

Rapid or long-term employment? A Scandinavian comparative study of refugee integration policies and employment outcomes

Vilde Hernes, Jacob Arendt, Pernilla Andersson Joona, Kristian Tronstad.

Abstract

Although many studies compare national integration policies, analyses connecting these policies to integration outcomes are rare. This study combines longitudinal analysis of employment outcomes for Scandinavian refugees, with analyses of integration measures and policies to explain these differences. Can different usages of integration measures explain cross-national differences in employment outcomes between genders and with increased residence time? Moreover, can the countries' integration policies explain such differences? Our analyses show substantial cross-national differences. Danish male refugees are employed faster; however, Sweden catches up, and Norway surpasses Danish employment levels with increased residence time. Additionally, Norway has a substantially smaller gender gap in employment than Sweden and particularly Denmark. We demonstrate that different usages of integration measures may explain differences in outcomes. We conjecture that different policies regulating 1) financial benefits and 2) employment and self-sufficiency requirements for obtaining a secure legal status may reinforce differences in program participation and employment patterns.

Keywords: employment, immigrant integration, policy analysis, refugees, Scandinavian comparative analysis

Introduction

Integrating refugees into the labour market has proven to be a challenge in all Western European countries. Numerous studies show a persistent employment gap between native-born citizens and immigrants in general and refugees in particular (Bratsberg *et al.* 2017; Heinesen *et al.* 2013; Schultz-Nielsen 2017). This gap has become a major political issue, as successful integration is often presented as a precondition for the survival of the current welfare state in Western European countries (Djuve 2016), and employment is widely regarded as a path to social integration and cohesion (Heinesen *et al.* 2013). To address these challenges, governments may design specific policies to deal with some of the obstacles that refugees encounter on their path to integration and employment. Despite the vast literature on immigrant integration policies, systematic analyses of effects are lacking (Ersanilli and Koopmans 2011). As Goodman and Wright (2015: 1887) argue, ‘in light of massive changes observed across Western Europe to implement more obligatory integration policies, a systematic examination of policy effects is warranted’.

In this study, we combine comparative longitudinal analyses of employment outcomes for refugees in Scandinavia with comparative analyses of integration measures and policies to seek explanations for these differences. We ask two questions: Can different usages of integration measures explain cross-national differences in employment outcomes between genders and with increased residence time? Moreover, can the countries’ integration policies explain such differences?

Linking public policies to outcomes is methodologically challenging (McConnell 2017), because public policy is not implemented in a laboratory, where it is possible to isolate variables to identify causality with very high degrees of confidence (Parsons 2007).

Despite these challenges, comparative analyses examining policy effects of different national policies should not be abandoned, but rather strive to control for relevant intervening variables. In this respect, a comparative Scandinavian analysis has many unique advantages. First, Sweden, Denmark and Norway are ideal candidates for a “most similar” comparative study, because of the Scandinavian welfare states’ strong political, social, cultural and economic similarities (Hernes 2018). These similarities make it possible to hold many potential confounding independent variables relatively stable and to achieve a more qualified answer to the “what-if” question of adopting another integration policy.

Second, the unique Scandinavian register data makes it possible to statistically control for important intervening factors that may affect policy outcomes. Most countries lack reliable data that can be used to compare refugee employment outcomes and connect the results to participation in concrete integration measures. All three Scandinavian countries produce official statistics linking population and administrative registers. Such data are generally of high quality, and their size enables the analysis of small groups in different local labour markets (Røed and Raaum 2003). In this study, we conduct the first comparative Scandinavian analysis with harmonised populations, data and operationalisation of variables, using longitudinal individual-level data that enable fine-grained analyses over time.

Lastly, a goal of studying policy outcomes is to examine if some policies achieve better outcomes than others do, enabling cross-national learning. While nearly every country in the world receives immigrants, a far more limited number of countries maintain national integration policies that go beyond regulation of entry and quotas (Goodman and Wright 2015: 1886). The Scandinavian countries have a long history

with developing comprehensive integration policies for refugees, making them suitable as cases for cross-national learning.

In this article, we start by reviewing earlier studies on labour-market integration for refugees, before presenting the Scandinavian cases studied. In the research design we clarify how we will assess and analyse the policy outcomes, and present the data and methods applied. We analyse the cross-national differences in employment outcomes up to eight years after their settlement in a municipality, controlling for individual characteristics and local labour market conditions. The empirical analysis shows substantial cross-national differences concerning the effect of residence time on employment trajectories and concerning differences between genders. Empirically, we show how these different outcomes correlate with differences in the countries' usage of subsidised employment and regular education – the two integration programme measures that have consistently shown to have a positive effect on labour-market integration. We further argue that the countries' integration policies concerning 1) financial benefits and 2) employment and self-sufficiency requirements for obtaining permanent residence or citizenship may shed light on these cross-national differences. In the conclusion, we argue that our study demonstrates the importance of decomposing analyses of policy outcomes when evaluating whether a policy is a success or not (e.g. by including an assessment of outcomes for different subgroups and both short- and long-term outcomes), before we discuss whether there is conflict between the goals of rapid and long-term labour-market integration.

