

## THE IMPACTS OF REFUGEE'S CRISIS TO CHADIAN LABOUR MARKET: A CONCEPTUAL ANALYSIS

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### ABSTRACT

*The humanitarian crisis in the north, eastern, and central Africa, several refugees receiving states face the dilemma of severe unemployment and labour market crisis. Particularly, Chad, security and political instability and clashes between the rebels and the government forces have also contributed to a collapsed of labour market. Over 200,000 refugees have been forced out of their countries, according to the United Nations High Commissioner for Refugees (UNCHR), in recent years occasioned by unrest and political instability. The fragile security situation in the entire eastern Africa climaxed the IDP (internally displaced people) crisis, making the Chadian refugees camps in eastern region one of the worst overcrowded camps in Africa. This paper used literature and dual labor market theory to examine the Chadian refugee crisis leading to a collapsed of labour market within the north-central African sub-continent.*

**Keywords:** Refugees crises, Labour market, Unemployment, Chad.

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### 1.0 INTRODUCTION

African labour market research is always irregular occasioned by absence of consistent data. In the same manner, employment and unemployment data are sourced from the national population census, and other household surveys like the labour force surveys and living standards that are mostly inconsistent (Baah-Boateng, 2016).

In spite of its vast natural resources, landlocked Chad is still regarded as one of the poorest nations of the world. According to the UN Human Development Index Report (2007), the country is ranked as the fifth poorest country with almost 80 percent of its population living below the poverty line. Even though, remoteness, drought and endless food shortage are some of the major issues affecting Chad, the intermittent political unrest in its 50 years of independence has wrecked several havocs on the economic development of the country (Adam, 2015). In addition, studies has also shown that corruption and several other issues, has also rendered Chad as fourth on its index of failed states (Levy, 2007). The country ranks bottom of Transparency International's Corruption Perceptions Index. And with the incessant resource mismanagement, the hopes and aspirations of many Chadians is dashed that the newly discovered oil wealth might raise the standard of living among the citizens. While misgovernment continuously takes the country aback, the regional conflict and instability leading to the influx of internally displaced persons from their countries has further disintegrated the country (Giroux, Lanz & Sguaitamatti, 2009; Nazzal, 2014). Refugee resettlement is always essential for the United Nations High Commissioner for Refugees (UNHCR). Refugee crisis started after the 1st World War and has, since then, continued till date. However, it was not until 1960s that African nations began to witness refugee crisis due to the spontaneous independence at the time (Sharpe, 2013). This was occasioned by the fact that most African countries were still under colonization (Kibreab, 1987). The crisis later skyrocketed immediately after the Second World War, when the international communities saw the need to come to the aid of millions of people that are seeking asylum in other countries as refugees. In this study, the effects of refugee crisis on the Chadian societies labour market are examined, particularly from the viewpoint of labour market and migration theories.

According to Massey et al (1993), there are no contradictions in the assumptions and hypotheses of various labour market and migration theories. The basic theories include micro and macro theories of neo-classical economics; dual labour market theory; world system theory; new economics theory of migration; migration systems theory; cumulative causation; and network theory (Agyei & Clotey, 2007). In the Neoclassical migration theorists' parlance, migration is based on individual's decision for income maximization. But according to the new economics of migration theorists the conditions necessitating migration varies, and they may include compelling factors like wars, labour, capital and insurance markets. This study, however draws on the dual labour market theory to explain the impacts of refugees on the Chadian labour market. The dual labour market and world system theorists both ignore decision to migrate at the micro-level and ascribe migration to issues of economic/political instability, modern industrial economies and economic globalization.

Literatures has indicated that refugee migration posed several international challenges in terms of political, social, and economic difficulties to hosting nations (Borjas, 2013; Akgündüz, Van Den Berg, & Hassink, 2015). However, there is dearth of literature on the influence of immigration on the labor market of the host countries. Based on the above background this study is motivated to examine the impact of refugee's crisis on the Chadian labour market and to proffer the ways out to mitigate the effects of refugees on the labour market of Chadian republic employing the dual labour market theory as the lens of the study.

