

# Forced Migration and Labour Market Outcomes: The Case of Congolese Refugees in Rwanda

Katrin Marchand<sup>1</sup>, Craig Loschmann & Melissa Siegel  
Maastricht Graduate School of Governance | UNU-MERIT

Draft Version: March 2017

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## Abstract

This study investigates conflict-induced forced migration and labor market outcomes within the context of Congolese refugees residing in Rwanda. Using data from a newly collected household survey and focus group discussions, the differences in employment status between refugees living in three distinct camps (Gihembe, Kigeme and Kiziba) and local Rwandese in communities surrounding such camps are examined. The results show that unemployment is indeed a significant problem for refugees. Considering that the majority of locals work in agriculture, which requires access to land that refugees do not have, this is not surprising. Wage-employment opportunities outside the camps are limited, specifically for refugees, who do have limited jobs within the camps provided by international or non-governmental organizations. The analysis further shows that females have higher chances to be engaged in self-employment than their male counterparts. Furthermore, the household composition seems to matter for occupational choices of its members reflecting responsibility not only for oneself but household members. Education on the other hand, shows ambiguous results as a higher level of education seems to increase the likelihood of unemployment for both locals and refugees. Literacy, on the other hand, is negatively related to unemployment and increases chances of wage-employment, showing the importance of at least basic education. Regarding location, the analysis shows that there are differences across the three camps and surrounding areas. Agriculture, which is so important overall as the main activity type for locals, is less common around Gihembe compared to the other two locations likely due to the fact that Gihembe camp is the one camp that is close to an urban centre. However, unemployment remains the main concern for refugees in all three camps.

*JEL classification:* O12, F22, R23, J24, I31,

*Keywords:* Refugees, Labor Market, Assets, Expenditures, Rwanda

**Acknowledgements:** This project was funded by the United Nations High Commissioner for Refugees (UNHCR). We are thankful of UNHCR's sub-country office in Kigali, as well as the National Institute of Statistics Rwanda (NISR) for their assistance during fieldwork.

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<sup>1</sup> Corresponding author; Contact information: k.marchand@maastrichtuniversity.nl.

## 1. Introduction

The displacement of people because of wars, conflict, natural disasters and persecution has always been a feature of the global movement of people around the world (Castles, de Haas & Miller, 2014), but over the last two years the world has witnessed the largest migration of refugees in history. According to UNHCR estimates, the number of forcefully displaced people increased to over 60 million for the first time in history and reached its highpoint at 65.3 million in 2015 (UNHCR, 2016). Even though the recent “migration crisis” in Europe has highlighted the issue in popular media, the burden of displacement disproportionately falls on some of the poorest countries neighbouring origin areas in conflict. The vast majority of refugees (86%), for example, reside in other developing nations, while 25 per cent reside in Least Developed Countries (UNHCR, 2015). Moreover, the extended period of displacement continues to grow, with the average number of years in exile approaching 20 years (Milner & Loescher, 2011).

Settling and earning a livelihood in the destination country is an extremely challenging process for many refugees (Yakushko, Backhaus, Watson, Ngaruiya & Gonzalez, 2008). Challenges they face include overcoming social and economic challenges and traumata, seeking employment and navigating careers after leaving their home country (Colic-Peisker & Tilbury, 2006). There is, however, very little understanding in the literature on a lot of these issues. Very few studies have, for example, examined refugees’ labour market outcomes, especially in the context of southern countries. While social scientists have long considered the way in which migration from one country to another may influence an individual’s job prospects and eventual choice of employment, the overall scope of such a research agenda has been limited for the most part to voluntary, economic migration towards Western Europe and North America. Only a few scholarly works, in comparison, have focused on how forced migration relates to labour market outcomes especially in low income countries. Taking into consideration the rising trend of forced migration as of late which most immediately impacts those countries neighbouring active conflict zones, more research in this area is particularly opportune.

With this in mind, this study investigates conflict-induced forced migration and labour market outcomes of Congolese refugees residing in Rwanda. Rwanda has been hosting refugees from neighbouring Democratic Republic of Congo (DRC) for decades, but Congolese refugees keep arriving until this day due to the on-going conflicts in the country. Using data from a newly collected household survey and focus group discussions, differences in employment status between Congolese living in three distinct refugee camps (Gihembe, Kigeme and Kiziba) and local Rwandese in communities surrounding these camps are examined. The results show that unemployment is indeed a significant problem for refugees. Considering that the majority of locals work in agriculture, which requires access to land that refugees do not have, this is not surprising. Wage-employment opportunities outside the camps are limited, specifically for refugees, who do have limited jobs within the camps provided by international or non-governmental organizations. The analysis further shows that females have higher chances to be engaged in self-employment than their male counterparts. Furthermore, the household composition seems to matter for occupational choices of its members reflecting responsibility

not only for oneself but household members. Education on the other hand, shows ambiguous results as a higher level of education seems to increase the likelihood of unemployment for both locals and refugees. Literacy, on the other hand, is negatively related to unemployment and increases chances of wage-employment, showing the importance of at least basic education. Regarding location, the analysis shows that there are differences across the three camps and surrounding areas. Agriculture, which is so important overall as the main activity type for locals, is less common around Gihembe compared to the other two locations likely due to the fact that Gihembe camp is the one camp that is close to an urban centre. However, unemployment remains the main concern for refugees in all three camps.

The remainder of the paper will proceed as follows. In section 2, a review of the literature is provided on the economic lives of refugees and factors impacting this. Next, the background on Congolese refugees in Rwanda and their rights to move and work is given, before introducing the data and methodology of this study in section 4. Sections 5 and 6 present descriptive statistics and analytical results respectively. Finally, section 7 concludes with a summary of main results and additional insights from the focus group discussions.

## **2. Literature Review**

In recent years increased attention has been given to the livelihoods and self-reliance of refugees especially by practitioners in the field of refugee protection. This is a result of the fact that protracted refugee situations are becoming more common and most often affect residence countries that have limited resources to support refugees (Milner & Loescher, 2011). Consequently, there has been a relatively recent new interest in refugees' economic lives. A review of the literature does, however, show that the understanding of these issues is still limited (Betts, Bloom, Kaplan & Omata, 2017; Zetter & Ruaudel, 2016).

