

PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

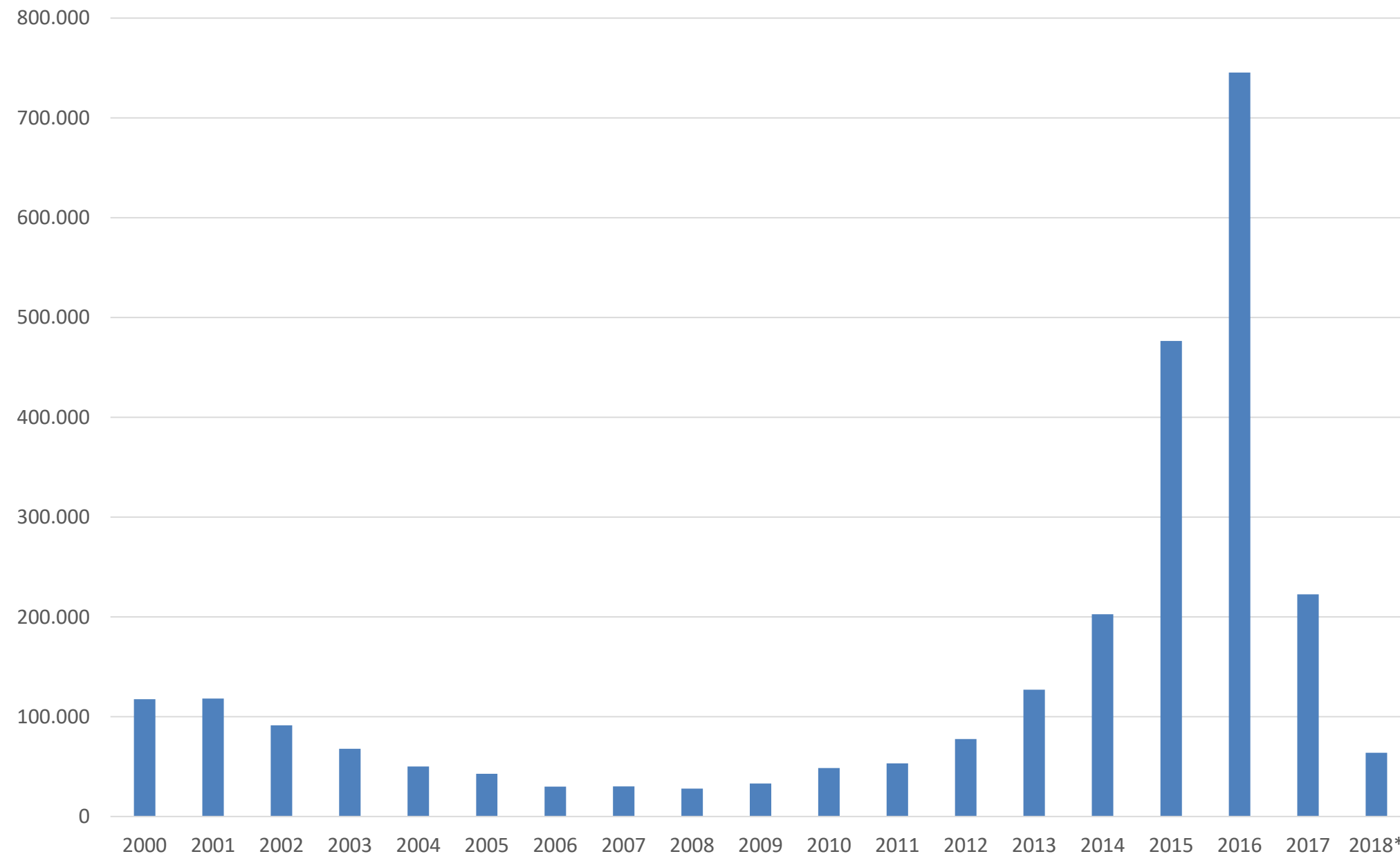
FELIX STIPS, TOGETHER WITH KRISZTINA KIS-KATOS

