and after 2016. The author also examines effects in the two regions bordering Venezuela (a Guajira and Norte de Santander), compared to similar regions that did not receive large numbers of migrants (Antioquia, Caquetá, and Chocó). In the second half of 2016, a large and unexpected influx of Venezuelans to Colombia occurred when the borders between the two countries were reopened after about a year of being closed. Most Venezuelan migrants settled in regions near the border.

The analysis relies on several data sources, as follows: (1) labor and socioeconomic data from the Great Integrated Household Survey (GEIH) conducted by the Colombian National Statistical Office (DANE) from April 2013 to December 2019; (2) data on migratory flows of Venezuelans in Colombia from the Migration Unit (*Unidad Administrativa Especial de Migración Colombia*, UAEMC) for the period 2012-2019; and (3) data on the numbers of Venezuelans living irregularly in Colombia from the *Registro Administrativo de Migrantes Venezolanos* (RAMV).

The data reveals that, on average, Venezuelan migrants are about 6 years younger than Colombian natives. The proportion of high-skilled workers among Venezuelan migrants is almost 7 percentage points higher than in the Colombian population. Nevertheless, Venezuelans most likely increased competition in the labor market for less skilled

individuals, due to labor market barriers that prevent qualified Venezuelan immigrants from accessing high-skill jobs.

Main results:

- **The large influx of Venezuelan migrants caused a decline in aggregate wages and employment of low-skilled workers in Colombia.** A 1 percentage point increase in the labor force due to the inflow of Venezuelans generated a 0.4 percent decrease in wages and a 0.1 percentage point decrease in employment for low-skilled workers (equivalent to a decrease of 0.18 percent relative to the average employment rate of low-skilled Colombian workers in 2015).
- **The decline in wages was larger for low-skilled workers** (defined as individuals with less than a secondary-level education). A 1 percentage point increase in the share of Venezuelan immigrants led to a 0.6 percent decline in wages for low-skilled workers. Additionally, the informality rate for low-skilled workers increased by 0.1 percentage points (equivalent to an increase of 0.12 percent relative to 2015 baseline values).
- **The decline in wages was larger for informal workers** (defined as individuals without employer contributions to a pension fund or contributory health plan). On average, a 1 percentage point increase in Venezuelan immigration led to a 0.5 percent decrease in wages for informal workers compared to 0.2 percent for formal workers (although the latter result is not statistically significant under more conservative standard errors).
- **There is a stronger decline in the real wage for men than for women**, consistent with a traditional role assignment within households. Results indicate a stronger decline in the hourly wage and employment for men compared to women across the country.
- **Effects were larger in regions located on the border with Colombia.** In La Guajira and Norte de Santander, declines in wages and employment for all workers were approximately 10 percent and 3.4 percentage points (a decrease of 5.6 percent on employment relative to 2015 average employment), respectively. The decline in wages for low-skilled workers was 5.4 percentage points greater than that experienced by high-skilled workers. Informal workers' wages fell by approximately 12.2 percent due to Venezuelan migration (there was no statistically significant difference with formal workers).

These results are consistent with other studies indicating the 'occupational downgrading' of migrants and refugees, that is **regardless of educational attainment and skill level, migrants and refugees frequently work in low-skilled jobs, generating pressure on real wages in this segment of the labor market.** In his conclusion, the author

recommends public policies to mitigate adverse effects of immigration on labor market outcomes of native workers. Additionally, integration and regularization policies for Venezuelan immigrants would be crucial to take advantage of the potential gains from the Venezuelan exodus in terms of human capital.

## Child Labour and the Arrival of Refugees: Evidence from Tanzania

Chiara Kofol and Maryam Naghsh Nejad

*Journal of African Economies* (2021), Article ejab026

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Approximately one million refugees fled the genocides in Rwanda and Burundi and settled in the Kagera region of western Tanzania between 1993 and 1998. By 2004, ten years after the refugees' arrival, about 400,000 refugees were still living in the Kagera region. This **paper examines the short- and long-term impact of refugees on rates of child labor in Tanzania.**

The authors exploit variation in the settlement of refugees in Kagera (concentrated in camps in the western part of the region), comparing rates of child labor before and after the arrival of refugees. The analysis is based on data from the longitudinal Kagera Health and Development Survey (KHDS) covering 912 households in 51 communities. The first round of the survey was conducted between September 1991 and May 1993, the second round was conducted in 1994 after the arrival of the refugees, and there were follow up surveys in 2004 and 2010.