Recognizing that refugees are subject to different infrastructural factors than locals or other migrants, Betts et al. (2017) developed a framework grouping refugee economies into three categories: urban, protracted camp and emergency camp. These classification makes clear that the economic lives of refugees are diverse and largely affected by the context in which they live. Urban refugees, for example, have an extremely different set of opportunities and constraints than do those living in camps. Next to the infrastructure, regulations and authority shape the labour market activities of refugees and differ significantly depending on the individual situation. In their research, the authors find that urban refugees are most similar in the conditions and activities to locals, in contrast to those refugees in emergency camp situations, where the institutional context is the furthest from that of locals living in the same area. Protracted camp situations can be placed between the extremes (Betts et al., 2017) and are most relevant in this specific study.

Research into the specific factors that shape the economic lives of refugees has shown, that there is a variety of factors that influence their labour market participation. One reoccurring theme in the field of refugee economies is that of social networks, both for self-settled and camp refugees. The networks in which refugees are embedded influence their economic lives in many aspects such as consumption, trade and access to the labour market (Betts et al., 2017;

Buscher, 2013). These networks are specific to the individual and the situation in which they are living and often consist of local, national as well as transnational linkages (e.g. Monsutti, 2005; Porter, Hampshire, Kyei, Adjaldo, Rapoo & Kilpatrick, 2008). In the immediate local environment, networks with refugees from the same country have been found to increase employment chances of refugees as well as their access to credits (Amisi, 2006; Grabska, 2005). For example, refugees from Sudan in Cairo often find jobs with Egyptian-Sudanese business owners that have a preference for hiring them (Grabska, 2006). In situations where refugees from different origin countries live in the same place, Betts et al. (2017) find that refugees also engage economically across nationalities.

But not just networks of refugees from the same or different countries of origin, but also those including locals are of importance for refugees and their economic engagement. Most refugees do not live isolated from their surroundings. Particularly in the case of refugee camps that exist for decades, interactions, including economic ones, between refugees and locals are often observed. People as well as goods move between people in- and outside of the camps (Ranalli, 2014; Werker, 2007). Generally, such relationships grow between the camps and towns or villages surrounding them. Refugees go to locals for employment, buying or trade, while locals go into the camps to look for employment opportunities and to sell or trade goods. In some instances, refugees and locals may also link up and engage in business together (Philipps, 2003; Betts et al., 2017). In some situations, refugees managed to establish and strengthen trade and business links that go beyond the immediate camp surroundings, such as Somalis in Kenya, that managed to build trade links between the camps and the capital Nairobi (Pavanello, Elhawary & Pantuliano, 2010).

It is overall important to consider the location of refugees and camps and the impact that has on their economic lives. Refugee camps are often far from cities in relatively unpopulated areas. This offers very different opportunities to the refugees living there in contrast to urban refugees, who are more likely to have access to already existing economic structures. In contrast, refugees in camps may be more likely to have access to land for agricultural activities (Bakewell, 2014). At the same time, a lack of opportunities and services in the surroundings is also an incentive for refugees to set up their own businesses addressing the needs of the camp community (Dick, 2002; Porter et al., 2008; Omata, 2013).

As mentioned previously, policies also influence the economic lives of refugees. They may enable or restrict their activities, including legal restrictions on investing in capital and business. Besides the impacts on the refugees, it should be mentioned that such policies may also harm the economy of the host country (Zetter & Ruaudel, 2016). Like all workers, refugees can engage in the job market in two domains: the formal domain and the informal domain, where they work without legal permit or protection. The risk of the latter happening is increased significantly by restrictions on the right to work of refugees (Jacobsen, 2002).

Prior literature has found that refugees have the potential to contribute to the economy of their country of asylum if they are allowed to do so. In the cases of Kampala, Uganda and Kakuma, Kenya, for example, refugees that had the right to do so established businesses and after some time were able to create new jobs, also hiring locals in some cases (Omata & Kaplan, 2013).

Besides actively creating jobs, the presence of refugees also brings other job opportunities for locals such as positions in international or non-governmental organizations, in managing camps or providing goods and services (De Montclos & Kagwanja, 2000).

Refugees living in camps also often receive humanitarian assistance and the impacts of this have been the focus of a number of studies. One of the outcomes are diverse effects of humanitarian assistance on the economic lives of refugees, particularly in camp settings. Some individuals may be enabled through assistance to engage in economic activities, while for others it leads to either the conscious or unconscious decision of unemployment or inactivity (Jacobsen, 2005). At the same time, in protracted refugee situations funds spent on assistance of individual refugees is significantly reduced. In such situations, refugees have to become innovative and find ways to make a life for themselves (Betts et al., 2017).

Overall, the review of the literature shows that it is important to take the context that refugees live in - their opportunities and constraints - into account when studying the labour market activities of specific refugee populations (Betts et al., 2017). The next section will therefore provide an overview of the situation of the specific case of Congolese refugees in Rwanda.

### **3. Background**

Rwanda is a small, landlocked country located within Eastern-Central Africa and the Great Lakes sub-region. Its neighbouring countries are the Democratic Republic of Congo (DRC) to the west, Uganda to the north, Tanzania to the east and Burundi to the south. The sub-region in general has been plagued by waves of civil conflict and political instability for decades. And even though Rwanda also experienced a devastating civil war in the early 1990s, the country has managed an exceptional recovery over the last two decades. Since the end of the war in 1994, the country has maintained political stability and strong economic growth, resulting in a striking improvement in basic living standards (World Bank, 2016). However, the country faces significant development challenges and ranks as the 163<sup>rd</sup> country out of 188 in the Human Development Index (HDI) (UNDP, 2015).

Rwanda has hosted refugees from the DRC for decades. As of 31 January 2017, UNHCR's Rwanda operation supports 73,233 Congolese refugees (UNHCR, 2017). Nearly 90 per cent of Congolese refugees in Rwanda reside in one of five refugee camps that are spread throughout the country. Three of these five camps, namely Gihembe, Kiziba, Nyabiheke, host 'old caseload' refugees – refugees that entered the country during the first and second Congo wars. Kigeme and Mugombwa were opened in the southern province in 2012 and 2014, respectively, to accommodate an inflow of Congolese refugees that fled new outbreaks of violent conflict in Eastern DRC.