# Labour Market Integration of Asylum Seekers in Germany

Assessing the Role of Migrant Networks

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Yearly Asylum Applications

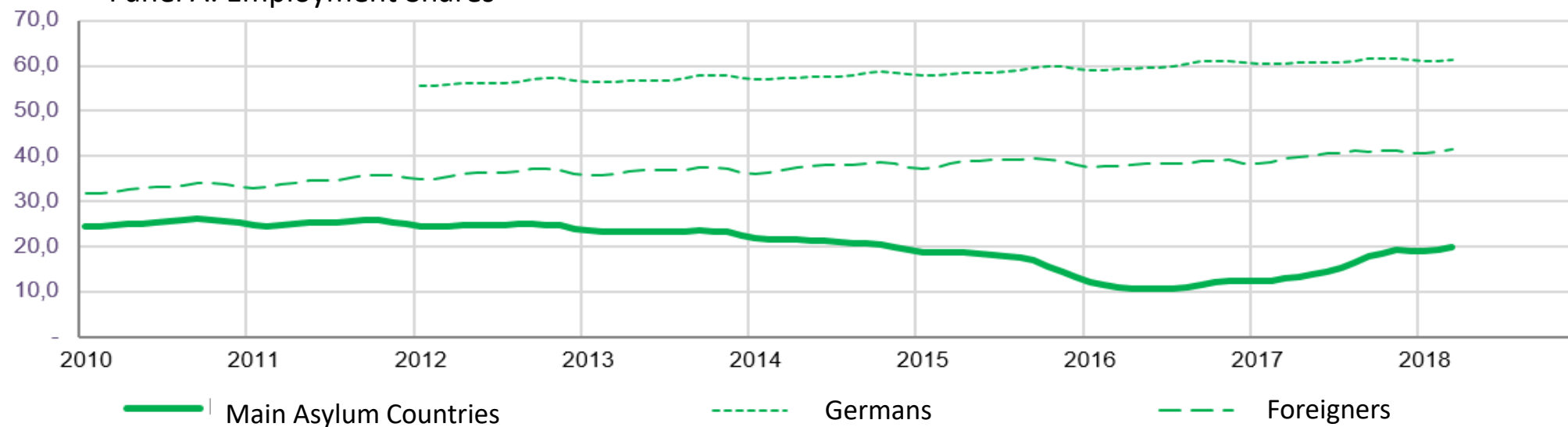


Source: Statista, BAMF

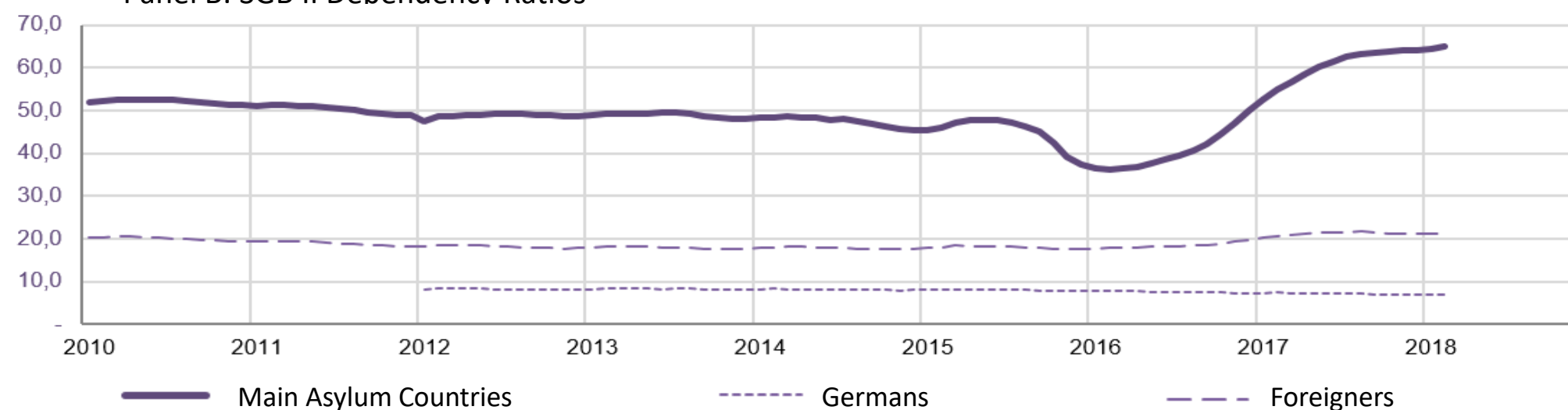
# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Employment and Welfare Dependency Trends

Panel A: Employment Shares



Panel B: SGB II Dependency Ratios



Source: Migrationsmonitor Arbeitsmarkt, Federal Employment Agency. Note: Main Asylum Countries are Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia, Syria

