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Poden els mecanismes de mercat resoldre la crisi de refugiats de la Unió Europea?
Jesús Fernández-Huertas Moraga
A record number of over 1.2 million migrants claimed asylum in the EU-28 in 2015 and the European Commission (EC) estimates 2 million asylum seekers in European Union (EU) during the next two years. The conflict in Syria is by far the biggest driver of the migration. According to the Article 14 of the Universal Declaration of Human Rights and to the Convention relating to the Status of Refugees, everyone has the right to seek and enjoy in other countries asylum from persecution, for fear of being persecuted for reasons of race, caste, religion, nationality, membership of a particular social group, or political opinion.

The high number of asylum seekers has sparked a crisis in the EU as countries struggle to cope with the influx. In April 2015 the EC announced that it will propose a permanent system, which would enable a mandatory and automatically-triggered relocation system as countries struggle to cope with the influx. In April 2015 the EC announced that it will propose a permanent system, which would enable a mandatory and automatically-triggered relocation system across the EU, when a mass inflow emerges.1 In May 2015 the EC proposed a temporary European relocation scheme for asylum seekers who are in need of international protection. Such asylum seekers should be distributed according to a distribution key based on “objective, quantifiable and verifiable criteria that reflect the capacity of the Member States to absorb and integrate refugees”:

- the size of the population (weight 40%),
- average number of past asylum applications (weight 10%) and
- unemployment rate (10%).

In Sept. 2015 Home Affairs Ministers adopted the Decision to relocate 160,000 people in clear need of international protection from Italy and Greece and other Member States directly affected by the refugee crisis. In 2015 the majority of asylum seekers from Syria, Iraq and Eritrea were recognized as refugees. How can individual member countries provide housing for large numbers of newly recognized refugees, while taking into account the aim of fast labour market assimilation of new refugees? Fast labour market assimilation of refugees reduces the fiscal burden of refugee immigration and may be a pre-requisite for social cohesion in the host-country during times of major refugee influx.

When faced with this challenge in the mid-1980s, the Danish government, through the Danish Refugee Council (henceforth “the Council”), implemented a spatial dispersal policy on (more than 76,000) newly recognized refugees over the 1986-1998-period. The main objective was to disperse refugees across counties and municipalities proportional to the number of inhabitants shortly after receipt of asylum. The Council was unable to consider individual location wishes in the assignment process. Moreover, local authorities had little opportunity to cream-skim refugees, i.e. ask for, say, high-skilled refugees. The Council was successful at dispersing refugees. Before the implementation of the policy, newly recognized refugees were fairly evenly distributed across counties and municipalities relative to the local population size (Damm 2004, Damm 2009a).

Some newly recognized refugees in Denmark, by chance, started their process of integration into the Danish society in a municipality with a relatively low unemployment rate and low immigrant residential concentration, while others newly recognized refugees, by chance, initially settled in a municipality with the opposite characteristics. Therefore, the Danish spatial dispersal policy on refugees can be regarded as a social experiment which provides unique data for empirical investigation of which local characteristics promote labour market integration of immigrants. Exploiting the Danish spatial dispersal policy on refugees 1986-1998 as a quasi-experiment, Damm and Rosholm (2010) find that, ceteris paribus, assignment to a municipality with low unemployment, and a relatively low number of immigrants, significantly increases refugees’ speed of transition into the first job. The latter finding supports spatial dispersal of refugees across locations.

In Denmark around 26% non-Western immigrants have found their latest job through their social network, predominantly immigrant contacts (Damm 2014). In addition, Damm (2009b) shows that real annual earnings of refugees increases with the size of the ethnic enclave, i.e. number of co-nations living in the municipality. By use of better data, Damm (2014) shows that it is the quality – rather than the size – of residence-based networks that matters for labour market integration of refugees. This result is consistent with the social network theories proposed by Montgomery (1994) and Calvó-Armengol and Jackson (2004). In the first 6 years after asylum, a relatively high quality of co-national (immigrant) neighbours increases annual earnings (employment) of refugees while their labour market success is unaffected by the quality of native neighbours (Damm 2014), perhaps because native-immigrant communication is scarce due to cultural and language barriers. In other words, at least up to 6 years after asylum residence-based job information networks of refugees in Denmark are ethnically stratified. This implies that successful local employment and skills-

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1 Relocation is the transfer of persons who are in need of or already benefit from a form of international protection in one EU Member State to another EU Member State where they should be granted similar protection.

2http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/background-information/docs/communication_on_the_european_agenda_on_migration_en.pdf
upgrading policies targeted at a subgroup of immigrants entail positive externalities for their immigrant acquaintances.

Over the 1986-1998-period assigned refugees could move away from the municipality of assignment at any time, in so far as they could find alternative housing elsewhere. Ten years after asylum 50% of refugees had moved away from the assigned municipality. Refugees tended to leave municipalities with a relatively low number of immigrants and co-nationals relative to the population size. Additional push factors are lack of private rental and social housing and lack of institutions for qualifying education (see, Damm 2009a). These push factors help explain why recent immigrants tend to leave more rural areas and move to immigrant dense neighbourhoods in the larger cities. But labour market opportunities also affect placed refugees’ subsequent relocation. High unemployment is also a push factor (Damm 2009a). Moreover, refugees who after initial location assignment moved into ethnic enclaves and socially deprived neighbourhoods were negatively selected in terms of unobserved individual characteristics, e.g. ability to learn the host-country language and English language proficiency – increasing the return to living in an ethnic enclave (Damm 2009b, Damm 2014).

