

Preferences for government assistance to forced migrants in developing countries:

The role of perceived disadvantage and integration¹

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Abstract

This paper contributes to better understanding the associations between perceived disadvantage and integration of refugees and Internally Displaced Persons (IDPs) and preferences for increased government assistance to these groups in developing countries, using unique data from three post-Soviet countries in the South Caucasus. We document consistently strong positive associations between perceived refugee/IDP disadvantage and support for increased government assistance. We also show that the association between perceived refugee/IDP integration and support for government assistance varies with country context. The outcomes of this study may inform policy efforts to respond to the increasing inflow of refugees and IDPs in developing countries.

Keywords: Preferences for welfare support; Refugees and IDPs; Developing countries;

1. Introduction

In the wake of the largest humanitarian crisis since the Second World War, that has affected nearly all the regions of the world, governments are faced with the challenging task of hosting the largest number of refugees ever seen. It was estimated that at the end of 2015 there were 65.3 million forcibly displaced individuals globally, of which 21.3 million were refugees, 3.2 million were asylum-seekers and 40.8 million were internally displaced persons (IDPs) (UNHCR, 2016a). Developing regions have received the highest share of refugees estimated at 86%, with the Least Developed Countries – those

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least able to meet the development needs of their own citizens – hosting 26% of the total global refugee population (UNHCR, 2016a).

Featuring highly on the political agenda, the refugee crisis has triggered the need for significant changes in the national social policy across many countries. These changes are not determined by the political and economic standing of the countries alone: attitudes of the local population towards refugees can often feed into the decisions of the government officials to amend social policies in response to immigration. This paper contributes to better understanding of the drivers of individual preferences over such policies. In particular, we study how perceptions of refugee disadvantage and refugee integration affect individual preferences for government assistance to refugees in three developing countries of the South Caucasus – Armenia, Azerbaijan and Georgia.

There is considerable literature on the factors associated with preferences for welfare redistribution. Research indicates that individual preferences for redistribution are shaped by socio-economic factors, group loyalty, cultural values and beliefs. For example, some evidence suggests that support for welfare is driven by economic self-interest, or insurance considerations under the high risk of rise in unemployment rates (Benabou and Ok, 2001; Luttmer 2001; Alesina and La Ferrara 2005; Backus and Esteller-More 2014; Breznau and Eger 2016). However, pro-redistribution preferences have also been shown to be strongly influenced by group loyalty or social identification, which may refer to a wide range of social groups, including ethnic, religious, social class, nation or state (Alesina et al 2001; Luttmer 2001; Costa-Font and Cowell 2015; Breznau and Eger 2016). Values and beliefs such as perceptions of equality of opportunity, fairness of social competition, interpersonal trust, causes of inequality, hope for reciprocity and altruism have also been shown to strongly affect preferences for redistribution in various country contexts (Alesina et al 2001; Fong, 2001; Alesina and Angeletos, 2005; Alesina and La Ferrara 2005; Costa-Font and Cowell 2015; Danielle and Geys 2015).

The role of immigration and ethnic diversity on support for welfare have also been thoroughly discussed in the literature, mainly revolving around factors associated with group loyalty and values of altruism and interpersonal trust. It has been suggested that ethnic diversity and increased migration negatively affect support for redistribution (Luttmer 2001; Dahlberg, Edmark, and Lundqvist 2012; Schmidt-Catran and Spies 2016). However, others argue that it is not merely the quantitative aspects of ethnic diversity and migration that matter in the preferences for redistribution but rather the characteristics of the immigrants, their similarities and differences from the native population, the level of their integration into the receiving society, and the political and economic context. For example, Steele (2016) found that ethnic diversity is a more important determinant of redistributive preferences in poorer countries than in wealthier ones, and where ethnicity is politicized, or the income inequality is greater. Burgoon (2014) found that economic integration (i.e. unemployment rates and dependence on welfare benefits) and to a lesser degree sociocultural integration (i.e. social attitudes) of migrants, moderate the negative effect of immigration on natives' support for redistribution. Meanwhile, in their study of immigration and welfare state in the Swiss context, Spies and Schmidt-Catran (2016) found that such objective measures of migration size and economic and cultural integration of migrants have little or no relevance for the association between migration and welfare support. They strongly suggest that for better understanding of the effect of immigration on preferences for redistribution, research needs to focus on subjectively perceived migration- and integration-related attitudes of natives. The role of subjective attitudes in support for welfare has also been highlighted by Bay and Pedersen (2006) who have demonstrated that support for specific social welfare benefits greatly depend on the attitudes toward the group receiving the welfare. However, the associations between subjective attitudes toward assistance receiving group and support for redistribution remain understudied.

Literature on the attitudes towards immigrants and refugees is limited and mostly based on small-scale studies. The existing evidence suggests that similar to the factors associated with the attitudes

toward redistribution, immigration attitudes are also shaped by the interplay between economic factors, individual values and beliefs, and the socioeconomic and political context in the country (Pedersen et al 2005; Mayda 2006; O'Rourke and Sinnott 2006; Dustman and Preston 2007). More importantly, however, it has been suggested that attitudes towards refugees are different in nature than attitudes towards immigrants (O'Rourke and Sinnott 2006). Some evidence suggests that attitudes toward refugees are more positive, than attitudes toward immigrants, particularly unauthorized immigrants, despite the fact that refugees and asylum seekers depend on the welfare system, while immigrants contribute economically to the society (O'Rourke and Sinnott 2006; Murray and Marx 2013). Amnesty International's latest Refugee Welcome Survey conducted in 27 countries in 2016 showed that 80% of respondents globally were supportive of welcoming refugees in their countries. However, the level of support varied widely by country, with Spain and Germany showing the highest level of support (97% and 96% respectively), and Russia showing the lowest (33%). The level of support for increasing government support to refugees was lower (66% overall), with China and Nigeria leading the list of countries at 86% and 85%, and Russia finishing the least at 26% (Amnesty International 2016). However, research has shown that the size of the inflow of asylum seekers and the method of their arrival, the perceived level of threat on the economy and on the cultural values of the natives, and the existing negative stereotypes constructed by political rhetoric and media reporting negatively affect attitudes toward refugees and asylum seekers (Pedersen et al. 2005; Schweitzer et al. 2005; McKay, Thomas and Kneebone 2012).

Thus, the underlying factors of individual attitudes and perceptions toward refugees remain understudied. Also, little is known about how these attitudes toward refugees affect support for redistribution, because most of the research on welfare support looks at economic immigration. In addition, most of the literature on attitudes toward welfare support is focused on redistribution in general, while it has been demonstrated that support for welfare benefits depend on the specific social

program and the attitudes toward the group it aims to assist. And last but not least, most of the literature has focused on the developed Western countries, leaving a large gap in our knowledge of these issues in the developing world, where the largest share of refugees currently live.

This paper aims to address the gaps in the literature in several ways. First, it studies individual support for specific type of government assistance directed to refugees/IDPs. Second, it looks at the associations between perceptions of refugee disadvantage and support for welfare, adding to the evidence on the role of non-economic factors in determining support for redistribution. Third, it contributes to the discussion on the role of subjective attitudes towards migrants on support for welfare by studying the associations between perceptions of refugee integration and support for refugee assistance. And finally, this paper adds valuable evidence from three developing countries of the South Caucasus with different socio-economic and political contexts that have had the experience of dealing with refugee assistance and integration for several decades.