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Labour Market Access of Asylum Seekers

- Early labour market access key to integration (Hainmueller et al., 2016; Battisti et al., 2017)
- 'Refugee employment gap' (Bevelander, 2016; Keller, 2016)

## Social Networks

- Social networks may reduce market frictions (Dustmann et al., 2015)
- but increase inequalities between social groups (Calvò-Armengol and Jackson, 2004)

## Ethnic Enclaves

- (Economic) literature stresses positive effects on economic integration
- To date, few and mixed findings from Germany (Drever and Hoffmeister, 2008; Schaffner and Traude, 2014; Battisti et al., 2016; Gericke et al., 2018)

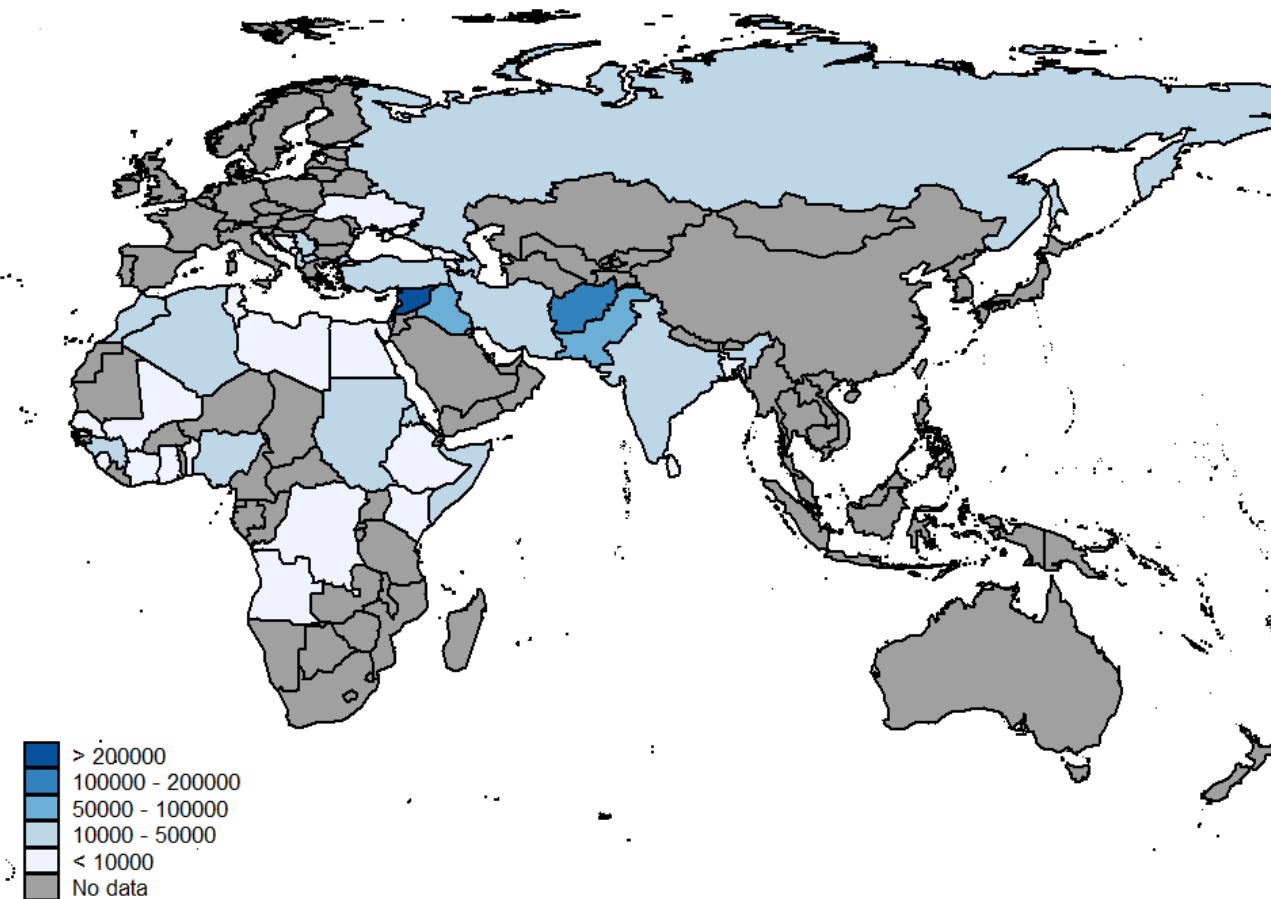
# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Data