The paper comprises the introduction of the study, methodology, dual labour market theory, background of African refugee crisis, integration of refugees through labour market approach. The study also, highlight on the North-central Africa's refugee crisis and labour market, Chadian labour market, recommendations on the impacts of refugee's crisis on host labour market and the submission of the study through conclusion of the study.

## 1.1 METHODOLOGY

This study used secondary sources from articles, reports, executive summary, internet resources, published journals.

## 1.2 DUAL LABOUR MARKET THEORY

The dual market theory by Peter Doeringer and Michael Piore, (1971) stipulates that employment situation in an economy crises ridden are mostly juxtaposed into primary jobs and secondary jobs. The primary jobs are those with good working condition, high wages, development opportunities to advance to higher paying jobs which in this study is related to the host countries. Also, the secondary jobs are those with poor working conditions characterize with unstable working conditions and denial of development opportunities to a higher job with higher pay which is in conformity with the refugee's conditions in this present study (Teruyama & Toda, 2017).

The theory further links migration to essential changes within the economy, while also explaining migration dynamics with labour demand (Massey et al, 1993). The dual labour market emphasized a diverged occupational structure and a twin pattern of economic organization in developed economies. The theory proposes that labour migration is mostly driven by labour demand: the model of the economy in the developed nations has readily created a demand for blue-collar jobs which domestic workers often refuse to accept due to their status. As refugees immigrate, and are desirous of taking up any form of odd jobs, policy choices follow the market needs. However, the dual labour market theory ignores the refugee sending nations and placed much emphasis on the formal recruitment practices (Cramer, 2008). The theory, according to Arango (2000), makes a case for the coexistence of chronic labour demand for the immigrants alongside structural unemployment in the receiving country.

## 1.3 AFRICAN REFUGEE CRISIS

According to the UNHCR in 2013, the sub-Saharan Africa in particular, hosts more than 26 % of the global refugee population. The ongoing crisis in some countries like Nigeria, the Central African Republic (CAR), and South Sudan has escalated this refugee crisis, such that almost 18 million people are being catered for by the UNHCR in the region alone. The newly erupted conflicts in Burundi also contributed to the crisis.

Refugee resettlement is consistent with a wider universal humanitarian policy, which addresses the rationale for forced migration. Since mid-1940s till 1985, refugee's resettlement was a better way to protect and care for refugee population that keeps growing (Gray & Elliott, 2001). According to Gasarasi (1991), voluntary repatriation and effective integration within the host nation are the common approaches to refugee crisis. Although, it is important to take an insightful look at the main causes of the crisis. Owen (2010) also noted that refugee resettlement programme afford the refugees the right to live in the same country with the citizens of the host nation and, at the same time, enjoy the facilities as other nationals, according to the 1951 Convention on refugee protection. This study is an attempt to conceptualize the impact of the refugees on the host communities in Chad using labour market strategies.

Chad, in the like manner with other African independent nations in the sub-Saharan region, is a signatory to the 1951 refugee Resolution, and a member of the 1969 Organization of African Union (OAU) Convention. Thus, it has been dealing with massive influx of refugees in the eastern region of the country, who fled their crisis region to seek asylum in the eastern are basically from Sudan.

In the plight of the above discussion, several studies have been conducted on the impact of refugee's crises world over as indicated by the study of Alix-Garcia and Saah (2010) the inflows of refugees on host communities evidence from Tanzania, impact of immigration on immigrant in Germany Glitz, 2012) and the struggle for life between borders Syrian refugees Gu, cer, Karaca and Dincer (2013 Thus, the above enlisted studies neglected the impact of refugees on host labour market. The gap which this study wants to fill.

## 1.4 REFUGEE INTEGRATION: LABOUR MARKET APPROACH

Humanitarian migrants (like the refugees) differ in quite a few aspects from other migrants, in the sense that their characteristics differs with respect to their demographics and skills. Also, the factors responsible for their departure from their home countries and the possibility that they will most likely establish a long-term residence in their destination countries add to the sensitivity of their integration (Konle-Seidl & Bolits, 2016). Refugees are a particularly vulnerable immigrant who obviously require a coordinated and comprehensive policy actions. Studies have also shown that in most counties, refugees face more difficulties above those faced by other migrant groups in securing employment. Refugees arrive their host countries with weak or no attachment to the host country, whereas, many of them have acquired qualifications and work experience in a different labour market conditions (Sanders, 1997). And, due to the crisis responsible for their departure, many could not provide proper documentation to verify their academic qualifications and/or skills (OECD, 2016).

