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How Do Refugees Influx Affect the Labor Market? Applied Case Study on Egypt

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Abstract:

The global refugee crisis has reached unprecedented levels in recent decades with conflicts, oppression, and human rights abuses driving millions to flee their homes across the Middle East, North Africa, Central Asia, and other regions. The number of forcibly displaced people worldwide has more than doubled since the late 1990s. This has placed immense strains on host countries and sparked ongoing international debates around burden-sharing, resettlement, and long-term solutions. Egypt, as a host country to a significant refugee population, has faced the multifaceted challenges of ensuring the socioeconomic inclusion of refugees while maintaining the delicate balance of its domestic labor market.

The study investigates the economic impact of refugee inflows on the labor market in Egypt, focusing on the period from 1991 to 2023 by using an econometric model (OLS Regression). While prior research has explored the relationship between refugees and labor markets, significant gaps remain in understanding how such inflows affect employment, economic growth, and other key socio-economic variables in the context of Egypt, a country with a large refugee population. To address this gap, we applied an econometric model to analyze the impact of refugee influxes on employment rates, GDP growth, school enrollment, and inflation in Egypt. The results reveal a positive relationship between refugee inflows and employment, where a 1% increase in refugee population corresponds to a 0.022% increase in local employment. The research contributes to the growing body of literature on the socio-economic impacts of refugees and provides insights for policymakers and stakeholders in host countries like Egypt.

This research aims to inform more effective and inclusive refugee integration strategies, contributing to a balanced approach that benefits both refugees and Egypt economy as a host country. By addressing gaps in the existing literature and providing data-driven recommendations, the study seeks to enhance the broader dialogue on refugee policy and labor market integration.

Key Words: Refugee Influx; Labor Market Impact; Egypt; OLS Regression; Socioeconomic Integration

Introduction:

Egypt has witnessed a substantial increase in its refugee population in recent years, primarily due to the ongoing conflicts in neighboring regions. Exploring the complex relationship between refugee influx and its impact on the Egyptian labor market is very essential, providing an in-depth analysis of the prevailing dynamics and their policy implications is vital in mentioning that the influx of refugees into host countries can have profound implications for the host nation's labor market, often leading to complex and sometimes contentious debates around issues such as employment, wages, and resource allocation.

Refugees impact the economy through an inverted V-shape, with low refugee inflows stimulating the underground economy and large inflows compressing it, affecting labor market competition. Large inflows compress the underground economy, which increases competition in the labor market based on lower labor costs. Economic growth and international trade play a crucial role in reducing the size of the informal economy. Equally importantly, coherent unemployment policy and adequate regulation of illegal immigrants support this process. (Mutascu & Hegerty, 2022). Addressing the complex drivers and impacts of the refugee crisis remains one of the most pressing global challenges, requiring sustained international cooperation and concerted efforts to promote peace, stability, and human rights. (Kouni, 2018)

Hosting large numbers of refugees poses significant challenges, especially for developing countries with limited financial and administrative capacity. Refugees may compete with host country residents for jobs, public services, and scarce resources, leading to economic hardship for both groups. Host governments also face increased fiscal burdens from providing income support, language/vocational training, and other services for refugees. While high-income countries hosting relatively few refugees can manage these impacts, developing nations often host far larger refugee populations, exacerbating the competition for jobs and resources as well as straining public finances. Effectively addressing these challenges requires coordinated international burden-sharing and development aid to support host countries in integrating refugees while also protecting the welfare of their own citizens. (Schneiderheinze & Lücke, 2020)

Refugees and Labor Markets:

Some studies suggest that refugees experience worse labor market outcomes, lower employment rates, and lower wages than other migrants, while other studies indicate that refugee waves have minimal impact on native-born workers and do not significantly harm those with less education.

(Shellito, 2016) identifies both potential positive and negative economic impacts of hosting refugees. On the positive side, refugees can stimulate investment, boost consumption and productivity, fill labor gaps, and increase trade with their countries of origin.

