

Essays on forced migration and labour market participation in developing countries

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VALORIZATION

This dissertation addresses the topic of the labour market participation of forced migrants and their households in developing country contexts. This addendum presents the valorization opportunities of this work. The valorization addendum has been added in accordance with article 23.5 of the “Regulation governing the attainment of doctoral degrees at Maastricht University” decreed by resolution of the Board of Deans.

The main focus of these *Essays on Forced Migration and Labour Market Participation in Developing Countries* has been to explore the labour market activities of forced migrants and their households using different case studies. Herein, a specific focus is placed on people displaced by conflict and general insecurity and their experiences both during displacement as well as upon return. The core of this work consists of four self-contained papers covering different angles of analysis on the overall theme using unique datasets from (post-) conflict countries. Access to labour markets for all, including displaced populations, is a crucial component of achieving Sustainable Development Goal (SDG) 8. SDG 8 defines the ‘promotion of inclusive and sustainable economic growth, employment and decent work for all’ as one of the priorities for development across the world until 2030.

Considering their relevance for SDG 8, the current challenges posed by forced migration around the world, and the ambition of the Global Compact on Refugees, the findings of the present dissertation may be of interest to different stakeholders such as policy-makers, practitioners, and other researchers. Besides the academic contribution of looking at questions that have so far largely been addressed in the context of more advanced economies, the findings and derived implications for policy also have economic and societal relevance more generally.

Chapter 2 poses and answers a number of critical questions about the relationship between migration and entrepreneurship in the process of economic development. Much of the existing literature on entrepreneurial activities, as well as labour market activities more generally, and their link to migration focuses on developed country contexts and voluntary migration movements. Little research, on the other hand, exists on the same issues in the context of developing countries, especially when looking at experiences of those affected by conflict-induced migration movements. The findings of the literature review and the following chapters are therefore relevant for policy-making. Specifically, Chapter 2 shows that the standard policy response to migrants and migrant entrepreneurs are often based on an inadequate understanding of migrant entrepreneurs. The chapter concludes that it must be avoided that migrants are seen as ‘super-entrepreneurs’ and that the (positive) developmental impact of

migration is more significant through other channels. Removal of discriminatory barriers against migrants and against migrant entrepreneurs in labour, consumer, and financial markets will, on the other hand, promote development in both sending and receiving countries, not least through reducing the shares of migrants that are reluctant entrepreneurs.

Chapter 3 looks at the labour market activities of Congolese refugees in Rwanda and analyses the different factors that may contribute to their engagement in the labour market. It is based on the premise that forced migrants are not passive actors but agents with human, social, and sometimes also financial capital. The findings show that, as one may expect, unemployment is a significant issue for Congolese refugees in Rwanda and that the biggest difference between natives and refugees lies in the access to land in a context where a reliance on agricultural activities is still common. Furthermore, self-employment is an important form of activity for females and especially female refugees, as alternative economic activities for them largely do not exist in the absence of the possibility of engagement in agricultural activities. The study also highlights that the local context of refugee camps does matter and that refugees benefit from being closer to urban centres, where they can engage in trade and casual labour arrangements with the local population. Overall, these findings are relevant for policy-makers because, if legally allowed and enabled to do so, refugees are in a position to engage in the labour market and contribute to the economy of the hosting country. This does, however, require that there are no legal or administrative hurdles in this regard. It is, therefore, important that policies within a country are coherent and that discrepancies between, for example, refugee and labour market policies are avoided.

Chapter 4 focuses on individuals that do not have a migration experience themselves, but on the impact of migration of household members on the labour market activities of those non-migrants, with a focus on self-employment. Data for four countries characterized by significantly different labour market and migration contexts is used to analyse this relationship. These countries are Afghanistan and Burundi, as countries with mainly forced migration flows, as well as Ethiopia and Morocco where migration is mainly for economic purposes. The analysis shows that in countries where the vast majority of migration is motivated for the most part by the escape from violent conflict and general insecurity no relationship between migration and self-employment of non-migrant household members does exist. In countries, where the main reasons for migration are economic ones, such a relationship is more likely. Here it seems that the specific strategy of the respective household may make a difference. Therefore, the

findings highlight that the context in which migration and labour market engagement take place indeed matters significantly. As such, it is important that policies, programmes, and any support mechanisms aiming at helping forced migrants, their households, as well as other vulnerable groups, recognize the specific local context in order to ensure that proper approaches are used.

