Wahba, Jackline: University of Southampton
j.wahba@soton.ac.uk
Authors: Bilal, Malaeb, University of Southampton (UK) and Jackline, Wahba, University of Southampton (UK)

Title: Impact of Refugees on Immigrants’ Labor Market Outcomes

The Syrian war has caused a mass exodus of Syrians, which is unprecedented in recent history. Most of these Syrian refugees have taken refuge in neighbouring countries, namely Jordan, Lebanon, and Turkey. Indeed, Jordan is now home to more than 1.3 million refugees. Yet despite the massive inflow of refugees, the number of immigrants hasn’t decreased in Jordan during the same period. According to the 2015 Population Census of Jordan, Jordan was hosting an additional 1.6 million foreigners potentially increasing its population by about 45%. Thus, the potential impact of the Syrian refugee on other immigrants in Jordan is an important issue. In particular, whether refugees displace other immigrants is key for policymakers interested in the welfare of refugees, immigrants and other vulnerable groups. Yet there has been very little evidence on the impact of refugee influx on other economic immigrants. As such, our main contribution to this literature is to investigate a question that is central to the migration literature on the effect of refugees on several labor market outcomes of economic immigrants. We use Panel data from Jordan (JLMPS) for 2010 and 2016 and Census data on where the refugee influx was concentrated. We address several threats to identification: the selectivity of immigrants and the geographic sorting of immigrants and refugees within Jordan using instrumental variable approach. We find that, as a result of the Syrian refugee influx, immigrants were more likely to work in the informal sector, and they worked fewer hours and had lower total wages as a result. The results suggest that the main competition that occurred in the Jordanian labor market was not between refugees and natives, but rather between refugees and economic migrants. Our paper is the first one to show the competition between refugees and economic immigrants. The potential displacement of immigrants into informal work and the negative impact on their hours of work and total wages suggests that immigrants’ welfare might also need to be monitored during the influx of refugees.