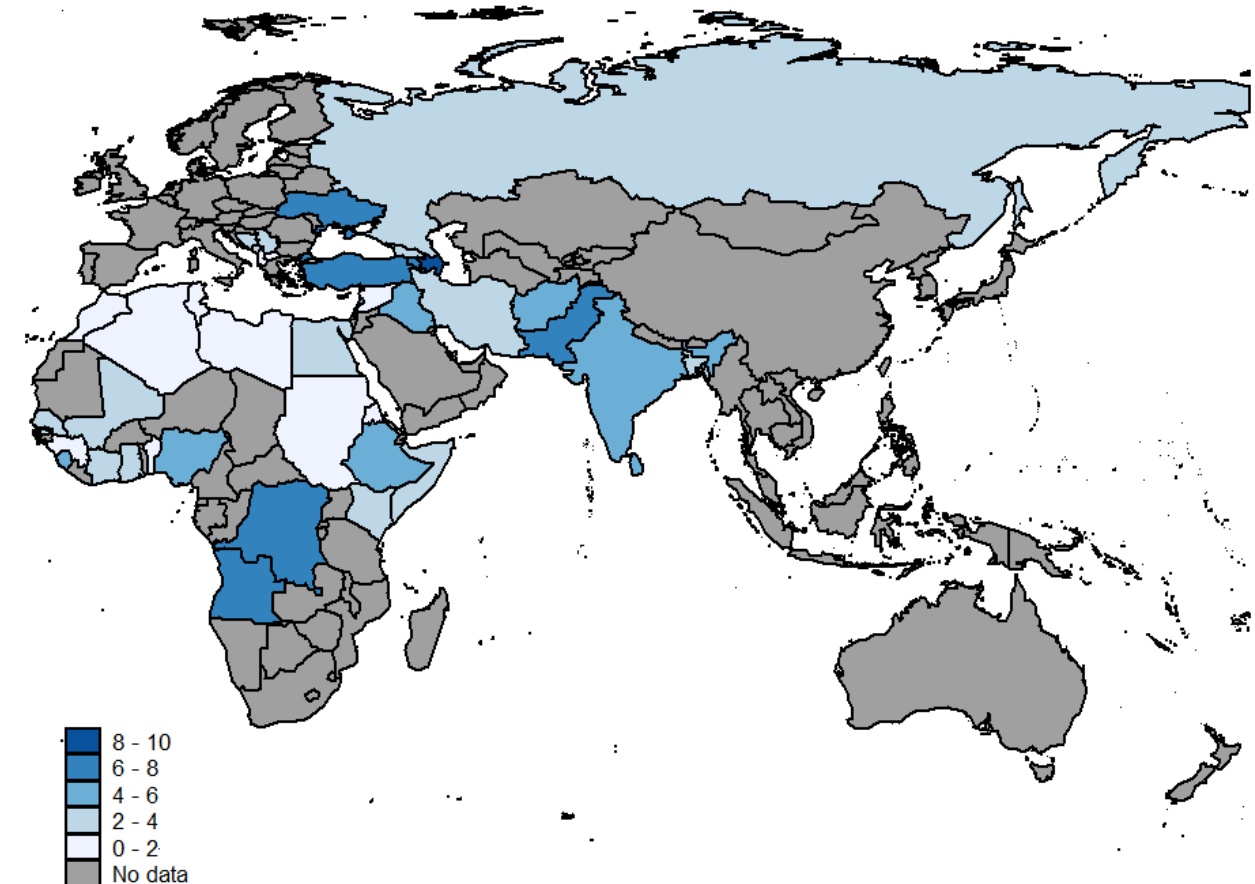
- Social security records from 2010 to 2016 on every person receiving AsylbLG benefits
- Regionally representative variables from CENSUS2011
- Sample
  - male, working age (18 – 65) asylum seekers
  - living outside first reception centres
  - from main countries of origin

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE Sample Countries of Origin