In close collaboration with UNHCR and other stakeholders (e.g. local and international NGOs), the Rwandan government provides support to Congolese refugees within these five designated camps. All inhabitants of the camps, for example, are provided with basic healthcare, water and sanitation. Moreover, refugee children either attend school in local communities or in the

camps themselves. To absorb the refugee children, local schools close to the camps have been provided with additional classrooms, teaching materials and uniforms (UN, 2012).

Officially, Rwanda does not impose restrictions to Congolese refugees on their right to work, access to education, or freedom of movement. In theory, refugees hosted in Rwanda therefore have the opportunity to engage economically in their host communities. In addition, Rwanda offers the opportunity to apply for citizenship to Congolese refugees. These rights and the prospect of acquiring citizenship can affect the refugees' level of integration into their host communities and may subsequently affect their choice of livelihood activities.

In practice, however, the integration of Congolese refugees into local communities is much more complicated and has been a challenge. Rwanda is densely populated, and the overall high scarcity of agricultural land as well as employment opportunities has resulted in the inability for most refugees to lead sustainable, independent lives (Hovil, 2011). Moreover, the refugee camps are crowded and often suffer from lack of water and livelihood opportunities, while the rights to freedom of movement and work are complicated by formal procedures and costs (Easton-Calabria & Lindsay, 2013). It is therefore no surprise that many of the Congolese refugees residing in Rwanda are dependent on humanitarian aid for everyday survival (Hovil, 2011). However, little is known about the labour market activities that refugees do engage in and how this compares to the activities of local Rwandans living in the same areas of the country.

#### **4. Data and Methodology**

##### *Data*

The data used in this study was collected within the framework of a project aiming to assess the economic impact of Congolese refugees on host communities in Rwanda. For this purpose an original household survey was conducted in May 2016 in three locations in Rwanda. These locations were chosen based on three of the five total refugee camps designated explicitly for the Congolese population: Gihembe, Kigeme and Kiziba. Both Congolese refugees living within the camps as well as native Rwandans living in areas surrounding the camps were surveyed in order to investigate differences between their labour market outcomes.

These three Congolese refugee camps were chosen because they are the largest and because there are distinct characteristics that are specific to each one. For example, the residents in Gihembe and Kiziba have largely been living in these camps since the late 1990s, while Kigeme was only opened for Congolese refugees in 2012. At the same time, Kiziba is located on the top of a mountain and as such geographically the most remote of the camps. The nearest town, Kibuye, is a few hours' drive away. In contrast, Gihembe and Kigeme are located along main national roads not far from important cities, Byumba and Gikongoro respectively. As a consequence, the opportunities and constraints of refugees in these camps as well as the potential for interaction between the refugee population and host communities is distinct depending on local conditions.

The sampling design resulted in a representative sample for the enumeration areas in question, namely inside the camps, within 10 km and above 20 km from Gihembe, Kigeme and Kiziba camps. In total, information was collected for 7,046 individuals within 1,380 households, with one main respondent answering for all household members. Once screening for valid, non-missing responses for all variables of interest, as well as limiting the sample to the population of interest, a sample of 3,416 individuals within 1,328 household remains to be used in this specific study. In this sub-sample are only individuals of working age (16-65). In addition, only refugees living in camps and locals living in areas surrounding those camps were included. Table 1 shows the composition in terms of location and refugee status of the final sample, which is spread across the three areas relatively equal.

**Table 1: Sample of Locals and Refugees across Camp Areas**

	Gihembe		Kigeme		Kiziba		Total	
	N	%	N	%	N	%	N	%
Locals	734	33.50	746	34.05	711	32.45	2,191	100.00
Refugees	459	37.47	371	30.29	395	32.24	1,225	100.00
Total	1,193	34.92	1,117	32.70	1,106	32.38	3,416	100.00

In addition to the household survey, focus group discussions were conducted in order to gain a deeper understanding of the lived experiences of both locals and refugees. Two focus group discussions took place in each of the three camps, and another two in a randomly chosen community within 10 km of each camp using the same sample list from the household surveys. The two discussions in a single community were comprised of six discussants of a single gender, meaning one discussion was made up of all female participants while the other was all male. The groups were split by gender due to the concerns raised by local stakeholders that female participants might feel hesitant to voice their opinions in the presence of other male participants. The discussions were led by a local moderator and attended by a dedicated note-taker. The team leader was provided with an interview guide in order to direct the discussion towards certain topics of interest related to the project research questions, however the open nature of the discussion allowed the participants freedom to emphasize and expand on issues they saw of particular importance. The discussions were conducted entirely in the local language, Kinyarwanda, were recorded, transcribed and translated by the team leader and note-taker afterwards.

### ***Empirical Approach***

In order to analyse the labour market outcomes of Congolese refugees in Rwanda, the empirical approach of this paper is two-fold: on the one hand, an analysis of refugees in three camps in different parts of Rwanda, and on the other hand, the comparison of these refugees and locals living in areas surrounding the camps. Logistic regression analyses are used in order to understand the associations between the economic activities of the sample and a set of co-variates. **Error! Reference source not found.** in the Annex presents the summary statistics of these variables, differentiated for locals and refugees. In comparing both groups, some differences can be observed. The locals are on average older (33.8 years) than the refugees

(30.8 years), are more often married and the household head than the refugees. At the same time, it seems that the refugees are on average better educated as more of them (40.8%) than of the locals (20.8%) have completed at least lower secondary education. Refugee households are on average slightly bigger than those of locals, but the share of children per adult does not differ between the groups.

## 5. Descriptive Results

Before looking at the labour activities of refugees and locals, a first look should be taken at the participation in the labour market of both groups as measured by their primary daily activity the 12 months prior to the survey (Table A.2). As can be seen, the sample contains a significant share of people that were outside the labour market during that time. The share of the inactive is much larger among the refugees (61.1%) than the locals (28.0%). The main reason for inactivity is education with overall close to 20 per cent of the sample being a student for the majority of the past year. It is interesting to see that relatively more refugees than locals were studying.

In a next step, the incidence of unemployment among both groups needs to be investigated. As Table 2 shows there are significant differences between locals and refugees, where refugees are much more likely to be unemployed than locals. This is the case across all three camp areas. Differences between the refugees in the different camps are on the other hand not significant and unemployment remains around 50 per cent in each one of them.