The remainder of this paper is structured as follows. The next section provides background on the context of the three countries in our study. Section 3 describes the data and Section 4 presents our empirical specifications. Section 5 presents empirical results and Section 6 concludes the paper.

2. Country context

The issue of refugees and IDPs in the South Caucasus region has emerged in the late 1980s and the beginning of 1990s following a number of ethnic conflicts and wars erupted after the collapse of the USSR. It is estimated that there were about 960 thousand refugees and IDPs in the countries of the South Caucasus in 2010 (UNHCR, 2016b; WDI, 2016). The initial response of all three countries to the refugee crisis was overall supportive; however, the adopted policies soon proved inadequate when the initially short-term considered crisis turned into a long-term problem.

Armenia

Armenia, the smallest of the three countries of the South Caucasus region with an economy of \$8,900 GDP per capita (PPP) (2016 est.), has a population of about 3 million, 32% of which live beyond the poverty line (CIA, 2017a). The phenomenon of refugees and IDPs first became to be known in Armenia at the beginning of 1988 when ethnic Armenians were escaping the violent pogroms aimed at ethnic Armenians in the city of Sumgait in Azerbaijan. This was also the beginning of the deepening interethnic conflicts between Armenia and Azerbaijan over Nagorno-Karabakh - a predominantly Armenian-populated region in the South Caucasus that has declared independence in 1991, but is internationally recognized to be part of Azerbaijan. It was claimed by both the First Armenian Republic and the Azerbaijan Democratic Republic when they gained independence in 1918, but during the Soviet regime, in 1923, it became the Nagorno-Karabakh Autonomous Oblast (NKAO) within the Azerbaijan SSR. The dispute over the Nagorno-Karabakh region re-emerged between Armenia and Azerbaijan at the end of 1980s and escalated in the early 1990s leading to the 1991-1994 Nagorno-Karabakh War. The war ended in a ceasefire and left a large number of refugees and Internally Displaced Persons (IDPs) in both countries.

It is estimated that between 1988 and 1991, Armenia received around 360,000 refugees from Azerbaijan, including Armenians and other nationalities living in the territory of Azerbaijan (Yeganyan, 2013). Yeganyan (2013) reports, that during the same period, approximately 60 thousand ethnic Armenian refugees and IDPs also entered Armenia because of the interethnic conflicts in Abkhazia, Northern Ossetia, and other former USSR countries. However, most of the refugees and IDPs left Armenia due to the harsh economic conditions in the 1990s and resettled in Russia, Europe and the USA. In 2010, the number of registered refugees in Armenia was about 3300, the majority (about 2000) of which were originally from Azerbaijan, and the rest predominantly from Iraq and Syria

(Yeganyan, 2013). Figure 1 presents the share of refugees and IDPs in the total population of the three countries of the South Caucasus over the period of 1994-2014. It can be observed that the share of refugees in the total population is the lowest in Armenia, although their proportion was comparable to those in Azerbaijan between 1994 and 2005. The sharp decline in the share of refugees in Armenia between 2005 and 2007 is associated with the fact that starting with the 2007 data UNHCR has excluded resettled refugees from estimation (UNHCR, 2013).

---- Figure 1 here ----

Initially, Armenia adopted integration policy. The majority of refugees, who could not solve the housing issue on their own, were put in public facilities. Access to medical services and schooling was granted on the equal rights with the citizens. They were also offered to apply and receive citizenship status. However, due to the economic hardships that the newly independent country was facing the process of integration did not proceed smoothly. The main gaps and challenges that exist to this day include the housing and employment issues. There are about 1600 refugee families still living in public spaces (Yeganyan, 2013). School drop-out rates are disproportionately higher among the refugees compared to the native population due to higher poverty rates among them (UNHCR, 2008a). The employment of refugees remains the most difficult problem in Armenia. In addition, the majority of refugees continue to refuse applying for citizenship in the fear of losing their housing rights in public spaces and socio-economic assistance with no gain in their socio-economic status in return (Ghazaryan, 2000; UNHCR, 2008a). Although there is no clear information regarding the size of monetary or non-monetary assistance available to refugees, it has been reported that in 2006 the proportion of Refugee assistance comprised about 2 percent of the total Social Assistance Budget in Armenia (Bouvyry-Boyakhchyan, 2008). Refugees are eligible to apply for Family Benefit assistance on equal terms with the citizens of the country, which is means-tested assistance provided to poor families. In 2010, the

average size of monthly Family Benefit per family was estimated at AMD 26,853 (about USD 70) (NSSRA, 2011), however the percent of refugee families receiving the Family Benefit is unclear.

The social integration of refugees into the society and the attitudes of local population towards them vary, depending on their origin country, and the language and cultural barriers. It has been reported that refugees from non-CIS (Commonwealth of Independent States) countries may face some level of ethnic bias, however they are not victims of systematic discrimination or violence (UNHCR, 2008a).

Azerbaijan

The conflict over Nagorno-Karabakh in the beginning of 1990s has had significant socio-economic impact on Azerbaijan as well. A country of about 9.9 million people, Azerbaijan is the wealthiest country in the South Caucasus region with a growing economy based on oil and gas exports. The GDP per capita (PPP) is estimated at \$17,700 (2016 est.), and only about 6% of population was living beyond the poverty line (2012 est.) (CIA, 2017b). According to UNHCR (2016b) data, in 1994 the number of refugees in Azerbaijan was estimated at 232 thousand, including Azeris, Kurds and Russians from Armenia and Meskhetian Turks from Uzbekistan. At the same time the number of IDPs reached 632 thousand (WDI, 2016). In 2010, the number of forced migrants significantly decreased to 595 thousand, comprising about 6.6% of total Azerbaijani population, (Figure 1).

In the beginning of 1990s a large number of forced migrants chaotically settled in the capital and other cities. Many of them took over the apartments of the local citizens that fled the country during the war. After the ceasefire between Armenia and Azerbaijan in 1994, the Azerbaijani government started controlling the refugee situation by building camps and settlements, and providing humanitarian aid. Meanwhile, the returning citizens found their apartments occupied by refugees and IDPs. And instead of helping these citizens to legally return their properties, the government passed a resolution

prohibiting the eviction of refugees from their place of residence, irrespective of property rights, leaving about 6000 owners demanding the return of their apartments up to this date (Yunusov, 2013). Following the economic growth in 2003, the government has relocated IDPs from camps to newly build settlements, and has committed to improving the situation for IDPs. However, the housing problem has been solved for less than 30% of IDPs, with the rest of them still living in horrible conditions in public spaces (UNHCR, 2009a).

Forced migrants in Azerbaijan were officially granted free access to healthcare and education. Despite this, IDPs continue to pay official and unofficial healthcare fees similar to other citizens, which limits their access to healthcare due to their significantly worse socioeconomic conditions. Although school attendance among IDPs is considered to be similar to that of citizens, several limitations apply, such as remoteness of schools, or costs associated with education. The legislation of Azerbaijan gives IDPs privileged access to employment, however, unemployment rates remain very high, and the salaries are often at the level of minimum wage, negatively affecting IDPs' standard of living (UNHCR, 2009a). Among the refugees of Chechen and Afghan ethnicity, lack of legal documentation prevents them from equally accessing education, healthcare services or employment opportunities (Yunusov, 2013). According to a 2009 report (UNHCR, 2009a), IDPs received financial stipend of AZN 9 (about USD 11) per month per IDP, as well as were granted access to social security on equal terms with other citizens; however, in practice not all IDPs were able to access these benefits due to lack of registration. To cope with the cost of living most IDPs have to pool the incomes, pensions and social assistance of their family and relatives (UNHCR, 2009a), that may include Family Assistance Benefits (up to AZN 65, means-tested), child allowance (for children under 1 year old, about AZN 30 per month, means-tested), child care benefit (for children up to 3 year old, AZN 10-20, means-tested), and pensions (AZN 70 per month) (SSA, 2011).