Refugees' labour-market integration – earlier research

Earlier analyses of immigrants' and refugees' labour-market integration particularly highlight three groups of variables affecting the transition to employment: individual

characteristics and skills (human capital), local structural conditions, and different integration policies (Bevelander and Lundh 2007). In this study, we control for the first two groups of variables and empirically investigate if differences in the usage of measures in the integration programme may explain cross-country differences in employment outcomes.

Controlling for individual characteristics and local conditions

Refugees are characterised by diversity, and they set about integrating in the new country with different skill levels and background factors (Liebig and Tronstad 2018). The unique demographic profile of each country's refugee population complicates cross-national comparisons, because such differences may be the root explanation for the differences observed in employment outcomes (Goodman and Wright 2015). Earlier studies have shown that to a substantial degree, integration outcomes are the products of individual-level factors related to demographics (such as gender, age, marital status, children, country of origin), as well as human capital-related determinants (such as education) (Arendt *et al.* 2016a; Bevelander and Pendakur 2014; Goodman and Wright 2015). Additionally, studies on refugees' employment outcomes have shown consistently that the questions of where and when matter. Both the timing of refugees' settlement and local labour market characteristics measured by the local unemployment rate significantly affect the speed at which refugees find jobs (Bevelander and Lundh 2007; Damm and Rosholm 2010). The impact of local labour market conditions is larger for immigrants than for native-born citizens because newcomers generally have lower formal qualifications, making them more sensitive to labour demand fluctuations (Bratsberg *et al.* 2017; Calmfors and Sánchez-Gassen 2019).

Existing research connecting integration policies and employment outcomes

Comparative studies connecting integration policies with integration outcomes are rare, with a few good exceptions. A study on European dispersal policies finds that refugee cohorts exposed to these policies have persistently worse employment outcomes (Fasani *et al.* 2018). Goodman and Wright (2015) investigate if national civic integration requirements affect self-reported socioeconomic and political integration. Ersanilli and Koopmans (2011) examine if different integration regimes in three countries affect social integration into society. Jakobsen *et al.* (2019) compare employment outcomes in relation to a major immigration and integration reform in Denmark, using Sweden and Norway as control countries. One notable similarity among these comparative studies (except that of Fasani *et al.* 2018) is that they do not find that different integration policies have a substantial effect on integration outcomes. One challenge with these comparative studies is that they try to connect changes based on major reforms that encompass myriad policy changes simultaneously (Jakobsen *et al.* 2019), or they classify civic integration regimes more generally as either restrictive or permissive (Ersanilli and Koopmans 2011; Goodman and Wright 2015). Decomposing comparative analyses to examine how specific integration measures may affect integration with residence time, as well as differences between genders, may reveal important insights into the dynamics of countries' integration policies.

Although the comparative studies show few substantial effects, several national studies have found significant effects of specific integration measures, albeit different studies do not always reach the same conclusions. Studies on larger reforms involving intensified coaching and public effort in the employment process show both positive effects (Andersson Joonas *et al.* 2016; Andersson Joonas and Nekby 2012; Sarvimäki and Hämäläinen 2016) and none at all (Åslund and Johansson 2011). Although studies on

language training mostly find that it has no effect in the short term or postpones labour market entry (Clausen *et al.* 2009; Lochmann *et al.* 2019), a few studies have observed positive employment effects of participation in language training for immigrants in the longer term (Kennerberg and Olof 2010; Orlov 2017).

However, two integration measures have consistently shown to have a positive correlation with employment, namely regular post-secondary education acquired in the host country and subsidised employment. First, studies show that highly educated immigrants have a higher employment rate than immigrants with limited education (Hernes and Tronstad 2014). Arendt *et al.* (2016b) explore this issue closer and find that pre-migration skills matter only indirectly; high-skilled immigrants have greater employment opportunities, not because of their homeland qualifications as such, but because they more often acquire further education in the destination country. Generally, education acquired in the host country seems to raise employment and earnings, not only for persons with prior education from their origin country (Bratsberg *et al.* 2017), but also for all refugees irrespective of their prior education, particularly for female refugees (Arendt 2018). Second, literature reviews have found that subsidised employment raises the likelihood of employment (Arendt *et al.* 2016a; Arendt and Pozzoli 2013; Card *et al.* 2017; Clausen *et al.* 2009), and subsidised employment in private companies stands out as the most promising. If the countries differ in their usage of subsidised employment and regular education as measures in the integration programme for refugees, it may be one plausible explanation for cross-national differences in employment outcomes.