**Table 2: Employment Status of Locals and Refugees**

<b>Camp</b>	<b>Locals</b>		<b>Refugees</b>		<b>Total</b>	
	<i>Unemployed</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Employed</i>
Gihembe	26	511	68	73	94	584
%	4.84	95.16	48.23	51.77	13.86	86.14
Kigeme	14	520	81	76	95	596
%	2.62	97.38	51.59	48.41	13.75	86.25
Kiziba	16	490	95	84	111	574
%	3.16	96.84	53.07	46.93	16.20	83.80
Total	56	1,521	244	233	300	1,754
%	3.55	96.45	51.15	48.85	14.61	85.39

Turning to only those that are employed, Table 3 shows the primary daily activity of locals and refugees in all three camp areas and overall. According to the data, locals are largely working in farming/ livestock, while this is the case for a very small share of refugees only. This is observed across all three refugee camps, though overall activities in agriculture are relatively less common in the area around Gihembe. This may be an indication of more other job opportunities being available as it is located in an urban area. In Kiziba camp, which is located on top of a mountain, on the other hand, self-employment is especially common among refugees.



**Table 3: Primary Daily Activity of Employed Locals and Refugees**

Activity	Gihembe		Kigeme		Kiziba		Total	
	Locals	Refugees	Locals	Refugees	Locals	Refugees	Locals	Refugees
Employee	143	51	71	50	87	43	301	144
%	27.98	69.86	13.65	65.79	17.76	51.19	19.79	61.80
Self-employment	52	21	30	23	22	40	104	84
%	10.18	28.77	5.77	30.26	4.49	47.62	6.84	36.05
Agriculture	316	1	419	3	381	1	1,116	5
%	61.84	1.37	80.58	3.95	77.76	1.19	73.37	2.15
Total	511	73	520	76	490	84	1,521	233
%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

At this point it is important to note that close to one quarter of the sample carried out more than one of these activities during the past year and this is mostly the case for locals. These multiple activities are the reason the numbers for each category below does not match that of the primary activity above. To provide a full picture of the labour market activities of refugees and locals, it was, however, decided to include all recorded activities below.

Wage-employment outcomes for locals and refugees differ significantly from each other in so far that overall as well as in and around the three distinct camps locals are more often engaged in such activities than refugees. As Table 4 shows, overall 39.0 per cent of locals and 16.1 per cent of refugees worked for someone that is not a member of their household in the past 12 months. It is also interesting to see that wage-employment is overall the least common in and around Kiziba, followed by Gihembe and Kigeme.

**Table 4: Wage-Employment by Status and Camp**

	Locals	Refugees	Total	Chi <sup>2</sup>
Gihembe	287	64	351	***
%	39.10	13.94	29.42	
Kigeme	329	78	407	***
%	44.10	21.02	36.44	
Kiziba	239	55	294	***
%	33.61	13.92	26.58	
Total	855	197	1,052	***
%	39.02	16.08	30.80	

The majority (63.9%) of jobs that locals have are in farming/ livestock, while 16.2 per cent of employed refugees have a job work in that same sector. The share among refugees is, however, about twice as high among those residing in Kigeme (22.2%) compared to those in Kiziba (10.9%) and Gihembe (13.1%). For locals the difference is not quite as big between Kigeme (70.6%) and Kiziba (72.7%), but working in agriculture is a lot less common in Gihembe also for this group (48.9%). Construction is overall the second most common industry and 19.0 per cent of refugees as well as 12.2 per cent of locals work in this sector. Again, there are

differences across the different locations in this industry. In Gihembe the difference between locals (21.8%) and refugees (19.7%) is not very big, while in Kigeme (locals: 9.1%; refugees: 20.8%) and Kiziba (locals: 4.8%; refugees: 15.2%) larger shares of refugees are working in construction. Only a small share of individuals work as professionals in education (6.7% of refugees; 1.8% of locals), health (4.5% of refugees; 0.6% of locals) or other fields (6.2% of refugees; 3.6% of locals), while the remainder of individuals work in a variety of sectors such as transport, trade, security or cooking or maid services.

Overall, the majority of people is employed by a private employer, but this is even more common (85.3%) for locals than for refugees (62.1%). In contrast, a larger share of refugees works for non-governmental organizations (15.5%) and international organizations (13.8%) than do locals (0.7% and 0.2% respectively). This may be an indication of the kind of jobs that are available to refugees in contrast to natives. Differences between refugees across the different camps are not significant regarding the type of employer. In addition, the majority of work in and around the camps is informal. Formal work is even less common among locals (6.8%) than among refugees (12.1%). At the same time, locals (68.6%) are more likely to be working in their own community than refugees (45.3%). Differences across the three refugee camps are not significant regarding this aspects.

Refugees work 5.4 days per week on average compared to the locals who work on average 3.9 days. The data also shows that the locals have on average held their jobs longer (8.7 years) than refugees (3.4 years). Recognizing that Kigeme camp was only reopened in 2012, they have had their jobs shortest but the time is still shorter for refugees in Gihembe and Kiziba compared to the locals. Both, locals and refugees, worked an average of 7 months in the job for someone that is not a member of the household in the past year, which shows that these are largely not full-time jobs. The number of people that have a second wage-employment job, on the other hand, is low among both groups with 3.4 per cent of locals and 1.7 per cent of refugees. The data does, however, shows that individuals sometimes hold different combinations of jobs of wage-employment, self-employment and agriculture as mentioned above (Table A.3).

Table 5 below shows the occurrence of self-employment among locals and refugees in and around the three camps. As can be seen, differences between the two groups are specifically significant in and around Gihembe camp, where locals are significantly more often active in a household owned business than refugees. Overall, a little less than 10 per cent of the working sample population is active in self-employment.

**Table 5: Self-Employment by Status and Camp**

	Locals	Refugees	Total	Chi <sup>2</sup>
Gihembe	100	32	132	***
%	13.87	7.06	11.24	
Kigeme	91	36	127	
%	12.55	10.00	11.71	
Kiziba	65	49	114	*
%	9.63	12.93	10.82	
Total	256	117	373	**

%	12.07	9.82	11.26
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An interesting point here is whether the respondent is the owner of the business or if it is another member of the household. Interestingly, refugees are the owner of the business in close to 95 per cent of the cases, while around three-quarters are the owner of the household business among the locals. Related to that businesses of locals have on average 1 employee compared to 0.26 employees in refugee businesses. Locals are more often operating their business in the community in which they live and on average their businesses have been in existence three years longer than those of refugees. Refugees do, however, spent more time during the week on the business and also were active in it for more time during the past year than the locals. The amount of individuals that have a second business is negligible.