Although the attitudes of the Azerbaijani population towards the victims of Nagorno-Karabakh conflict was initially positive, the illegal takeover of citizens' apartments has critically affected public perception of refugees and IDPs. Tolerance towards refugees from Armenia has significantly increased following Geidar Aliev's presidency in 1993, when their employment opportunities and socio-economic conditions improved facilitating their eventual integration into the society. And while the situation of a portion of Azeri IDPs has started to improve since 2003, there are still a large number of refugees and IDPs of other ethnic origins, such as Chechen and Afghani refugees, that face significant legal and social barriers in integrating into the society and engage in criminal activities to survive. This is further enlarging the divide between the local population and refugees/IDPs and feeding the negative attitudes towards them (Yunusov, 2013).

Georgia

The third country of the South Caucasus is Georgia with a population of about 5 million and an economy of \$10,100 GDP per capita (PPP) (2016 est.) (CIA, 2017c). The proportion of population living beyond the poverty line is three times lower than in Armenia (9%, 2010 est.) (CIA, 2017c). The main inflow of refugees and IDPs in Georgia came from the violent conflicts in South Ossetia and Abkhazia in the early 1990s leaving 220 thousand registered IDPs (UNHCR, 2009b). The second wave of displacement happened in 2008 following the armed conflicts between Russia and Georgia over South Ossetia in 2008, after which about 30 thousand IDPs remain (UNHCR, 2009b). The majority of IDPs are ethnic Georgian, and about 60 thousand of them are ethnic Ossets. The number of refugees is estimated at about 870, primarily from Chechnya, Russian Federation (UNHCR, 2010). Figure 1 shows that the share of IDPs and refugees in population was the lowest in Georgia between 1994 and 2007 compared to the other two countries. However, since 2008 Georgia had the highest share of IDPs and refugees (over 9% of population) in the South Caucasus region.

The majority of IDPs have settled in private accommodations with relatives or friends, rented or have purchased their own homes or apartments; however about 44% of IDPs still lived in state owned collective centers in poor socio-economic conditions in 2009 (UNHCR, 2009b). Up until 2007, the government of Georgia prioritized the return of IDPs as a strategy to claim back lost territories and did not develop any policy or strategy aimed at integration of IDPs (Kabachnik, Mitchneck and Regulska, 2015). Following the Rose revolution in 2007-2008, the official strategy has shifted towards local integration of IDPs: under the framework of IDP Action Plan the government has taken the initiative to create equal legal, political and socio-economic conditions for IDPs and refugees, including creating durable housing solutions for IDPs (Chelidze, 2013; Kabachnik, Mitchneck and Regulska, 2015). However, it has been argued that the government's Action Plan was limited to only providing housing and didn't promote IDP integration (Kabachnik, Mitchneck and Regulska, 2015). Not only the new housing were lacking major necessities such as drinking water and irrigation, they were situated far from the large cities where the employment opportunities were (Kurshitashvili, 2012). In addition, the long-time residents of the collective centers in cities were evicted to these new housing in remote rural areas with few or no employment opportunities and away from their established social networks (Kurshitashvili, 2012).

It has been reported that IDPs are overrepresented among the most vulnerable groups, such as those living beyond the poverty line in Georgia (UNHCR, 2009b). Unemployment rates are the highest among the IDPs living in collective centers (45%), followed by the IDPs living in private accommodations (31%), compared to 10-15% in the local population (Dershem et al., 2002). Forced migrants in Georgia have been ensured access to education and have been exempt from paying fees, which has assured enrollment at schools of all IDPs. However, it has been argued that enrolment is not equal to attendance, and that children from displaced families have lower attendance rates than those from non-displaced families, due to illness, lack of clothing, school materials and remoteness from

schools (Dershem et al., 2002). The health care system is available to most of forced migrants, however due to high cost, forced migrants are less likely to use health care services than non-migrant population (Dershem et al., 2002). IDPs in Georgia are entitled to some government benefits, including a monthly allowance for the registered IDPs, which prior to 2014 consisted of GEL 22 (USD 11.6) for those living in collective centers and GEL 28 (USD 14.7) for those living in private accommodation, as well as a one-time cash assistance for the newly displaced population, that applied to the IDPs from the 2008 conflict (GEL 200 per family) (UNHCR, 2009b; Rebosio Calderon, et al 2016). IDPs are also eligible to enroll in social assistance program for families under the poverty line, however, it has been reported that these benefits combined are inadequate and insufficient to cover basic needs (UNHCR, 2009b). Meanwhile, 2011-2013 data showed that monthly social allowances received by IDPs, particularly in urban areas, were higher compared to non-IDPs, due to the existence of the IDP benefit (Rebosio Calderon, et al 2016).

Although it has been suggested that both IDPs and the local population agree that the overall attitudes toward IDPs is neither hostile nor friendly (Dershem et al., 2002), some evidence shows that there have been confrontations between the newly resettled IDPs and the local population (Chelidze, 2013). In general, IDPs in collective centers are less integrated into the society, while IDPs in private accommodations are more likely to interact with the locals (Chelidze, 2013). It has also been shown that attitudes towards IDPs is less friendly in larger centers than in smaller ones (Dershem et al., 2002).

3. Data and descriptive statistics

Source and sample

We use unique data from the Caucasus Barometer (CB) survey, conducted by the Caucasus Research Resource Centers in Armenia, Azerbaijan and Georgia. Carried out since 2004 (until 2010, under the name of the Data Initiative survey), the source provides nationally representative comparable data on

important social, economic and political attitudes, behaviors and outcomes of individuals in the three countries. The survey methodology is based on multi-stage stratified clustered sampling (see CRRC 2008 for details). The CB has already been used in other published studies on the region (e.g. Habibov and Afandi 2011; Duncan and Mavisakalyan 2015; Antinyan 2016; Mavisakalyan and Meinecke 2016).

We use the 2011 wave of the survey, since it contains information on individual attitudes toward refugees in the three countries alongside detailed demographic and socio-economic background characteristics. Most importantly, the respondents were asked about the degree of their support for government assistance to refugees. The raw data comprises 6,133 individuals in total, of which 2,365 are from Armenia, 1,482 from Azerbaijan and 2,287 from Georgia. We restrict the sample to non-migrant population aged 21-65 (to exclude students and retirees; the results are robust to applying alternative age bracket definitions), and drop observations with missing data on key variables of interest. This results in sample sizes of 1,102 for Armenia, 900 for Azerbaijan and 849 for Georgia.

