Refugee Resettlement:

The impact on foreign direct investment

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The impact on foreign direct investment[1]

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Abstract

We show that refugees resettled to the United States significantly increase foreign direct investment (FDI) inflows. A ten percent increase in the number of refugees initially placed in a given commuting zone within the United States – by resettlement agencies – increases FDI from their country of origin by 0.19%. The results also hold when we use the extensive margin of FDI, i.e. the number of projects, and when we look at the number of jobs created by the FDI projects. Our analysis controls for a full set of fixed effects and exploits exogenous variation within the United States in the number of refugee cases without U.S. ties.

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1. Introduction

More than 3 million refugees have been resettled in the United States in the last 35 years, since the U.S. refugee resettlement program was first created with the 1980 Refugee Act. Rigorous empirical evidence on the economic effect of refugees is an essential ingredient of sound policymaking. Hence, a few recent papers have empirically analyzed the economic impact of refugees' arrivals on local U.S. communities. This impact can take place through different channels. Mayda, Parsons, Peri and Wagner (2017) examine the long-term effect on labor-markets and find that there is no adverse long-run impact of refugees on U.S. labor markets over the period 1980-2010. Mayda, Parsons and Steingress (2017) investigate the link between refugees' arrivals and international trade flows and show that refugees resettled to the United States significantly increase exports from the U.S. state where they are placed to their country of origin. Refugees can affect local U.S. communities through additional economic channels – for example, through the government budget, changes in the price of goods and services, as well as the impact on foreign-investment flows – but these other economic mechanisms have not been analyzed, yet, in the context of the United States.[5]

In this paper we focus on the "foreign direct investment" (FDI) channel. We use the Worldwide Refugee Admissions Processing System (WRAPS) data set[6] housed at the Refugee Processing Center (RPC) – which is part of the Bureau of Population, Refugees, and Migration (PRM) at U.S. Department of State – combined with data on FDI inflows to the United States from fDiMarkets, part of fDi Intelligence, itself part of the Financial Times Group (FT). We empirically analyze the impact of refugee arrivals to a commuting zone within the United States on FDI inflows from refugees' countries of origin to that commuting zone.

The United States is one of the largest recipients of foreign direct investment (FDI) inflows in the world. According to OECD (2014), in 2013 the United States ranked second in the world as a recipient of FDI (with investment flows equal to $193 billions), only surpassed by China ($258 billion). Moran and Oldenski (2013) uncover several important facts about FDI inflows to the United States. In the United States foreign firms pay higher wages than both U.S. firms and U.S.-owned multinationals. They also spend a higher fraction of value added on research and development compared to U.S. firms. Finally, the U.S. presence of foreign firms in a given industry increases the total factor productivity of U.S. firms in the same industry, i.e. positive spill-overs take place. In summary, the evidence suggests that FDI inflows to the United States have beneficial effects on U.S. workers and firms.

[5] Refugees can also affect local communities from a non-economic point of view, for example through cultural, political and security/crime effects (see for example Amuedo-Dorantes and Bansak (2017) for the United States).

[6] Refugee records in WRAPS are protected under Section 222(f) of the Immigration and Nationality Act, 8 U.S.C. § 1202(f), and may be subject to the Privacy Act of 1974, as amended, 5 U.S.C. § 552a. Therefore, the WRAPS dataset is not publically available.

A few papers in the literature analyze the impact of immigrants on foreign direct investment. Javorcik, Özden, Spatareanu and Neagu (2011) show that an increase in the number of migrants in the United States stimulates U.S. FDI flows to those migrants' countries of origin.[7] Burchardi, Chaney and Hassan (2016) use the ethnic composition of U.S. states, from the 19th century onwards, to predict the current immigrant population and to estimate its causal impact on FDI inflows. Parsons (2017) use the 1975 allocation within the United States of Vietnamese Boat people to examine 2005-2015 FDI flows to and from Vietnam.[8] Hence, the existing literature either analyzes the impact on FDI of all migrants (i.e., both economic migrants and refugees) or looks at a single country of origin of refugees (specifically, Vietnam). In this paper, instead, we focus on all refugees resettled to the United States – from any country of origin – and investigate their impact on FDI inflows to the United States at a very detailed geographical level.