Hosting refugees also brings negative effects such as increased public and private costs, overcrowding, and potential social conflicts within host communities. Addressing this complex dynamic requires policymakers to carefully consider the tradeoffs and implement evidence-based strategies to maximize the benefits and minimize the drawbacks of refugee resettlement for host economies.

Previous studies on the impact of refugee inflows on labor markets have yielded mixed results. For instance, (Ceritoglu et al. 2017) confirmed the negative effects of refugee influxes on labor market outcomes, specifically highlighting the adverse impacts of Syrian refugees on the Turkish labor market. Their findings indicated increased unemployment, reduced labor force participation, decreased informal employment, and lower job finding rates among native Turkish workers.

In contrast, other studies have reported no significant negative effects on native employment. (Cengiz and Tekguc, 2022), as well as (Akgündüz et al, 2015), replicated (Ceritoglu et al, 2017) analysis. Their findings suggested that while there was an initial decline in wages for low-skilled, predominantly informal workers during the early years of the refugee influx, wages quickly recovered. Moreover, (Cengiz and Tekguc, 2022) observed that migrants contributed to a positive demand shock, evidenced by increased residential construction and the establishment of new companies, which partially or fully offset the labor supply shock. (Fallah et al, 2019) also supported the notion of a positive demand shock, underscoring the complexities of the economic impacts of migration.

According to (Courtney, Dustmann & Preston, 2020), Refugee migrants in high-income countries experience persistently worse labor market integration outcomes than other migrants, with employment rates being more pronounced than wages. The refugee experience itself adds complexity to the integration of these migrants, who have often experienced traumatic episodes in their country of origin or extended periods traveling or in temporary living situations (such as refugee camps) before arriving in the host country. Refugees typically arrive in a host country with less locally applicable human capital, including language and job skills, than economic migrants and consequently are likely to start at significantly lower levels of wages and employability. Overall, employment rates of refugee migrants are very low immediately after arrival in the host country, but typically increase quite rapidly over the first few years after migration. In addition to being employed at lower rates than natives and other immigrants, even those refugees who do manage to find employment generally experience lower wages than the other groups. Their relative wage position gradually improves over time compared to an average native but not, in most countries, markedly faster than other immigrants. (Mencutek & Nashwan 2021).

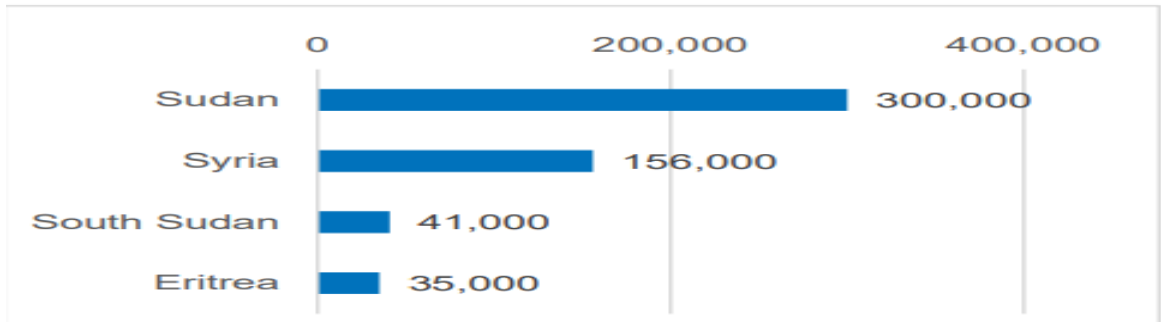
Demographic and Skills Profile of Refugee Population in Egypt:

Egypt has a long-standing agreement with UNHCR since 1954 when the two parties established a Memorandum of Understanding. Under this agreement, UNHCR provides protection and support to a significant refugee and asylum-seeker population, primarily from Syria, Africa, Yemen, and Iraq in Egypt, including documentation, registration, refugee status determination, and resettlement. As a signatory to major refugee conventions, Egypt has become a host to one of the largest refugee populations in the region, with over 291,000 displaced individuals as of 2023. (Bahar, 2024).

