



Choice of education language and entrepreneurship in Chad

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In 2012, with the support of UK Department for international Development (DfID or UK Aid) and the International Development Research Centre (IDRC) of Canada, PEP launched a new program to support and build capacities for "Policy Analyses on Growth and Employment" (PAGE) in developing countries.

This brief summarizes the main features and outcomes of one of the projects selected for support under the 1st round of PAGE funding (2013-2014).

In this project, a team of local researchers in Chad seeks to assess the effects of the choice of language for education on self-employment

Language and self-employment in Chad

In a context of growth revival and development of the private sector - mainly due to the explosion of subcontracting activities in the public sector, which has given new dynamics to entrepreneurship - more than 74% of workers are now self-employed in Chad, according to the second survey on consumption and the informal sector (ECOSIT II). In this context, Chad, as most developing countries, has recognized the importance of the development and promotion of micro, small and medium enterprise (MSMEs), for the significant role they play in a country's social and economic development. In 2005, the government adopted a national development strategy for the promotion of MSMEs and, since 2007, has implemented two programs of support for youth entrepreneurship.

On the other hand, according to ECOSIT II, almost 63% of the total labour force in Chad speaks French, as compared to 31% for Arabic. In the public administration, 80% of workers are French speakers, while only 8% speak Arabic. As a result of French colonization, the teaching of Arabic in public school in Chad became mandatory only in 1995 - prior to which the educational system was mainly French-speaking.

The ongoing efforts to promote bilingualism in Chad may then serve to lift the barriers faced by those whose highest literacy is in Arabic when entering the public sector. However, while the

acquisition of Arabic language skills may prove to be useful in the local labor market especially for trade activities, the daily practice of French in the administration may act as an impediment for entrepreneurship. Consequently, the effect of the choice of Arabic as a language of instruction on labour market outcomes remains unclear.

During the last decade, a substantial theoretical framework has been developed to model the impact of education on entrepreneurship. Most of these studies conclude that a general education has a strong positive influence on entrepreneurship in terms of becoming self-employed and earning higher profits. Most of those papers that have identified significantly positive effects of education ignore the impact of language of instruction and do not focus on the case of developing countries in general and African countries in particular. A team of local researchers thus sought PEP's support to try and fill this gap, using cutting-edge methodologies of microeconomic analysis.

Methodology and data

To achieve their objective, the researchers have made use of a recursive bivariate profit model to tackle the endogeneity of education choice, to analyze data from the third (and most recent - 2011) Chadian survey on consumption and the informal sector (ECOSIT III). The propensity score matching approach was also used to check for the robustness of results.

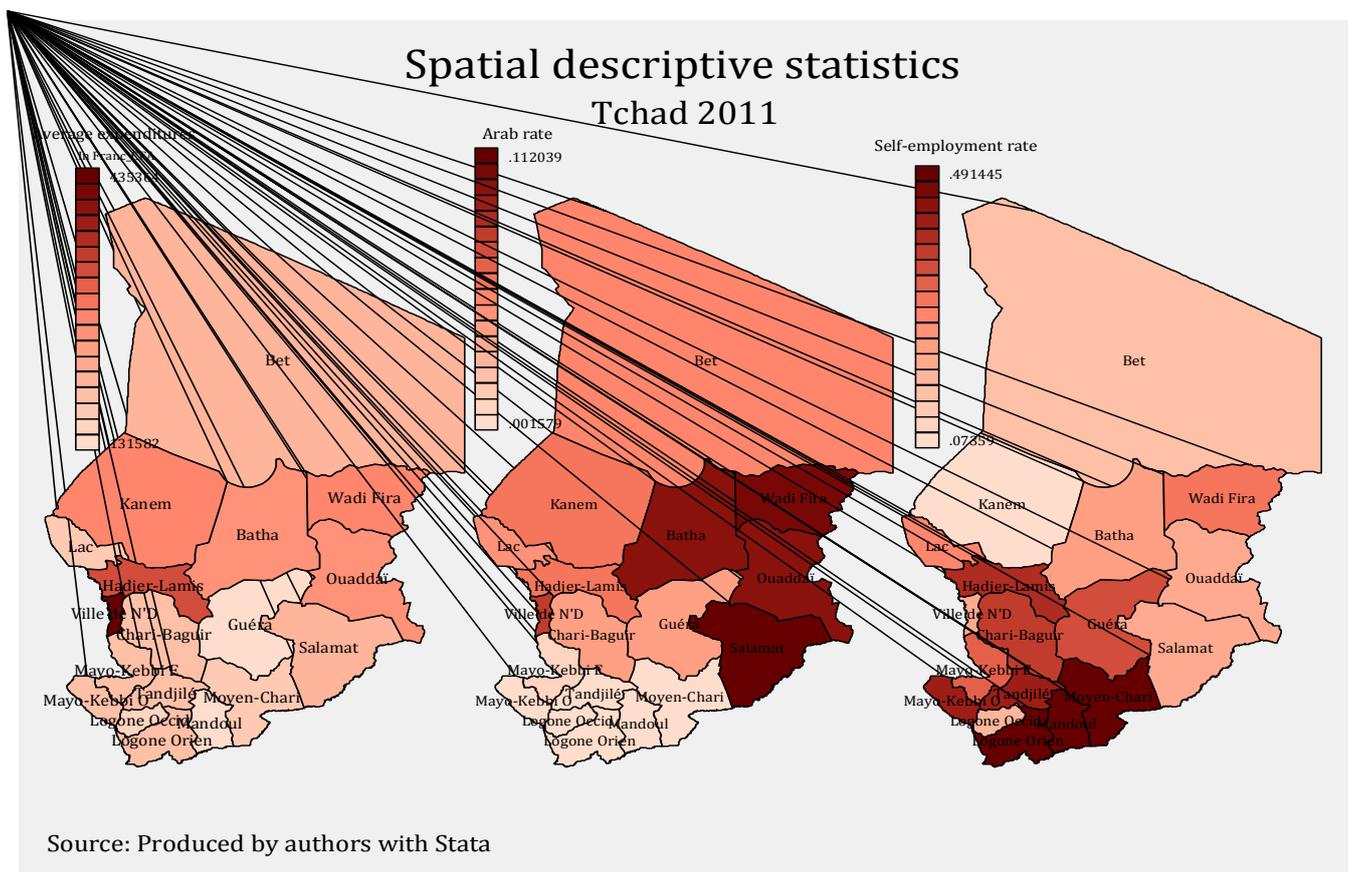
Distribution of self-employment amongst sample population by gender and age groups (in %)