Variables and descriptive statistics

The definitions and descriptive statistics of all the variables by country are presented in Table 1. In 2011, CB elicited information on the individuals' support for government assistance to refugees/IDPs in the three countries (to reflect the nature of forced migration in the three countries, the questions were asked with reference to refugees in Armenia, refugees and IDPs in Azerbaijan, and IDPs in Georgia). Based on this information, we construct the main outcome variable of this study, *Increase assistance*, as a dummy variable coded as 1 if the respondent agrees that government assistance to refugees/IDPs should be increased and 0 otherwise. There are significant differences in *Increase assistance* across the three countries in the sample. The highest percent in favor of refugee support is observed in Georgia, where 73% of individuals think that IDP assistance needs to be increased. The share of those in favor of increased assistance is 39% in Armenia, compared to only 27% of those in Azerbaijan. The large

differences in the percent of those in favor for increased assistance to forced migrants in the three countries are surprising, considering that in all three of them refugees and IDPs are disproportionately represented among the very poor and the government benefits available to them are not sufficient. The lower support for increased refugee assistance in Armenia, compared to Georgia, may be associated with the overall high prevalence of poverty in the country, while in Azerbaijan it may be associated with overall negative attitudes towards refugees and IDPs in the country.

Our analysis on the determinants of support for government assistance to refugees/IDPs focuses on two variables. First, we use a dummy variable, *Refugees/IDPs disadvantaged*, that equals 1 if the respondent agrees that refugees/IDPs are disadvantaged due to their refugee/IDP status and 0 otherwise. Second, we consider the role of perceived integration of refugees/IDPs by including a dummy variable, *Refugees/IDPs integrated*, which equals 1 if the respondent agrees that refugees/IDPs feel part of society and 0 otherwise. The share of individuals thinking that refugees/IDPs are disadvantaged because of their status is the highest among Georgians (41%), followed by Armenians (28%) and Azerbaijanis (20%). Again, compared to Georgia, lower proportion of those considering refugees disadvantaged in Armenia could be explained by high prevalence of social disadvantage in the country, and in Azerbaijan – by the negative attitudes towards the refugees and IDPs. However, the distribution of population feeling that refugees/IDPs are part of the mainstream society is about the same, in the range of 78-81%, in all three countries.

Our analysis controls for basic demographic and socio-economic characteristics of individuals, such as: sex, age, household size and family status, education, employment and household income. The analysis is based on country sub-samples; we additionally include indicators for urban and rural residential localities.

Respondents in the three countries are rather similar in terms of their demographic characteristics. Both males and females are about equally represented. The distribution across age

cohorts is rather uniform (in Azerbaijan the youngest cohort is slightly over-represented). The majority of individuals in all three countries live in 3 or more member-households and are partnered (around 74%).

Turning to socio-economic characteristics of the respondents, just up to half are employed in all three countries. We observe significant cross-country differences in the levels of education and household income. Georgians are more educated on average: 45% of the respondents have 15 or more years of education, compared to only 24% in Armenia and 16% in Azerbaijan. Meanwhile, the level of household income is the highest in the Azerbaijani sample: about 41% of respondents report a monthly income of more than USD400, compared to 22% of those in Armenia and only 7% in Georgia. Actually, the 48% of Georgians report less than USD100 monthly household income, compared to 18% in Armenia and only 4% in Azerbaijan.

Only 20% of Georgian respondents come from rural areas in contrast to 33% in Armenia and 41% in Azerbaijan. This is perhaps consistent with the higher prevalence of more-educated individuals in the Georgian sample, since these are more likely to be found in urban areas. Indeed 52% of Georgian respondents are based in other urban areas, in addition to the 25% living in the capital city. This is in contrast with 34% of respondents in other urban areas in both Armenia and Azerbaijan.

----Table 1 here----

4. Empirical strategy

Baseline model

The aim of our econometric model is to test for the existence of an effect of perceived refugee disadvantage and integration on support for increased government assistance for refugees. The propensity for supporting increased refugee assistance Y_i^* for an individual i can be formally written as:

$$Y_i^* = X_i\beta + \delta RS_i + \varepsilon_i \quad \text{for all } i = 1, \dots, N. \quad (1)$$

where RS_i denotes the perceived refugee state (*Refugees disadvantaged/Refugees integrated*), X_i is a vector of controls for demographic, socio-economic and location characteristics and ε_i is a disturbance term. Our observed outcome measure, *Increase assistance*, is a binary variable and is assumed to relate to latent propensity through the criterion $Y_i = 1 (Y_i^* \geq 0)$. We therefore estimate the probability of expressed preference for increased assistance, Y_i as follows:

$$\Pr(Y_i = 1|X_i, RS_i) = \Phi(X_i\beta + \delta RS_i) \quad (2)$$

Marginal effects to facilitate the interpretation of the estimated model can be evaluated at the sample means (or for specified values of each explanatory variable), based on:

$$\frac{\partial \Pr(Y_i = 1|X_i, RS_i)}{\partial RS_i} = \delta\phi(X_i\beta + \delta RS_i) \quad (3)$$

Robustness tests

The estimates of the effect of *Refugees disadvantaged/Refugees integrated* on *Increase assistance* obtained based on equation (2) may be biased if there are unobserved differences across individuals that simultaneously contribute to evaluations of refugee state (*Refugees disadvantaged/Refugees*

integrated) as well as enhancing their propensity to support increased government assistance in favor of refugees. If, for example, those who report that refugees are disadvantaged would tend to opt for increased refugee assistance even if they did not think the refugees were disadvantaged, then our causal estimates may be spurious.

The standard way to deal with this issue of endogeneity is to use an exclusion restriction and estimate a bivariate probit model. However, the choice of instruments is often questionable, and in our case, we have not been able to find a persuasive instrument and did not want to rely on functional form assumptions for identification of causal effects (see Altonji et al. 2005a for a discussion of shortcomings of the bivariate probit model with weak or no instruments).

Instead we take two approaches to mitigate the effect of unobserved heterogeneity. First, we include additional variables that could be correlated with the unexplained component of *Increase assistance*. In addition to baseline controls, our first set of robustness checks includes controls for various values of the respondents, including whether they have sexist views and whether they are religious. Furthermore, to capture some sources of anti-immigrant sentiment, we control for the respondents' opinions on competition and fairness in the job market.

Acknowledging the fact that unobserved heterogeneity can never be fully accounted for, we implement a second robustness check following a strategy proposed by Altonji et al. (2005b). This strategy consists of using the amount of selection on the observables as a guide to the amount of selection on the unobservables.

Formally, Altonji et al. (2005b) demonstrate that the maximal amount of selection on unobservables corresponding to the worst case scenario of $\delta = 0$ can be estimated as:

$$\hat{S}_{uo}^{max} = \hat{\pi}^{-1} \hat{\delta} \tag{4}$$

where $\hat{\delta}$ is the estimate of δ in equation (2), and

$$\pi = \frac{Var[RS_i]}{Var[\widetilde{RS}_i]} \quad (5)$$

where \widetilde{RS}_i is the residual in the regression of RS_i on X_i .

Similarly, under the hypothesis that $\delta = 0$, coefficients in equation (2) can be consistently estimated and used to estimate the selection on the observables as follows:

$$\hat{S}_o = \frac{E[X_i'\beta|RS_i = 1] - E[X_i'\beta|RS_i = 0]}{var[X_i'\beta]} \quad (6)$$

The static proposed by Altonji et al. (2005b) is given by the ratio of the estimate of \hat{S}_{uo}^{max} to \hat{S}_o and tells the relative magnitude of the role of unobservables to observables to purge the probit estimate in equation (2) of any causal interpretation. We compute this selection ratio for the models with baseline and additional sets of controls.

5. Estimation results

Baseline results

Tables 2-4 present the results of probit analyses for probability of supporting increased government assistance to refugees based on equation (2) by country. Models (1) and (2) for each country present the marginal effects, calculated based on equation (3), for the parsimonious and the baseline specifications where *Refugees disadvantaged* is the main predictor. In models (3) and (4) *Refugees integrated* is the

main predictor instead. Finally, model (5) reports marginal effects for the baseline specification where *Refugees disadvantaged* and *Refugees integrated* are included jointly.

