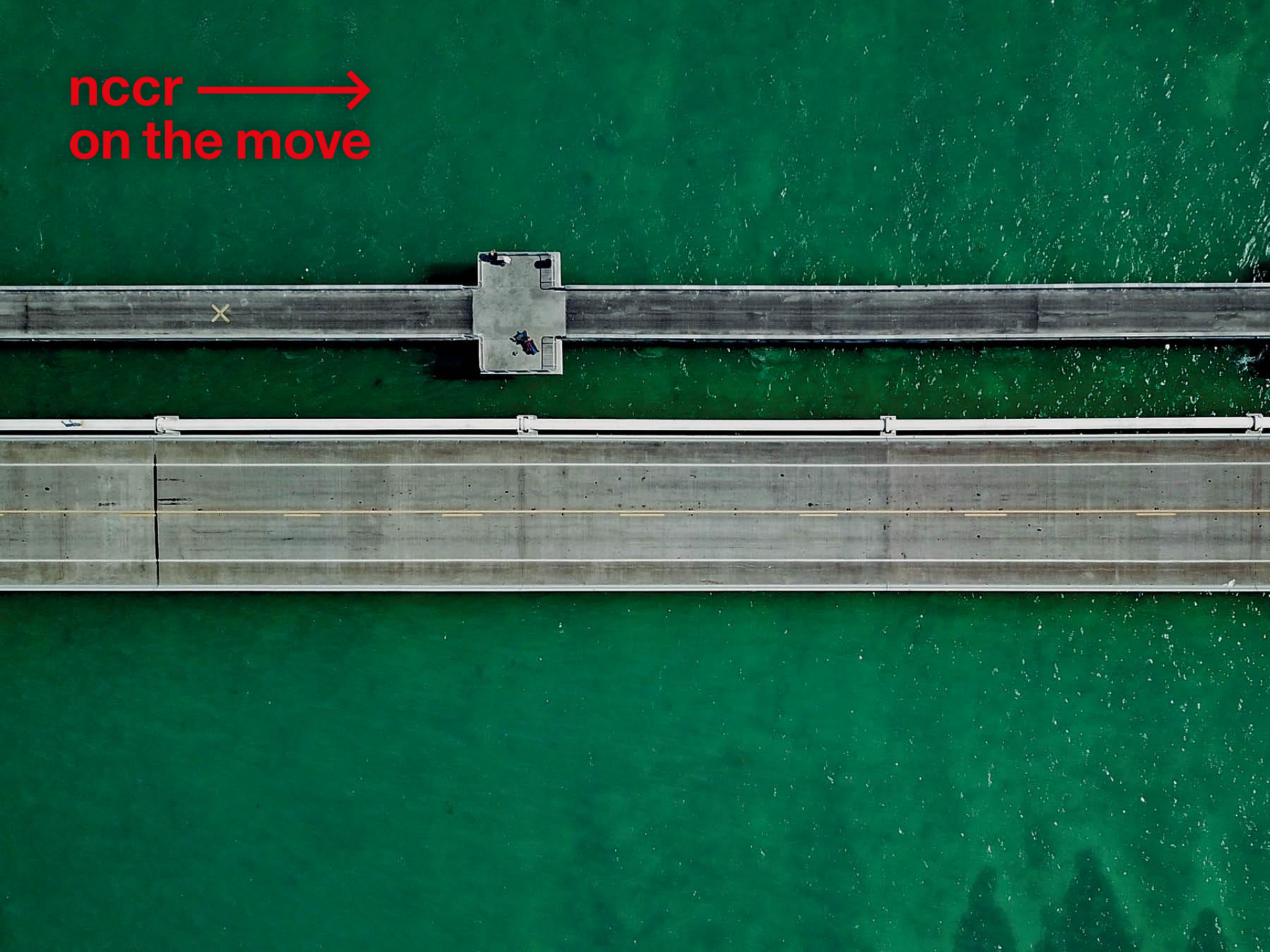
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# Does integration policy improve labour market and social inclusion of asylum-related immigrants? Evidence from Sri Lankans in Switzerland

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## Point of departure and research question

*Does integration policy improve immigrants' economic, social-psychological and cultural integration?*

Definition: Integration policies are policies steering the cultural, the socio-economic, as well as the political integration of immigrants (Joppke and Seidle, 2012; Manatschal, 2011; Penninx and Garcés Mascareñas, 2016)

→ A multidimensional and transversal policy field, studied by different literatures and disciplines