Scandinavian integration programs for refugees and related policies

Denmark, Norway and Sweden have a long history of active integration policies, and the countries gradually introduced different integration measures from the 1970 to the 1980s. In 1999, Denmark introduced a fulltime integration programme for refugees in the first years after their settlement, and Norway followed in 2004. In both countries, local municipalities are responsible for the provision of the integration programs. In Sweden, integration programmes had been an option at the local level since the early 1990s, but part of the responsibility was centralised in 2010. In all three countries, the program content should consist of language and civic training, and educational and/or employment measures (Hernes & Tronstad 2014). The agencies who are responsible for the programs, the municipalities in Norway and Denmark and the employment agency in Sweden, have great autonomy over the usage of program measures in all three countries. Thus, it is an empirical question whether the countries differ concerning the usage of program measures such as subsidized employment and regular education, which will be explored in the empirical analyses.

Although the three countries share many similarities concerning integration programs, particularly two differences in their national integration policies that may affect participation and the content of the integration programs are worth highlighting, and will be discussed further in the analyses: 1) employment and self-sufficiency requirements for obtaining permanent residence and citizenship and 2) regulations concerning the financial benefits of participation in the integration programme.

First, during the period of analysis (2008–2016), Denmark had employment and self-sufficiency requirements for obtaining permanent residence and citizenship. For example, since 2007, to obtain permanent residence in Denmark, applicants should have been employed for 2.5 years during their first seven years in the country.¹ Additionally,

applicants who fulfil certain integration requirements, such as self-sufficiency for the last three years, may obtain permanent residence after only five years instead of the regular seven-year residence requirement (Hernes 2018). In contrast, Norway and Sweden had no such conditional requirements during the period of analysisⁱⁱ.

Second, when refugees come to a country, they often need financial assistance during the first years after settling. In the Scandinavian countries, integration programme participation is linked to the right to financial assistance, but the countries differ in whether the financial benefit received for program participation is an individual benefit or conditional on the household's total income. Danish programme participants receive means-tested social assistance if their families are unable to support themselves. Additionally, while participation in the introduction programme is obligatory in Denmark, participation in employment measures is obligatory only for persons who receive financial assistance (Hernes and Tronstad 2014). In contrast, Norway and Sweden provide an individual integration benefit for each participant, regardless of the financial situation of the entire family.

Research design

Evaluating policy outcomes

Research on policy outcomes investigates if some policies achieve their goals better than others do. However, defining policy success or failure is a contested and complex task, as policies could have 1) multiple and conflicting goals, 2) multiple target groups, and 3) multiple time frames (McConnell 2017), and national integration policies are not excepted from this complexity. First, national integration policies are multidimensional, often aiming to achieve financial, social and cultural integration into society, and there

is seldom a politically unified perception of the overall goals of what an integration process should include or aim towards. Still, most actors support the goal that as many newcomers as possible should become financially independent of public assistance (at least to a similar extent as the majority population). This goal is particularly relevant in the Scandinavian countries with comprehensive welfare states which is dependent on high employment rates for both men and women. Financial self-sufficiency through employment is an explicit goal in all the countries' integration act and is the focus in the empirical analyses.

Second, another important question when assessing policy success, is success for whom? Public policy affects the rights, rewards and obligations of the policy's target group, but the impacts of the policies may vary for different subgroups (McConnell 2017). Earlier studies show that women consistently have lower labour-market integration levels than men, however, we explore if there also are cross-national differences between outcomes for men and women across the Scandinavian countries.

Lastly, the effects of policies may vary over the years. Policies that may show favourable short-term success may fail to provide similar longer-term outcomes, and vice versa (McConnell 2017). Thus, an important aspect of our analyses will be to assess cross-national differences in employment outcomes both in the shorter and longer term.

Data and Methods

The empirical analyses in this article have been conducted as part of the NORDIC-INTRO project.

Population

The Scandinavian integration programmes' target groups are adult refugees and family members reunified with refugees; they constitute the population of our study. We analyse cohorts who hold residence permits and were settled in a municipality from 2008 to 2016 at the ages of 20–55 at the time of the settlement. We further restrict the population to persons who have actually participated in the integration programme. We start our analysis from the year when the individuals settled in a municipality (the local integration programme should start shortly after). Although the various Scandinavian integration acts are aimed at basically the same population, there are some minor differences (Hernes and Tronstad 2014). The Norwegian and the Swedish integration programmes target only refugees and family members reunified with other refugees. The Danish integration programme targets not only the above-mentioned groups but also persons reunified with Danish citizens and other immigrants. However, we exclude these latter groups to ensure comparable populations.