We show that refugees resettled to the United States significantly increase foreign direct investment (FDI) inflows. A ten percent increase in the number of refugees initially placed in a given commuting zone within the United States – by resettlement agencies – increases FDI from their country of origin in the same year by 0.19% (between 2003 and 2015)[9]. The results also hold when we use the extensive margin of FDI, i.e. the number of projects, and when we look at the number of jobs created by the FDI projects.

The channels through which these impacts work are likely to be the same which explain the link between migrant/refugee networks and international trade flows. Refugees often keep close ties with family and friends in their countries of origin. Therefore they can stimulate FDI inflows by providing information on local (U.S.) business opportunities in a given location. In addition refugees can help overcome problems of imperfect contract enforcement – not all aspects of business interactions can be regulated by a contract, in which case tight communities such as refugees' networks provide an informal way to monitor business interactions.

Finally, refugees themselves can bring financial assets to the United States (either their own or friends' and relatives' ones) and use them to invest in the country. For example, entrepreneurial refugees may take their business with them when they leave their origin country. It is now well

[7] In other words, Javorcik, Özden, Spatareanu and Neagu (2011) analyzes FDI *outflows* from the United States, as opposed to FDI inflows to the United States – the latter is what we analyze in this paper.

[8] A parallel literature analyzes the impact of immigrants or refugees on international *trade* flows (see for example Gould 1994). The more recent contributions are careful in tackling the issue of endogeneity. For example, Steingress (2015) exploits the exogenous allocation of refugees without U.S. ties to provide causal evidence on the trade-enhancing effect of overall migration. Parsons and Vezina (2016) show that, after the end of the 1994 trade embargo on Vietnam, the share of U.S. exports going to Vietnam was higher in those U.S. states with larger Vietnamese communities, which were the ones receiving larger refugee inflows 20 years earlier. Cohen et al. (2017) use the location of World War II Japanese internment camps to instrument for the size of the Japanese population in local communities in the United States. The paper finds that today firms in areas close to internment camps import from and export to Japan significantly more than other firms. Finally, as mentioned above, see also Mayda, Parsons and Steingress (2017) which investigates the impact of all refugees resettled in the United States on exports/imports from/to the United States.

[9] The magnitude of these effects is based on the short-run estimates in Table 8, regression (5).

recognized that immigrants are more entrepreneurial than natives. A report from New American Economy (2012), for example, highlights that immigrants started 28% of U.S. businesses in 2011, while accounting for 12.9% of the U.S. population.

Recent evidence points to refugees being even more entrepreneurial than other migrants. A study from Australia covered in the Guardian suggests that "nearly 10% of humanitarian migrants' incomes in 2009-10 were generated by their own businesses, almost twice the figure recorded in other categories, such as skilled and family migrants" (Safi 2015). Similarly, Collier and Betts (2017) explain in the Guardian that: "Faced with new markets, regulatory contexts and social networks, [refugees] are often highly innovative… In Kampala [Uganda] 21% of refugees run a business that employs at least one other person; of those they employ, 40% are citizens of the host country."

The role of foreign capital to fund these businesses is also noted by a report for the U.S. Small Business Administration (Fairlie 2012). The latter highlights that "The most common source of startup capital for immigrant-owned businesses is personal or family savings with roughly two-thirds of businesses reporting this source of startup capital." Migrants and refugees also more likely to finance their businesses with business investment from family/friends, which may be located in their home country. Lemmon (2017) provides a telling illustration of this mechanism. It documents on CNN that "a vital fact about refugees. Many of them bring huge benefits to the nations in which they settle -- because time and again, starting up businesses is a part of starting over for those finding a new home." It then gives the example of Syrians in Turkey where in May 2014 "174, or 28.8 percent, of foreign-partnered companies were founded directly by Syrian people or Syrian nationals in partnerships… Syrian women launching small-scale food businesses, and Syrian men moving their larger enterprises from the home they escaped to the country providing them refuge." Similarly, Yoshioka (2017) notes on Cityam that in Turkey "over the past five years Syrian refugees have set up over 4,000 businesses, bringing with them $220m in capital and making up over a quarter of all new foreign-owned firms established annually."