Considering models (1)-(2), we find that those who think refugees are disadvantaged are more likely to support increasing assistance in their favor. This effect is highly significant in all three countries. In the baseline specifications, the marginal effect of *Refugees disadvantaged* ranges from 19.4 percentage points in Georgia to 33.2 percentage points in Armenia.

The results on the association between the respondent's perception on whether the refugees feel part of the mainstream society and their willingness to increase assistance targeted to their needs are more mixed. In Armenia, we estimate a positive marginal effect of 14 percentage points on *Refugees integrated* in the baseline specification. Conversely, in Georgia the marginal effect on this variable, while significant, is negative with a marginal effect of 10.5 percentage points. No significant effect of this variable on people's preferences over refugee assistance is found in Azerbaijan. When *Refugees disadvantaged* and *Refugees integrated* are included jointly as predictors of *Increase assistance* in model (5), the estimated signs and significance of these predictors remain unchanged.²

The baseline models include demographic determinants of preferences for redistribution. Among these, we find that being a male is positively associated with *Increase assistance* in Azerbaijan. In Armenia and Georgia, the estimated marginal effect is positive albeit marginally significant or insignificant. In all three countries there is some evidence that those in certain younger age categories are less willing to increase refugee assistance relative to those aged 55 and above. Family structures are significant determinants of *Increase assistance* in Georgia but not in the other two countries. We find that having a partner in Georgia is positively associated with people's support for increased refugee assistance, while having a larger size household or children is negatively associated with it.

² We tested an extension of model (5) where an interaction of *Refugees disadvantaged* and *Refugees integrated* was additionally included. The estimates on the interaction term were insignificant throughout (available on request).

Turning to socio-economic determinants of *Increase assistance*, we find that an increase in the years of education is associated with an increase in the respondents' support for increased refugee assistance in Azerbaijan. No significant effect of education in Armenia and Georgia is found. Interestingly, those who are employed are more likely to opt for increased refugee assistance in Armenia, however less likely to do so in Azerbaijan. The estimated marginal effect on employment status is insignificant in Georgia. There is some evidence of negative effect of income on *Increase assistance* in Armenia and Georgia. In particular, those whose monthly income is in the range of USD 251-400 are less willing to support increased refugee assistance relative to those whose monthly income exceeds USD 400.

Finally, we document some effect of location on *Increase assistance*. In Armenia, those living in rural and small urban localities are less likely to support increased assistance to refugees compared to capital city residents. Similarly, we estimate a negative, albeit marginally significant, marginal effect on *Rural* in Georgia. One's location does not appear to be a significant predictor of *Increase assistance* in Azerbaijan.

----Table 2 here----

----Table 3 here----

----Table 4 here----

Robustness tests results

A key concern with the results is the possible bias in the estimates of *Refugees disadvantaged/Refugees integrated*. We exploit two strategies to address this concern. First, we include additional variables that could be plausibly correlated with *Refugees disadvantaged/Refugees integrated* as well as *Increase assistance*. We consider several possibilities. First, we make an attempt to capture values of the

respondents that are either directly or indirectly correlated with the unobserved component of the probability to support increased assistance to refugees. As such, we augment equation (2) with additional controls for holding sexist views and being religious. *Sexist* is a dummy variable that takes 1 if the respondent says they would not vote for a woman candidate in presidential elections and 0 otherwise. *Religious* is a dummy variable that takes 1 if religion is ‘very important’ in the respondent’s daily life and 0 otherwise. Furthermore, we attempt to capture some sources of anti-immigrant sentiment more directly, by including controls for the respondents’ opinions on competition and fairness in the job market. We define *Anti-competition* as a dummy variable that takes 1 if the respondent is inclined to think that ‘Competition is harmful. It brings out the worst in people’ (technically, this captures ratings 8 and above on a 10-point scale) and 0 if the respondent is disposed more positively towards competition. *Thinks job market is fair* is a dummy that takes 1 if the respondent thinks that factors relevant for productivity (education, hard work, talent, professional abilities, work experience) are the most important for getting a good job, and 0 if they think that it is other factors (age, appearance, connections, luck, doing favor for the ‘right’ people) instead, that are important.

The results of this exercise are presented in Table 5. Models (2) for each country present the marginal effects for models with comprehensive (baseline as well as the additional) list of controls where *Refugees disadvantaged* is the main predictor. For ease of comparisons, models (1) replicate the corresponding baseline sets of results where additional controls are excluded (these are identical to the results presented in columns 2 of Tables 2-4). Similarly, models (4) in Table 5 provide the marginal effects for models with comprehensive lists of controls where *Refugees integrated* is the main predictor whereas models (3) present the corresponding baseline sets of results.

The comparison of estimates in models (1) with those in models (2) with additional controls shows that the marginal effects on *Refugees disadvantaged* are remarkably stable. The significance levels remain unchanged; moreover the magnitudes for Armenia and Azerbaijan are larger. Similarly, inclusion of additional controls does not significantly alter the estimates on *Refugees integrated* in

models (4) relative to models (3). Some of the additional controls are significant predictors of *Increase assistance*. We find that those holding sexist attitudes are less likely to support increased assistance to refugees in Azerbaijan. The estimated signs on *Sexist* are also negative in Armenia and Georgia albeit with only marginal or no statistical significance. Religiosity, on the other hand, is positively and statistically significantly related to the probability to support increased assistance to refugees in Azerbaijan but not in Armenia and Georgia. Those with anti-competition views are less likely to support increased assistance to refugees in Armenia but not in Azerbaijan and Georgia. What matters in Georgia instead is the respondent's judgment on the fairness in the job market. *Thinks job market is fair* is negatively correlated with the probability of supporting increased assistance to refugees. This variable is insignificant in the regressions based on Armenian and Azerbaijani samples.

----Table 5 here----

As a second strategy to test the robustness of the results to the problem of unobserved heterogeneity, we evaluate how strong the selection on unobservables needs to be relative the selection on observables, in order to invalidate any effect of *Refugees disadvantaged/Refugees integrated*. To that end, we compute the selection ratios proposed by Altonji et al. (2005b) based on equations (4)-(6). We evaluate these ratios for models with baseline as well as extensive (baseline and additional) sets of controls. The results of this exercise are presented in Table 6.

First we consider models (1) and (2) where *Refugees disadvantaged* is the main predictor. The selection ratio of 1.581 for Armenia means that the maximum amount of selection on unobservables would have to be 1.581 times as large as the amount of selection on observables to explain away the entire effect of *Refugees disadvantaged*. Performing similar calculations for the comprehensive specification leads to a selection ratio of 1.946. We obtain higher selection ratios in the samples of

Azerbaijan and Georgia. Based on the comprehensive specification, the maximum amount of selection on unobservables would have to be 3.956 times as large as the amount of selection on observables to cancel out the effect of *Refugees disadvantaged* in Azerbaijan. Moreover, it would have to be 4.499 times as large to cancel out the effect in Georgia. This appears unlikely. For comparison, in the paper assessing the effectiveness of Catholic schools, Altonji et al. (2005b) report ‘highly unlikely’ selection ratios of 1.43 for college attendance and 3.55 for high school graduation. Our results are somewhat comparable. We therefore conclude that at least part of the estimated effect of *Refugees disadvantaged*, especially in Azerbaijan and Georgia, is probably real.