Data sources

The Danish data have been compiled from several sources. Administrative registry data on employment, education and socio-demographic characteristics from Statistics Denmark have been merged with the data on residence permits from the Danish Immigration Services and on activities in the integration programme from the Danish Agency for Labour Market and Recruitment. The Norwegian data are provided by Statistics Norway. The data on programme measures are derived from municipal reports on courses and the labour market (KOSTRA form 11B). The data on individual participants are linked with the population register of 31 December in the reporting year. For former participants, the data are further linked with the 'system for personal

data' in Statistics Norway, where information from several registers regarding annual data on ongoing education and the labour market situation is merged. For the Swedish sample, we use data from the STATIV database administered by Statistics Sweden. Before the Swedish 2010 Establishment Reform, there was no systematic information on the measures that the participants received in the integration programme; thus, our analyses of measures in Sweden are only conducted from 2010.

Dependent and independent variables

Employment is the dependent variable and we use the well-established operationalisation of employment according the International Labour Organization (ILO), defined as having earned wages corresponding to one hour of work in a given week in November. Although this operationalization could be criticised for giving both a generous and a restrictive measure of employment (see Hernes *et al.* (2019) for an discussion), the main contribution of this study is cross-country comparison with harmonised analyses focusing on the relative employment levels between countries, which can be obtained by using this well-established measure of employment. We analyse employment outcomes up to eight years after refugees' settlement in a municipality.

We analyse the usage of two integration programme measures – subsidised employment and regular educationⁱⁱⁱ. Regular education includes courses at all levels of education. We control for the following individual characteristics: calendar year, age, family status (married or unmarried, with or without children), country of birth, educational level at arrival and reason for being granted a residence permit (granted asylum, UN quota refugee, subsidiary protection or family reunification with refugees under one of the former categories). Additionally, we control for structural variables at

the municipal level – the local unemployment rate and the centrality of the municipality. For a detailed discussion on the data sources and the operationalisation of the independent variables, see Hernes *et al.* (2019).

Statistical method

In the regression analyses, we use a panel data model that includes all observed years after the settlement and control for observed characteristics at arrival, similar to the model applied by Chiswick (1978):

$$y_{ist} = c + \beta_s + \mathbf{X}_{ikt}\pi + \gamma_t + e_{ikt},$$

where y_{ist} is the outcome (such as employment) of individual i who is observed at s 'th years after settlement in year t . The estimate β_s describes how the outcome develops on average with time since settlement in the country, when controlling for population characteristics, \mathbf{X}_{ikt} , and calendar time-effects, γ_t .^{iv} The models have been estimated using the Ordinary Least Square (OLS) estimator, with standard errors that are clustered at the individual level and are robust to heteroscedasticity.^v The estimated coefficients can be interpreted as differences in mean values of the outcomes under different categories of the independent variables, when the other independent variables have been fixed. We stress that such associations are adjusted correlations that are not subject to causal interpretation. Privacy and confidentiality restrictions do not allow the three national datasets to be merged into one, so the analyses are conducted separately for each country.

Descriptive analysis of employment outcomes

How do participants in the Scandinavian integration programmes fare in the labour

market over time, and are there cross-national differences? Figure 1 (men) and Figure 2 (women) compare the crude employment trajectories in Norway, Sweden and Denmark for three selected cohorts: 2008, 2010 and 2012. The figures show that Denmark has the best initial employment levels in the first initial years after settlement (for both genders, but particularly for men). However, Sweden and Norway catch up with or surpass Danish employment levels over time. After two to four years in the country, participants in the integration programme in Norway generally have higher employment levels than those in Sweden or Denmark. This employment gap between Norway and the other two countries decreases among male participants over time^{vi}, but the employment gap remains (Sweden) or increases (Denmark) among female participants. The figures also show that for Norway and Sweden, the more recent cohorts reach higher employment levels faster than earlier cohorts do^{vii}. However, similar patterns are not apparent in Denmark.

Figure 1: Employment trajectories for men for each cohort, Norway, Sweden and Denmark, 0–8 years after settlement.

