



Internal migration and youth entrepreneurship in the Democratic Republic of the Congo (DRC)

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BACKGROUND AND OBJECTIVES

- Higher levels of unemployment, especially among the youth is one of the salient features of Sub-Saharan African (SSA) countries' economies, with more than 40% of the salaried employment being created by SME's which in general are under the responsibility of entrepreneurs. In such a context youth entrepreneurship seems to be an effective way for absorbing the unused productive forces of the economy
- DRC is no exception on that regard. However, covering a large space it is marked by high disparities between provinces in terms of natural endowments, business opportunities and productive capacities. Thus, in spite of the destruction of the basic infrastructures during the long period of political instability it has gone through for the past two decades, the adoption of migratory behaviour by the youth as a job search strategy has highly been observed without sufficient documentation.

Objectives:

1. Draw the profile of internal youth migrants and the determinants of the decision to migrate
2. Determine the preferred destinations regions of these young migrants
3. Establish a link between the migratory status of a youth and her entrepreneurial involvement

DATA AND PROCEDURES

- The data used are from 1-2-3 survey conducted in 2005. This national representative data overlaps three phases, the first of which dealing with employment and working conditions (phase 1), informal production units (phase 2) and living conditions of the surveyed individuals' households (phase 3).
- Focus on a sub-sample of the individuals aged of 15-30 years, the youth.
- Accounting for the endogeneity resulting from the unobserved factors that may affect both decisions at once, we adopt a recursive **bivariate Probit approach** to jointly estimate the decision models of both migration and entrepreneurship.
- To evaluate the robustness of the results thus obtained: a complement by a treatment model based on the **propensity score matching (PSM)** method.

RESULTS

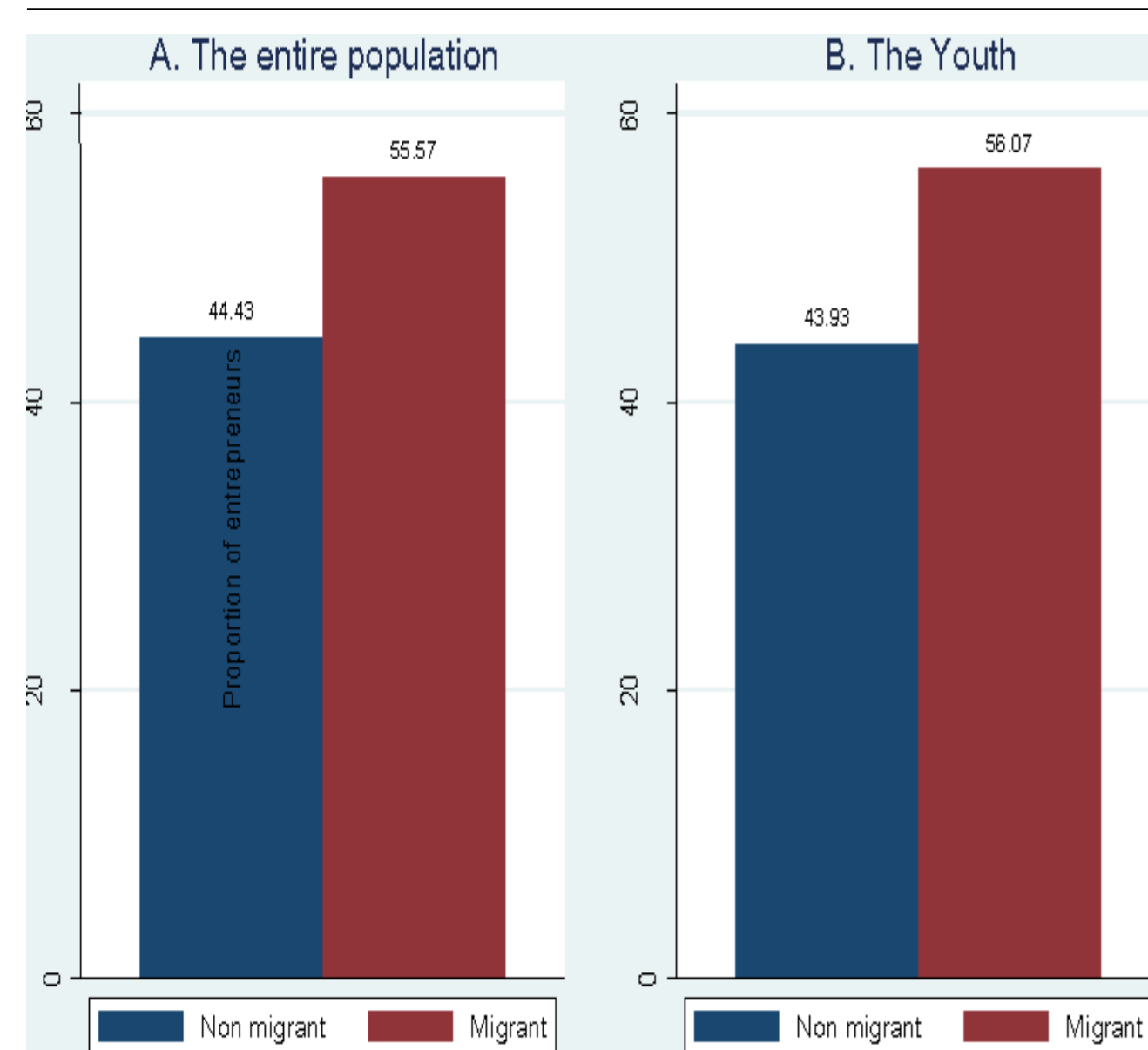
Table 1: Origin and destination of migrant entrepreneurs