Figure 1:

REFUGEES AND ASYLUM-SEEKERS REGISTERED WITH UNHCR IN EGYPT, AS OF 07 APRIL 2024

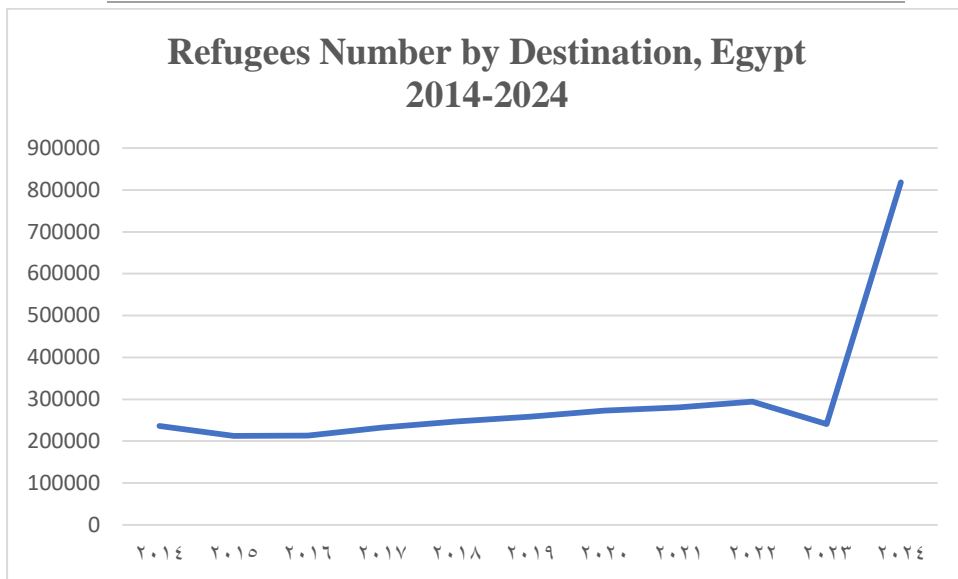
Top 4 Countries of Origin



Source: UNCHR,2024

According to the latest global trends report from the UN Refugee Agency (UNHCR), as of the end of 2023 there were an estimated 117.3 million forcibly displaced people worldwide. This includes refugees, internally displaced persons, asylum-seekers, and others displaced by violence, conflict, and persecution. This number includes 43.4 million refugees who have fled to other countries, with 31.6 million under UNHCR's mandate and 6 million Palestinian refugees under UNRWA's mandate. The largest groups of refugees originate from countries such as Syria, Afghanistan, Venezuela, and Ukraine. The number has continued to rise in recent years, driven by factors like ongoing wars, political instability, and the impacts of climate change. (UNHCR,2023)

FIGURE 2: Refugee Number by Destination:

