

Forced Displacement and Human Capital

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Abstract :

We examine the impact of conflict-driven displacement on human capital by looking at the Mozambican civil war (1977-1992), during which more than four million civilians fled to the countryside, cities, refugee camps, and settlements in neighboring countries. First, we present descriptive patterns linking displacement to education and sectoral employment for the entire population. Second, we compare brothers and sisters separated during the war. Displaced individuals invest more in education than their siblings who stayed behind, particularly rural-born children escaping to urban areas. Third, we jointly estimate place-based and uprootedness effects as potential mechanisms. Both are present, with displacement fostering education and decreasing attachment to agriculture by the same rate as exposure to an environment approximately half-a-standard deviation more developed than one's birthplace. Fourth, we report on an original survey we conducted in Mozambique's largest Northern city, whose population doubled during the civil war. Those displaced to Nampula have significantly higher education than their siblings who remained in the countryside. Besides, their education has converged to non-mover urban dwellers. However, internally displaced people report significantly lower social/civic capital and have worse mental health three decades after the war. Jointly the results suggest that forced displacement, especially to cities, can trigger human capital investments and break links with subsistence agriculture but at the cost of lasting social and psychological traumas.