Looking at activities in the agricultural sector, the data shows that there are clear differences between locals and refugees, which can likely be explained by access to land. To be exact, locals are much more often active in an agricultural activity than refugees. Overall, 68.0 per cent of local respondents engage in such activities compared to only 2.6 per cent of the refugees. This big difference is stable across all three refugee camps (Gihembe: 62.9% vs. 2.0%; Kigeme: 73.4% vs. 3.2%; Kiziba: 67.0% vs. 2.8%), but significant differences between refugees in different locations cannot be observed.

Agricultural work as such largely depends on seasonal factors and is therefore seldom a full-time job. The data shows that locals on average work 8.1 months out of the last year in this sector, while the few refugees that worked in the sector at all only spent an average of 5.0 months doing so (Table A.4).

## **6. Empirical Results**

### **6.1. Labour Market Outcomes of Refugees**

The analysis in this section looks specifically at the labour market outcomes of refugees, before turning to a comparison between refugees and locals in the next section. Table 6 presents the results of the analysis of the unemployment of refugees as well as their primary daily activities<sup>2</sup>. The basic models in columns (1), (4) and (7) are complimented stepwise by information on the individual's occupation prior to migration (2, 5, 8), having a network and receiving assistance as well as remittances (3, 6, 9).

As the descriptive statistics above have shown close to half of all economically active refugees are unemployed. In a first step, this unemployment is therefore further investigated. The analysis shows that living in a larger household is positively associated with unemployment, a finding which indicates that there may be other household members that are able to provide for the household. In addition, a higher monthly household income is, as one would expect, negatively associated with being unemployed. In terms of location, the differences do not seem

<sup>2</sup> As shown in the descriptive analysis, only 2 per cent of refugees are active in agriculture and as such this small sub-group is not further analyzed.

to be significant and unemployment is a concern across all three camps. While in models 1 and 2 those in Kigeme are more likely to be unemployed compared to those refugees in Kiziba, this effect is lost when other variables are included in the model. It is therefore likely that the effect of the Kigeme variable is in fact capturing factors relating to prior experiences or receiving assistance. Experiences of the refugees from before their migration do not show any significant effects. This is likely due to the fact that many of them have been in the camps, particularly in Gihembe and Kiziba, for many years and those experiences have lost relevance. Networks, which are often associated with positive labour market outcomes, do also not seem to be significant for refugees in finding employment. The analysis does, however, show that receiving cash assistance does have a positive relationship with being unemployed. At the same time, receiving food assistance decreases the chance of unemployment. It is also interesting to see that being wage-employed in the DRC prior to migrating, which only applies to a relatively small share of the sample, is strongly associated with unemployment in Rwanda.

Turning to the primary daily activity of those that are working, Models 4 to 6 in Table 6 provide the odds ratios of being wage-employed in contrast to being unemployed. While the level of education does not have a significant effect, literacy increases the chances of being wage-employed. Corresponding to the finding of the household size in the analysis of unemployment, living in a larger household decreases the likelihood of being wage-employed for refugees and a higher household income is linked to a higher likelihood of wage-employment. When controlling for all other factors, it can also be seen that refugees in Gihembe have a significantly higher chance of being wage-employed than those in Kiziba. A similar effect does not exist for Kigeme. Interestingly, the effect of food assistance is confirmed in this model as well, in so far that receiving this type of assistance raises chances of wage-employment. There is no effect, however, of cash assistance. A final, interesting finding is that refugees that receive remittances are less likely to be wage-employed. Of course, like for income, a causal link cannot be established here. But it does highlight that remittances are important for those refugees that do receive them.

When looking at self-employment, the finding that stands out the most, is the fact that female refugees have higher likelihoods of being self-employed compared to their male counterparts. In addition, being married as well as the share of children in the household increase the chances of self-employment versus unemployment. This may indicate that those with responsibilities not only for themselves, but also for others, become innovative and develop a

**Table 6: Economic Activities of Refugees**

Model: Logit (odds ratio/ se)	Unemployment			Wage-employment			Self-employment		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Female	1.17 (0.42)	1.13 (0.41)	1.10 (0.42)	0.36* (0.21)	0.37* (0.22)	0.38 (0.23)	3.12** (1.48)	3.29** (1.68)	3.26** (1.84)
Age	0.97 (0.02)	0.97 (0.02)	0.97 (0.02)	1.03 (0.03)	1.03 (0.03)	1.03 (0.03)	1.01 (0.01)	1.01 (0.01)	1.02 (0.01)
Married	0.63** (0.13)	0.63** (0.14)	0.64** (0.13)	1.47 (0.38)	1.49 (0.42)	1.49* (0.36)	1.86*** (0.34)	1.85*** (0.36)	1.78*** (0.36)
HH head	1.17*** (0.07)	1.15** (0.07)	1.20*** (0.06)	0.96 (0.15)	0.96 (0.15)	0.87 (0.12)	0.86 (0.22)	0.88 (0.13)	0.87 (0.17)
Literate	0.68*** (0.08)	0.68*** (0.08)	0.65*** (0.07)	2.23*** (0.44)	2.25*** (0.44)	2.46*** (0.28)	0.96 (0.10)	0.96 (0.10)	0.93 (0.12)
Edu: lower secondary	2.27** (0.80)	2.16** (0.81)	2.09* (0.80)	0.44* (0.19)	0.46* (0.20)	0.44* (0.20)	0.44*** (0.14)	0.46** (0.17)	0.50* (0.18)
Size of household	1.18*** (0.07)	1.18*** (0.07)	1.19*** (0.06)	0.87** (0.05)	0.87*** (0.05)	0.86*** (0.03)	0.81*** (0.03)	0.80*** (0.03)	0.81*** (0.04)
Share of children (per adult)	0.77** (0.08)	0.78* (0.10)	0.78** (0.08)	1.31 (0.23)	1.31 (0.24)	1.33* (0.21)	1.16*** (0.02)	1.12* (0.07)	1.09* (0.05)
Monthly income (HIS)	0.87*** (0.03)	0.87*** (0.03)	0.85*** (0.05)	1.18*** (0.07)	1.19*** (0.07)	1.24** (0.12)	1.17*** (0.04)	1.16*** (0.03)	1.18*** (0.07)
Gihembe	1.06 (0.12)	1.04 (0.17)	0.19*** (0.05)	1.02 (0.10)	1.03 (0.15)	4.87*** (1.23)	0.76*** (0.06)	0.77 (0.23)	3.85 (4.96)
Kigeme	1.64*** (0.12)	1.59** (0.35)	0.50 (0.29)	0.77* (0.11)	0.78 (0.21)	1.86 (2.45)	0.31*** (0.01)	0.34*** (0.10)	1.41 (0.63)
<i>Work prior to migration</i>									
Wage-employment		3.27** (1.71)	4.28** (2.90)		0.63 (0.27)	0.50 (0.30)		1.00 (.)	1.00 (.)
Business		0.93 (0.76)	1.14 (0.91)		0.77 (0.53)	0.49 (0.30)		1.50 (1.71)	1.29 (1.36)
Agriculture		0.90 (0.35)	0.96 (0.37)		1.09 (0.38)	0.98 (0.35)		0.94 (0.66)	0.92 (0.60)
Time in community			1.03 (0.03)			0.96 (0.05)			0.99 (0.02)
HH receives remittances			1.31 (0.48)			0.38** (0.14)			1.10 (0.78)
HH receives food assistance			0.27*** (0.04)			5.22*** (1.49)			2.72 (1.87)