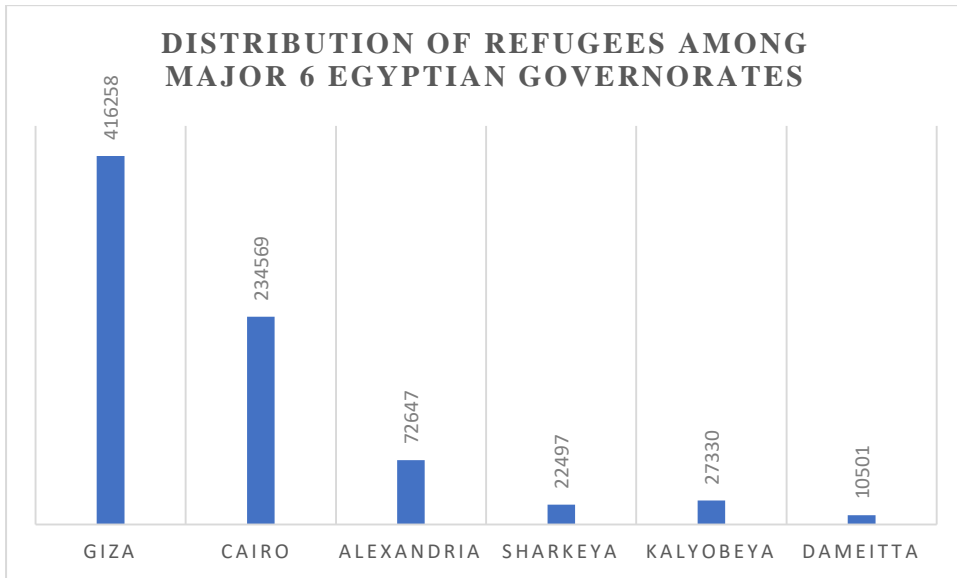


Source: Conducted by the Authors

As of October 31, 2024, Egypt hosts approximately 818,376 refugees and asylum-seekers registered with the UNHCR, reflecting a significant increase over time due to ongoing global conflicts and instability. This diverse population includes individuals fleeing from countries such as Syria, Sudan, and Eritrea, highlighting Egypt's critical role as a sanctuary for those in need of international protection. While refugees contribute to the local economy, their presence also poses challenges, necessitating a balanced approach that addresses humanitarian needs and economic considerations. Continuous support and integration efforts are essential as the number of refugees continues to rise. (UNHCR,2024)

In Egypt, recent data reveals a substantial refugee population exceeding 300,000 individuals, including refugees and asylum-seekers from countries such as Syria, Sudan, South Sudan, and Eritrea. The refugee population in Egypt continues to grow, driven by ongoing regional instability and conflict. Many of these individuals receive support and assistance from the United Nations High Commissioner for Refugees (UNHCR) and various other humanitarian organizations (UNHCR, 2023).

Figure 3: Distribution of Refugees:



Source: Conducted by the Authors

According to the most recent report from the United Nations High Commissioner for Refugees (UNHCR, 2023), most refugees in Egypt are concentrated in urban areas. The largest proportion of the refugee population is in Greater Cairo, accounting for 42% of the total, followed by Alexandria at 17%, and Damietta at 8%. Other governorates, including Qalyubia, Sharqia, and Gharbia, each host between 5-7% of the total refugee population.

Regarding the educational attainment, compared to the native Egyptian workforce, the refugee population in Egypt exhibits a diverse range of educational and professional qualifications. Data from the latest Egypt Household International Migration Survey (EHIMS) shows that:

- Approximately 30% of the adult refugee population have completed secondary education or higher, compared to 45% of the native Egyptian workforce.
- Around 15% of the refugee population hold university degrees or postgraduate qualifications, while the corresponding figure for the native Egyptian population is 22%.
- The refugee population is more likely to have vocational or technical training, with 28% possessing such qualifications, compared to 19% of the native Egyptians.
- In terms of professional skills, the refugee population is relatively well-represented in the service sector, with many working as shop assistants, drivers, and in other service-related occupations. However,

there is a significant skills mismatch, as many highly skilled refugees are unable to find employment that matches their qualifications.

The demographic and skills characteristics of refugees vary across different nationalities:

- Syrian refugees are a group of people that are relatively more educated, with 35% having completed secondary education or higher, and 20% holding university degrees or postgraduate qualifications. Many Syrian refugees have prior work experience in skilled professions, such as engineering, healthcare, and education.
- Sudanese refugees, has a lower educational attainment, with only 22% having completed secondary education or higher. A significant proportion (around 40%) have no formal education, and many work in low-skilled jobs, such as construction, agriculture, and domestic services.
- Eritrean refugees, exhibits a bimodal distribution in terms of educational attainment, with a substantial portion (30%) having university degrees or postgraduate qualifications, while a similar percentage have no formal education. The skilled Eritrean refugees often work in the technology and engineering sectors, while the less educated tend to be employed in manual labor and service-oriented jobs.