Endogeneity is an issue in the type of analysis we carry out in this paper. Refugees' decisions regarding where to live and work within the United States are likely to be correlated with several variables – such as wages and employment opportunities at destination (see Borjas 1999) – which in turn might be correlated with FDI inflows. An additional source of endogeneity arises in the form of reverse causality, i.e. refugees from a given country may want to settle in commuting zones that receive FDI inflows from that country – this is because greater FDI inflows from a country are likely to be associated with greater employment and business opportunities for refugees from that country. We address these issues by exploiting information on the initial placement within the United States of refugees "without U.S. ties"– note that it is resettlement agencies, not refugees, which make decisions on the initial geographic location of refugees without U.S. ties. Broadly speaking, refugees resettled in the United States can be divided into: refugees "with U.S. ties" and refugees "without U.S. ties"" If a refugee reports

having a U.S. tie (family or friends living in the United States), all efforts are made to place them in the same geographic location as their U.S. tie, though this is not always possible for a host of reasons. If a refugee does not report a U.S. tie, the resettlement agency will make the decision on their initial location and place them somewhere within their national network, taking into consideration the needs/characteristics of the case, and the ability of various local programs and communities to meet those needs. In particular, availability of medical/specialized/social services and of a diaspora community from the same country of origin are largely the driving factors of the decision on initial geographic location by resettlement agencies of this group of refugees.

Specifically, we address the issue of endogeneity in two steps. First, we include a battery of fixed effects which allows us to control for the effect of changing economic conditions both in the U.S. commuting zone where refugees are placed and in their countries of origin, as well as for the fact that some U.S. commuting zones may be "natural" business partners of a given country of origin, independently from refugees. Second, we exploit exogenous variation in the number of refugees with no family members already in the United States (cases without U.S. ties). As mentioned above, the placement upon arrival of cases without U.S. ties is decided by the resettlement agencies, not by the refugee. In addition, although resettlement agencies may carry out strategic placement of refugees – for example, by allocating refugees to a commuting zone with existing diaspora networks and community support, which in turn is likely to be correlated with greater opportunities for FDI inflows from refugees' countries of origin – this is unlikely to be a threat to identification of a causal effect in our analysis, due to uncertainty and delays in the arrival time of refugees, relative to the time in which the allocation decision is made.

The rest of the paper is organized as follows. In Section 2 we describe the refugees' and FDI data sets and the main aspects of the U.S. refugee resettlement program. In Section 3 we develop the empirical strategy while, in Section 4, we present the empirical results. Section 5 concludes the paper.

2. Data

The WRAPS data set provides individual-level information for all refugees resettled to the United States, between 1990 and 2015, on variables such as the year of arrival, the city and state of placement within the United States, the socio-economic characteristics – such as the age, gender, marital status, education and occupation of the refugee – the country of origin and whether or not they report a U.S. tie. Note that the WRAPS data set covers the universe of refugees resettled to the United States. Hence one of the advantages of the analysis in this paper is that the main explanatory variable is measured with no sampling error, which is not the case for analyses of economic migration – based on survey data or subsamples of Census data.

Figure 1 shows yearly refugee arrivals to the U.S. since 1990. The early 1990s saw the biggest inflows of refugees. Around two thirds of refugees reports family ties over the 1990-2015 period.

The right panel shows the cumulative inflows, suggesting around 1.6 million refugees were resettled in the U.S. since 1990. Table 1 breaks down refugee inflows by country of origin. We omit refugee arrivals from OECD countries as these often involve "connection" countries instead of actual countries of origin. The largest refugee groups came from Vietnam, followed by Ukraine, Iraq, Russia, Bosnia and Herzegovina, and Somalia.

Note that the number of refugees admitted through the U.S. refugee resettlement program is decided annually by a Presidential Determination. Most refugees resettled in the United States are referred to the U.S. Refugee Admissions program by the U.N. High Commissioner for Refugees. All refugee applicants are interviewed overseas by an officer from the U.S. Citizenship and Immigration Services in the Department of Homeland Security. All refugees undergo rigorous intensive security checks before being approved for admission to the United States. If the applicant is granted refugee status, the State Department handles the remaining overseas processing of applications and transportation of refugees to the United States.

The data on FDI is from fDiMarkets, a research arm of the Financial Times Group (FT). fDiMarkets has been gathering project-level data on all individual cross-border greenfield investment projects since 2003. These data have been used by some research institutions – such as UNCTAD, the World Bank and the Economist Intelligence Unit -- and are a unique and innovative resource with much more detailed information than commonly-used FDI country/sector aggregate numbers. In particular, these data allow us to decompose FDI into extensive and intensive margins, i.e. the number of projects vs. the average value of projects, and they also provide information on the estimated number of jobs created by each project.