Turning to models (3) and (4) where *Refugees integrated* is the main predictor, we estimate selection ratios of 0.529 for Armenia, -0.535 for Azerbaijan and -1.997 for Georgia based on comprehensive specifications including baseline and additional sets of controls. These selection ratios imply that only a small level of selection on unobservables might be sufficient to cancel out the effect of *Refugees integrated* in Armenia and Azerbaijan. We therefore conclude that *Refugees integrated* is significantly but not causally associated with the probability to support increased refugee assistance in Armenia due to unobserved factors. It probably has little effect on the probability to support increased refugee assistance in Azerbaijan. However, based on the statistics of -1.997 obtained based on the comprehensive specification, there may be scope for some such effect in Georgia.

----Table 6 here----

6. Discussion and conclusion

Considerable research has focused on understanding individual preferences for welfare redistribution, including in the context of immigration and ethnic diversity. There has also been extensive literature studying the attitudes towards migrants and refugees. However, little is known about the associations between the attitudes towards refugees/IDPs and individual support for increased

government support to these groups. Meanwhile, it has been indicated that research on the attitudes toward welfare support in the context of immigration must focus on the subjective perceptions of migrants and their integration rather than on objective measures such as size or ethnic composition of migrant population (Schmidt-Catran, 2016).

With the unprecedented rise in the number of forced migrants globally in the recent years, it is increasingly more important for their successful integration into the host societies to understand the complex interplay between the natives' attitudes towards forced migrants and their support for government assistance. This is particularly relevant in the developing countries that lack adequate resources but host the largest share of refugees globally. Nevertheless, most of the research on welfare support and attitudes towards migrants and refugees has focused on developed countries. This paper makes a significant contribution to the gap in research by studying the effects of individual perceptions of refugee/IDP disadvantage and of refugee/IDP integration on individual preferences for increased government assistance to forced migrants in three developing countries – Armenia, Azerbaijan and Georgia.

We found that perceptions of refugee/IDP disadvantage were significantly associated with support for refugee/IDP assistance in all three countries. Agreement with the perceived disadvantaged status of refugees/IDPs significantly increased support for additional government assistance to forced migrants. This finding adds to the existing evidence from developed countries showing that preferences for welfare support are shaped by the personal values and beliefs, such as perceptions of fairness of social competition, causes of inequality and altruism (e.g. Costa-Font and Cowell 2015; Danielle and Geys 2015). It also shows that non-economic factors are important in determining support for refugee assistance even in the settings with limited economic resources. Our robustness tests indicate that at least part of the observed relationship between perceived refugee disadvantage and support for government assistance is likely to be causal.

Our findings provide mixed evidence on the link between subjective perceptions of refugee/IDP integration and support for increased assistance. In Armenia, where the refugee population in 2010 was comprised of about 3000 ethnic Armenians, making only 0.1 percent of total population, perceived integration was positively correlated with the probability of natives' support for increased government assistance. However, as our robustness checks indicate, this correlation is likely to be driven by unobserved confounders, and therefore cannot be given a causal interpretation. It is likely that in Armenia refugee integration is perceived as cultural, rather than socio-economic integration, and refugees are perceived as of similar ethnic-cultural background. Previous studies have shown that preferences for welfare support may strongly be affected by group loyalty or social identification (Alesina et al 2001; Luttmer 2001; Costa-Font and Cowell 2015; Breznau and Eger 2016), which may explain the positive associations between perceived refugee integration and support for increased government assistance.

In Azerbaijan, forced migrants include mainly IDPs and to a much lesser degree refugees of mostly Azeri and other ethnic origins, making about 7 percent of the total population. Here we found no significant effect of perceived integration on support for increased government assistance. Bay and Pedersen (2006) have previously argued that attitudes towards welfare support are highly dependent on the attitudes towards the group receiving the welfare. It is possible that the associations between natives' subjective perceptions of forced migrants' integration and their support for refugee/IDP assistance in Azerbaijan is positive for some refugee/IDP groups and negative for others, depending on their ethnicity and/or their socioeconomic and legal status in the country, resulting in a lack of statistical effect.

Meanwhile in Georgia, where IDPs of mainly Georgian origin comprise over 9 percent of the total population, we found significant negative association between perceived IDP integration and individual support for increased IDP assistance. Previous evidence showed that better integrated IDPs

in Georgia lived in private accommodations in urban areas where the unemployment rates were lower than for those living in public spaces. Moreover, IDPs in urban areas received almost double the amount of social assistance compared to non-IDPs (Rebosio Calderon, et al 2016). Therefore, IDP integration in the Georgian context is likely to be perceived as lack of disadvantage, reducing support for increased IDP assistance.

Previous research has shown that country context is an important factor when determining the associations between ethnic diversity and welfare support, or the attitudes towards refugees (O'Rourke and Sinnot 2006; Steele 2016). Our findings support the evidence indicating the important role of the country context in determining individual support for refugee/IDP assistance. We find that the effect of perceived refugee/IDP integration on support for increased government assistance vary from country to country and may depend on a range factors, including the size of refugee/IDP population, their ethnic composition, legal and socio-economic status in the host country, as well as the country's economic standing. Previous studies have also established that attitudes towards refugees are considerably different from attitudes towards other types of immigrants (O'Rourke and Sinnot, 2006); however, whether or not there are differences in the attitudes towards refugees and IDPs has not been studied. It is likely that some of the differences in the associations between perceived integration of forced migrants and individual support for increased government assistance observed in our study were due to the composition of refugee and IDP population in each country. More research is needed for better understanding of these differences.

Some limitations apply to our study. We were not able to differentiate in the individual attitudes towards refugees/IDPs to which specific groups they referred, which limits our ability to draw specific implications for each country based on our findings. The findings from our study for the context of current refugee crisis should be interpreted with caution: we studied the link between attitudes toward forced migrants and support for government assistance in countries where the refugee/IDP crises has

settled down, and the native population has had time to gain understanding and deal with the issues of forced migrants, meanwhile with the current refugee crisis, native populations in different countries haven't had this opportunity yet. Despite these limitations, our study makes a significant contribution to the knowledge gap on the associations between attitudes towards refugees/IDPs and support for government refugee assistance in economically less developed countries. Further research would benefit from more detailed analysis of individual attitudes toward refugees/IDPs taking into consideration the distinct characteristics of subgroups of refugees/IDPs in the host countries.