Main results:

- **In the short term, the refugee presence led to a decrease in child labor**, largely driven by a decrease in child labor for children aged 7–11 years. This effect is due to a change in the age distribution of children working in the agricultural sector.
- **In the short term, proximity to refugee camps decreased the probability of children (aged 7-14 years) being enrolled in school.** Immediately after the arrival of refugees in Kagera, closer proximity to the refugee camps decreased the probability of children (aged 7 to 14 years) being enrolled in school by 9 percentage points. This was driven by a decrease in primary school attendance of 15 percentage points. The negative effect on schooling for younger children may be attributed to the refugee situation, which affected both infrastructure and development resources in the region.

- **Ten years after refugees arrived in the Kagera region, the presence of refugees increased the probability of children working in the agricultural sector or undertaking domestic work.** A 1 percent increase in proximity to the refugee shock increased the probability of a child aged between 7 and 14 years working in the previous 7 days by 14 percentage points. Effects were largest closer to the refugee camps. The likelihood of a child working on domestic chores, including collecting firewood and fetching water, also increased. The effects were not significantly different for boys and girls, or across age groups.
- **In the long term there is a modest decline in schooling.** The increase could be due to the increased demand for agricultural labor and the consequent demand for child workers in the area.

The authors conclude that **the arrival of refugees in the Kagera region expanded labor supply, increasing agricultural productivity and household welfare, which contributed to reducing child labor in the agricultural sector. The opposite effect occurred in the long term; demand for agricultural products increased, and competition for firewood and water increased, leading to increases in child labor in the agricultural sector and in domestic work.** School enrollment decreased in the short and long term. In the short term, this was largely due to damage to school infrastructure, while in the long term this was due to increases in child labor.

## Is It Merely a Labor Supply Shock? Impacts of Syrian Migrants on Local Economies in Turkey

Doruk Cengiz and Hasan Tekgüç

*ILR Review*, Volume 75, Issue 3 (2021)

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Over 2.5 million Syrian refugees arrived in Turkey between 2012 and 2015, the majority settling in regions bordering Syria. This paper **examines the effect of Syrian refugees on labor market outcomes for native workers in Turkey.** In addition to the supply-side shock in the labor market, the authors investigate demand-side channels that might enable local economies to fully or partially absorb the labor supply shock, including: (a) native-migrant complementarity; (b) housing demand; and (c) increased entrepreneurial activities of Syrians and non-Syrians in host regions.

Most Syrian refugees do not have a high school degree and are not Turkish language speakers. Few Syrian refugees have work permits, but they can and do work in the informal sector, where they compete with low-skilled Turkish workers.

The authors exploit geographical variations of Syrian refugee flows, comparing labor market outcomes in host and non-host regions, before and after the arrival of Syrian refugees. The analysis is based on: (1) employment and wage data from the TurkStat Household Labor Force Survey (HLFS) from 2004 to 2015; (2) data on the number of Syrian refugees from the Ministry of Interior Directory General of Migration Management; (3) province-level new residential building permits data from TurkStat; and (4) province-level data on new firm establishments from the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

Main results:

- **Inflows of Syrian refugees did not affect the employment or wages of Turkish workers at the same skill level.** Native workers with less than a high school diploma experienced small wage and employment changes statistically indistinguishable from zero.
- **Wages of the relatively higher-skilled native workers have increased due to the Syrian migration.**
- **The entry of Syrian refugees into the lower-skilled informal labor market in host regions caused low-skilled native workers to move into formal jobs.** The share of formally employed native workers with less than a high school diploma increased rapidly starting in 2013. Compared to the counterfactual case in which no migration occurs, 2.5 percentage points more native workers in the host regions are earning at or above the minimum wage.
- **Syrian migrants and high-skilled native workers are complementary, but migration does not have any effect on very high-skilled workers.** Inflows of Syrian refugees increased the share of workers earning upper-middle income; the shares of workers earning at or above 200 percent and 250 percent of the minimum wage increased by more than 2 percentage points, respectively. However, Syrian migration had almost no effect on very high-wage workers in refugee-hosting regions.
- **There was a sizeable positive effect of Syrian refugee inflows on residential building construction permits.** The estimates suggest an increase larger than 34 percent.

