

Housing Subsidies for Refugees: Experimental Evidence on Life Outcomes and Social Integration in Jordan¹

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Overview

Today, the number of forcibly displaced people has climbed to over 100 million, and Low and Middle-income Countries (LMICs) are disproportionately affected (UNHCR, 2020). Assistance programs can provide needed care for vulnerable people, however, they may inadvertently create tensions and resource competition between these groups and non-recipients. Syrian refugees in Jordan offer a unique case study of this issue, as they face a dearth of secure, affordable housing. Over 80% of Syrian refugees in Jordan live outside camps, but there is limited evidence on how best to improve shelter stability in these settings, making the issue of housing security particularly salient (Kumar, 2021; Agness, 2023).

The Syrian Refugee Life Study (2020-2024) examines the impacts of a randomized housing assistance program in Jordan on both the economic outcomes of Syrian refugee recipients and their social cohesion with Jordanian neighbors. The program improved short-run housing quality and lowered refugee households' housing expenditures, but did not yield sustained economic benefits, partly due to redistribution of aid. The program unexpectedly led to a deterioration in child socio-emotional well-being and also strained relations between Jordanian neighbors and refugees.

¹The study outcomes and analysis are guided by an AEA pre-registration (AEARCT #0006141) and associated pre-analysis plan.

Study Design and Implementation

The program — carried out in partnership with a leading humanitarian organization in Jordan — provided approximately one year of full rental subsidies to refugees in their existing housing, and financed landlords' renovations to upgrade the housing quality. To isolate the effects of the program, researchers randomly assigned 2,870 refugee households in northern Jordan to either receive support (the treatment) or not (the control). Researchers also assessed the effects of the program on 2,146 Jordanian neighbors who did not receive assistance. It should be noted that the adoption of housing assistance was moderate (33% takeup among treated), despite the program's substantial financial benefit to both refugee tenants and their landlords.

The study collected three rounds of surveys tracking participants' outcomes during midline (2021), endline (immediately after the intervention in 2022), and a follow-up round (1.5 years after assistance was delivered). In 2022, the research team also surveyed Jordanian neighbors living near the sample refugee households.

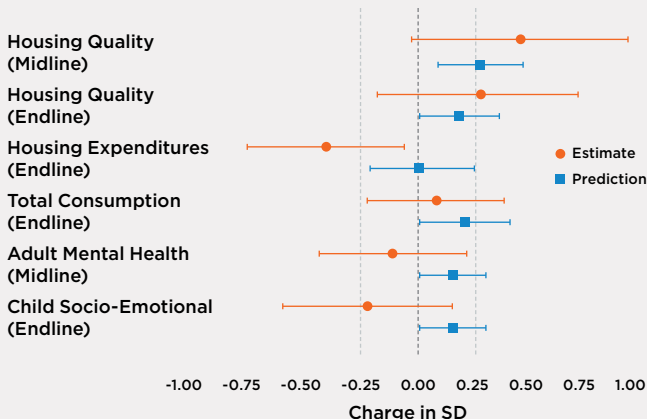
Building on an increasingly common practice in economics and other social sciences, the research team gathered forecasts (predictions of outcomes) from both researchers and policy experts regarding the primary impacts of the program. These were generally moderate and positive, and thus somewhat more optimistic about likely impacts than the actual effects.



Children walking through a Syrian refugee camp on the outskirts of Athens.

Credit: Julie Ricard | Unsplash

Refugees Primary Outcomes and Forecasts



Key Findings

The study found that there were positive impacts on household savings: pooled over the endline and follow-up survey rounds, treatment households were 8 percentage points more likely to have 30 Jordanian Dinars (roughly 95 USD in Purchasing Power Parity) in savings than the control group. However, there were no significant positive impacts on a range of other economic and psychological outcomes, including total household consumption, labor market outcomes, or adult subjective well-being measures up to three years after the program was rolled out. The study found that food consumption and household expenditures only nominally increased, households had less food security, neighbors declined in their social perception of refugees (the number of Jordanian adults who seek advice from Syrian refugees and the number of Syrian friends among Jordanian children decreased).

Learnings and Policy Relevance

These results speak to the ongoing policy debate on how best to support refugees and host communities together. The results indicate that the housing subsidy was unable to transformatively improve refugee households, and also prompted host-community tensions. These findings should be considered when designing assistance programs in settings with strong social ties and potential for

redistribution. First, the increase in hunger and decline in food assistance suggests that treated households may have been deprioritized for other formal or informal aid. Greater humanitarian coordination might reduce such negative impacts, though this may be insufficient if informal assistance is common. Second, the negative, long lasting effects on child well-being and social well-being cannot be ignored. One of the most credible explanations for the decline in child well-being is that the program weakened social bonds within the treatment group's neighborhood communities. This highlights the fragility of social cohesion, and that damage to these relationships can be enduring.

Cash transfers are a potential solution. Surveyed refugees overwhelmingly prefer direct cash transfers to landlord subsidies (70%). Cash transfers to refugees in other contexts have been shown to provide only short-run benefits, but the findings of this study suggest that the discrete nature of delivering the benefit may, at minimum, reduce host community tensions. These remain critical areas for future research and policy innovation.

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