MEASURING IMPACT OF REFUGEES ON HOST COUNTRIES
Comments on Maystadt & Calderon
Impact on welfare, inequality and infrastructure: Evidence from Tanzania

- Refugees are neither nor temporary!
- Many different channels of impact - goods prices, labor markets, infrastructure, fiscal

NOT REALLY DIFFERENT THAN REGULAR MIGRANTS!
Civil War, Forced Migration and Educational Attainment in Destination Areas

• Do refugees displace non-migrants in the destinations - in this case children at school?

NOT REALLY DIFFERENT THAN REGULAR MIGRANTS!
Main results:

- Overall positive impact but unevenly distributed
- Competitors (farm workers) lose, complements (entrepreneurs) win!
- Impact is persistent - WHY?
- Structural changes in the economy - through infrastructure?
Main results:

- Overall negative impact but unevenly distributed
- Main negative effect on older cohort of refugee children
- Impact on non-migrants is smaller
- Very similar to labor market impact of regular migrant inflows!
KEY EMPIRICAL ISSUES/CHALLENGES

- **Endogeneity** - Migration decision location choices of migrants & natives’ responses to migrant inflows are NOT random.

- Refugee inflows are “more” exogenous than regular migrants flows!

- There is less selection in refugee composition than regular migrants

- **BUT location decisions** - whether voluntary or settlement - are NOT random
  - How does Maystadt solve it?
  - How does Calderon solve it?
KEY EMPIRICAL ISSUES/CHALLENGES

Establishing counterfactual - Almost an impossible task :-)

• What time trend do we assume?
• Do we even have panel data? Yes in some cases!
KEY EMPIRICAL ISSUES/CHALLENGES

EQUILIBRIUM SHIFT!

• Underlying parameters of the economy change
  • infrastructure, preferences, productivity, spillovers!
  • Build new highways - new schools!
  • Then even panel data does not really help 😊
WHAT DO WE DO?

• Regular household data collection (panels)

• Detailed data collection on refugees (UNHCR!) - should be part of international agreements

• Be creative with respect to “potential” experiments - settlement of Vietnamese Boat people in the US!

• Use demographic/anthropological variables as instruments - birth order etc.

• External/internal validity