Due to insufficient records on refugees' integration into the labour market, there has been very little empirical studies on this area (Konle-Seidl & Bolits, 2016). However, refugees characteristically integrate very slowly in their host countries' labour markets, as their performance in the labour market is always less than other migrant groups who possess a different characteristic (Damos de Matos & Liebig, 2014). But, as confirmed by Bevelander and Irastorza, (2014), over time, refugees may eventually exhibit the ultimate gains in the labour market. In the same manner, the study of Dustmann and Görlach (2016) demonstrated that in the European Union settings, there is always clear employment progress among the refugees than other groups of migrant, which allows them to earn higher wages and longer working hours after few years.

It has also been reported that refugees do take significantly less time to gain employment, especially when the labour market conditions are good. However, when refugees arrive their host country during high local unemployment, their integration into the

labour market suffer for so many years before gainfully engaged in the host country. Refugees' presence has needed an expansion of the native untapped resources. This condition allows the host government to create opportunities in order to integrate the refugees into the labour market (Valenta & Bunar, 2010). For example, this is found in Southern Mali where some Ivory Coast refugees flee to Loulouni in Mali during war outbreak in 2001.

### **1.5 NORTH-CENTRAL AFRICA'S REFUGEE CRISIS AND LABOUR MARKET**

Thousands of refugees that fled their countries are in exile in Chad due to political upheavals in their home countries. Chad is a very small country in Central Africa. It gained its independence in August 1960, and since then Chad has been plagued by several unrests and upheavals (Mallaby, 2006). The unrest in the North-Central Africa has been the major cause of the great number of refugees fleeing to neighboring states. Refugees from Sudan Darfur region began flee to the region due to the outbreak of civil war in 2003. Most of the refugees had initially settled around Tine, Bahai, and Adré, however, the continued unrest had further necessitated their spread over the length of the eastern border from the south to the Cariari in the north. In addition, an approximately 70,000 people were internally displaced by the dreaded Boko Haram insurgents, majority of whom were hosted by Chad. This makes the country the second highest IDP camps in the entire Africa. These IDPs are mostly displaced from the neighbouring states of Sudan, Nigeria, Central African Republic and Libya, with extreme poor living conditions due to overcrowding (UNHCR, 2015). Thus, the UNHCR, the government refugee agency in Chadian, and the Centre National de Nutrition et Technique Alimentaire (CNNNTA) in late 2003, re-examined the refugee crisis and took step towards the first pre-registration, which took place in 2003. This gave birth to the first official refugee camp (Farchana camp) in 2004. There are over ten refugee camps in the eastern region of Chad. Two different camps in Farchana and another newly operated Bredjing camp, are located along the eastern part of the UNHCR sub-office in Abeche. Another four camps are further north, while an additional three camps are being planned in Oure-Cassoni in the northern part. Specifically, the UNHCR in 2004, estimated the Chadian refugee population to be over 105,000 in all the camps and another over 74,000 in unstructured quitters along the border (Tomczyk et al., 2004).

In 2015, the attack by the armed Boko Haram group was intense in the Chadian capital, and up to Lake Chad, where they mostly carry out looting, property destruction, killing and abduction of civilians (Pérouse de Montclos, 2016). The Chadian authorities took several measures to counter the terrorists' invasion, which includes the passing of a restrictive anti-terrorism law. This led to the continued restriction of the right to freedom of expression by disallowing demonstrations, with excessive force. In addition, economic activities were grounded, leading to several refugees (mainly from Nigeria, Central African Republic, Sudan and Libya) to start living in difficult conditions in overcrowded refugee camps. Due to these continuous unpleasant conditions, many refugees were forced back to their countries in late 2015, at the peak of Boko Haram insurgency. Most of the ejected refugees were accused of being members of the insurgency group, which is in contrast to the principle of non-refoulement (Weissbrodt & Hortreiter, 1999).