- **The number of new firms with at least one Syrian cofounder increased between 2010 and 2015.** The share was less than 2.3 percent in 2011 and 2010, increasing to more than 31.9 percent in 2015.
- **It is not only the Syrians who founded new firms in the host regions.** Excluding all firms with at least one Syrian cofounder, there was still a sizable increase of approximately 10 percent, suggesting that non-Syrian entrepreneurs also benefited from the Syrian migration.

The authors conclude that, overall, **Syrian refugees have had positive effects on native workers.** Native lower-skilled workers experienced negligible wage and employment losses, while higher-skilled workers have seen gains. **Native-migrant labor complementarity, increase housing demand, and increased entrepreneurial activities in the host regions have mitigated any adverse effects of an expansion of the labor supply due to inflows of Syrian refugees.**

## Rival guests or defiant hosts? The local economic impact of hosting refugees

Cyprien Batut and Sarah Schneider-Strawczynski

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This article **estimates the local economic cost of hosting humanitarian migrants (refugees, asylum seekers and subsidiary protection recipients) and the impact of refugee dispersal policies in France.**

Refugee dispersal policies—spreading the settlement of refugees across the municipalities—aim to mitigate the costs to natives due to competition for scarce resources such as jobs, housings, and public services (“refugee rivalry”). The authors hypothesize that, if anti-refugee sentiment is driven by cultural insecurity or xenophobia, refugee dispersal policies are unlikely to affect attitudes to refugees. Additionally, natives may respond to the presence of refugees by segregating themselves from refugees, either by avoiding moving into or migrating out of refugee-hosting municipalities.

The authors exploit the opening of new refugee accommodation centers in 98 municipalities in France between 2004 and 2012. They compare local population trends and other

economic outcomes in hosting and non-hosting neighboring municipalities up to 2 years before and after the opening of a refugee center. To investigate the longer-term effects, the authors focus on the opening of 76 refugee centers between 2004 and 2010, which enables the analysis to be extended to 48 months.

The analysis is based on: (i) data on the location of refugee accommodation centers from the French Ministry of the Interior; (ii) municipal-level employment and wage data from the *Declaration Annuelle des Données Sociales* (DADS); (iii) municipal-level data on taxable revenues, number of fiscal households, number of retiree households, and tax-paying households from the *Impôt sur le Revenu par COMMune* (IRCOM) database; and (iv) municipal-level data on number of firms, value-added, and value of sales from the *Fichier complet unifié de Suse* (FICUS) and *Fichier approche des résultats* (FARE) datasets.

Main results:

- **The local population declined when a refugee center was opened in a municipality.** Two years after the opening of the refugee center, the number of employed residents in hosting municipalities decreases by up to 2 percent. Since the median size of a refugee center relative to the number of employed residents is 0.3 percent, this implies that there are three to six fewer people in the municipality for one refugee place in the center.
- **The decline in population is due to fewer people moving into hosting municipalities ('avoidance behavior') rather than out-migration of natives from refugee-hosting municipalities.** Native avoidance, rather than native flight, appears to drive the decline in population following the opening of a refugee center.
- **Wealthier households that pay income tax react more strongly to the opening of refugee centers,** possibly because they have more location options.
- **Avoidance behavior is not caused by competition in the labor market, as the refugee presence is negligible** (0.3 percent of the population). Other results substantiate this inference: (i) employment and wages do not fall significantly following an opening of a refugee center; (ii) there is no effect on the number of non-resident workers in the municipality; (iii) there is no increase in migrants' hiring after the opening of a refugee center; (iv) there is no heterogeneity of the effect with respect to the job type or wages of the resident and worker populations; and (v) retiree households are affected in the same way as the general population.
- **Native avoidance has a negative effect on local economic outcomes.** Tax collected by hosting municipalities falls by around 3 percent after opening a refugee center. The economic activity of firms located in the hosting municipalities declined by 3 percent and

the value of their sales declined by 5 percent. Overall, the opening of a refugee center reduces aggregate welfare growth by  $10^{-4}$  percentage points over two years.