Figure 2 shows FDI inflows, in U.S. dollars as well as the number of projects, from 2003 to 2015. It shows a steady increase until around 2011 and a slow decrease onwards. The cumulative flows on the right panel are indicative of the stock of foreign-owned businesses accumulated since 2003 in the U.S. Note that dying projects and capital outflows are not taken into account here.

3. Empirical strategy and results

We estimate the impact of refugees on FDI flows over two time horizons: over the long run, i.e. by looking at the impact of refugees who came to the United States since 1990 on FDI flows post 2003; and over the short run, i.e. by exploiting variation in the two variables year by year.

3.1. Long-run effects

To examine long-run effects we estimate an average cross section where we consider refugees who came to the United States between 1990 and 2015 and look at their effect on FDI flows

between 2003 and 2015. By using data on refugees' arrivals all the way back to 1990, we are able to capture the effect of these arrivals on later investment. The total number of refugees during this period is summarized in Table 1. Vietnam, Ukraine, Bosnia are the top 3 countries of origin.

We exploit variation in the bilateral number of refugees (between 1990 and 2015) and in bilateral FDI inflows (between 2003 and 2015) by U.S. commuting zone and country of origin.. We consider a framework in which FDI inflows to commuting zone z from country c are affected by the bilateral stock of refugees from country c in commuting zone z. We assume that, besides the stock of refugees, other factors impact FDI flows and can be captured with commuting zone and country of origin fixed effects. Specifically, the bilateral nature of the data allows us to estimate a structural gravity equation with origin (country) and destination (commuter zone) fixed effects. This captures all push and pull factors affecting FDI decisions and makes it possible to isolate the role of refugees in facilitating FDI inflows. The gravity specification allows us to determine if, controlling for push and pull factors, the geography of refugee resettlement affects that of FDI inflows. We focus on the sum of all FDI inflows into the United States since 2003, the first year for which we have data, until 2015. And since refugees may have contemporaneous or delayed effects on FDI, we include the sum of refugee inflows since 1990. We thus estimate whether the geography of all refugee inflows since 1990 explains the geography of FDI inflows during 2003-2015.

The structural gravity cross-sectional specification we estimate is:

$$FDI_{zc} = \beta \cdot Ref_{zc} + +\delta_z + \delta_c + \beta \cdot X_{zc} + \varepsilon_{zc} \qquad (1)$$

where FDI_{zc} are total FDI inflows (or projects or jobs created by FDI projects) during 2003-2015, and Ref_{zc} are total refugee inflows during 1990-2015, from country c to commuting zone z. We take the inverse hyperbolic sine rather than the log of FDI and refugees to include observations with zero bilateral inflows. In addition, as mentioned above, this specification controls for heterogeneity across both the commuting zones of placement (through the commuting zone fixed effects δ_z) and the refugees' country of origin (through the country of origin fixed effects δ_c). We also include the usual gravity control of bilateral distance between the commuting zone and country of origin as a measure of bilateral affinity and investment cost. The number of observations in these cross-sectional regressions is 111,078 which is equal to 726 commuting zones times 153 countries (all non-OECD countries).

As in the most recent existing literature, our goal is to estimate causal effects, not just simple correlations (which might be driven by some other change taking place in the same period). In other words, as mentioned in the Introduction, the empirical analysis tackles the issue of endogeneity. The fixed effect allow us to net out the impact of several unobserved confounding factors which might be correlated with the main explanatory variable and bias the estimates. However, we still need to worry about the following two threats to identification of a causal

effect: first, sorting of refugees at the individual level and, second, strategic placement by resettlement agencies. Sorting at the individual level arises if refugees are free to choose where to locate, in which case they might go to states where, for example, there are more FDI opportunities with their country of origin. To address this issue we implement an instrumental variable estimation strategy and use, as an IV for the number of total refugee arrivals, Ref_{zc}, the number of refugee arrivals who report no family members or friends already in the United States, the so called cases "without U.S. ties"" The placement upon arrival of cases without U.S. ties is decided by resettlement agencies, not by the refugees. Hence, sorting by refugees at the individual level is not a threat to the exclusion restriction.