Chapter 5 explores the economic activities of refugees upon return to the country of origin, in this case Afghanistan. Specifically, the case study analyses the labour market reintegration of refugees returning from Iran and Pakistan. Employment is a key component in the overall process of sustainable reintegration and as such it is important to understand the determinants of different potential labour market activities in order to improve policy-making in this regard. The findings provide evidence that returned refugees are less likely to be wage employed in comparison to non-migrants, and that those factors related to socio-economic status, including educational attainment, and the strength of social networks play an influential role in labour market outcomes in Afghanistan. In addition, there is evidence that even in contexts of forced migration, the migration experience may be influential for the economic reintegration, particularly in contexts where the forcibly displaced do have opportunities to be economically active during displacement. Overall, the main contribution of this chapter is the analysis of the potential role of migration experiences in labour market outcomes of migrants upon return; an issue that has previously been analysed in the context of voluntary movements for employment purposes, but not those caused by factors such as violent conflict and general insecurity. Given the role of social networks highlighted in this chapter, as well as throughout the dissertation more generally, assistance focused on helping forced migrants and returnees build strategic linkages in their respective communities may be particularly beneficial. The capacity of refugees as well as returnees could be improved by bringing them in touch with other actors like business associations or a network of experts. Additionally, the findings concerning the importance of savings and access to financial capital suggest a possible credit constraint at home which earnings from abroad help to ease. Therefore, small grants and/or loans for the purpose of investing in a business venture may be a viable strategy if targeted at recipients with practical ideas and the capacity to carry them out. Careful selection is therefore important in order to increase the likelihood of effective implementation, but conditions can be put in place to help improve the odds of success.

In Chapter 6 the focus is on the operation of non-farm businesses by households in rural Burundi. The change in level of analysis from the individual to the household

level is due to evidence that highlights that decisions to engage in small businesses are often not made by individuals themselves, but rather at the household level; often as a strategy of diversifying income sources. The patterns and determinants of such activities are explored and analysed in the context of the rural parts of post-conflict Burundi. Within the analysis, specific attention is paid to the potential impact of forced migration experiences of household members on such activities. The chapter therefore contributes to the existing literature by considering that displacement experiences and the consequences upon return in terms of loss of land rights, assets, and deterioration of skills may be an additional reason to engage in entrepreneurial activities in rural contexts that are characterized by land scarcity and limited wage employment opportunities. The analysis does, however, not confirm such an expectation. Instead, it highlights that households with international, internal, or no displacement experiences are more or less likely to operate a non-farm business based on a variety of other factors, including, first and foremost, the necessity to engage in another activity due to the inability to satisfy daily needs based on household agricultural activities. Understanding the motivations of households and individuals to engage in business activities is important in so far that policies shape the conditions in which the economy operates. Understanding the driving factors can then enable policy-makers to develop policies and support programmes that have the potential to facilitate start-up processes. At the same time, there is a need to find alternative ways of supporting poor households who enter into low-productivity entrepreneurship out of necessity.

These findings and resulting policy lessons have been shared with different stakeholders on a variety of different occasions, including international conferences, workshops, and meetings attended by policy-makers and researchers from a diverse range of organizations. The chapters of this dissertation have, for example, been presented at the IS Academy Migration and Development final conference in Maastricht in 2014; MACIMIDE Conferences and Workshops in 2014, 2016, 2017, and 2018; workshops with representatives of the Dutch government in 2014 and 2016; the annual conferences of the Human Capital and Development Association in Washington, D.C. in 2015 and Tokyo in 2016; the 2nd International Conference on Migration & Diaspora Entrepreneurship in Bremen in 2016; the RSC Conference 2017 (Beyond Crisis: Rethinking Refugee Studies) in Oxford; the IMISCOE Annual Conference 2017 in Rotterdam; the UNU-MERIT Annual Internal Conferences 2017 and 2018; the Migrating out of Poverty: From Evidence to Policy Conference in London in 2017; the International Forum on Migration Statistics in Paris in 2018; and the 2018 World Congress of the International Political Science Association in Brisbane. In terms of further diffusion of the results, the chapters of this dissertation have either been

published or are in the process of being published as peer-reviewed journal articles or working papers. Chapter 2 has been published open access in the IZA Journal of Migration (since renamed to IZA Journal of Migration and Development). Results from Chapter 3 were used in a final project report for UNHCR. Chapter 5 has been accepted for publication in a Special Issue on “Forced Migration, Enterprise and Development” of Small Business Economics.

In conclusion, the findings of this dissertation show that it is important to understand that, ideally, policies and infrastructure should enable forced migrants to engage economically at the different stages of their migration journey when they want to do so. While those in vulnerable situations should not be ‘forced’ to work, those that show motivation should be recognized as economic actors. Support and policies should therefore focus on actions that can facilitate this. This includes opportunities for (further) education and training for the refreshment and development of skills, but also infrastructure as such, for example transportation or internet and cell phone access. Well-designed policies and programmes have the potential to contribute to the well-being of forced migrants and their household members as well as to development of countries of origin and destination respectively so that ideally all involved parties can benefit.