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# State of research

Mixed evidence

- *Economists*: effect of integration policy on labor market integration
  - Weak or absent relationship in large scale studies using aggregate integration policy indices (e.g. MIPEX, Bilgili et al., 2015)
  - Small-scale quasi-experimental studies identify anti-discrimination policy, language courses, as well as programs that are closely linked to the labour market as most effective policies (Rinne, 2013)
  - Asylum-related immigrants: waiting period (neg., Hainmueller et al. 2018), inclusive labor market policies (pos., Slotwinski et al. 2018)

- *Political scientists*: Policies fostering host language proficiency benefit immigrants' civic engagement (Cinalli and Giugni, 2011)

- *Social/political psychologists*: Scarce evidence. Integration policies send signs of inclusion or exclusion, which may affect immigrants' sense of belonging and social well-being (e.g. Bennour and Manatschal, 2019)

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## Causal identification strategy

Limitations of existing studies (Kogan, 2016):

- Cross-sectional correlations in large N studies
- Integration policy indices too broad, no clearly defined target group
- Negative self-selection and signalling effects

Contribution of our study

- Quasi-experimental RD: examination of impact of an exogenous integration policy change in Switzerland
- Clearly identified target group: Sri-Lankans with provisional admission (F-admission, treatment group), compared to Sri-Lankan asylum seekers (N-permit, control group)
- Discrimination still possible, but limited negative self-selection thanks to comprehensive policy coverage

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# Swiss integration policy reform

Federal Acts on Asylum (2006) and on Foreign Nationals and Integration (2008)

| Integration policy domain | Until 2006 (pre-reform) | | After 2008 (post-reform) | |
|---|---|---|---|---|
| | *F permit* | *N permit* | *F permit* | *N permit* |
| State funding of social and economic integration programs | - | - | ✓ | - |
| Family reunion | - | - | ✓ | - |
| Equal access to the labour market as Swiss/EU citizens or legal permanent residents | - | - | ✓ | - |

Source: own illustration. F permit = provisionally admitted, N permit = asylum seeker.

Sources: Neubauer et al. (2004), Efionayi-Mäder and Ruedin (2014)

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## Data: Health Monitoring of the Swiss Migrant Population (GMM)

- Primary objective of the GMM: provide information on migrants' health, health related behavior, and utilization of health related services

- Target group: immigrants who are underrepresented in conventional surveys due to language problems, including asylum related immigrants (Kosovo, Sri Lanka, Somalia)

- Two waves, 2004 & 2010, only Sri Lankans surveyed in both waves

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# Data: sample and key dependent variables

- Asylum related Sri Lankans (17-74 years)
- Selection for labor market analyses:
  - Working age population (17-65 years)
  - At least 1 year of residence in Switzerland

- Dependent variables
  - **Knowledge of a national language** (binary outcome)
  - Two labor market outcomes
    - **Employment** (1 = employed, 0 = non-employed)
    - Log of **household monthly net income**
  - Two indicators for social well-being
    - Feeling of **no longer having a homeland** (1 = respondents experiences this feeling at least once, 0 otherwise)
    - Feeling of **loneliness** (1 = respondents feels lonely very often, often or sometimes, 0 otherwise)

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## Research design and method

Main model (Difference-in-differences estimation using OLS):

$$Y_{it} = \alpha 0 + \alpha 1\ d2010_{it} + \alpha 2\ \text{F-permit}_{it} + \delta \text{did}\ (d2010_{it} \times \text{F-permit}_{it}) + X_{it}\ \beta + \text{error}_{it}$$

- $Y_{it}$: outcome of interest for individual *i* in year *t*
- $d2010_{it}$: dummy equaling 1 if time *t* is 2010 (0 otherwise)
- $\text{F-permit}_{it}$ dummy equaling 1 for provisionally admitted (F-status) and 0 for asylum seekers (N-status).
- $\delta$did represents the causal effect of the new integration policy
- $X_{it}$: *v*ector of control variables (sex, age($^2$), years since migration($^2$), education level, martial status, number of children below 15 years, region dummy (= 1 for F/IT regions, 0 otherwise), plus language proficiency (if Y $\neq$ language proficiency))

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## Results

### Labor market outcomes

| Outcome | *Employment* | *Log(income)* | *Log(equivalent income)* |
|---|---|---|---|
| $\delta_{did2010}$ | 0.294** | 0.677** | 0.723** |
| | (0.111) | (0.209) | (0.211) |
| Controls | Yes | Yes | Yes |
| Observations | 369 | 266 | 266 |
| R-squared | 0.290 | 0.392 | 0.331 |

*Notes*: Coefficient estimates, linearized standard errors in parentheses. Significance: ** p<0.05, * p<0.10. Data are weighted. Outcome variable: log household monthly income (deflated into 2000 Swiss francs). The equivalent income is equal to the household income divided by the square root of household size. Control variables: Sex, age, age squared, years since migration, years since migration squared, education level, marital status, number of children below 15 years, language proficiency and regional dummy. Unweighted results, displayed in Table A2 in the appendix, are qualitatively the same.