At the same time, strategic placement by resettlement agencies might still occur. As a factor in where to place cases without U.S. ties, agencies may look for commuting zones where there is a pre-existing community from the same country of origin as the refugee. This could be problematic, since a large pre-existing community may be associated with greater FDI inflows from that country. To address this issue, we include a full battery of fixed effects, specifically origin country and commuting zone fixed effects. Hence we account for the fact that some countries of origin have greater FDI on average in the United States and for the fact that some commuting zones have on average larger pre-existing foreign communities (or FDI inflows). In addition, we can address this problem in a more targeted way (by including origin country by commuting zone fixed effects) when we estimate short-run impacts using a panel specification (as explained in more detail below).

The long-run results suggest that refugees are positively correlated with FDI inflows into the United States. The results are presented in Table 2, Table 4 and Table 6, where the dependent variable is, respectively, FDI inflows, FDI projects and FDI jobs. Note that in regressions (1) through (4) we estimate fixed effect OLS regressions using, as explanatory variable, the number of respectively refugees, refugees with U.S. ties, refugees without U.S. ties and migrants. In columns (5) and (6) we instrument the number of refugees and the number of migrants with the number of free refugees. We find that a 10% larger inflow of refugees without ties from a particular origin during 1990-2015 caused a 0.15% larger inflow of FDI from that country during 2003-2015. Refugees with ties have an even larger effect, at 0.28%, suggesting that endogenous location decisions may create an upward bias in refugee-network effects. We also estimate the effect of the stock of migrants during 2005-2015 on FDI during 2003-2015 to compare refuge effects to migrant effects. We find that a 10% larger migrant stock is associated with a 1.86% larger FDI inflow. The effect of migrants appears to be much larger than that of refugees. Finally, we use refugees without ties as an instrumental variable for total refugees and migrants. In both cases refugees without ties provide a valid instrument, i.e. their number is strongly correlated with the endogenous variables, and the F statistic associated with the first stage regression is above the required threshold.

Our results are also robust to using different cross section years or different lags between resettlement and FDI. They are also robust to using the number of FDI projects instead of the

total value, as well as to using the total number of jobs created. Indeed, we find that a 10% larger inflow of refugees without ties from a particular origin during 1990-2015 caused a 0.10% larger number of FDI projects from that country during 2003-2015 and a 0.20% increase in jobs created by FDI projects.

To explore the heterogeneity of refugee effects by country of origin we estimate a model akin to equation (1) for each individual origin country. Note that here we cannot include origin and destination fixed effects as we only have variation across commuting zones. Nonetheless the quasi-randomness in the allocation of refugees without U.S. ties allows us to estimate IV regressions and hence to identify the effect of refugees on FDI from their countries of origin. In other words, these estimates inform us on whether more refugees and FDI inflows – both from a given single country of origin – are correlated across commuting zones.

Results are summarized in Figure 3. We find the largest refugee effects on FDI from Poland, the Czech Republic, Bulgaria, China, and Colombia. Overall there seems to be a positive relationship between the size of the refugee effect and the income level of the origin country. The effect for Vietnam suggest that a 10% larger Vietnamese refugee inflow is associated with a 2.4% increase in FDI from Vietnam.

Finally, to check the robustness of our results, we estimate an alternative set of long-run regressions, where we consider refugees who came to the United States between 1990 and 2003 and look at their effect on FDI flows between 2003 and 2015. In other words we break down the period 1990-2015 into two sub-periods and we investigate the impact of refugee flows in the first sub-period on FDI flows in the second sub-period. We use the same empirical specification as above, i.e. equation (1). We present the results of these regressions in Table 3, Table 5 and Table 7. The estimates in these tables are larger in magnitude and as significant as in the corresponding Table 2, Table 4 and Table 6.