Origin of	Destination of migrant			Total
	City	SmallCity	Rural	
City	07.48	01.74	13.01	22.23
Small city	06.41	01.41	14.04	21.85
Rural	05.64	03.78	46.49	55.91
Total	19.54	06.93	73.53	100.00

- The majority of migrants are from and migrate to (other) rural areas
- Small city are the less attractive destinations

Table 2 : Sector of activity of young entrepreneurs by education level

Education Level	Sector of activity of migrant					Total
	Agriculture	Industry	Commerce	Service	Other sect.	
None	67.32	1.82	5.47	16.68	8.71	100.00
Primary	47.55	4.11	10.16	28.71	9.48	100.00
Second. no diplo.	40.93	2.24	8.81	25.74	22.29	100.00
Second. complete	36.36	4.88	7.47	43.75	7.53	100.00
University	15.11	6.96	13.53	54.05	10.36	100.00
Total	54.70	3.13	7.91	24.74	9.51	100.00



- Migrants are more incline than non migrants to become entrepreneurs: more than 80% of them being entrepreneurs.
- Lower levels of education (primary and non completed secondary school) have no significant impact on the decision to set up as an entrepreneur
- Migrants move towards more prosperous provinces, those with higher levels of spending.

Table 3: Regression results

Explanatory variable	Migration		Marginal effect	
	Informal	Formal	Informal	Formal
Migration	1.020***	-0.320	0.351***	-0.0104
	(0.301)	(0.619)	(0.101)	(0.0211)
Duration of migr. ^	-0.0192	0.082***	-0.00659	0.00267**
	(0.0147)	(0.0297)	(0.00506)	(0.00107)
Age ^	0.215***	0.248***	0.0741***	0.00388
	(0.0449)	(0.0775)	(0.0154)	(0.00422)
Age squared ^	-0.003***	-0.005***	-0.001***	-5.90e-05
	(0.001)	(0.00163)	(0.000333)	(8.7e-05)
Father entrepren.	0.0860**	-0.0493	0.0296**	-0.00717*
	(0.0369)	(0.0574)	(0.0127)	(0.00375)
Second. compltd.	-0.460***	-0.0507	-0.158***	0.00663*
	(0.0691)	(0.112)	(0.0237)	(0.00394)
University	-0.649***	0.0907	-0.223***	0.0253***
	(0.200)	(0.230)	(0.0687)	(0.00679)
Sex: Female	-0.397***	0.110	-0.14***	-0.015***
	(0.0350)	(0.0695)	(0.0117)	(0.00362)
Rural	-0.0153	0.260***		
	(0.0428)	(0.0666)		
From unstable prov.	-0.964***	5.305***	0.649	5.420***
	(0.238)	(0.317)	(0.422)	(0.312)
Province	Yes	Yes	Yes	Yes
Observations	10231	10231	10231	10231
Pseudo R ²	0.112	0.215	0.110	0.431

- The influence of migration on entrepreneurship is significant when the entrepreneurs set up in the informal sector: a kind of **"negative selection"** of migrants. However, the duration of stay in the migrant destination positively influences the decision to set up in the formal sector, a one-year increase of the duration leading to 8% increase in the probability of the latter event.
- There is an intergenerational transmission of entrepreneurship but only for those operating in the informal sector while such a background has no impact on the decision to migrate and negatively impact on the fact of setting up in the formal sector.
- The higher the level of education the less the youth is likely to migrate (a) and (b) to set up as entrepreneurs, but when considering individuals (migrant vs non migrants) at the same level of education the probability of setting up as an entrepreneur in the formal sector is higher for non-migrants.

RECOGNITION

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