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Table 1. Descriptive statistics: sample means and standard deviations of all variables

Variable	Definition	Mean (SD)		
		Armenia	Azerbaijan	Georgia
Increase assistance	0-1 binary variable; equals 1 if respondent agrees that government assistance to refugees/IDPs should be increased	0.39 (0.49)	0.27 (0.44)	0.73 (0.44)
Refugees/IDPs disadvantaged	0-1 binary variable; equals 1 if respondent agrees that refugees/IDPs are disadvantaged due to their refugee/IDP status	0.28 (0.45)	0.20 (0.40)	0.41 (0.49)
Refugees/IDPs integrated	0-1 binary variable; equals 1 if respondent agrees that refugees/IDPs feel part of society	0.81 (0.39)	0.79 (0.41)	0.78 (0.42)
Male	0-1 binary variable; equals 1 if respondent is a male	0.48 (0.50)	0.51 (0.50)	0.48 (0.50)
Age 21-25	0-1 binary variable; equals 1 if respondent is between 21 and 25 years old	0.13 (0.34)	0.20 (0.40)	0.10 (0.31)
Age 26-30	0-1 binary variable; equals 1 if respondent is between 26 and 30 years old	0.15 (0.36)	0.18 (0.38)	0.15 (0.36)
Age 31-35	0-1 binary variable; equals 1 if respondent is between 31 and 35 years old	0.13 (0.34)	0.11 (0.31)	0.11 (0.31)
Age 36-40	0-1 binary variable; equals 1 if respondent is between 36 and 40 years old	0.10 (0.31)	0.09 (0.28)	0.11 (0.32)
Age 41-45	0-1 binary variable; equals 1 if respondent is between 41 and 45 years old	0.09 (0.29)	0.09 (0.29)	0.12 (0.32)
Age 46-50	0-1 binary variable; equals 1 if respondent is between 46 and 50 years old	0.13 (0.33)	0.14 (0.35)	0.11 (0.32)
Age 51-55	0-1 binary variable; equals 1 if respondent is between 51 and 55 years old	0.14 (0.34)	0.08 (0.28)	0.12 (0.32)
Age >=56	0-1 binary variable; equals 1 if respondent is over 56 years old	0.13 (0.33)	0.11 (0.31)	0.17 (0.38)
HH size 1 -2	0-1 binary variable; equals 1 for 1-2 person household	0.10 (0.30)	0.08 (0.27)	0.12 (0.33)
HH size 3-4	0-1 binary variable; equals 1 for 3-4 person household	0.40 (0.49)	0.40 (0.49)	0.47 (0.50)
HH size 5+	0-1 binary variable; equals 1 for 5 or more person household	0.50 (0.50)	0.52 (0.50)	0.41 (0.49)
Partnered	0-1 binary variable; equals 1 if respondent has a partner	0.74 (0.44)	0.73 (0.44)	0.74 (0.44)
Children	0-1 binary variable; equals 1 if children are present in the household	0.62 (0.48)	0.61 (0.49)	0.57 (0.50)
Educ <=10	0-1 binary variable; equals 1 if respondent has 10 years of education or less	0.36 (0.48)	0.40 (0.49)	0.14 (0.35)
Educ 11-14	0-1 binary variable; equals 1 if respondent has 11-14 years of education	0.40 (0.49)	0.45 (0.50)	0.41 (0.49)
Educ >=15	0-1 binary variable; equals 1 if respondent has 15 years of education or more	0.24 (0.43)	0.16 (0.37)	0.45 (0.50)
Employed	0-1 binary variable; equals 1 if respondent has a job	0.47 (0.50)	0.45 (0.50)	0.50 (0.50)
HH income <=100	0-1 binary variable; equals 1 if household monthly income is under USD 100	0.18 (0.38)	0.04 (0.20)	0.48 (0.50)
HH income 101-250	0-1 binary variable; equals 1 if household monthly income is between USD 101-250	0.32 (0.47)	0.22 (0.42)	0.31 (0.46)
HH income >250	0-1 binary variable; equals 1 if household monthly income is between USD >250	0.29 (0.45)	0.33 (0.47)	0.14 (0.35)

251-400	251-400			
HH income>=401	0-1 binary variable; equals 1 if household monthly income is more than USD 401	0.22 (0.41)	0.41 (0.49)	0.07 (0.25)
Capital	0-1 binary variable; equals 1 if respondent lives in capital city	0.33 (0.47)	0.25 (0.43)	0.25 (0.44)
Other urban	0-1 binary variable; equals 1 if respondent lives in urban area	0.34 (0.47)	0.34 (0.47)	0.52 (0.50)
Rural	0-1 binary variable; equals 1 if respondent lives in rural area	0.33 (0.47)	0.41 (0.49)	0.22 (0.42)
N		1102	900	849

Notes – Means are representative of the population. Standard deviations in parenthesis.

Table 2. Probit marginal effects - Armenia

Variable	Marginal effect (SE)				
	(1)	(2)	(3)	(4)	(5)
Refugees disadvantaged	0.314*** (0.037)	0.332*** (0.041)			0.309*** (0.040)
Refugees integrated			0.164*** (0.042)	0.140*** (0.045)	0.121*** (0.042)
Male		0.004 (0.035)		0.033 (0.032)	0.007 (0.029)
Age 21-25		-0.086 (0.058)		-0.048 (0.051)	-0.057 (0.047)
Age 26-30		-0.051 (0.064)		-0.059 (0.057)	-0.036 (0.053)
Age 31-35		0.077 (0.058)		0.050 (0.054)	0.075 (0.050)
Age 36-40		-0.032 (0.057)		-0.026 (0.051)	-0.007 (0.049)
Age 41-45		-0.108* (0.056)		-0.088* (0.048)	-0.087** (0.044)
Age 46-50		-0.120** (0.050)		-0.088* (0.048)	-0.090** (0.041)
Age 51-55		-0.054 (0.057)		-0.066 (0.050)	-0.049 (0.046)
HH size 1 -2		0.037 (0.057)		0.061 (0.054)	0.034 (0.049)
HH size 3-4		0.006 (0.035)		0.014 (0.033)	0.005 (0.029)
Partnered		-0.052 (0.037)		-0.056 (0.036)	-0.044 (0.032)
Children		-0.014 (0.038)		0.016 (0.033)	-0.008 (0.031)
Educ <=10		0.011 (0.049)		-0.024 (0.045)	0.011 (0.040)
Educ 11-14		0.006 (0.044)		-0.014 (0.042)	0.007 (0.036)
Employed		0.061* (0.036)		0.076** (0.035)	0.054* (0.030)
HH income <=100		-0.051 (0.064)		-0.019 (0.058)	-0.022 (0.053)
HH income 101-250		-0.071 (0.056)		-0.046 (0.051)	-0.046 (0.046)
HH income 251-400		-0.080* (0.048)		-0.057 (0.045)	-0.058 (0.040)

Other urban	-0.158***	-0.150***	-0.128***
	(0.051)	(0.047)	(0.042)
Rural	-0.166***	-0.156***	-0.138***
	(0.052)	(0.047)	(0.045)

Pseudo R-squared	0.120	0.227	0.028	0.116	0.242
N	1243	1110	1371	1218	1102

Notes: Baseline variables are defined in Table 1. Dependent variable is ‘Increase assistance’. Marginal effects for a discrete change of a variable from 0 to 1 for a person with ‘Refugees disadvantaged’=0 (‘Refugees integrated’=0); controls are fixed at sample means. *Denotes significance at 10 percent; **at 5 percent; ***at 1 percent levels