HH receives cash assistance			1.68***			0.99			0.44
			(0.32)			(0.20)			(0.32)
Informal network			0.92			1.07			1.03
			(0.27)			(0.35)			(0.36)
Adjusted R-squared	0.12	0.12	0.14	0.15	0.15	0.18	0.18	0.18	0.19
Observations	477	477	477	388	388	388	328	322	322

*Note:* \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.10$ . Kiziba is the reference refugee camp. HIS indicates an “inverse hyperbolic sine” transformation. Standard errors in parentheses are robust and clustered at the community level.

business or service idea when faced with a lack of other options. The size of the household is, however, like for wage-employment linked to a lower likelihood of self-employment. The results also show that literacy does not relate to self-employment and that a higher level of education decreases the likelihood for such activities. This may also relate to the fact that self-employment is a sort of necessity for some of the most vulnerable of the population. Location here matters in so far that being in Gihembe or in Kigeme in contrast to Kiziba significantly decreases the likelihood of being self-employed, this effect is lost when including further variables in the model, however.

## **6.2. Labour Market Outcomes of Refugees and Locals**

After analysing the labour market outcomes of refugees, this section aims to further examine the differences in the activities of refugees and locals. Table 7 presents the results of the analysis of factors that may influence whether an individual is unemployed rather than working in one of the three possible main daily activities. Models 1 and 2 report the analysis of the unemployment of locals and refugees in contrast to working in any sort of capacity. Consistent with the descriptive results, the analysis finds that being a refugee is associated with a higher likelihood of being unemployed. There is no difference in this in terms of location when comparing Gihembe and Kigeme to Kiziba respectively. The effect of being a refugee does hold across all three camps as shown by using the respective interaction terms in the second model. Other factors associated with unemployment are having a higher level of education, potentially indicating that it is harder for better educated people to find work that matches their qualifications, and living in a bigger household. Factors that are negatively related with unemployment on the other hand are being married, being literate, the share of children in the household as well as the household income and the time spent in the respective community.

Models 3 and 4 in Table 7 present the odds ratios of being wage-employed rather than unemployed. Looking at the main variable of interest, being a refugee versus a local, the results show that locals have a higher likelihood of being wage-employed than refugees. This effect again is consistent across the three different locations as shown by the inclusion of the interaction terms. Other variables correspond to the findings for unemployment and influence the chances of being wage-employed in the opposite direction. An additional interesting finding is the significance of receiving food assistance as a factor that increases the chances of being wage-employed. In line with the literature, this indicates that in this specific case assistance enables individuals to engage in wage-employment.

Models 5 and 6 show the results of the same analysis conducted looking at self-employment in business. The results regarding the refugee status of individuals are similar to those for wage-employment, except that the odds of being self-employed for locals is not quite as much higher as those of refugees. Other factors are similar to those for the previous models, with the exception of literacy. Interestingly, this does not seem to impact self-employment

**Table 7: Economic Activities of Refugees and Locals**

Model: Logit (odds ratio/ se)	Unemployment		Wage-employment		Self-employment		Agriculture	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Female	0.79 (0.25)	0.77 (0.24)	0.58 (0.23)	0.59 (0.23)	2.21*** (0.66)	2.35*** (0.77)	4.70*** (1.21)	4.94*** (1.38)
Age	0.98* (0.01)	0.98* (0.01)	1.02 (0.02)	1.02 (0.02)	1.02 (0.01)	1.02* (0.01)	1.03 (0.02)	1.03 (0.02)
Married	0.37*** (0.11)	0.38*** (0.11)	2.46*** (0.67)	2.42*** (0.68)	3.00*** (0.81)	2.99*** (0.80)	10.38*** (5.98)	10.63*** (6.07)
HH head	1.01 (0.12)	1.01 (0.12)	0.92 (0.06)	0.90* (0.05)	1.04 (0.22)	1.05 (0.23)	1.88 (1.15)	1.84 (1.12)
Literate	0.67*** (0.06)	0.64*** (0.06)	1.90*** (0.29)	1.96*** (0.31)	0.89 (0.16)	0.92 (0.16)	1.30 (0.69)	1.34 (0.70)
Edu: lower secondary +	2.86*** (0.74)	2.83*** (0.73)	0.34*** (0.09)	0.35*** (0.09)	0.39*** (0.10)	0.40*** (0.10)	0.18*** (0.09)	0.18*** (0.09)
Size of household	1.20*** (0.05)	1.20*** (0.05)	0.82*** (0.03)	0.83*** (0.03)	0.78*** (0.04)	0.78*** (0.04)	0.88* (0.06)	0.87** (0.06)
Share of children (per adult)	0.77*** (0.07)	0.77*** (0.07)	1.31*** (0.13)	1.30** (0.14)	1.13** (0.06)	1.14** (0.07)	1.37 (0.31)	1.41 (0.35)
Monthly income (IHS)	0.92** (0.04)	0.91** (0.04)	1.22*** (0.06)	1.22*** (0.06)	1.18*** (0.07)	1.18*** (0.06)	0.97 (0.10)	0.97 (0.10)
Market distance (IHS)	0.99 (0.11)	1.23* (0.15)	1.08 (0.10)	0.94 (0.11)	0.93 (0.12)	0.77* (0.11)	0.79 (0.11)	0.77* (0.12)
Gihembe	0.92 (0.30)	2.07** (0.76)	1.18 (0.31)	0.80 (0.28)	1.40 (0.59)	0.77 (0.41)	0.37** (0.16)	0.32*** (0.14)
Kigeme	0.79 (0.26)	0.93 (0.38)	1.16 (0.42)	0.89 (0.33)	1.17 (0.48)	0.86 (0.42)	1.49 (0.79)	1.46 (0.81)
Refugee	16.56*** (5.35)		0.10*** (0.03)		0.24*** (0.12)		0.00*** (0.00)	
Time in community	0.96***	0.96***	1.04**	1.04**	1.04***	1.04**	1.07*	1.06*