### **1.6 CHADIAN LABOUR MARKET**

Refugee migration posed several international security challenges in terms of political, social, and economic difficulties. The most challenging in the case of Chad being threatened labour market (Massey, 2006). While there has been reports about Chad eagerness to liaise with the international community in addressing refugee migration issue, The United Nations High Commissioner for Refugees (UNHCR) has assisted over 200,000 Sudanese refugees that are being camped in 12 refugee camps in the eastern corridor of Chad. In the same manner, other NGOs like the World Food Program (WFP), International Medical Corps (IMC), International Federation of Red Cross/Red Crescent Societies (IFRC/RCS), the United Nations Children's Fund (UNICEF), and several others internationally recognized NGOs have been contributing relieve items, and other assistance for the refugees (especially, Sudanese refugees).

Chad is resolute to address refugee migration as an international security concern, especially considering those migrating for socioeconomic reasons, which will require creating incentives within the labour market (Lewis, 2012). Studies has also shown that the World Bank and the International Monetary Fund (IMF) has been subsidizing the refugee host countries in the developing industries by encouraging more economic and industrial growth that can stimulate job creation and better economic conditions for refugees within these regions (Giroux et al., 2009). Unlike refugees from natural disasters, which is usually temporary, migration as a result of conflicts, however, is more complex, and the cause of the crisis is difficult to exterminate. In the case of Chad, the refugee invasion, and the consequent labour market crisis is metamorphosing into different dimensions as the Sudanese Darfur conflict continuously displace more people due to the lingering violence. According to Massey (2006), the refugee crisis has also adversely affected the Chadian citizens and the labour market.

The apparent impacts of refugees on Chad economy is that population influx in the host communities is an increase in rental prices. The rental increase is an advantage and a gain for the landlords but constitutes a burden for the low-income people who rent. With an increasing demand and higher rental prices, it becomes difficult for local renters to find affordable accommodation (Atim, 2013). The use of refugee workers in agriculture and other small economic activities as cheap labour in bakeries, brick making, laundry, establishing eatery centers and renting open lands to open small confectioner shops, brick layers, security guards. The above enlisted menial jobs are taken over by the refugees at a cheaper wage displacing the locals of their employment opportunities. This perception most often causes strong reactions from the host community because they always perceived that refugees are stripping them of their job opportunities. Thus, exerts negative impacts on the Chadian economy (Orhan, Senyücel & Gündoğar, 2015).

### **1.7 RECOMMENDATIONS ON THE IMPACTS OF REFUGEES CRISIS ON HOST LABOUR MARKET.**

Based on the above stated impacts of refugee's crisis on host labour market, this study recommended the following suggestions to revitalize the labour market in Chad:

**Empowerment of the host community with housing loans.** The government, non-governmental organizations and the financial institutions should embark on efficient and affordable housing loan facilities to the middle-income earners of the host community to facilitate erection of more habitable houses to cushion the impact of high demand on shelter caused by the migrants in the host regions.

**Creation of job opportunities:** The government should provide accessible loans to the poor host to facilitate the sustainable development of small and medium enterprises (SMEs) in the regions where refugees are hosted in order to increase job opportunities. The provision of accessible credit will accelerate businesses activities, due to the influx of refugee's population in the host regions.

### 1.8 CONCLUSION

This study explores the impacts of refugee's crisis on Chadian labour market using labour theory as the lens of the study. The findings of the study disclosed that influx of refugees lead to heightening of rent fees of the lower income earners of the host regions to the extent of making housing unaffordable. The findings from the study indicates that the impact of refugees stripped of the job opportunities of the host nation. Aligning with the findings of the study, it is imperative to proffer lasting solutions to mitigate the impact of refugees on the host labour market. The paper suggested the plausible empowerment of the host community with housing loans and the creation of job opportunities to reduce the strain of refugees on the host regions. However, this study is confine to the context of Chadian republic such that the generalization of the study suggestions should be done with caution only to Chadian economy. This study, has some inherent limitations specifically, this study is an exploratory nature with dearth of literatures on the impact of refugee's crises on Chadian labour market. For more validation of the study findings, the future study should adapt a qualitative design to assess the impact of refugee's crises on host country labour market.

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