Refugees and Egyptian Labor Market:

In Egypt, employment opportunities are influenced by factors such as age, gender, marital status, and rural residency; however, a paradox exists where higher educational attainment often correlates with lower employment likelihood, challenging traditional human capital theory (Alattas & Alimam, 2022). The labor market has undergone significant shifts, particularly following the 2011 Arab Spring and subsequent economic reforms, leading to persistent issues like low-quality job creation and wage inequality, which disproportionately affect young people and vulnerable groups, including refugees. This intersection of rising refugee numbers and systemic labor market challenges underscores the urgent need for comprehensive policies that improve job opportunities, address wage disparities, and foster inclusion, ultimately enhancing the overall stability and resilience of the Egyptian workforce.

Refugees in Egypt face significant challenges in accessing the labor market due to a combination of legal, social, and economic barriers. Strict regulations and the complex, costly process of obtaining work permits often

prevent them from securing formal employment, leaving many to rely on informal jobs with little to no legal protection. In addition to these legal obstacles, refugees frequently encounter discrimination and exploitation in the workplace, including lower wages, poor working conditions, and limited job security compared to local workers. Social tensions can arise as host communities perceive refugees as competitors for scarce job opportunities, further marginalizing them. Moreover, the lack of access to essential resources such as language training, vocational education, and social networks compounds these difficulties, making it even harder for refugees to integrate into the labor market and achieve economic independence. This combination of legal and social challenges forces many refugees into precarious positions, limiting their ability to build stable and self-reliant lives. (Mencutek & Nashwan, 2020)

The arrival of Syrian refugees in Egypt has had a relatively minor overall impact on the labor market outcomes for the local population, with effects varying across different demographic and socio-economic groups. While the impact has been minimal for some, certain vulnerable groups, particularly women and individuals with lower levels of education, have experienced more significant disruptions. These populations have faced greater challenges in maintaining stable employment and economic opportunities due to the influx of refugees. (Giovanis & Ozdamar, 2021).

The arrival of refugees in Egypt has not significantly influenced unemployment rates, but it has had more noticeable effects on job quality and employment patterns, particularly in areas like self-employment. While self-employment has provided some positive benefits for the working poor by slightly improving income levels, the overall impact remains limited. Similarly, the presence of refugees has had only a modest effect on the distribution of working poverty by income level, indicating that while there are some changes, they are not substantial enough to significantly reshape the labor market landscape. (Alwrekiat & Melchor-Ferrer, 2023)

Many Sudanese refugees in Egypt view the country as a temporary stop on their journey, with plans to move elsewhere soon. Their decisions are shaped by external factors, personal experiences, and societal conditions, underscoring the role of behavioral influences in their migration patterns. (Zwick, 2020) The ongoing conflict in Sudan has deeply affected their sense of identity, leading to significant transformations. In Egypt, they face challenges tied to religious, tribal, and ethnic identities, often strained by interactions with the host community and other Sudanese groups. These tensions were starkly evident during the 2005 sit-in protest in Cairo, which

highlighted the profound struggles and divisions many Sudanese refugees endure. (Mahmoud, 2011)

Data and Methodology

This section presents the data sources for the indicators of the variables employed in the empirical analysis and the models' specifications used to estimate the impact of refugees on the labour market in Egypt.

4.1. Data Collection and Descriptive Statistics:

Table (1) presents the variables employed in the empirical analysis and the indicators used to capture the impact of these variables. In addition to the data sources for the variables.