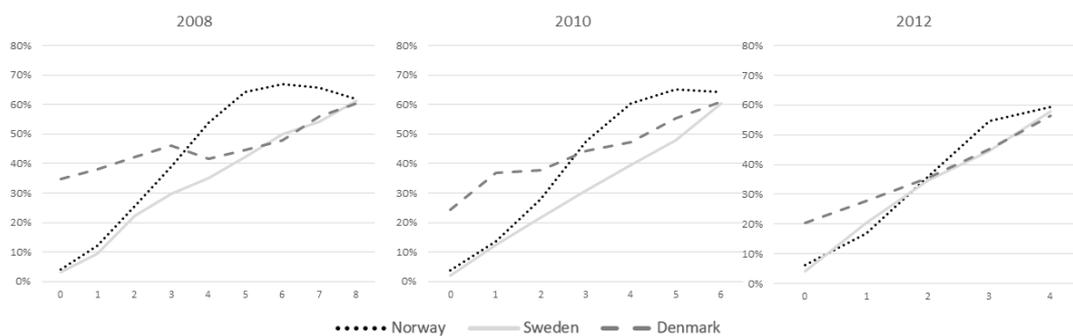
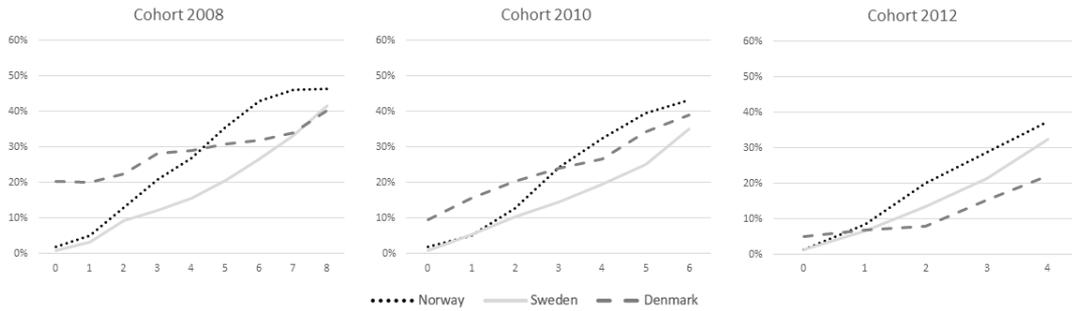


Figure 2: Employment trajectories for women for each cohort, Norway, Sweden and Denmark, 0–8 years after settlement



Predicted employment trajectories

Based on the employment regressions for the three countries (see the online appendix for detailed regression tables), we can draw predicted employment trajectories. These predicted trajectories present how employment evolves with time since settlement, holding other individual characteristics and local conditions constant.

Figure 3: Estimated employment trajectories with years since settlement, by gender

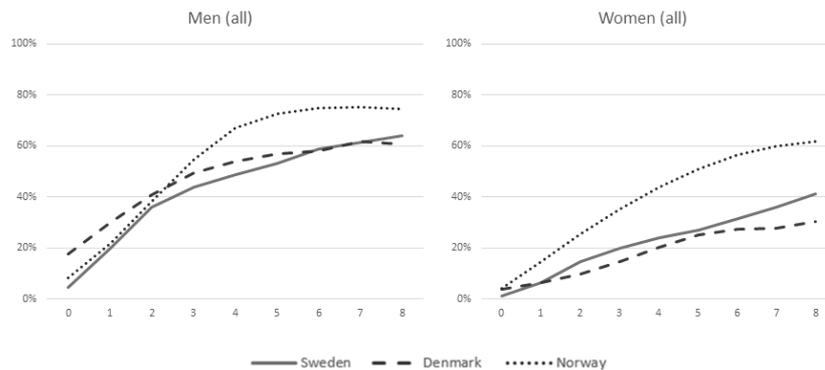
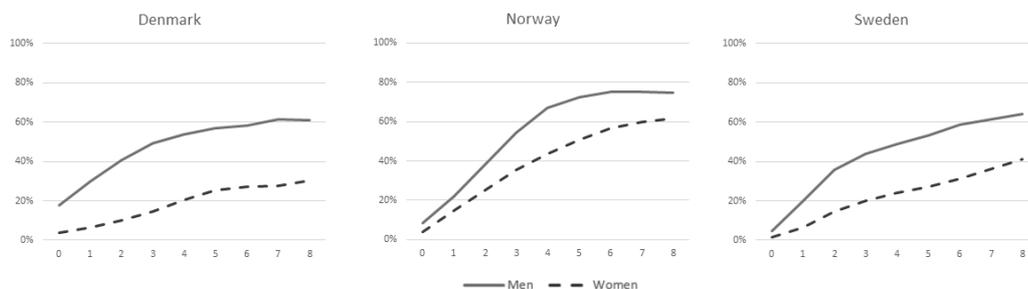


Figure 3 shows that male participants in Denmark have somewhat higher employment probabilities in the first few years after settlement compared with those in Norway and Sweden. After six years, the employment probabilities in Denmark and Sweden converge at approximately 60%. In Norway, the employment trajectory is higher, with an estimated 10–15 percentage points higher employment probability for male refugees

with long residence. For women, the difference among the countries is even larger. All three countries start with the same low employment levels at the time of settlement, but Norway shows a relatively steep increase in employment rates and has better estimated employment rates than Denmark and Sweden for all years of analysis. Sweden does slightly better than Denmark most years after settlement, and the gap further increases in the seventh and the eighth years after settlement.

