

Does perceived labor market competition increase prejudice between refugees and their local hosts? Evidence from Uganda and Ethiopia

Extended Abstract

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Motivation

The social integration of refugees into their adjacent host communities is important for improving refugee outcomes (Becker et al., 2020; De Vroome and van Tubergen, 2010; Fielden, 2008; Maystadt, 2019) and reducing conflict and division in society. But prejudicial attitudes between refugees and the local population can serve as a barrier to the social inclusion of refugees. The goal of our study is to understand whether labor market competition is an obstacle to social integration for refugees. In many contexts, refugees are perceived as job competitors who can undercut locals with lower reservation wages, resulting in lower pay or unemployment for hosts. Could these beliefs negatively influence hosts' willingness to accept refugees as coworkers, neighbors, and members of their communities and could perceived labor market competition increase prejudicial attitudes of the refugee population towards the local hosts?

Empirical strategy

We developed a survey experiment that we added to a World Bank survey of refugees and host community members. The World Bank conducted this survey in Ethiopia and Uganda and sampled refugees and host community members in urban setting and within/ close to refugee settlements. The full sample includes approximately 8,000 respondents, 4,000 refugees and 4,000 hosts evenly split between the two countries and contexts (urban/camp), and includes men and women aged 18-65. Survey collection began in 01/2022 and will be completed in 06/2022.

Our experiment uses information from the survey about the respondent's primary occupation and their status as a refugee or national. Respondents are assigned a narrative about a fictional character who is looking for a job. We randomly vary some key information in the narrative.

Respondents are assigned to one of four treatment arms:

- T1: fictional character is in **same occupation** as the respondent and is a member of their **in-group** (ex: a Ugandan respondent gets a narrative about another native Ugandan)
- T2: fictional character is in a **different occupation** as the respondent and is a member of their **in-group**
- T3: fictional character is in **same occupation** as the respondent and is a member of their **out-group** (ex: a Ugandan respondent gets a narrative about a refugee living in Uganda)
- T4: fictional character is in a **different occupation** as the respondent and is a member of their **out-group**

We include our narrative vignette in Appendix A1. Respondents then answer a series of questions about the character in the narrative (Appendix A2). We will transform this battery of Likert-scale questions into a social inclusion index. After the narrative priming, respondents are also asked a series of questions about their attitudes towards out-group members more generally (Appendix A3). We will likewise use questions from this module to construct an index.

Our identification strategy rests on the assumption that the narrative will bring forward already-held beliefs about out-group members. This is especially the case when evaluating how the experiment impacts respondent's responses to the questions about the fictional character. Our study of the narrative's impact on the respondent's self-reported perceptions on the broader out-group is more exploratory, to see if calling already-held beliefs to the forefront of one's thinking results in a marginal difference in attitudes about the entire out-group.

To study attitudes towards the fictional character, we will estimate the following:

$$y_i = \alpha_0 + \alpha_1 OutGroup_i + \alpha_2 SameOcc_i + \alpha_3 (OutGroup_i \times SameOcc_i) + X_i' \gamma + u_i$$

Where y_i is a social inclusion index constructed using questions about the fictional character (Appendix A2), $SameOcc_i$ is a binary variable equal to 1 if respondent i is randomly assigned to T1 or T3, and $OutGroup_i$ is a binary variable equal to 1 if the respondent is randomly assigned to T3 or T4. We will estimate this regression for the entire group and for refugees and hosts separately.

Based on the 2x2 experimental treatment matrix, we are able to test three separate hypothesis:

H1: Individuals discriminate against members of the out-group, compared to members of the in-group. Our coefficient of interest is α_3 , which tells us whether respondents have more negative attitudes towards the fictitious character, when it belongs to the out-group (compared to the in-group).

H2: Preconceived notions of labor market competition may have adverse effects on the perception of the other. The coefficient of interest is α_1 , testing whether respondents reveal higher prejudicial feelings when the fictitious character shares the same job (compared to a randomly chosen, different occupation).

H3: Discrimination against members of the out-group is more pronounced when preconceived notions of labor market competition are strong. We hypothesize that discrimination against the out-group is not happening in a universal way, but depends on the perceived threat of labor market competition arising from this group. Our coefficient of interest is α_3 , which tells us whether respondents have more negative attitudes towards those in their out-group who are also in their occupation.

We use a reduced form of the equation above conducted exclusively on respondents assigned to out-group member narratives to study perceived competition and broader out-group attitudes:

$$y_i = \alpha_0 + \alpha_1 SameOcc_i + X_i' \gamma + u_i$$

In this case, the outcome variable is a social inclusion index based on the respondent's self-reported attitudes about the out-group more broadly (listed in Appendix A3). We will estimate this using all respondents assigned to an out-group member.

Our experiment is registered with the AEA's RCT registry, where we also submitted a pre-analysis plan. Data collection for the project will be completed in June 2022, giving us sufficient time to perform our analysis and draft our results before the workshop in November 2022.

Works cited

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Appendix

Appendix A1: The Narrative Vignette

The narratives (example for Uganda - symmetrically for Ethiopia) take the following form:

“[AIDA/ROBERT] is a [GROUP G: Ugandan/ refugee living in Uganda]. [She/He] (has lived in Uganda [her/his] entire life and) moved to [Isingiro district/ Kampala] five years ago. [She/He] has been working as a [OCCUPATION O: Same occupation as respondent/ different occupation] for a long time so [she/he] has a lot of experience in [her/ his] occupation. [She/He] also speaks many Ugandan local languages and English very well. [She/He] enjoys working in this profession and would recommend [her/his] friends to work in the same sector. But while being a [OCCUPATION O: Same occupation as respondent/ different occupation] fulfills [her/him], [she/he] is sometimes very tired after work. Due to difficult circumstances, [she/he] has to change jobs while keeping her/his current profession. So far, she/he has struggled finding a job.”

Appendix A2: Questions about the fictional character in the vignette

To create the outcome variable for Regression 1, we will construct an index of respondent attitudes towards the fictional character (i.e. a prejudice index) based on the following six questions, all measured as agree-disagree on a 5-point Likert scale:

1. I would feel comfortable when interacting with Aida/Robert
2. I would get along with Aida/Robert
3. I am comfortable if ... someone like Aida/Robert lives close to me
4. I am comfortable if ... someone like Aida/Robert marries a family member
5. Someone like Aida/Robert can work with me
6. Someone like Aida/Robert can become my supervisor

In a subsequent step, we will disentangle this prejudice index by focusing on three separate dimensions of interactions: The mean of questions 1 and 2 yields the degree of prejudice in the area of social interactions. The mean of questions 3 and 4 measures the level of prejudice in the area of private interactions. The mean of questions 5 and 6 provides a measure for work-related prejudice.

Appendix A3: Questions about the broader out-group

The outcome variable for Regression 2 is an index constructed from the following questions about attitudes towards out-group members. These are also measured on a 5-point Likert scale.

1. Would you accept that an (out-group member) lives close to you?
2. Would you accept that an (out-group member) marries a family member?
3. Would you accept that an (out-group member) works with you?
4. Would you accept that an (out-group member) becomes your work supervisor?

For host respondents, we will also explore the following prejudice measures, related more broadly to the entire out-group:

5. In general, you can trust refugees.
6. Refugees take jobs away from locals
7. Refugees receive too much support compared to nationals