

Generality and reality

Sociology, Immigration



To answer the aforementioned questions, the paper primarily employs a qualitative approach, although a degree of quantitative data will also be utilized. From a qualitative perspective, the paper will draw heavily on case studies and historical and contemporary examples in order to take a comparative approach in explaining and identifying the effect that refugees have on the nations that receive them.

Particularly, the case study approach and the identification of the relevance to the current crisis in Lebanon and Jordan will allow for the exploration of why specific positive or negative effects may be magnified in some cases and not others. Solely focusing on discussions of this issue can cause the reader to be bogged down by generalities that, although often making intuitive sense, lack historical evidence.

For example, those who might argue that an influx of refugees has a negative effect on host countries might say "refugees cause overcrowding in the host country." While this explanation may be intuitive, it is also simplistic.

I hope to examine past case studies and research in order to bridge the gap between generality and reality in order to qualitatively explain; if this is a valid point on the negative side of the argument the manner in which overcrowding manifests itself, how that affects the broader economy, whether that argument has relevance for the Lebanese case, and the potential implications for policy.

These conceptual, qualitative explanations will also require a degree of quantitative backing as well. As the paper is discussing economic impact,

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quantitative metrics for example, GDP figures, money spent on infrastructure development, wage data, and employment data will be employed to give more clarity and evidence to conceptual claims.

This quantitative component—although not at the level of sophistication of regression analysis and not primary data in nature—will be useful in both the historical and contemporary parts of the paper. Literature review The modern world is one of constant change and upheaval.

For many in the Global North, this change is characterized by dramatic advances in technology and progressive policy reforms. But for still many more, the story is a markedly different tale of survival.

Today, the world is confronting its worst refugee crisis since World War II. Facing political turmoil, violence, and war, over 60 million people have fled their homes in search of safety and with hope for a better future (Graham 2015). As these refugees pour over the borders of Iraq and Syria, pile onto smuggling boats in Libya and Burma, and flee to neighboring lands from Yemen and Somalia, they have captured the world's attention.

Currently, much of the popular and academic discourse has addressed the moral and humanitarian components of refugee crises. Accordingly, whether due to mounting international awareness and pressure or humanitarian compassion; many developed regions, such as the United States and the European Union, have boosted their capacity to receive refugees.

The human right element inherent to refugee crises is relatively more clear-cut. But a broader academic discussion has been developing around the

following question: what are some of the economic effects; both positive and negative, of the sudden influx of refugees on host countries?

These economic questions are particularly important to a country like Lebanon, where Syrian refugees now make up over 20 percent of the population (Richard, 2014). Before these effects can be analyzed, it is important to distinguish refugees from other types of migrants.

The United Nations, via the 1951 Refugee Convention, defines a refugee as someone who "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country.

The key point here is movement out of fear and necessity, rather than, say, economic opportunity. This definition has also been expanded by many to include violence and war, famine, and natural disaster. Scholars have further delineated the difference between refugees and migrants by looking at size of the group and nation of origin.

In particular, refugees are noted for typically moving as a part of a larger group of people rather than as individuals; they also generally come from relatively less developed economies. With these definitions in mind, the paper now turns to examining the economic impact that refugees have on host countries.

Positive economic impacts Refugees can often bring positive economic impacts to the countries that receive them. The existing literature discusses a number of ways in which this can occur, five of which are discussed below. First, provisions designed and implemented explicitly for refugees can often lead to broader utilization by the host country's population.

Specifically, schools built explicitly for refugee children have served local students, who might not otherwise go to school at all as well.

The presence of refugees ensures enrollment stability, thereby helping to keep the schools open and functioning for all children; this in turn encourages continued investment and can improve the educational infrastructure of the country and boost long-term economic productivity.

Aside from educational institutions, governments and international aid organizations may, because of the crisis, often invest in other infrastructure developments; such as medical clinics, housing developments, and roads to access refugee camps that can be maintained and used for the population at large when the refugee crisis subsides.

These temporary structures—originally built to support refugees—can persist beyond the crisis and bolster the host country's infrastructure and development prospects. In this sense, these short-term negative economic shocks that refugees provide to the system can give way to a longer-term positive economic outcome.

Second, it is also important to consider the demographics of the refugees themselves. Many of the factors that drive refugee crises; especially war

terrorism, are relatively indiscriminate to class. Because of this, refugees can often come from skilled and educated backgrounds. Results Most studies of the effect of unskilled migration on the wages of unskilled workers find only small negative effects.

The early literature on the subject typically concluded that a 1 percent increase in the immigrant share in the population causes no decline in wages or a decline of 0.1 percent. These are studies that attempted to exploit the variation in migration incidence across countries, or more typically across localities in Lebanon and Jordan.

As is most clearly seen in developing countries receiving large numbers of refugees, such as Jordan, Lebanon and Turkey, the concentration of refugees in specific localities can "crowd out" public services such as schools and hospitals, or cause the transport infrastructure to become congested.

In advanced countries, where the infrastructure is well developed and the refugee inflow is much smaller relative to the native populations, these effects can be observed in specific neighborhoods, typically in low-income areas. Mitigating these concentration effects while at the same time avoiding the temptation of encouraging refugees to settle in distant locations where it is difficult to find work and people do not want to stay poses a genuine challenge to policy-makers.

At the same time, it is clear that unskilled migrants can reduce the price of many market services and also reduce the cost of many public services like unskilled migrants help cleaning streets An important benefit that natives;

whether they are skilled or unskilled derive from unskilled refugees, and one that until recently was largely neglected, is that they help reduce the prices of non-traded goods and services that natives use intensively.

Researchers have proved that the surge in immigration in the Jordan and Lebanon since 2011 may have reduced the prices of these services by about 10 percent. By contrast, as discussed further below, the arrival of refugees can put upward pressure on housing in localities where they are concentrated.

This can make low-income housing less affordable even as it represents a net wealth gain for the native population that owns housing. Since many advanced countries, most notably in Europe, experience high and persistent unemployment over many years, even when growth is near or above long-term potential, the worry that increased immigration will simply make the structural or cyclical unemployment problem worse resonates widely.

Consider an economy where collective bargaining predominates in some "rigid" sectors and where the labor market is very flexible in others. They find that migration can increase unemployment in the rigid sector, while having a relatively small negative effect on wages in the rigid sector, and reduce the wage in the flexible sector where unemployment remains low by definition.

In the long run, these effects tend to dissipate as investment responds. Thus, the model that assumes perfect labor markets tends to overestimate the impact of migration on average wages and to underestimate the effect on unemployment; meta-analysis of studies examining the effect of immigration

on unemployment in developed countries found out that in general, an increase in immigration by 1 percent of the population leads to an increase in unemployment of no more than 0.3 percent.

In contrast, studies of the Lebanon and Jordan labor markets, which are among the most flexible, have found no significant effect of immigration on employment opportunities for native workers; including low-skilled native workers.

They found that, among less-educated workers, those born in the two countries tend to have jobs in manufacturing or mining, while migrants tend to have jobs in personal services and agriculture, providing an explanation for why low-skilled migration has a limited impact on employment.

In fact, the share of migrants among the less-educated is strongly correlated with the extent of Jordan born worker specialization in communication tasks. In states with a heavy concentration of less-educated migrants, Lebanon born workers have shifted toward more communication-intensive occupations.

Those jobs pay higher wages than manual jobs, and so such a mechanism has stimulated the productivity of workers born in the two countries and generated new employment opportunities.