Table (1): Variables and Data Sources

Symbol	Variable	Source
GDPGR	GDP Growth Annual	World Bank Database
SCHOOL	Gross School Enrollment Tertiary	World Bank Database
REF	Refugee by Destination	UNHCR Database
EMP	Employment by Sex and Age	International Labor Organization
CPI	Inflation (CPI)	World Bank Database

Source: Designed by the Authors

The descriptive statistics of the above-mentioned variables is shown in Table 2 as follows:

Table (2): Descriptive Statistics

	LOG(EM P)	C	LOG (Ref)	LOG(GDPG R)	LOG (CPI)	School
Mean	2.918333	1.000000	3.932700	1.398787	2.145289	28.52266
Median	2.970212	1.000000	4.547456	1.475225	2.248099	28.79575
Maximum	3.311963	1.000000	5.685727	1.967991	3.522966	41.01294

Minimum	2.499878	1.000000	0.808706	0.118143	0.819673	11.43887
Std. Dev	0.244606	0.000000	1.623290	0.424453	0.668542	7.333898

Source: Authors calculation by using E-views

4.2. Model Specification:

The impact of refugees on the labor market in Egypt is analyzed over the period 1991-2023. The study conducts a regression model (OLS). The Model examines the impact of refugees measured by total number of refugees by destination on the labor market that was reflected by employment, the equation is represented as follows:

$$EMP_{it} = \beta_0 + \beta_1 \log(REF)_{it} + \beta_2 (SCHOOL)_{it} + \beta_3 \log(GDPGR) + \beta_4 \log(CPI) + \varepsilon_{it}$$

Employment by sex and age (EMP) is the dependent variable, refugee's (REF) variable is the core explanatory variable, and there are some control variables such as GDP growth annual (GDPGR), inflation (CPI) and school enrollment (SCHOOL), and ε reflects the error term.

5. Empirical Results and Discussion:

This section presents the empirical results of estimating the regression models that examine the impact of refugees on labor market in Egypt. Before proceeding with the regression analysis, a unit-root test is conducted to determine the order of integration of each variable as shown in Table (3). The test results indicate that all the variables are stationary at the first difference.

Table (3): Unit-Root Test Results:

At Level					
Variables	LOG(EMP)	LOG(CPI)	LOG(REF)	LOG(GDPGR)	SCH
With Constant	<i>Prob</i> 0.8562	<i>Prob</i> 0.2841	<i>Prob</i> 0.3956	<i>Prob</i> 0.0008	<i>Prob</i> 0.3078
With Constant & Trend	<i>Prob</i> 0.6230	<i>Prob</i> 0.2934	<i>Prob</i> 0.5749	<i>Prob</i> 0.0057	<i>Prob</i> 0.3663
Without Constant & Trend	<i>Prob</i> 1.0000	<i>Prob</i> 0.5457	<i>Prob</i> 0.9064	<i>Prob</i> 0.4634	<i>Prob</i> 0.9620
At First Difference					
Variables	LOG(EMP)	LOG(CPI)	LOG(REF)	LOG(GDPGR)	SCH

With Constant	<i>Prob</i> 0.0001 ***	<i>Prob</i> 0.0003 ***	<i>Prob</i> 0.0001 ***	<i>Prob</i> 0.0000 ***	<i>Prob</i> 0.0001 ***
With Constant & Trend	<i>Prob</i> 0.0009 ***	<i>Prob</i> 0.0013 ***	<i>Prob</i> 0.0005 ***	<i>Prob</i> 0.0000 ***	<i>Prob</i> 0.0004 ***
Without Constant & Trend	<i>Prob</i> 0.0041 ***	<i>Prob</i> 0.0000 ***	<i>Prob</i> 0.0000 ***	<i>Prob</i> 0.0000 ***	<i>Prob</i> 0.0000 ***

Source: Authors Calculation by Using E-views

To further verify the absence of multicollinearity among the explanatory variables, the Variance Inflation Factor (VIF) is used. The results in Table (4) reveal that the value of VIF is below 10 for all variables which emphasizes that there is no multicollinearity in the suggested model.