Small inflows of refugees at the local level are unlikely to be a credible threat to natives. Nevertheless, natives avoid municipalities where a refugee center has opened, which leads to a decline in the local population, and consequently fewer customers and taxpayers. The authors conclude that **refugee dispersal policies can have adverse economic impacts at the local level (reducing the local tax base and economic activity) because of native avoidance**. They suggest that policymakers might reduce the cost of housing refugees by addressing the root cause of native avoidance—natives prejudices against refugees—rather than focusing on potential refugee rivalry.

### Local labor markets and the persistence of population shocks: evidence from West Germany, 1939–1970

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This article **examines the population effects of the forced migration of eight million ethnic Germans from Eastern Europe to West Germany after World War II**. The population shock occurred unevenly across West Germany counties, ranging from 1.4 percent to 83 percent of pre-war population. The initial settlement pattern of forced migrants reflected the availability of housing and distance from origin rather than economic conditions in settlement locations.

The authors investigate two possible explanations for the spatial distribution of economic activity: (1) the “locational fundamentals” theory, which holds that geographic conditions (e.g. access to a river) determine the spatial distribution of economic activity, and consequently population shocks only have temporary effects; and (2) the “increasing returns” theory, which holds that population density can itself enhance productivity due to agglomeration economies, so that large shocks to the spatial distribution of population could have persistent effects.

Based on commuter flows, the authors define labor market regions (comprising several countries) and exploit the variation in the settlement of forced migrants within and across

labor markets. The analysis relies on population and occupation censuses of 1939, 1946, 1950, 1961 and 1970.

Main results:

- Controlling for the local housing supply, the pattern of settlement of forced migrants across West German counties was unrelated to pre-war trends in population growth.
- **The settlement of forced migrants had a persistent effect on the distribution of population within labor markets.**
- **However, the population shock was largely reversed between labor markets.** More than 80 percent of the initial shock dissipated 25 years after the war.
- Variation in expellee inflows between but not within local labor markets is negatively associated with net population flows.

Overall, **forced migration had a persistent effect on the spatial distribution of population within local labor markets but had little effect on the distribution between labor markets.** The authors argue that migration-induced road infrastructure investments increased the equilibrium size of labor markets but were not large enough for them to fully absorb forced migrants, and consequently, emigration from high- to low-inflow labor markets reversed much, though not all, of the initial population shock. Within labor markets, road infrastructure investments induced suburbanization (urban sprawl), and since forced migrants were already over-represented in the periphery, their inflow did not necessitate re-adjustment within labor markets.

The authors conclude that **the choice of spatial units can significantly affect the estimated persistence of population shocks and help to explain the disparate results in the empirical literature on the persistence of population shocks.**

## Refugees welcome? Inter-group interaction and host community attitude formation

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This paper **investigates the role of refugee-host interaction in influencing host community attitudes towards refugees in Uganda, Kenya and Ethiopia.** The authors also explore the factors, other than contact, that shape attitudes of host communities

towards refugees, and how host communities' perceptions of refugees vary across different domains (economy, security, culture, rights).

The analysis is based on quantitative and qualitative data collected from refugees and nearby host communities in urban and camp-like contexts in Uganda, Kenya, and Ethiopia between 2016 and 2018. The survey covered the three capital cities (Kampala, Nairobi, and Addis Ababa) together with three groups of camps or settlements: the Nakivale settlement in Uganda, the Kakuma camps in Kenya, and the Dollo Ado camps in Ethiopia. The analysis of hosts' perceptions of refugees focused primarily on Uganda because only Ugandan hosts were asked about their interactions with refugees.