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## Results

Knowledge of a national language

| Outcome | *Language proficient* | *Quality of language proficiency* | |
|---|---|---|---|
| | | *Understanding (2004)* | *Speaking (2004)* |
| $\delta_{did2010}$ | 0.088 | 0.202** | 0.232** |
| | (0.060) | (0.101) | (0.104) |
| Controls | Yes | Yes | Yes |
| Observations | 441 | 441 | 440 |
| R-squared | 0.190 | 0.294 | 0.286 |

*Notes*: Coefficient estimates, linearized standard errors in parentheses. Significance: ** p<0.05, * p<0.10. Data are weighted. Outcome *language proficient*: Speaking no national language (0), speaking one national language (1). Outcomes *quality of language proficiency*: very badly/badly (0), moderately/well/very well (1). Control variables: Sex, age, age squared, years since migration, years since migration squared, education level, marital status, number of children below 15 years, and regional dummy. Unweighted results, displayed in Table A3 in the appendix, are qualitatively the same.

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## Results

### Social-psychological well-being

| Outcome | *No homeland* | *Lonely* |
|---|---|---|
| $\delta_{did2010}$ | -0.180* | -0.197** |
| | (0.102) | (0.087) |
| Controls | Yes | Yes |
| Observations | 437 | 441 |
| R-squared | 0.099 | 0.298 |

*Notes*: Coefficient estimates, linearized standard errors in parentheses. Significance: ** p<0.05, * p<0.10. Data are weighted. Outcome variable *y*: Never (*y* = 0), rarely, sometimes, often or very often (*y* = 1). Control variables: Sex, age, age squared, years since migration, years since migration squared, education level, marital status, number of children below 15 years, language proficiency and regional dummy. Unweighted results, displayed in Table A4 in the appendix, are qualitatively the same.

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## Results

Common time trend assumption before policy implementation

- To further assert our causal interpretation of the preceding results, we must assess wether the sample of Sri Lankans we examine follows similar pre-trends before the policy shift

- Common trend assumption: $\delta_{did} = 0$ (H0)

→ no pre-existing differences between treated and control groups

- To test this, we run a placebo test before the implementation of the new integration policy. Strategy:
  - 5000 random samples drawn from the census 2000
  - Association of these samples with the 2004 GMM survey
  - Examination of the distribution of potential effects

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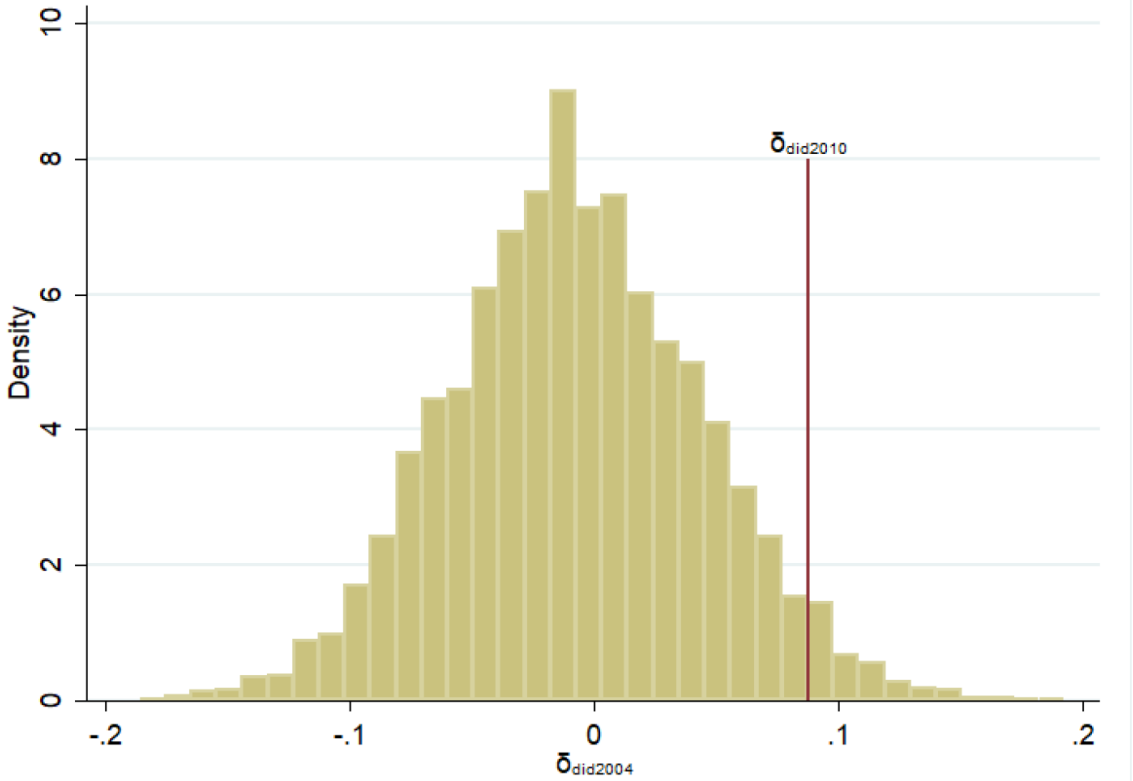
# Common time trend I: language proficiency




