

Preferences for government assistance to forced migrants in developing countries

The role of perceived disadvantage and integration

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Migration and mobility - new frontiers for research and policy

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Background

- Numerous changes in social policies across countries to adjust to recent refugee crisis.
- Attitudes of the public to refugees often feed into the decisions to amend policies.
- Research question: What drives individual preferences over government assistance to refugees/IDPs?
- Focus:
 - The role of perceived disadvantage and integration.
 - Developing countries - little resources yet the highest share of the world's refugees.

Background continued

- Does refugee disadvantage play a role in support for redistribution?
 - Economic incentives/self-interest (Luttmer 2001, Backus & Esteller-More 2014).
 - Perceptions of equality of opportunity, fairness of social competition, reciprocity and altruism, etc. (Alesina & Angeletos 2004; Alesina & La Ferrara 2005).
- What about whether refugees feel part of the society?
 - The role of group loyalty or social identification in redistribution preferences (Alesina et al 2001, Costa-Font & Cowell 2015).
 - Political and economic context (Steele 2016); effects of economic vs socio-cultural integration (Burgeon 2014).

Literature

- Studies on redistribution preferences in developed countries (Alesina et al 2001, Fong 2001) - lack of developing country evidence; focused on general redistribution for the poor.
- Perceptions of populations are important (Bay & Pedersen 2006, Spies & Schmidt-Catran 2016) yet under-studied.
- Studies on attitudes to immigrants (Mayda 2006, Dustmann & Preston 2007) - focus on labour migration, less evidence on refugees, lack of developing country evidence.
- Lack of knowledge on consequences of conflicts (particularly in the Caucasus) and the resulting displaced populations.

Context

- Three FSU countries: Armenia, Azerbaijan, and Georgia.
- Ethnic conflicts and wars (e.g. Nagorno Karabakh, South Ossetia, Abkhazia) erupted following the USSR collapse.
- Estimated 1.5 million refugees and IDPs in the three countries in the beginning of 1990s (Sammut 2001).
- Initial positive response to refugee crisis; however adopted policies proved inadequate in the long term.
- Lack of resources and government inaction have led to marginalization of refugees in some cases.

Context continued

- Refugee and IDP numbers in 2011.

Country	Origin	Number	% of total population
Armenia	Azerbaijan	1928	0.06
	Iraq	923	0.03
	Other	67	0.00
	Total	2918	0.10
Azerbaijan	Azerbaijan	599192	6.53
	Russia	889	0.01
	Afghanistan	706	0.01
	Other	135	0.00
	Total	600922	6.55
Georgia	Georgia	273997	7.07
	Russia	446	0.01
	Other	16	0.00
	Total	274459	7.08

- Source: UN High Commissioner for Refugees and World Bank.

Data source and sample

- Caucasus Barometer Survey conducted by the Caucasus Research Resource Centers.
- Used in other published studies on the region (Duncan & Mavisakalyan 2015; Mavisakalyan & Meinecke 2016).
- 2011 wave provides data on preferences for refugee-targeted assistance and perceptions of refugees (as well as standard demographic and socio-economic variables).
- After restricting the sample to 21 to 65 year-old ethnic majority, non-immigrant population, and dropping observations with missing data, sample sizes are 1,102 for Armenia, 900 for Azerbaijan, and 849 for Georgia.
 - Results are robust to alternative age bracket definitions.

Variables

Variable	Definition	Mean (s.d.)		
		Armenia	Azerbaijan	Georgia
Increase assistance	0-1 variable; equals 1 agrees to increase refugee assistance	0.39 (0.49)	0.27 (0.44)	0.73 (0.44)
Refugees disadvant	0-1 variable; equals 1 if agrees refugees are disadvantaged	0.28 (0.45)	0.20 (0.40)	0.41 (0.49)
Refugees integrated	0-1 variable; equals 1 if agrees refugees are part of society	0.81 (0.39)	0.79 (0.41)	0.78 (0.42)
N		1102	900	849

- Other controls:
 - Demographic (gender, age group, HH size, family status).
 - Socio-economic (education, employment, HH income).
 - Location (urban/rural).