*Number of Asylum Seekers*



*Employment Rate*

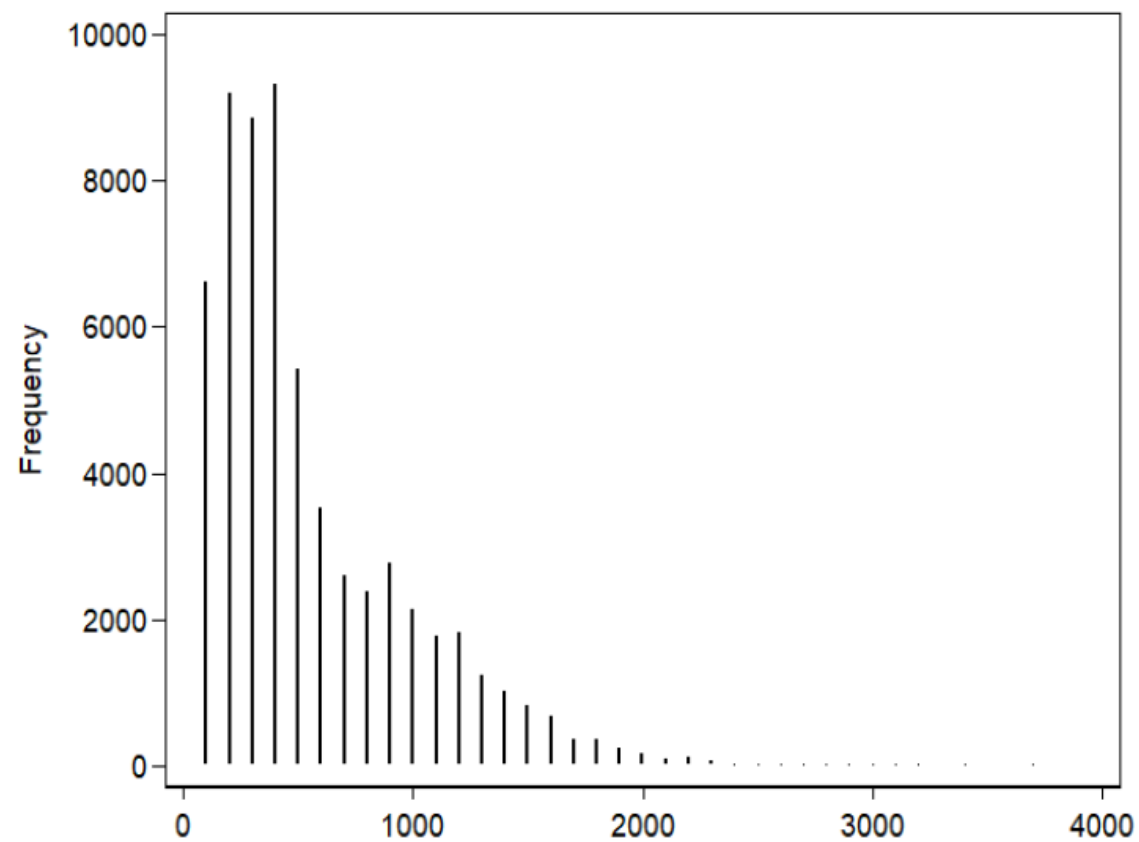


Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.

