

# Refugees and host communities in the Rwandan labour market

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**In Rwanda, Congolese refugees have the same freedom of movement and right to work as Rwandans but the experiences and economic activities of these two populations are very different.**

Of the approximately 164,500 officially registered refugees residing in Rwanda today, 45% are from the Democratic Republic of Congo (DRC). The Rwandan government has adopted a relatively progressive policy approach to support the integration of refugees, and refugees have the freedom to move outside their designated camps and the right to engage in wage-earning or self-employed activities. This enabling environment helps increase the economic and social interaction between refugees and local populations, and as a result one might expect the areas around the camps to have a labour market freely accessible to locals and refugees alike.

Analysis of the experiences of refugees and locals, however, brings to light the varying dynamics, opportunities and challenges for both groups. As part of a project examining the impact of Congolese refugees on host communities in Rwanda,<sup>1</sup> in May 2016 we conducted household surveys with refugees in three of the largest camps – Gihembe, Kiziba and Kigeme – and with locals living nearby. For the latter we differentiated our sample between those living within 10km of the camps, and those living more than 20km away, in order to identify the highly localised effect of being in contact with the refugee population on a daily basis. We also organised a number of separate focus group discussions among refugees from each camp as well as with host community members living at various distances from the camps. A key finding is that although Congolese refugees officially have the right to work, in reality their experiences in the local labour market differ considerably from that of local Rwandans.

Congolese refugees are significantly more likely to be unemployed than locals, and a major reason for this, given by the refugees

themselves, relates to local employers' lack of knowledge of the refugees' right to work. According to the focus group participants, finding a job outside the camp is rare due to the fact that they do not have the appropriate identity papers requested by potential employers. As one participant from Kiziba camp said, "They mostly ask if you have an identity card to prove that you are a Rwandan citizen. So, if you do not have an identity card then you can't have a job".

It is not sufficient simply to provide the right to work; there needs to be practical follow-through. This may mean issuing specific identity documents to refugees that local employers recognise and accept and/or an information campaign targeting employers to help make sure the refugees' legal rights are clear to all.

Focus group participants also mentioned that most work opportunities were in local commercial hubs far from the camps, and that the considerable travel costs involved and low earnings often deterred them from taking these jobs. Providing cheaper transportation can make it more viable for refugees to find employment well beyond the immediate camp areas.

## Jobs and skills in camps

Job opportunities for refugees are quite limited outside the camps but within the camps themselves non-governmental and international organisations employ a significant number of refugees. It is clear, however, that these organisations cannot address the employment needs of all refugees. This situation also raises the question of refugees' dependency on humanitarian organisations beyond basic protection and needs. It seems evident that the more refugees are able to integrate in the wider Rwandan economy and not remain

within the confines of the camp-based setting, the better off they will be in the long term.

Unsurprisingly, we found that the work-related experiences of refugees differ also by skill level. Those refugees with professions and who have diplomas are in a more advantageous position than others with fewer skills. As a participant from Kiziba said, "There are [refugee] teachers and even health providers but ... ordinary people have nothing to do." Keeping this heterogeneity in mind is key when designing policies to facilitate greater participation in the local labour market.

### Locals in the labour market

Our research finds evidence of a shift away from subsistence agricultural activities among locals in the host communities. More specifically, working-age individuals within 10km of a camp are more likely to be engaged in wage employment (that is, working for an employer with steady pay) than in farming or livestock production. In addition, we observed that females living near a camp are more likely to be self-employed than those residing further away, illustrating an important gender-specific dynamic to this adjustment in the local labour market.<sup>2</sup> Focus group discussions again uncovered more nuanced findings. For instance, it was often stated that refugees from Gihembe have small shops or hairdressing salons outside the camp that employ local people, while locals are also hired in the camps for construction projects. As one participant from Gihembe said, "Since [the refugees] arrived here, economic activities have increased. Many houses were built and selling activities multiplied. There are different market centres which were created because of the camp."

Finally, the discussions also shed light on some distributional effects among the local population with regard to who benefits from the presence of refugees. Participants who live near Kigeme, for example, emphasised differences in economic interaction based on personal circumstances, in particular that it tends to be the financially better-off from their community who engage commercially with refugees and who presumably benefit from

that interaction. Again, this demonstrates the need to consider heterogeneity within the host community as well, when trying to understand how a refugee camp may influence local populations.

On a positive note, we found that locals' labour market activities do not seem to be negatively affected by refugees; indeed, the resulting, more dynamic local economy provided increased opportunities for wage-earning jobs and self-employment. Moreover, we did not find evidence of either increased competition in the labour market or resentment from local people due to the presence of refugees. On the contrary, the economic and social interaction between groups was given as an explanation for the good relations between the two populations.

For Congolese refugees, however, the experiences were more mixed. Being granted the right to work and thus to access the local labour market is not sufficient to promote sustainable self-reliance, and a more comprehensive strategy is needed to provide opportunities for the wider refugee population. This strategy could incorporate standardised identity documents for refugees, information provision for local employers, and better transportation provision outside the camps. We hope that these observations can guide not only the relevant actors in Rwanda but also the governments of other refugee-hosting countries in adopting effective measures to promote economic and social integration for the benefit of refugees and host communities alike.

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1. Funded by the UN Refugee Agency, UNHCR.

2. See also Bilgili Ö, Loschmann C and Siegel M (2017) 'The Gender-Based Effects of Displacement: The Case of Congolese Refugees in Rwanda', KNOMAD working paper 21 <http://bit.ly/KNOMAD-WP21>