Table 3. Probit marginal effects - Azerbaijan

Variable	Marginal effect (SE)				
	(1)	(2)	(3)	(4)	(5)
Refugees/IDPs disadvantaged	0.252*** (0.073)	0.274*** (0.070)			0.269*** (0.068)
Refugees/IDPs integrated			-0.012 (0.051)	0.000 (0.054)	-0.000 (0.050)
Male		0.083** (0.036)		0.085** (0.041)	0.080** (0.038)
Age 21-25		-0.122* (0.069)		-0.133* (0.073)	-0.125* (0.069)
Age 26-30		-0.099 (0.075)		-0.110 (0.080)	-0.103 (0.076)
Age 31-35		-0.127* (0.071)		-0.126 (0.080)	-0.130* (0.074)
Age 36-40		-0.098 (0.078)		-0.098 (0.087)	-0.100 (0.080)
Age 41-45		0.028 (0.088)		0.005 (0.092)	0.006 (0.088)
Age 46-50		-0.016 (0.072)		-0.029 (0.076)	-0.019 (0.074)
Age 51-55		-0.103 (0.066)		-0.103 (0.071)	-0.106 (0.068)
HH size 1 -2		0.075 (0.069)		0.033 (0.073)	0.079 (0.071)
HH size 3-4		0.017 (0.033)		0.017 (0.039)	0.024 (0.033)
Partnered		-0.023 (0.043)		-0.018 (0.050)	-0.022 (0.043)
Children		0.008 (0.042)		-0.010 (0.050)	0.008 (0.043)
Educ <=10		-0.237*** (0.073)		-0.224*** (0.077)	-0.241*** (0.076)
Educ 11-14		-0.190*** (0.069)		-0.186*** (0.071)	-0.198*** (0.073)
Employed		-0.061* (0.036)		-0.058 (0.040)	-0.063* (0.036)
HH income <=100		-0.091 (0.064)		-0.083 (0.081)	-0.085 (0.064)
HH income 101-250		-0.051 (0.058)		-0.055 (0.067)	-0.044 (0.058)
HH income 251-400		0.073 (0.050)		0.065 (0.058)	0.079 (0.051)

Other urban	-0.053			-0.062	-0.050
	(0.069)			(0.083)	(0.071)
Rural	-0.009			-0.033	-0.007
	(0.080)			(0.096)	(0.081)

Pseudo R-squared	0.078	0.195	0.000	0.099	0.192
N	944	908	952	913	900

Notes: Baseline variables are defined in Table 1. Dependent variable is ‘Increase assistance’. Marginal effects for a discrete change of a variable from 0 to 1 for a person with ‘Refugees disadvantaged’=0 (‘Refugees integrated’=0); controls are fixed at sample means. *Denotes significance at 10 percent; **at 5 percent; ***at 1 percent levels

Table 4. Probit marginal effects – Georgia

Variable	Marginal effect (SE)				
	(1)	(2)	(3)	(4)	(5)
IDPs disadvantaged	0.165*** (0.053)	0.194*** (0.059)			0.147*** (0.052)
IDPs integrated			-0.140*** (0.041)	-0.105** (0.045)	-0.133** (0.054)
Male		0.044 (0.047)		0.057* (0.032)	0.067* (0.040)
Age 21-25		-0.036 (0.115)		-0.006 (0.073)	-0.002 (0.092)
Age 26-30		-0.084 (0.093)		-0.059 (0.061)	-0.069 (0.074)
Age 31-35		-0.078 (0.085)		-0.037 (0.061)	-0.054 (0.074)
Age 36-40		-0.116 (0.079)		-0.115* (0.062)	-0.112* (0.065)
Age 41-45		-0.056 (0.079)		-0.048 (0.058)	-0.064 (0.068)
Age 46-50		0.025 (0.086)		-0.001 (0.051)	0.040 (0.070)
Age 51-55		-0.094 (0.097)		-0.010 (0.063)	-0.026 (0.079)
HH size 1 -2		-0.148* (0.076)		-0.133** (0.057)	-0.146** (0.067)
HH size 3-4		-0.093* (0.050)		-0.086*** (0.028)	-0.080** (0.041)
Partnered		0.104** (0.046)		0.058* (0.034)	0.080* (0.041)
Children		-0.132*** (0.050)		-0.091*** (0.029)	-0.111*** (0.041)
Educ <=10		-0.069 (0.072)		-0.035 (0.052)	-0.053 (0.066)
Educ 11-14		-0.011 (0.047)		0.004 (0.031)	-0.008 (0.042)
Employed		-0.054 (0.060)		-0.054 (0.038)	-0.075 (0.046)
HH income <=100		-0.153 (0.100)		-0.079 (0.067)	-0.103 (0.079)
HH income 101-250		-0.125 (0.087)		-0.062 (0.058)	-0.094 (0.068)
HH income 251-400		-0.198** (0.095)		-0.117* (0.068)	-0.138* (0.075)

Other urban	-0.096 (0.084)	-0.081 (0.050)	-0.067 (0.068)
Rural	-0.160* (0.089)	-0.077 (0.064)	-0.111 (0.079)

Pseudo R-squared	0.064	0.182	0.041	0.124	0.211
N	1038	892	1014	866	849

Notes: Baseline variables are defined in Table 1. Dependent variable is ‘Increase assistance’. Marginal effects for a discrete change of a variable from 0 to 1 for a person with ‘Refugees disadvantaged’=0 (‘Refugees integrated’=0); controls are fixed at sample means. *Denotes significance at 10 percent; **at 5 percent; ***at 1 percent levels

Table 5. Probit with additional controls - marginal effects

Variable	Marginal effect (SE)			
	Armenia			
	(1)	(2)	(3)	(4)
Refugees disadvantaged	0.332*** (0.041)	0.354*** (0.043)		
Refugees integrated			0.140*** (0.045)	0.096** (0.048)
Sexist		-0.062* (0.035)		-0.035 (0.037)
Religious		-0.009 (0.033)		-0.017 (0.033)
Anti-competition		-0.110*** (0.040)		-0.121*** (0.043)
Thinks job market is fair		0.026 (0.030)		0.037 (0.031)
Baseline controls	Yes	Yes	Yes	Yes
Pseudo R-squared	0.227	0.291	0.116	0.165
N	1110.000	952	1218.000	1038
	Azerbaijan			
	(1)	(2)	(3)	(4)
Refugees/IDPs disadvantaged	0.274*** (0.070)	0.292*** (0.069)		
Refugees/IDPs integrated			0.000 (0.054)	-0.034 (0.059)
Sexist		-0.110*** (0.039)		-0.131** (0.051)
Religious		0.145** (0.060)		0.163** (0.068)
Anti-competition		0.049 (0.049)		0.086 (0.053)
Thinks job market is fair		0.051 (0.046)		0.044 (0.055)
Baseline controls	Yes	Yes	Yes	Yes
Pseudo R-squared	0.195	0.270	0.099	0.181
N	908.000	746	913.000	748
	Georgia			
	(1)	(2)	(3)	(4)
IDPs disadvantaged	0.194*** (0.059)	0.156** (0.062)		
IDPs integrated			-0.105** (0.045)	-0.152*** (0.042)

Sexist		-0.025 (0.067)		-0.030 (0.043)
Religious		0.054 (0.059)		0.030 (0.035)
Anti-competition		0.097 (0.116)		0.066 (0.054)
Thinks job market is fair		-0.134** (0.056)		-0.070** (0.035)
Baseline controls	Yes	Yes	Yes	Yes
Pseudo R-squared	0.182	0.218	0.124	0.202
N	892.000	720	866.000	707

Notes: Baseline variables are defined in Table 1. Additional variables are defined in the text (section 6.2). Dependent variable is ‘Increase assistance’. Marginal effects for a discrete change of a variable from 0 to 1 for a person with ‘Refugees disadvantaged’=0 (‘Refugees integrated’=0); controls are fixed at sample means. *Denotes significance at 10 percent; **at 5 percent; ***at 1 percent levels.

Table 6. Selection on unobservables relative to selection on observables

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

Notes: Selection ratio measures how large the amount of selection on unobservables would need to be relative to the amount of selection on observables in order to explain away the entire causal effect of ‘Refugees/IDPs disadvantaged’/‘Refugees/IDPs integrated’ and is calculated based on equations (4)-(6).