

Beyond boundaries

Citation for published version (APA):

Silva Vargas, M. (2024). *Beyond boundaries: integrating refugees and consolidating farmland. Essays in experimental and development economics*. [Doctoral Thesis, Maastricht University]. Maastricht University. <https://doi.org/10.26481/dis.20240124mv>

Document status and date:

Published: 01/01/2024

DOI:

[10.26481/dis.20240124mv](https://doi.org/10.26481/dis.20240124mv)

Document Version:

Publisher's PDF, also known as Version of record

Please check the document version of this publication:

- A submitted manuscript is the version of the article upon submission and before peer-review. There can be important differences between the submitted version and the official published version of record. People interested in the research are advised to contact the author for the final version of the publication, or visit the DOI to the publisher's website.
- The final author version and the galley proof are versions of the publication after peer review.
- The final published version features the final layout of the paper including the volume, issue and page numbers.

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Impact

This doctoral dissertation undertakes a comprehensive investigation into crucial aspects of refugee integration, labor market dynamics, and market design in Uganda and Kenya. Each chapter delves into distinct areas of inquiry, yielding valuable insights and implications for various disciplines. In Chapter 1, the focus lies on examining whether work contact between refugees and locals can foster social cohesion in refugee-receiving countries. Chapter 2 delves into the effect of matching firms with refugee workers to enhance labor market efficiency and integration. Lastly, Chapter 3 explores market design for land trade aiming to improve agricultural productivity among smallholder farmers.

The research presented in this dissertation carries substantial potential for scientific advancement and addresses pressing societal challenges. Scientifically, the findings from Chapter 1 contribute to a deeper understanding of social cohesion mechanisms, enriching research in social sciences and inter-group relations. In contrast to much of the existing experimental literature, we measure biases and behavioral change with contact both for the majority group (i.e. the local workers) and the minority group (i.e. the refugees), using the most relevant activity for adults, namely work. As far as we are concerned, there is no experimental evidence regarding the effect of workplace contact on inter-group integration. Also, by measuring both implicit bias, explicit bias, and behavior, we can use the latter to interpret the former and thus contribute to the discussion on how to measure and interpret implicit bias through implicit association tests (IATs).

Chapter 2's exploration of matching attitudes between employers and refugees advances knowledge of labor market behavior and provides key insights into promoting inclusive employment practices. Much of the existing literature focuses on improving firms' access to information about the quality of job seekers or adjusting workers' and employers'

expectations. By contrast, our intervention targets firms' demand for workers from a disadvantaged group.

Chapter 3 offers innovative market design strategies, with implications for resource allocation and agricultural productivity, serving as an important reference for researchers in market design and economic studies. Our work complements prior studies that have established a set of missing markets and institutions that inhibit trade, focusing largely on property rights. Despite the success of this literature and the widespread adoption of programs such as land titling, recent work suggests that these innovations are necessary but not sufficient to achieve efficiency. We believe that addressing the frictions we identify can help unlock the benefits of land titling and that our market designs, which rely on voluntary trade and leverage farmers' preferences and information, may be preferable to governmental consolidation programs in settings with low state capacity, low trust in government, and risk of expropriation. Finally, we contribute to the thin literature on using market design for developmental challenges.

The impact of the research in this dissertation extends beyond academia and holds significant relevance for society. The first two chapters' investigation into social cohesion and refugee integration in the labor market is particularly pertinent for policymakers and organizations working with refugees, fostering inclusive communities, and promoting trust among diverse populations. It is especially relevant for low- and middle-income countries that host three-quarters of the world's refugees.

Specifically, enhancing labor market integration for disadvantaged workers, including migrants and refugees, is a crucial policy concern, especially in low-income countries where labor markets struggle and resources are limited. Despite possessing skills, refugees often encounter difficulties in securing employment due to perceived skill gaps and assessment costs for employers. Moreover, the influx of refugees might disrupt and change social dynamics, making it more difficult for refugees and natives to collaborate. Chapter 2 demonstrates that even brief exposure between refugee workers and firm owners or managers increases

hiring after eight months, particularly for employers with positive experiences. Moreover, Chapter 1 shows that short work contact between local and refugee workers can also enhance their cooperation and possibly, future business collaboration.