*Notes*: Distribution of 5,000 OLS coefficients, each of them estimated from a difference-in-differences regression model in the spirit of Equation (1) where the pre-treatment year is 2000 and the (hypothetical) post-treatment year is 2004. The DID estimation procedure is carried out using 5,000 random samples of 250 asylum-related Sri Lankans in the 2000 Census data, each of them being pooled with the GMM sample for 2004. The mean value of the estimated coefficients is -0.008. Only 193 coefficient estimates are statistically significant at the 10 percent level, namely 3.86% of the 5,000 estimates. The vertical red line indicates the estimated DID effect of the integration policy reported in Table 1.

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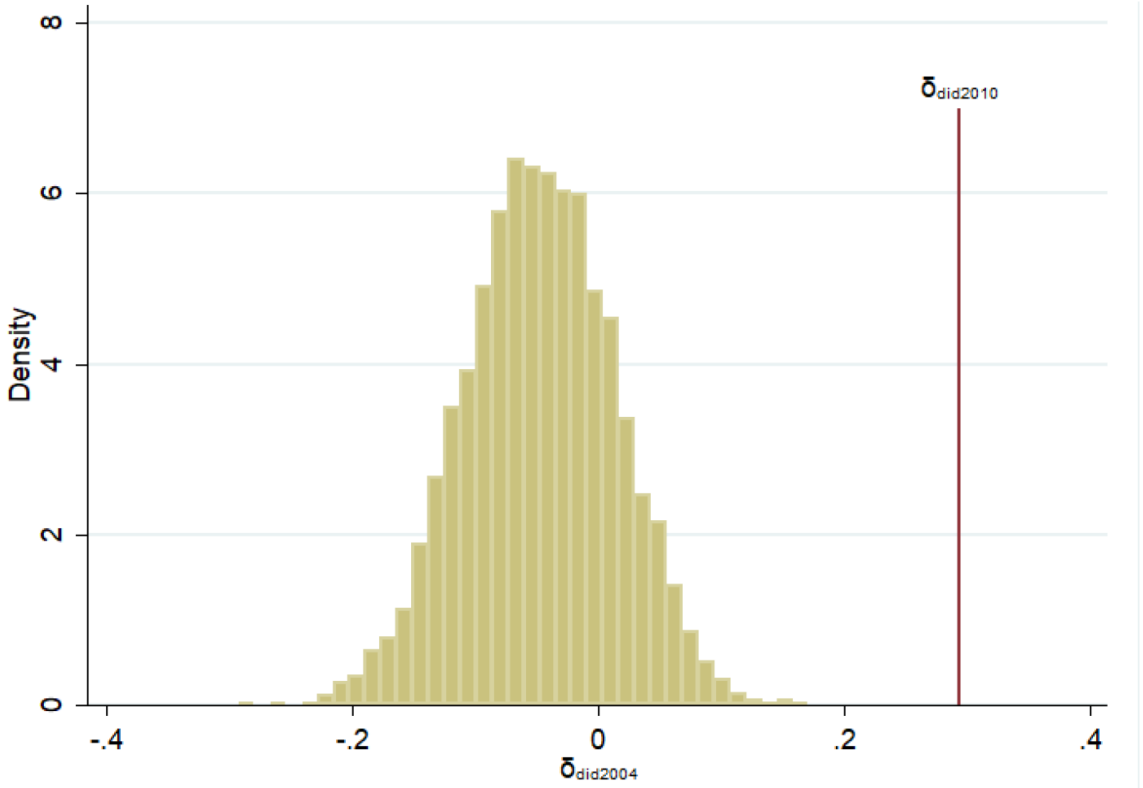
# Common time trend II: employment (vs. non-employment)