Table (4): Variance Inflation Factor Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.006736	36.96997	-
LOG (REF)	0.000241	23.79092	3.373279
LOG (GDPGR)	0.001355	15.84759	1.299012
LOG (CPI)	0.000539	14.90265	1.282625
SCHOOL	1.22E-05	57.79903	3.482248

Source: Authors Calculation Using Eviews

The results of the regression model are shown in Table (5). The Model is estimated in a log form to linearize the relationship between variables, interpret coefficients as elasticities, reduce skewness and heteroscedasticity, and improve model fit by addressing the impact of extreme values and ensuring more robust and reliable estimates.

A Durbin-Watson (DW) statistic value of 1.66 suggests that there is no strong evidence of autocorrelation in the residuals of the model. A lagged dependent variable (employment by sex and age -1) was included in model as an explanatory variable to ensure that there is no existence of autocorrelation problem.

Table (5): The Regression Models Results

Dependent Variable: Employment by Sex and Age				
Variable	Coefficient	Std. error	T-Statistics	PROB.
C	1.911706	0.031089	0.031089	0.0000
LOG(REFUGEE)	0.022374	0.006638	0.006638	0.0024
LOG(GDP)	0.050590	0.016468	0.016468	0.0049
LOG(INFL)	-0.020884	0.010447	0.010447	0.0562
SCHOOL ENR	-0.002255	0.001702	0.001702	0.1966
EMPLOY (-1)	0.051455	0.003421	0.003421	0.0000
R-SQUARED	0.990029			
ADJUSTED R-SQUARED	0.988111			
F-STATISTICS PROB	516.3055			
(F-STATISTICS)	0.000000			
DURBIN-WASTON	1.666715			

Source: Authors Calculation by Using Eviews.

The adjusted R-squared value of the model is around 99% where this shows that the set of independent variables used in the model and sample size are good fitted in explaining the dependent variable, which the employment by sex and age. Most of the dependent variables that are used in the model are statistically significant.

There is a positive relationship between the refugee and employment, where the results showed that a 1% increase in refugee will lead to around a 0.022 increase in employment. The results match with (Auer & Götz, 2023) where the presence of asylum seekers in German districts is positively associated with increased local employment. This growth in employment is mainly driven by increased demand for labor in the service sector, leading to a decrease in the local unemployment rate. The findings suggest that refugee migration contributes significantly to local employment growth and has a positive impact on the labor market. Moreover it matches with the study of (Santangelo, et al, 2024) where refugees, motivated to remain employed, tend to exert substantial effort and work longer hours, which minimizes labor costs associated with employee turnover however, their willingness to accept

lower wages allows employers to reduce salary-related expenses. Additionally, the theory suggests that greater job insecurity within hiring firms intensifies these effects, as it heightens refugees' fear of unemployment, further motivating them to perform well in their roles.

There is positive relationship and significant between refugee and economic growth represented by GDP annual growth, where 1% increase in refugee leads to 0.05% in economic growth, these results match with (Taylor, et al, 2015; Kowarsch & Wang, 2022; Manthei, 2021; Peters, 2021). As refugees receiving cash aid can significantly boost local economies where cash aid to refugees increased local real income more than the aid amount itself, creating positive spillovers for local businesses and households. Moreover, Refugee immigration can lead to long-term per capita growth, especially when refugees are young and well-qualified, as refugee settlements increased local population, manufacturing employment, and income per capita.

There is a negative relationship between refugee inflows and school enrollment, as highlighted by studies such as (Graham et al. 2016; Correa et al. 2017; Will, 2022; Cooc & Kim, 2023). Refugee youth face numerous challenges in accessing and completing education, including barriers to secondary school enrollment due to factors like their age at arrival, discrimination, and trauma-related learning difficulties. These challenges are often compounded by parental misunderstandings and teacher stereotyping. In addition, refugees in schools frequently encounter inadequate resources, a lack of safety, and limited social inclusion, all of which hinder their academic success. Furthermore, regional educational policies may delay enrollment and restrict access to appropriate educational opportunities, further limiting refugees' ability to access equitable learning.