Main findings:

- **The association between refugee-host interactions and perceptions appears to be more salient in urban contexts.** In Uganda, there is a small positive association between refugee-host interaction, but only in Kampala and not in the Nakivale settlement.
- **A large part of attitude formation takes place at the intra-group level, within households and communities.** Respondents' attitudes are closely correlated with other household members and immediate neighbors.
- **The type of interaction between refugees and hosts may have heterogeneous effects on attitudes in different domains and of different types of people.** Types of interaction (e.g. business exchange or social interaction) may matter differently for attitudes in different domains (e.g. the economy, security, or rights), and have different impacts on different types of people (e.g. high or low socio-economic status households).
- **Ethnic and linguistic ties between refugees and hosts matter for perceptions and attitudes.** Positive attitudes towards refugees are usually observed in contexts where both host and refugee communities are of Somali ethnic origin.
- **Hosts in urban and rural contexts have different attitudes towards refugees.** While urban hosts are less tolerant of refugees than rural hosts, and often see refugees as an economic burden, they are more progressive in their attitudes towards refugee rights and feel less threatened from a security perspective by refugees' presence.

The authors conclude that **an important part of attitude formation appears to take place at the intra-group level, within households and immediate neighborhoods, independently of individual interaction with the out-group.** They suggest that contact may be most effective in promoting refugee-host social cohesion in the context of (a)

shared norms (e.g. ethno-linguistic proximity); (b) mutually beneficial socio-economic opportunity; and (c) within-group community structures that amplify positive perceptions.

## The Psychosocial Value of Employment: Evidence from a Refugee Camp

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This paper **presents a causal estimate of the psychosocial benefits of employment among Rohingya refugees in Bangladesh**. Formal employment in Bangladesh is illegal for Rohingya refugees and restrictions on movement limit their access to informal work in nearby urban centers. Consequently, many refugees remain unoccupied in refugee camps.

The researchers randomly allocated 745 male and female refugees of working age (18-45 years) into three groups: (1) an *employment arm*, in which participants were offered employment in the form of a surveying assignment for an average of three days per week over 8 weeks, for which they were paid US\$1.77 per day (US\$5.30 per week); (2) a *cash arm* in which participants were not offered any work, but were given a large fee (US\$5.30 per week) for participating in a weekly survey; and (3) a control arm, in which participants were not offered any work but were given a small fee (US\$0.60 per week) for participating in a weekly survey. A comparison of the control and employment arm enabled the researchers to estimate the psychosocial benefits of the employment intervention, while a comparison of the employment and cash treatment arms yielded the nonpecuniary psychosocial value of employment.

Baseline data was collected in November 2019, seven midline surveys were conducted prior to payment disbursement each week, an endline survey was conducted in February 2020, and a final short follow-up survey was conducted six weeks after the interventions concluded.

Main findings:

- **The employment arm generated significant psychosocial and physical benefits relative to the control.** There was a significant and meaningful improvement in standardized measures of depression, stress, life satisfaction, self-worth, sociability, locus of control, and sense of stability. Employed individuals were 10 percentage points

less likely to be depressed and 5 percentage points less likely to be moderately or severely depressed. Employed individuals were also significantly less likely to feel physically ill, performed better on memory and math tests, and were less risk averse.

- **Employment generated benefits that were significantly greater than from cash alone.** The improvement in mental health from employment was four times greater than the improvement in mental health from cash alone.
- **Most refugees in the employment arm were willing to continue working for zero pay, and to forgo a sizable transfer in order to continue working, suggesting individuals can internalize the psychosocial benefits of employment.** After eight weeks of working, the majority (69 percent) of participants were willing to work an additional week for zero pay, of whom the majority (77 percent) were willing to forgo an alternative low-effort activity offered by the NGO.
- **Employment significantly increased participants' perceptions of how valuable they are to their family.** Little evidence was found that the social element of the work or the community-centric purpose embedded in the work generated psychosocial value. Neither was there any evidence found that employment altered how participants otherwise spent their day, nor how they consumed earnings, compared to those who only received cash.

Overall, the study provides **evidence of a causal effect of employment on psychosocial wellbeing, substantially greater than that of an equivalent amount of cash.** The authors conclude that, while cash-based programs directly address the loss of income and are relatively straightforward to implement, they do not address the psychosocial costs that may accompany the absence of work. They suggest that policymakers might therefore favor work programs as a means of alleviating both material and psychological poverty.