

LAMFOR Policy

3/14/2016

No. 2

The Consequences of Hosting Refugees

The degree to which refugees will impact the labour market outcomes of the local population depends on the degree of substitutability between refugees and locals.

We expect locals to move away from economic activities which could be easily done by refugees onto activities in which they have a competitive advantage. For instance, if

holding professional jobs and having job that would provide a pension after retirement.

When looking at economic activities, the results indicated that greater exposure to the presence of refugees resulted in Tanzanians having a higher likelihood of working in agriculture for subsistence and a lower likelihood of working outside the household as

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positions in the formal sector (e.g. Government jobs) are unavailable to refugees, then local workers could move into those positions.

The LAMFOR project looked at the labour market consequences of hosting refugees in Western Tanzania. The results indicated that for local Tanzanians who were employees, the presence of refugees had a positive impact on the likelihood of working as government employees,

employees. The latter effect was particularly strong for Tanzanians doing casual work before the arrival of the refugees.

There are winners and losers from the presence of refugees and policy should place special attention to those members of the local population that are more likely to be negatively affected by the presence of refugees.

More on this topic

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This briefing is based on the articles “**Labor Market Impacts of Forced Migration**” and “**The Labor Market Consequences of Hosting Refugees**” by Isabel Ruiz and Carlos Vargas-Silva.

The articles are available in these websites:

<https://www.aeaweb.org/articles.php?doi=10.1257/aer.p20151110>

<http://joeg.oxfordjournals.org/content/early/2015/06/12/jeg.lbv019.full>

About LAMFOR

The Labour Market Impacts of Forced Migration (LAMFOR) was a COMPAS project at the University of Oxford in partnership with Maastricht University that provides statistical evidence on the economic implications of forced displacement situations, putting particular emphasis on labour markets. The initial stage of the project looks at two different case studies in the African Great Lakes Region: Burundi and Tanzania.

Funding

This work was supported by the UK Department of International Development (DFID) and the Institute for the Study of Labour (IZA) Growth and Labour Markets in Low Income Countries Programme (GLM | LIC). The views expressed in this document are not necessarily those of DFID, IZA or GLM | LIC.

CONTACT

Carlos Vargas-Silva, Principal Investigator, LAMFOR: carlos.vargas-silva@compas.ox.ac.uk