	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)	(0.04)	(0.04)
HH receives remittances	1.19	1.21	0.60	0.61	1.34	1.25	1.45	1.61
	(0.28)	(0.37)	(0.24)	(0.25)	(0.71)	(0.76)	(0.85)	(0.91)
HH receives food assistance	0.66	0.32***	2.57**	3.87***	1.36	2.76**	0.93	1.28
	(0.31)	(0.06)	(1.19)	(1.35)	(0.50)	(1.41)	(0.39)	(0.55)
HH receives cash assistance	0.80	1.22	1.60	1.13	0.68	0.57	13.98***	5.75*
	(0.22)	(0.21)	(0.55)	(0.37)	(0.25)	(0.27)	(13.98)	(5.21)
Informal network	1.18	1.21	0.82	0.80	1.05	1.00	0.49**	0.48**
	(0.24)	(0.25)	(0.19)	(0.19)	(0.24)	(0.25)	(0.16)	(0.16)
Gihembe X Refugee		6.04***		0.17***		0.41		0.00***
		(2.10)		(0.06)		(0.26)		(0.00)
Kigeme X Refugee		13.82***		0.16***		0.26**		0.00***
		(5.15)		(0.07)		(0.17)		(0.00)
Kiziba X Refugee		123.61***		0.03***		0.04***		0.00***
		(72.43)		(0.02)		(0.04)		(0.00)
Adjusted R-squared	0.45	0.46	0.34	0.35	0.33	0.33	0.81	0.81
Observations	2,054	2,054	745	745	488	488	1,421	1,421

Note: \*\*\*p<0.01, \*\*p<.05, \*p<0.10. Kiziba is the reference refugee camp. HIS indicates an “inverse hyperbolic sine” transformation. Standard errors in parentheses are robust and clustered at the community level.

like it does wage-employment. This may be an indication that self-employment is also an option for people with no education and it is their way to make a livelihood when other options are limited.

Finally, Models 7 and 8 report the findings of the analysis of work in agriculture or livestock own-account work. As the descriptive results showed, the number of refugees in this field is extremely low, which is also reflected in the results of this respective logit analysis. Refugees have a very significant much lower likelihood of doing agricultural work than do locals. A striking finding in this model is the fact that cash assistance does significantly increase the chances of an individual to engage in agricultural activities, showing that such assistance in this case may lead to productive uses.

## **7. Concluding Remarks**

This study investigates conflict-induced forced migration and labor market outcomes in the context of Congolese refugees residing in Rwanda. Using data from a newly collected household survey, it examines the differences in employment status between refugees living in three distinct camps and local Rwandese in communities surrounding such camps. Given the trends in forced migration and the lack of understanding of labour market dynamics within the context of forced migration, this paper investigates the labour market outcomes of refugees and locals to identify differences and gain an understanding of the drivers.

Some preliminary findings indicate that unemployment is much more common among refugees than among locals, which is an indication of limited labour market opportunities for refugees despite them officially having the right to work. In terms of the primary daily activity, it is clear that the majority of locals works in the agricultural sector. Access to that is, on the other hand, limited for refugees as they do not own land on which they could farm and/ or keep livestock. At the same time, agriculture does not seem to provide enough income throughout the year for local households as they often seem to complement these activities with casual labour and self-employment activities.

The analysis further shows that females have higher chances to be engaged in self-employment than their male counterparts. This is the case for both refugees and locals. Furthermore, the household composition seems to matter for occupational choices of its members. There is evidence that working age adults in households with a higher share of children are more likely to be engaged in self-employment and in the case of locals also in wage-employment. The same is found for married individuals. Education on the other hand, has ambiguous results as a higher level of education seems to increase the likelihood of unemployment for both locals and refugees. Literacy, on the other hand, is negatively related to unemployment and increases chances of wage-employment, showing the importance of at least basic education.

Regarding location, the analysis shows that there are differences across the three camps and surrounding areas. Agriculture, which is so important overall as the main activity type for locals, is less common around Gihembe compared to the other two locations likely due to the

fact that Gihembe camp is the one camp that is close to an urban centre. It also seems that wage-employment opportunities for refugees do exist in Gihembe and Kigeme, while their main type of activity in Kiziba is in self-employment. Interestingly, the kind of jobs that refugees engage in significantly differ from those of locals as they more often work for non-governmental or international organizations. This is an indication of the kind of jobs that are available to refugees in contrast to natives.

Many of the findings of the quantitative analysis on the labour market outcomes of refugees were also reflected in the focus group discussions. Regarding unemployment, the focus group participants confirmed that labour market opportunities for refugees are limited in the camps. The majority of responses in the focus groups indicated that small businesses and trade activities are indeed the main economic activities that refugees engage in. They indicated that they are able to purchase some goods with the money they receive in the form of cash assistance and then resell them to make some benefit. These are most often food products which they are able to buy in the surrounding communities. In these cases the receipt of this assistance is indeed enabling them to engage economically.