	Male		Female		Total	
	Adult	Youth	Adult	Youth	Male	Female
Unemployed	15	14.93	42.38	37.94	14.95	38.59
Qualified paid workers	20.52	11.64	12.81	5.6	14.75	6.64
Unqualified paid workers	5.69	6.34	2.53	2.35	6.11	2.38
Self-employed	58.7	67.1	42.28	54.11	64.19	52.4

Key findings

Below are listed the main conclusions and findings from the researchers' analysis of the microdata:

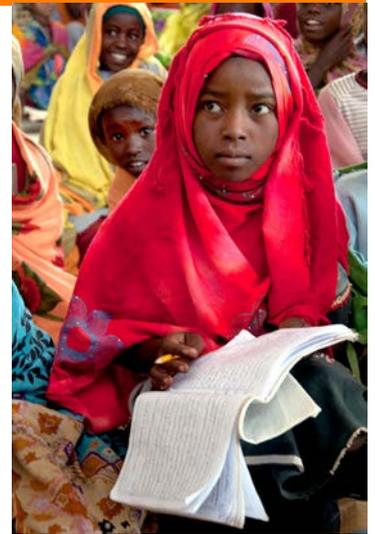
- The prevalence of entrepreneurs, as measured by self-employment rates, is higher amongst men (64%) than women (52%), and amongst youth (62%) than adults (56%)
- The majority of Chadian "firms" (or entrepreneurial activities) is composed of informal production units.
- Results also show relatively lower levels of expected living standards/conditions amongst workers of the informal sector. Such activities are generally viewed as a last-resort type of means for subsistence, rather than a profit-making opportunity.
- In fact, the probability to be self-employed is lower amongst people with higher education attainment, who generally have more/easier access to employment in the formal public sector.
- On the other hand, the probability of being self-employed is higher for individuals whose fathers are self-employed – confirming the trend of generational interdependence for employment choice
- Finally, those young people who choose Arabic instead of French as educational language are more likely to become entrepreneurs. However, such type of entrepreneurship refers to subsistence rather than profit-seeking activities.



Policy implications

The researchers also draw some implications and option for policymaking, based on the aforementioned results:

- Bilingualism should be promoted through the formal public education system in Chad. In terms of economic benefits, multilingualism increases human capital and thus the probability of better employment.
- As the informal sector will most likely remain an major component of the Chadian economic structure, as for most developing countries, labor policies should focus on its promotion and restructuring, so as to maximize its potential as a source of job and wealth creation.
- Other options in terms of labour policies, as suggested by the authors, include:
 - to provide and promote bilingual training sessions for entrepreneurs, as well as specific employment programs for Arabic-speakers;
 - to communicate all public information – especially related to labor market policies and programs - in both Arabic and French;
 - to include courses on the creation and management of enterprises in secondary/high schools' learning programs.



This policy brief is based on the project [PMMA-12366](#), carried out with scientific support from the Partnership for Economic Policy (PEP) and financial support from UK Aid and Canada's IDRC.

To find out more about the research methods and findings, read the full [PEP working paper 2015-02](#)