Figure 4: Estimated employment trajectories for men and women with years since settlement, by country



We also notice an interesting difference when comparing the gender gap in employment in each country. Figure 4 shows that despite the substantial employment gap between men and women in all three countries, this gap is considerably lower in Norway than in Sweden or Denmark. The average estimated employment gaps between men and women for all years after settlement are 15 percentage points in Norway, 21 in Sweden and as much as 29 in Denmark.

In summary, we find that even after controlling for individual characteristics and local conditions, there are large cross-national differences in the Scandinavian countries' employment outcomes concerning the employment level over time and the gender gap in employment. Can different usages of programme measures explain these differences?

Participation in subsidised employment and regular education

Tables 1–4 show the percentage of participants that have received regular education and subsidised employment within the first three years after settlement. As we use data until 2016, figures for the 2015 cohort refer to activities during the participants' first two (not three) years in the programme; thus, the share might be lower compared with previous cohorts.

Table 1: Participation in regular education within the first three years after settlement, cohorts 2008–2015*

	2008–2009	2010–2011	2012–2013	2014–2015	Total
Norway	8	18	31	26	19
Sweden	NA	21	21	22	20
Denmark	9	7	7	3	4,1

*Data on Swedish measures are only available from 2011.

Table 2: Participation in regular education within the first three years after settlement, cohorts 2008–2016*

	Norway	Sweden	Denmark
Women	19	20	3
Men	20	20	5

*Data on Swedish measures are only available from 2011.

Tables 1 and 2 show substantial cross-national differences concerning the usage of regular education in the programmes. In Denmark, only 3–9% participate in regular education, as this is only rarely offered as part of the integration programme. Instead, they may be offered other education courses as part of an active labour market programme, but we cannot separate the use of such measures in the Danish data before 2014. Based on the available data, two findings are apparent. Denmark shows a decline in the percentage of persons who participate in regular education during the period of analysis, and although the numbers are generally low, fewer female participants get regular education than men do. In contrast, Sweden and Norway have no difference between the percentage of men and women who get regular education and show no decline in the participation in regular education. In Sweden, just over 20% of the

participants have attended regular education as part of the programme since 2011, while in Norway, regular education has advanced from being a rarely used measure to being availed of by over 25–30% of the participants since 2012.

Table 3: Participation in subsidised employment within the first three years after settlement, cohorts 2008–2015*

	2008–2009	2010–2011	2012–2013	2014–2015	Total
Norway	15	13	15	11	11
Sweden	NA	25	34	32	29
Denmark	17	16	12	16	14

*Data on Swedish measures are only available from 2011.

Table 4: Participation in subsidised employment within the first three years after settlement, cohorts 2008–2016*

	Norway	Sweden	Denmark
Women	8	16	5
Men	13	38	20

*Data on Swedish measures are only available from 2011.

Tables 3 and 4 also show large differences in usages of subsidised employment across the countries. In Sweden, about 30% participate in subsidised employment – over twice as much as in Norway (11%) and in Denmark (14%). In all three countries, men participate in subsidised employment more than women do. However, this discrepancy varies among the countries. Danish male participants are four times as likely as female participants to have participated in subsidised employment; Swedish male participants are over twice as likely, while the ratio between male and female participants in Norway is only 1,6.

Participation patterns in programme measures reflect employment trajectories and gender gaps

The analysis of programme measures cannot explain the overall cross-national differences, and particularly, why Norway has better results than Sweden. As described in the literature review, earlier studies have found that subsidised employment and

regular education seem to enhance the likelihood of employment, thus, Sweden should be presumed to have the best overall results because a larger share of Swedish participants have received regular education and particularly, subsidised employment as measures in the integration programmes. Although our study controls for local employment trajectories, different national unemployment levels in the three countries could shed light particularly on Norway's overall high employment levels because Norway has had generally lower national levels of unemployment than Sweden and Denmark during the period of analysis (Andersson Joona 2020; Grundfelder et. al. 2016). Despite being unable to account for the overall differences, the usage of programme measures provides valuable insights to interpret country differences concerning the diverging trajectories and the gender gaps.

Fast employment or long-term investment in education?

Our analysis shows that compared with their counterparts in Sweden and Norway, male participants in Denmark have a higher rate of transition to employment in the first years after settlement but fall behind over time. Although our study only documents employment up to eight years after settlement, another study (based on cross-sectional data) supports these patterns and shows that Denmark has substantially lower employment rates for refugees than those of Norway and Sweden 10–20 years after settlement (Liebig and Tronstad 2018). Tables 1 and 2 show that Denmark has very few participants enrolled in regular education in the first three years after settlement compared with Sweden and Norway. Although regular education has been shown to have a positive effect on employment opportunities, it naturally also implies a lock-in effect, which could suggest a delayed transition to employment. Because regular education is a rarely used programme measure in Denmark, more participants are active

job seekers, which could be a plausible explanation for Danish male participants' higher employment rates in the initial years after settlement. The fact that few persons enrol in education in the initial years could also provide an insight into why Denmark falls behind over time. Although Norway's and Sweden's investments in education in the initial years may have lock-in effects, this could be a plausible explanation for their more stable labour-market integration over time.