*Notes*: Distribution of 5,000 OLS coefficients, each of them estimated from a difference-in-differences regression model in the spirit of Equation (1) where the pre-treatment year is 2000 and the (hypothetical) post-treatment year is 2004. The DID estimation procedure is carried out using 5,000 random sample of 250 asylum-related Sri Lankans in the 2000 Census data, each of them being pooled with the GMM sample for 2004. The mean value of the estimated coefficients is -0.047. Only 233 coefficient estimates are statistically significant at the 10 percent level, namely 4.66% of the 5,000 estimates. The vertical red line indicates the estimated DID effect of the integration policy reported in Table 2.

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## Summary and concluding remarks

- In the aftermath of the integration policy reform (in 2010), Sri Lankans with an F-permit are more likely to speak one of the Swiss languages while they face considerable employment and earnings growth compared to Sri Lankans with an N-permit

- This first set of results indicates that the integration policy reform promotes Sri Lankans' human capital accumulation while reducing their search frictions in the host labour market

- Sri Lankans affected by the new policy are also found to be less likely to feel like having no homeland or lonely relative to comparable but unaffected Sri Lankans

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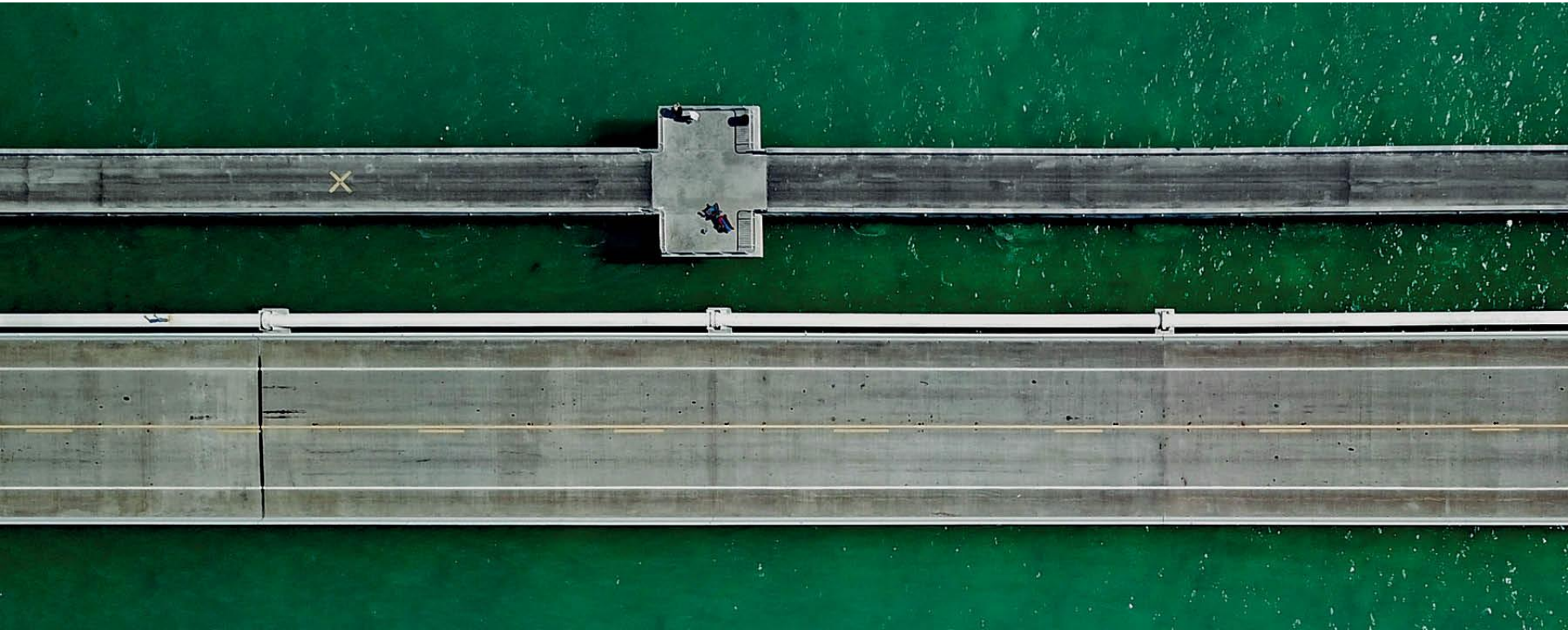
# Thank you



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