The relationship between inflation and refugee inflows is complex and varies depending on the context and specific economic conditions of the host country. According to our result there is negative relationship between refugees and inflation. This was attributed to an increase in the supply of workers, which offset the positive inflationary pressures that might arise from increased demand due to a larger population consuming more goods and these results matches with (Khundadze & Palmer, 2023)

Results and Conclusion:

The findings from this study provide valuable insights into the impact of refugee influxes on the labor market in Egypt. The model's adjusted R-squared value of approximately 99% indicates that the independent variables used in the model, along with the sample size, are highly effective in explaining the variation in the dependent variable, which is employment by sex and age. Most of the independent variables in the model were found to be statistically significant, further supporting the robustness of the model.

The analysis reveals a positive relationship between refugees and employment. Specifically, the results show that a 1% increase in the refugee population leads to approximately a 0.022% increase in employment. This finding aligns with the study by (Auer & Götz, 2023), which observed a similar positive association between asylum seekers and local employment in German districts. In this study, the growth in employment was primarily driven by increased demand for labor in sectors like services, contributing to a reduction in the local unemployment rate. These results support the idea that refugee migration can foster local employment growth, thereby positively impacting the host country's labor market.

Moreover, the study echoes findings from (Santangelo et al. 2024), where refugees, driven by the desire to remain employed, tend to work longer hours and exert greater effort, thus minimizing costs related to employee turnover. Additionally, their willingness to accept lower wages allows employers to reduce salary-related expenses. The theory also suggests that greater job insecurity within firms intensifies these effects, as refugees' fear of unemployment motivates them to perform better in their roles.

In conclusion, the results of this study suggest that refugee inflows in Egypt have a generally positive impact on the labor market, contributing to increased employment and economic growth. The influx of refugees appears to stimulate local economies, particularly through increased demand for labor, especially in the service sector. Refugees' willingness to accept lower wages and their motivation to stay employed also contribute to reducing labor costs and improving labor market outcomes. Additionally, the evidence supports the notion that refugee migration can lead to long-term economic benefits, especially when refugees are young, well-qualified, and integrated into the local workforce. However, the study also highlights challenges, particularly in the education sector, where refugees face significant barriers to enrollment and academic success. The negative relationship between refugee inflows and school enrollment underscores the need for targeted policies to improve educational access and inclusion for refugee youth. Based on the findings, several policy recommendations can be made to better

integrate refugees into Egypt's labor market and address the challenges in education:

1. **Labor Market Integration:** Policymakers should continue to support refugee employment by ensuring that refugees are allowed to participate fully in the labor market. Initiatives to facilitate their access to the job market, such as skills training and language programs, would help refugees contribute more effectively to the economy.
2. **Education Policies:** To address the challenges faced by refugee youth, policies should focus on improving access to education, particularly secondary school, and vocational training. This can be achieved by reducing barriers such as discrimination, providing additional resources to schools with high refugee populations, and implementing anti-bias training for teachers. Special attention should be paid to trauma-informed education practices to support refugee students dealing with learning difficulties.
3. **Regional Policy Alignment:** Given the concentration of refugees in urban areas like Greater Cairo (42% of the total refugee population), Alexandria (17%), and Damietta (8%) (UNHCR, 2023), policies should be tailored to the specific needs of these areas, including improving infrastructure, housing, and public services. Policymakers should also address regional disparities to ensure that refugees in less populated governorates like Qalyubia, Sharqia, and Gharbia (each hosting between 5-7% of the refugee population) have equal access to opportunities.

While refugee inflows in Egypt present certain challenges, they also offer substantial opportunities for local economic growth and employment. By adopting inclusive policies that address both labor market and educational barriers, Egypt can harness the potential of its refugee population, ensuring that refugees contribute to sustainable economic development.

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