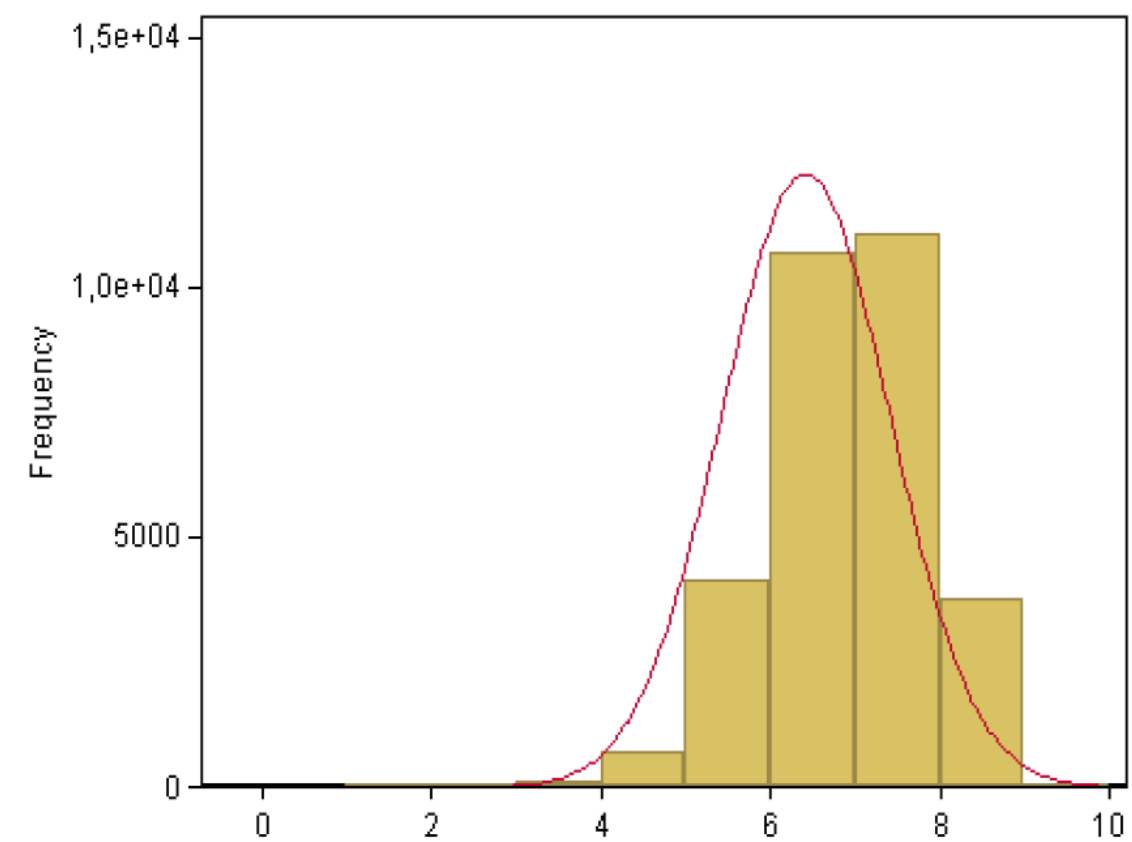
# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Job Quality

*Average Monthly Wage in Euros*



*Asinh of Average Monthly Wage in Euros*



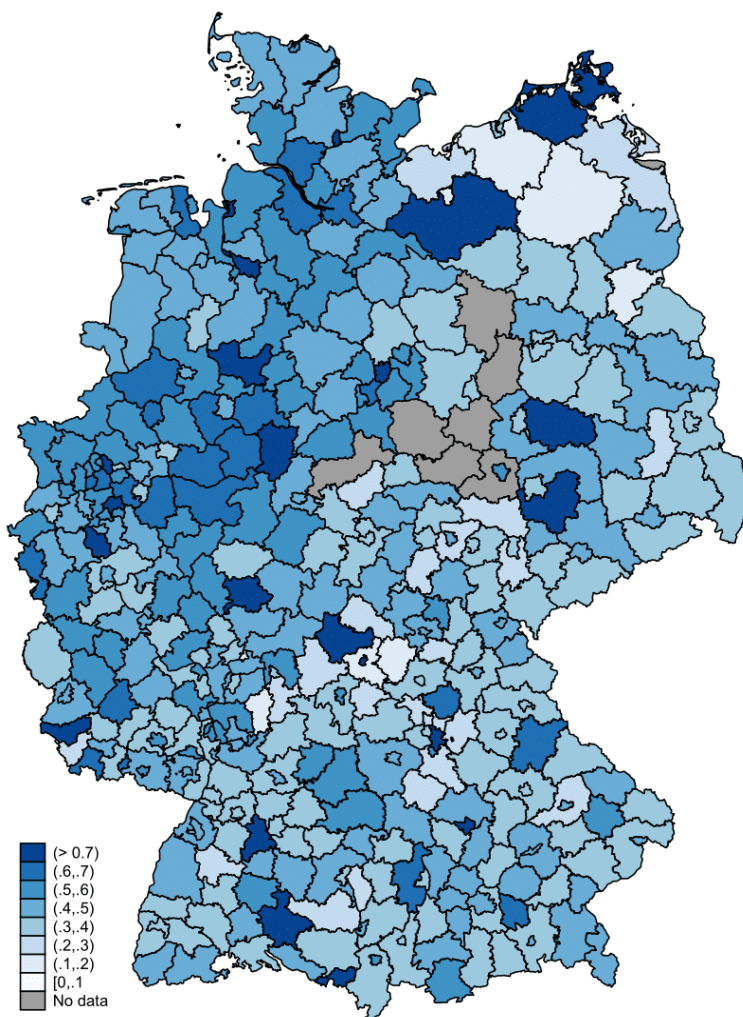
Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.