Baseline model

- Standard probit model of redistribution preference Y_i for an individual i :

$$Pr(Y_i = 1|X_i, P_i) = \Phi(X_i\beta + \alpha P_i) \quad (1)$$

where P_i is perception of refugees, X_i is a vector of controls.

- Issue of identification:
 - Probit model may yield bias estimates due to unobserved heterogeneity.
 - Standard approach to addressing endogeneity: estimate a bivariate probit model.
 - Requires the exclusion of at least one reliable instrument, which is not easy to find.

Identification approach

- An extensive list of controls; however this cannot entirely eliminate a potential bias.
- Using the amount of selection on the observables as a guide to the amount of selection on the unobservables following Altonji et al (2005).
- Formalized as a ratio that tells the relative magnitude of the role of unobservables to observables in order to explain away the entire causal effect of attractiveness.

Baseline results–probit marginal effects

Control variables	Armenia		Azerbaijan		Georgia	
	(1)	(2)	(3)	(4)	(5)	(6)
Refugees disadvant	0.33*** (0.04)		0.27*** (0.07)		0.19*** (0.06)	
Refugees integrated		0.14*** (0.05)		0.00 (0.05)		-0.11** (0.05)
Baseline controls	Yes	Yes	Yes	Yes	Yes	Yes
N	1110	1218	908	913	892	866

- Other significant marginal effects:
 - Male (+AZ,+G), Age cohort (+All), Partnered (+G), HH size (-G), children(-G).
 - Education (+AZ), Employment (+AR, -AZ), HH income (-AR, -G).
 - Capital (+AR, +G)

Results with additional controls—probit marginal effects

Control variables	Armenia		Azerbaijan		Georgia	
	(1)	(2)	(3)	(4)	(5)	(6)
Refugees	0.35***		0.29***		0.16**	
disadvant	(0.04)		(0.07)		(0.06)	
Refugees		0.10**		-0.03		-0.15***
integrated		(0.05)		(0.06)		(0.04)
Sexist	-0.06*	-0.04	-0.11***	-0.13**	-0.03	-0.03
	(0.03)	(0.04)	(0.04)	(0.05)	(0.07)	(0.04)
Religious	-0.01	-0.02	0.15**	0.16**	0.05	0.03
	(0.03)	(0.03)	(0.06)	(0.07)	(0.06)	(0.04)
Anti-	-0.11***	-0.12***	0.05	0.09	0.10	0.07
compet	(0.04)	(0.04)	(0.05)	(0.05)	(0.12)	(0.05)
Fair labour	0.03	0.04	0.05	0.04	-0.13**	-0.07**
market	(0.03)	(0.03)	(0.05)	(0.06)	(0.06)	(0.03)
Baseline	Yes	Yes	Yes	Yes	Yes	Yes
N	952	1038	746	748	720	707

Amount of selection on unobservables relative to selection on observables

Control variables	Armenia	Azerbaijan	Georgia
	(1)	(2)	(3)
Refugees disadvantaged and baseline controls	1.581	2.354	3.345
Refugees disadvantaged and extensive controls	1.946	3.956	4.499
Refugees integrated and baseline controls	0.633	0.002	-1.007
Refugees integrated and extensive controls	0.529	-0.535	-1.997

- Example: Altonji et al (2005) report selection ratios of 1.43 and 3.55, and suggest these to be unlikely (in assessing catholic school effectiveness).

Summary

- Large positive effect of perceived disadvantage on willingness to increase government assistance to refugees.
 - Raising awareness on refugee disadvantage in host country populations (e.g. media campaigns, etc.)
 - Perceived and actual measures of disadvantage may diverge.
 - Isolation of refugees (due to housing situation, poor living conditions) may matter.
- No strong evidence for the role of perceived integration.
 - Issues of measurement (e.g. differences in reference to ethnicity, socio-economic status, etc.) and composition of refugees.

Limitations

- Issue of unobserved heterogeneity:
 - Identify IVs.
- Understanding responses to different types of refugees/IDPs.
- External validity:
 - Implications for understanding support for redistribution in developing countries where:
 - refugees are close to the mainstream ethnic group;
 - but large scale immigration is unusual.
 - Confirm findings on other developing countries.

Thank you!