The results presented in these two first chapters provide robust support for the adoption of policies that facilitate the issuance of labor permits to refugees, enabling them to actively engage in the workforce of their host nation. While there have been debates regarding allowing refugees to work in their host country, our research provides evidence that enabling skilled refugees to access employment opportunities can significantly aid their integration process, while at the same time boosting the economic and social prosperity of local businesses. Moreover, governments and organizations interested in investing resources to incentivize internships should take into account the constraints to access the program. For instance, refugees may need to be assisted with cash to move around the city and start their work engagements. Furthermore, both the local employers and the refugee workers may benefit from preparatory training before engaging in the internship. This may assist them in adjusting their initial attitudes and improve the out-group contact experience.

Chapter 3's research holds significant societal importance by focusing on market design to effectively and equitably redistribute agricultural land, with potential implications for sustainable livelihoods, food security, and economic growth among smallholder farmers, particularly in low-income countries. A prevalent issue in many low- and middle-income countries, such as in Africa or Latin America is the fragmentation of agricultural plots into small and scattered pieces of land. This fragmentation can result in lower productivity and limited gains from trade. However, there is substantial evidence indicating that consolidating and reallocating these plots could yield substantial advantages for both individual farmers and their communities at large. Our study not only sheds light on the potential benefits but also highlights the importance of well-designed trade rules to facilitate this transformative process.

The research findings appeal to a diverse spectrum of stakeholders with varying interests. In the initial two chapters, the insights gathered from the results hold significant value for policymakers and governmental bodies responsible for refugee integration and labor market regulations. These stakeholders can leverage these findings to craft well-informed policies that foster both social cohesion and labor market efficiency. Additionally, entities such as the United Nations, non-governmental organizations (NGOs), and refugee-led organizations stand to benefit from the research findings due to their alignment with their existing programmatic endeavors.

The level of interest in the research is already evident. The findings have been presented at the United Nations High Commissioner for Refugees (UNHCR) and other high-level conferences, and these have garnered citations from influential institutions like the World Bank (Schuettler and Caron, 2020) and the Center for Global Development (CGDev) (Baseler et al., 2023). The findings were also cited in the influential World Development Report 2023: Migrants, Refugees and Societies (World Bank, 2023). Furthermore, for the first two chapters, we have collaborated with significant partners, including the Directorate of Industrial Training of the Ugandan government, as well as the International Growth Center (IGC), YARID, and BONDEKO – two refugee-led organizations operating within the country.

The strategy for disseminating the research findings covers governmental and international organizations, as well as refugee-led groups. A multifaceted approach has already been adopted, including dissemination sessions and the creation of informative blog posts. The initial two chapters have already been featured in blog posts on prominent platforms specializing in development economics research, such as J-PAL, Innovations for Poverty Action (Loiacono and Silva-Vargas, 2023a), IGC (Loiacono and Silva-Vargas, 2023c) and VoxDev (Loiacono and Silva-Vargas, 2023b). Furthermore, the refugee integration research was showcased through a photo exhibition held in Paris in June 2023. The exhibition was an integral part of the “Science and the Fight against Poverty: How Far Have We Come in 20 Years and What’s Next” con-

ference, an event presided over by Nobel Prize laureate Prof. Esther Duflo and organized by J-PAL Europe.

Finally, this research exhibits a strong alignment with several key United Nations Sustainable Development Goals (SDGs). The content of Chapter 1, which places significant emphasis on the promotion of social cohesion and the creation of inclusive communities, directly corresponds to the principles outlined in SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice, and Strong Institutions). Chapter 2's primary focus on enhancing the integration of refugees into the labor market is inherently tied to the objectives outlined in SDG 8 (Decent Work and Economic Growth). Lastly, the research in Chapter 3, aimed at improving agricultural productivity, resonates strongly with several SDGs. The pursuit of eradicating poverty and ensuring food security, as evident in SDG 1 (No Poverty) and SDG 2 (Zero Hunger) respectively, is closely intertwined with the chapter's goals. Furthermore, the efficient and equitable management of land resources, as explored in the chapter, aligns harmoniously with the principles of SDG 15 (Life on Land), which advocates for sustainable land-use practices and management.

In conclusion, this doctoral dissertation has far-reaching implications for both scientific understanding and societal progress. The findings from each chapter contribute significantly to various fields, including economics, development studies, political science, and psychology. Moreover, the research outcomes have practical applications for governments, policymakers, local firms, and smallholder farmers, fostering positive changes in social cohesion, labor market integration, and agricultural productivity. The active dissemination of research findings to diverse stakeholders ensures that this work will drive positive change and contribute to the achievement of sustainable development goals in the studied regions and beyond.

The exhibition can be found in this link: <https://marijosilvaphotography.com/J-PAL-20-Exhibition-in-Paris>

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