In spite of the tendency for assigned refugees to subsequently relocate to a larger municipality with more immigrants and co-nationals, the Danish spatial dispersal policy on refugees 1986-1998 did reduce residential concentration of refugees in the capital area relative to other immigrants in the medium run (Damm 2009a).

Compared to their native peers, refugees who arrived as children during 1986-1998 had a substantially higher crime conviction rate by age 21 (Damm and Dustmann 2014), while their gap in the level of upper-secondary education, by age 20, was modest (6-7 pp.) (Vasiljeva 2015). One explanation for the higher youth crime conviction rate of immigrant youth is that they tend to grow up in locations in which many young criminals live. Their criminal behaviour is contagious for boys, but not for girls, as shown by Damm and Dustmann (2014). Immigrant male youth are influenced by others, regardless of the ethnicity of the criminals. However, the effects are greater if the criminals are from the same country of origin as the young people themselves.

Comparison of the neighbourhood effects on refugee parents and refugee children shows that parents are affected only by their immigrant neighbours, and not by Danes, but their children are influenced by everyone. The different results for parents and children are hardly surprising. The parents arrive to Denmark unable to speak the native language, and they are not forced to interact with natives in any context. By contrast, from the date of local settlement, their children are surrounded by and must relate to children and youth of all ethnic origins, including natives – in day care centres, schools and spare-time.

The quasi-experimental findings for refugees in Denmark have important implications for policies which spatially disperse refugees across locations. First, they show that policy makers can increase the speed of employment and wage-assimilation of immigrants through refugee settlement in regions with low unemployment. Second, they can be used to guide policy makers on which types of neighbourhoods are suited for refugee settlement. Within low-unemployment regions policy makers can promote labour market integration of refugees and reduce their crime propensity by assigning refugee families to neighbourhoods in which many established immigrants and few youth criminals live. However, cheap, large rental apartments are likely to be scarce in such neighbourhoods. Such apartments can instead be found in the social housing sector which explains why it is characterised by large over-representation of recent arrivals of immigrants who tend to have a weak or no labour market attachment. In the past three decades, Danish local authorities have tried to avoid settlement of new immigrants in the part of the social housing sector which is socially deprived (i.e. employment rate below 60%). However, from a labour market assimilation perspective, settlement in a socially deprived neighbourhood is preferred to settlement in a neighbourhood with only natives, because refugees establish contacts with employed immigrant neighbours in socially deprived neighbourhoods which are helpful for informal job search (Damm 2014). But youth delinquents are overrepresented in socially deprived neighbourhoods and their criminality spurs criminal behaviour of male refugee youth assigned to the neighbourhood as child. A local refugee housing policy which assigns refugee families to housing in socially deprived neighbourhoods should therefore be combined with more resources for crime-prevention, e.g. more street officers and higher school quality. A local refugee housing policy which assigns refugee families to housing outside socially deprived neighbourhoods should be combined with information to adult refugees about local networks/organisations for established immigrants.

Moreover, few refugees stayed in the assigned neighbourhood for a considerable number of years (Damm 2014). Therefore, for a refugee settlement policy to work, the authorities may have to reduce the relocation rates of refugees, by also considering individual location wishes (given that they coincide with the overall goal of the settlement policy) and/or providing economic incentives to stay for some years.

Around 80% of Danish men and women in their working ages have a job. For the Danish welfare state to be fiscally sustainable at least 75% of the working-age population should be employed. Therefore, fast labour market assimilation of refugees is an important policy aim. Over the 1986-1998-period Denmark primarily granted asylum to asylum seekers from the former Yugoslavia, Lebanon, Iran, Iraq, Somalia, Sri Lanka, Vietnam, Afghanistan and Ethiopia

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3 Similar results on local determinants of labour market success of refugees have been found for Sweden Edin et al. (2003), Åslund (2005), Åslund and Rooth (2007), Åslund and Fredriksson (2009), Åslund et al. (2011).
Irrespective of refugee-sending country, refugees have increasing employment rates in the first 10 years after asylum, but the speed of labour market integration varies greatly by country of origin. 10 years after asylum only refugees from Sri Lanka, Vietnam and the former Yugoslavia had an employment rate above 50%. Twenty years after asylum only the fastest assimilating refugee groups (Sri Lanka, Vietnam and Ethiopia) had an employment close to 75%.4

In 1999 the Danish Government implemented a new spatial dispersal policy on newly recognized refugees. This policy aimed to increase the speed of employment assimilation of refugees by means of 1) mandatory spatial dispersal across all municipalities using a distribution key (based on the size of the overall population, the size of the immigrant population and the past number of assigned refugees) and taking into account individual location wishes and 2) an extended introduction programme, run by the municipality, hosting the refugee and by providing social assistance, in the first three years, conditional on residing in the assigned municipality. However, in 2014 only 28% of refugees and family-reunified to refugees (aged 25-64) were employed after having participated in the 3 year introduction programme.5

The slow labour market assimilation of refugees has led the Danish government, employer organizations and worker unions to make an agreement on March 17 2016 to promote labour market integration of refugees. The high minimum wage negotiated between employer organizations and worker unions is perceived as the main obstacle to fast labour market integration of refugees. The agreement includes a reform of the spatial dispersal policy on refugees. In the future refugee settlement in a municipality with good employment prospects should be given important consideration (Trepartsforhandlinger 2016: Trepartsaftale om arbejdsmarkedsintegration).6

References


4 The employment rate of refugees from the former Yugoslavia 20 years after asylum remains to be seen.
6 Idem.