3.2. Short-run results

We also exploit variation in the bilateral number of refugees and in bilateral FDI inflows by U.S. commuting zone and country of origin, year by year, between 2003 and 2015. In particular, we consider a framework in which FDI inflows in year t to commuting zone z from country c are affected by the bilateral inflow of refugees in year $t-$ from country c in commuting zone z. Moreover we assume that, besides refugees, other factors impact FDI flows and can be captured with commuting zone by country of origin fixed effects, commuting zone by year fixed effects and, finally, country of origin by year fixed effects. Hence the estimating equation mimics a structural gravity equation:

$$FDI_{zct} = \beta \cdot Ref_{zct} + \delta_{zc} + \delta_{zt} + \delta_{ct} + \varepsilon_{zct} \qquad (2)$$

where FDI_{zct} are FDI inflows, and Ref_{zct} is the refugee inflow, from country c to commuting zone z in year t over the period 2003-2015. Again we take the inverse hyperbolic sine rather than the log of FDI and refugees in order to include observations with zero bilateral inflows. This specification controls for the effect of changing economic conditions both in the commuting zone of placement (through the commuting zone by year fixed effects δ_{zt}) and in refugees' country of origin (through the country of origin by year fixed effects δ_{ct}) as well as for the fact that some commuting zones may be "natural" trading partners of a given country of origin independently from refugees (through commuting zone by country of origin fixed effects δ_{sc}). Hence the estimation based on (2) only uses variation in the data for a given pair of locations – country of origin by commuting zone – over time.

As in the cross-section specification, we implement an instrumental variable estimation strategy and use as an IV for the number of total refugee arrivals the number of refugee arrivals in the same year who report no family members or friends already in the United States, the so-called cases "without U.S. ties""

Given our three-way fixed effects and the IV strategy, we can rule out most sources of potential endogeneity. The only remaining issue is that strategic placement by resettlement agencies might still occur. Strategic placement would be problematic only if resettlement agencies could decide the U.S. commuting zone of placement according to time-varying information on a commuting zone and country of origin pair (for example, on FDI inflows or on the size of the pre-existing community). It is unlikely that resettlement agencies can use time-varying information, since there are substantial and unpredictable delays between the time in which the allocation decision for a given refugee is taken by the agency and the time he/she actually arrives to the United States. In her analysis of the impact of networks on refugees' labor market integration, Beaman (2012) makes the same point: arrival delays prevent resettlement agencies to be strategic in their placement of refugees with respect to time-varying factors.[10]

The results are presented in Table 8, Table 9 and Table 10, where the dependent variable is, respectively, FDI inflows, FDI projects and FDI jobs. Note that as above in regressions (1) through (4) we estimate fixed effect OLS regressions using, as explanatory variable, the number of respectively refugees, refugees with U.S. ties, refugees without U.S. ties and migrants. In columns (5) and (6) we instrument the number of refugees and the number of migrants with the number of free refugees. We find that refugees bring FDI projects with them the year they settle. Based on the OLS specifications, a 10% increase in refugees increases FDI inflows by 0.24%

[10] "Overall, the IRC employee who is solely in charge of placement states that the effectiveness of strategic decision-making is limited since she never knows when a refugee who is assigned to the IRC by the State Department will actually be allowed to travel. To highlight the stochastic component, consider 2005: there were cases that were given refugee status in 2001 but who arrived in 2005 due to delays associated with heightened September 11, 2001 security requirements." (Beaman 2012, p.139). Note that IRC (International Rescue Committee) is one of the nine U.S. refugee resettlement agencies.

(regression (1)), while a 10% increase in free refugees increases FDI inflows by 0.13%. (regression (2)). The results are robust when we use free refugees to instrument for refugees: A 10% increase in refugees increases FDI by 1.9% (regression (5)). The results also hold when we use the extensive margin of FDI, i.e. the number of projects, and when we look at the number of jobs created by FDI projects.

4. Conclusions

In this paper we analyze the impact of refugees resettled to the United States on FDI inflows. Our preferred specifications (short-run results) control for the effect of changing economic conditions both in the U.S. commuting zone of placement and in refugees' country of origin as well as for the fact that some commuting zones may be "natural" trading partners of a given country of origin independently from refugees. Finally, the methodology exploits (exogenous) variation in the number of refugee cases "without U.S. ties" – who do not decide the initial location of resettlement within the U.S. For all these reasons, the results shed light on the causal effect of refugees on FDI inflows, as opposed to a simple correlation. We show that refugees resettled to the United States significantly increase foreign direct investment (FDI) inflows. A ten percent increase in the number of refugees initially placed in a given commuting zone within the United States – by resettlement agencies – increases FDI from their country of origin by 0.19% in the same year. The results also hold when we use the extensive margin of FDI, i.e. the number of projects, and when we look at the number of jobs created by the FDI projects. Our analysis controls for a full set of fixed effects and exploits exogenous variation within the United States in the number of refugee cases without U.S. ties.

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