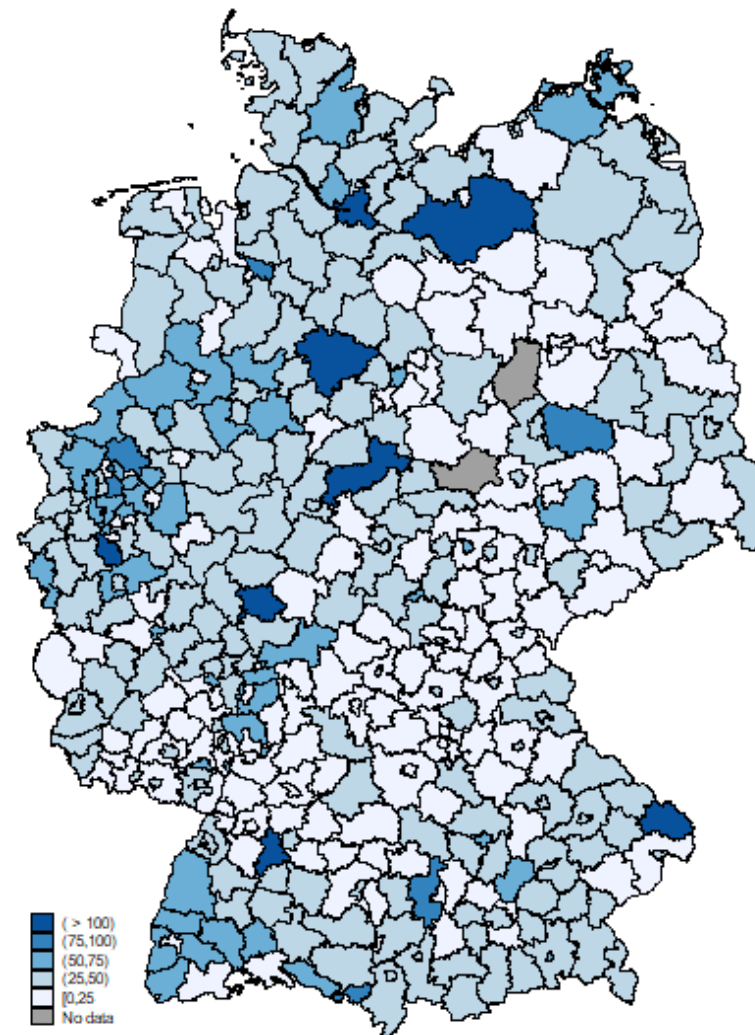
# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Geographical Variation

