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SNS RESEARCH BRIEF SUMMARY

Integration and Temporary Refugee Protection*

RECENT DEVELOPMENTS AROUND THE WORLD have led to a large inflow of asylum seekers to Europe. In response to the increased numbers of asylum seekers, many European countries have implemented stricter immigration policies.

The motivation has been to reduce immigration and/or improve the integration of immigrants granted residency. One such policy is the shift from permanent to temporary residence permits for refugees. While several countries have, or are about to, implement such reforms, we lack empirical evidence on their effects on refugees' integration in society in general and in labor markets in particular.

We study a Danish reform in 2002 that lowered the ex-ante probability of refugees receiving permanent residency by prolonging the time period before they were eligible to apply for such residency. Adherence to the new rules was entirely determined by the date of the asylum application and the reform was implemented retroactively.

A priori, it is possible to think that a shift to temporary permits could have both positive and negative effects on integration in society and in the labor market. We formulate a simple search and matching model to derive predictions that can be tested using our data. Using registry-based data on individuals in Denmark, we then study the effects on educational and labor-mar-

ket outcomes and find that the reform significantly increased the enrollment in formal education, especially for females and low-skilled individuals. In terms of employment and earnings, the coefficients are in general negative but insignificant. Other outcomes of interest are also studied.

The reform led to a decrease in criminal activity driven by a reduction among males. There are no effects on health outcomes and a significant but relatively small reduction in childbearing for females. The results do not seem to be driven by selection, since the reform had no significant effect on the share of refugees that stayed in Denmark in the long run.

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