Wage-employment opportunities within the camps are mostly provided by UNHCR, NGOs and International Organizations. This was also found in the survey data, but the focus group discussions highlighted that these opportunities are limited and only available for small numbers of refugees:

*“Some also worked as mason aids with ARC, when they were building the houses we currently live in. - But not everyone in the camp had the opportunity to be engaged in those activities. - Only the lucky ones (FGD Kigeme Camp).*

Opportunities for wage-employment outside of the camp are on the other hand not possible to find according to the focus group participants. This is largely due to the fact that they do not have ID papers which they would need to find local employment. Unemployment is therefore a consequence of these limits in job opportunities in and around the camps. While there may be opportunities further away, such opportunities would have no added benefit for the refugees as the cost of getting to the workplace would be too high. As one focus group participant put it:

*“Let us take an example of the person who lives here and her job is too far away for instance in Nyamagabe. It requires the transport for both getting there and coming back yet the payment is very small for instance 700, which means that I am going to spent all of it on the transport expenses. So that is why we decide to stay unemployed because we don't gain anything since all the payment covers the transport expenses only” (FGD Kigeme Camp).*

For locals the focus groups supported the finding that agriculture is the basis of many households' livelihood. The main constraints to self-employment appear to be start-up capital. So only those that have that are able to set-up a small business and do so. Wage-employment opportunities are also limited for locals and largely dependent on the seasons in sectors such as construction.

Considering the record levels of displacement around the world, it is important to understand the type of economic activities refugees engage in and how this relates to the activities of those native to resident countries. The present study investigates this issue using the case study of Congolese refugees in Rwanda. It is clear, that overall wage-employment opportunities are limited for both refugees and locals. Considering the importance of agriculture, the fact that refugees do not have access to land, poses a big challenge to their economic independence. Nonetheless, the data also shows that there are many refugees that find ways to earn their livelihood and this innovativeness is an issue that needs further investigation.

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## Annex

**Table A.1: Summary Statistics of Individual and Household Characteristics**

	Locals		Refugees		Total	
	<i>N / Mean</i>	<i>% / SD</i>	<i>N / Mean</i>	<i>% / SD</i>	<i>N / Mean</i>	<i>% / SD</i>
Female	1,190	54.31	677	55.27	1,867	54.65
Age ***	33.75	13.90	30.81	13.49	32.70	13.83
Married ***	1,156	52.76	446	36.41	1,602	46.90
Household head ***	747	34.09	326	26.61	1,073	31.41
Literate	1,681	76.72	958	78.20	2,639	77.25
Lower secondary education + ***	455	20.77	500	40.82	955	27.96
Size of household ***	5.56	2.18	7.12	2.88	6.12	2.57
Share of children (per adult)	0.80	0.69	0.80	0.78	0.80	0.73
Monthly income (in RWF)	39,826.37	83,359.85	38,440.25	29,216.63	39,329.30	69,011.73
Market distance (in min.) <sup>3</sup> ***	66.15	50.27	51.33	48.25	60.83	50.06
Time in community (in years)***	27.39	15.73	13.59	6.98	22.44	14.83
Household receives remittances ***	37	1.69	101	8.24	138	4.04
Household receives food assistance***	54	2.46	456	37.22	510	14.93
Household receives cash assistance***	50	2.28	808	65.96	858	25.12
Informal network***	924	42.17	587	47.92	1,511	44.23
<i>Work prior to migration</i>						
Wage-employment	.	.	21	1.71	.	.
Self-employment	.	.	66	5.39	.	.
Agriculture	.	.	701	57.22	.	.

Note: \*\*\*statistically significantly mean differences across groups at the one per cent level.

**Table A.2: Primary Daily Activity in the Past 12 Months**

	Locals	Refugees	Total
Working	1,521	233	1,754
%	69.42	19.02	0.51
Unemployed	56	244	300
%	2.56	19.92	8.78
Student	339	316	655
%	15.47	25.80	19.17
Family business (unpaid)	90	252	342
%	4.11	20.57	10.01
Doing housework	99	133	232
%	4.52	10.86	6.79
Sick/ disabled	75	31	106
%	3.42	2.53	3.10
Community work	8	13	21
%	0.37	1.06	0.61
Retired	3	3	6
%	0.14	0.24	0.18
Total	2,191	1,225	3,416
%	100.00	100.00	100.00

<sup>3</sup> Market distance is not used in the analysis of refugees' labour market outcomes due to there being no variation within camps.



**Table A.3: Wage-Employment of Refugees and Locals**

	Locals	Refugees	Total	Chi <sup>2</sup>
<i>Type of employer</i>				***
Private employer	709	108	817	
%	85.32	62.07	81.29	
State owned company	52	5	57	
%	6.26	2.87	5.67	
NGO	6	27	33	
%	0.72	15.52	3.28	
International organization	2	24	26	
%	0.24	13.79	2.59	
Other	62	10	72	
%	7.46	5.75	7.16	
Formal work	56	21	77	**
%	6.78	12.14	7.71	
In community	572	82	654	***
%	68.59	45.30	64.43	
Second wage job	28	3	31	
%	3.36	1.66	3.05	
Days per week ( <i>avg</i> )	3.89	5.38	4.16	***
Standard deviation	1.76	1.47	1.80	
Time in job in years ( <i>avg</i> )	8.71	3.41	7.76	***
Standard deviation	9.18	4.81	8.80	
Months worked in past year ( <i>avg</i> )	7.50	7.09	7.43	*
Standard deviation	4.05	4.28	4.10	
N	855	197	1,052	

**Table A.4: Self-Employment of Refugees and Locals**

	Locals	Refugees	Total	Chi <sup>2</sup>
Business owner	186	104	290	***
%	76.54	94.55	82.15	
In community	63	18	81	**
%	25.93	16.36	22.95	
Number of employees ( <i>avg</i> )	1.04	0.26	0.79	
Standard deviation	2.87	1.39	2.53	
Business in existence in years ( <i>avg</i> )	7.76	4.71	6.80	***
Standard deviation	8.97	5.86	8.23	
Days per week worked ( <i>avg</i> )	4.08	4.89	4.33	***
Standard deviation	2.18	1.74	2.09	
Months worked in past year ( <i>avg</i> )	8.11	8.56	8.25	**
Standard deviation	4.21	3.67	4.05	
Second business	3	0	3	
%	1.23	0.00	0.85	
N	256	117	373	