These findings lead to a second question: why do fewer Danish participants enrol in regular education during the first years after settlement compared with Swedish and Norwegian participants? When comparing the countries' integration policies, Danish policies differ from those in Norway and Sweden concerning their pervasive focus on rapid self-sufficiency. The first clue is given when comparing the overall goals stated in the Scandinavian integration laws. Although all three countries state that the law aims to strengthen the refugees' possibilities of entering the employment market and to expedite labour-market integration, since 2003, the Danish Integration Act has also highlighted that the integration efforts should aim at helping 'newly arrived foreigners become self-sufficient *as soon as possible* through employment' (authors' emphasis in italics). During the period of analysis, Denmark also had employment and self-sufficiency requirements for obtaining permanent residence and citizenship. With such requirements, individuals may be incentivized to gain (any kind of) employment as quickly as possible to obtain the required years of self-sufficiency because a long-term investment in qualifications could lead to a delay and uncertainty concerning their legal status and their right to remain in the country. If there are no such conditional requirements, which is the case in Norway and Sweden during the period of analysis, an individual has the leeway to choose different paths without risking potential eviction. This policy difference could be a plausible reason why more refugees in Denmark

prioritise being employed fast instead of having a more long-term perspective by investing in education.

Why cross-national differences in employment gender gaps?

Interestingly, the discrepancy between the number of male and female participants in regular education and subsidised employment (see Tables 2 and 4) corresponds to the differences in the countries' gender gaps (see Figure 4). Norway, with the smallest gender gap, has an equal share of men and women who attend regular education and only a small difference between the number of men and women who attend subsidised employment. Sweden, which has a larger gender gap than Norway, also has equal shares of men and women who participate in regular education but has a substantially larger gender gap concerning the usage of subsidised employment. Denmark, which has the largest gender gap among the three countries, shows a substantial discrepancy between the genders of both subsidised employment and regular education. Based on earlier studies consistently showing the positive impact of participation in subsidised employment and regular education on employment probabilities, these findings indicate plausible explanations for the differences in the countries' employment outcomes between men and women.

However, why does Denmark have a larger discrepancy concerning men's and women's participation in these programme measures? The different integration benefits in Sweden and Norway versus Denmark may provide one plausible explanation. Norway and Sweden provide an individual integration benefit for each participant, regardless of the financial situation of the entire family. This individual benefit is explicitly justified and promoted as a measure aimed at increasing the participation of female refugees in the integration programme (Hernes and Tronstad 2014). In contrast,

the Danish integration benefit is means-tested based on the total household income. This implies that female refugees will not have an individual financial incentive to participate in education or employment measures, nor is obliged to do so if they are supported by their husband or another family member. These differences in the right to receive financial benefits could constitute a plausible explanation for why fewer women participate in subsidised employment and regular education in Denmark compared with Norway and Sweden.

Conclusion

In this study, we have conducted the first Scandinavian longitudinal analysis of refugee employment outcomes, and show how different usage of subsidized employment and regular education as integration program measure may explain differences in national employment outcomes between genders and with increased residence time.

Additionally, we propose that the countries' integration policies concerning 1) employment and self-sufficiency requirements for obtaining permanent residence and citizenship and 2) the financial benefits received by programme participants may be plausible explanations for why the countries have such different usages of programme measures.

Although our study of integration program measures cannot account for the overall differences in employment outcomes between the countries, it presents clear connections between the usage of these program measures and employment trajectories with years since residence and differences between genders in each country. These findings provide important insight for the integration literature specifically and studies of policy outcomes more generally. Similar to our study, earlier comparative analysis of effects of national integration policies have not been able to demonstrate that different

national integration policies have substantial effects on overall integration outcomes (Goodman and Wright 2015; Ersanilli and Koopmans 2011; Jakobsen et al. 2019). However, our study shows that such analyses still could provide important insights into the dynamics of the policies, by decomposing the analyses to reveal how they affect subgroups differently and may explain differences in their success when comparing short- and long-term outcomes. This approach tackles the challenge that that policies often have multiple (and diverse) target groups and multiple timeframes (McConnell 2017), thus, to assess the success or failure of policy outcomes, decomposed and nuanced analyses are warranted.

One main empirical finding is that our analysis indicates that investment in education is an important measure to ensure long-term labour-market integration of refugees. It is important to note that this matter may be particularly crucial for the Scandinavian countries because they have relatively few low-skilled elementary jobs (Calmfors and Sánchez-Gassen 2019). For other countries with a higher share of jobs that only require elementary education, investment in education may not be as essential to ensure long-term employment.

Borevi (2014) describes two opposing rationales for integration, either 1) that to ensure integration, the individual must enjoy equal rights, which constitute a precondition for a successful integration process, or 2) that integration is achieved by setting clear obligations that the individual needs to fulfil, thus incentivising the individual to integrate. Several studies document how different national philosophies of integration may explain national policy differences or discuss the normative aspects of such conditionality (e.g. Borevi 2014; Joppke 2017). Our study indicates that the different policies surging from these philosophies may indirectly affect the speed and transition of labour-market integration and that there might be a dilemma between the

goal of rapid self-sufficiency and long-term employment. The Danish focus on and incentives for rapid labour-market integration may lead to a faster transition to employment; however, this may be at the expense of a more long-term establishment in the labour market. In Sweden and Norway, it takes longer for participants to be employed, but the investment in qualification measures in the early years seems to pay off to ensure a more robust labour-market establishment. This also demonstrates how conflicting policy goals and multiple timeframes complicate simple assessments of policy success (McConnell 2017).

Our study proposes assumptions about how the participants react to different integration policies. Parsons (2007, p.7) emphasises that valid explanations of causal mechanisms should at least pass through the intentions of individuals. The calculations or motives underlying the actions of the participants in the integration programmes cannot be explored by statistical analyses of register data, but must be tested through qualitative analyses, and we want to highlight this as important areas for future research. Studying how policies influence individuals' actions is highly relevant because an increasing number of countries introduce employment and self-sufficiency requirements for obtaining a secure legal status. Although our study was restricted to the analysis of policies and cohorts from 2008 to 2016, Hernes (2018) documents that all the Scandinavian countries introduced or sharpened the employment or self-sufficiency requirements as part of a turn towards more restrictive integration policies after the refugee crisis. Denmark increased the number of years of self-sufficiency and employment for obtaining permanent residence and citizenship. Norway introduced a 12-month self-sufficiency requirement for obtaining permanent residence, and even Sweden initiated an employment 'fast track'; if employed, persons with temporary residence permits could obtain permanent residence earlier than three years (a three-

year residence requirement for obtaining permanent residence was also introduced in 2016). If introducing or sharpening conditional employment and self-sufficiency requirements for obtaining a secure legal status is justified by their functioning as incentives for labour-market integration, it is essential to study how these incentives actually work, not only in the short run, but also how these affect the long-term labour-market integration.

Notes

ⁱ The Danish government weighted education as an alternative to employment as a requirement for permanent residence from 2012 to 2015.

ⁱⁱ Some restrictions were issued in Norway and Sweden in 2016 after the refugee crisis (see Hernes 2018). These changes are outside the scope of our statistical analysis, but are further discussed in the conclusion.

ⁱⁱⁱ The countries also provide other types of activities or measures in their integration programmes. For analyses of these other measures, see Hernes et al (2019).

^{iv} However, this model has a standard identification problem because years since settlement are identical to calendar year minus settlement year. The estimated outcome profile with time since settlement and calendar effects will therefore also capture any differences across settlement cohorts that might occur either because of differences across cohorts who settle in different years or because of differences in the impact of integration efforts over time.

^v This estimator has the same mean asymptotic properties as the random effects estimator. Both estimators allow the error term to be correlated over time for the same individual, but the random effects estimator is more efficient (has less asymptotic

variance) if this correlation is fixed across time. If this is not the case, the random effects estimator provides biased standard error estimates, but the clustered estimator allows a fully flexible within-individual correlation structure. Note also that we cannot perform a fixed-effects estimation, as most of the covariates are fixed over time.

^{vi} Figure 1 portrays that the three countries end up at essentially the same level of employment for male participants for the different periods analysed (after eight, six and four years), however, other studies indicate that these converging patterns are temporary, and that after 7-10 years in the country, the three countries diverge substantially, see e.g. Liebig & Tronstad (2018).

^{vii} This improvement could be caused by improved labour-market conditions in the years after the economic recession during the financial crisis in 2008/2009 (Grundfelder et. al. 2016).

Online appendix

Supplemental data for this article can be accessed at [link to source – publisher will add doi at proof].

Biographical note

Vilde Hernes is a researcher at the Norwegian Institute for Urban and Regional Research, Oslo Metropolitan University, Norway. Jacob Nielsen Arendt is a professor in economics and research leader at the Rockwool Foundation, Denmark. Pernilla Andersson Joonas is an Associate Professor of Economics at the Swedish Institute for Social Research, Stockholm University, Sweden. Kristian Tronstad is research director at the Norwegian Institute for Urban and Regional Research, Oslo Metropolitan University, Norway.

Corresponding author

Vilde Hernes,

Holbergs gate 1, 0166 Oslo

E-mail: vildeher@oslomet.no

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