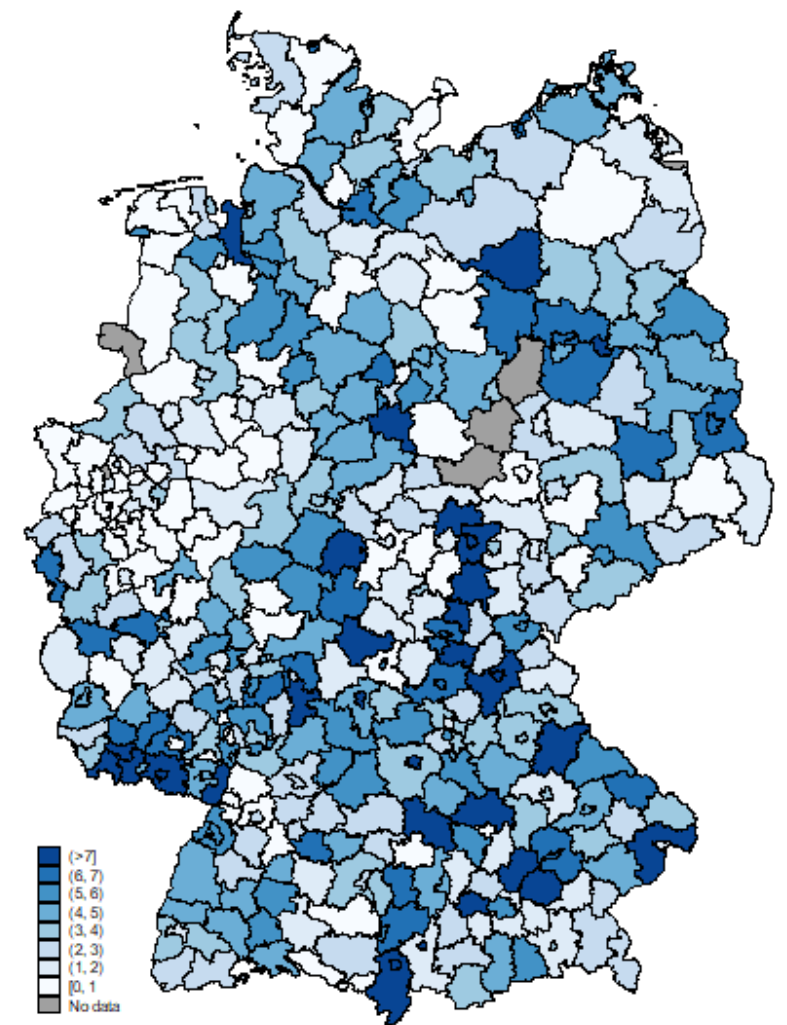
*Share of Asylum Seekers to Population*



*Number of Co-national Asylum Seekers*



*Asylum Seekers' Employment Share*



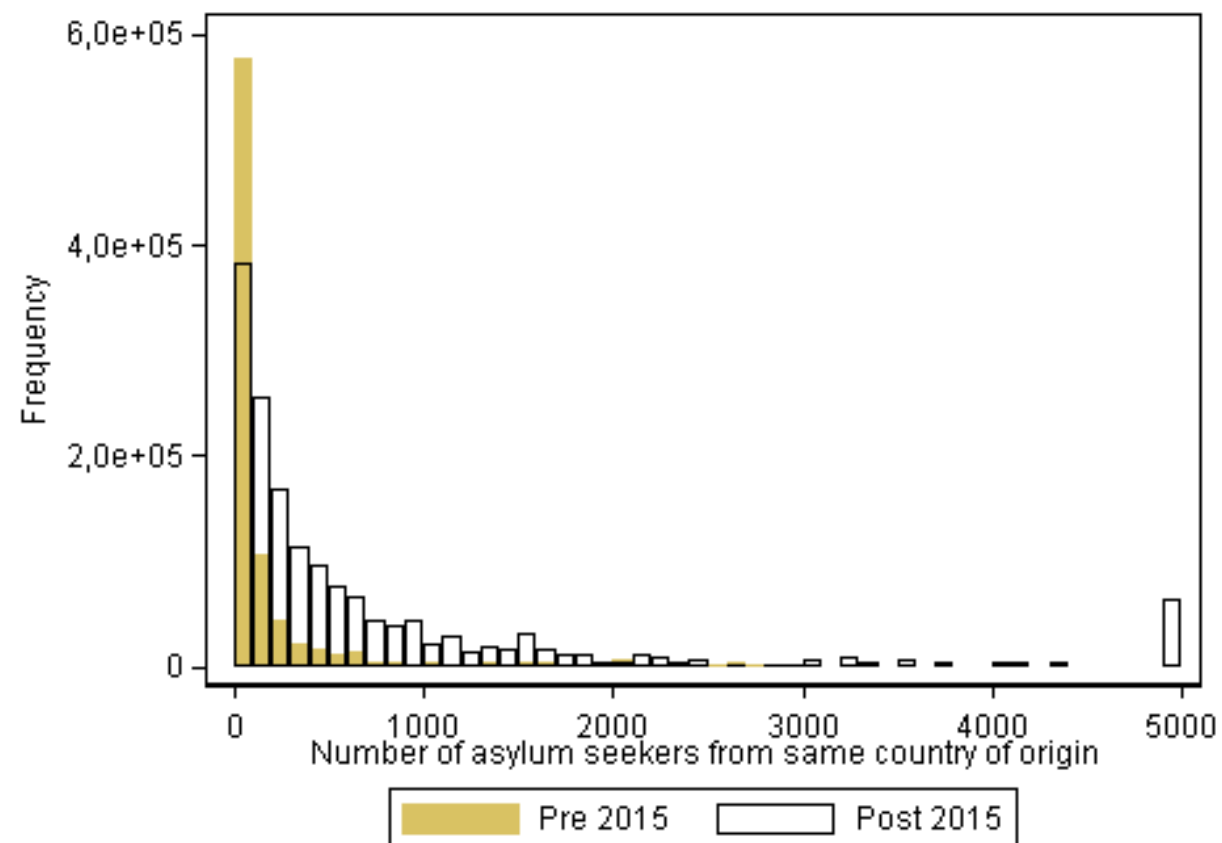
Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations. Note: All values are means over the period of observation. Population number are from the 2011 Census.



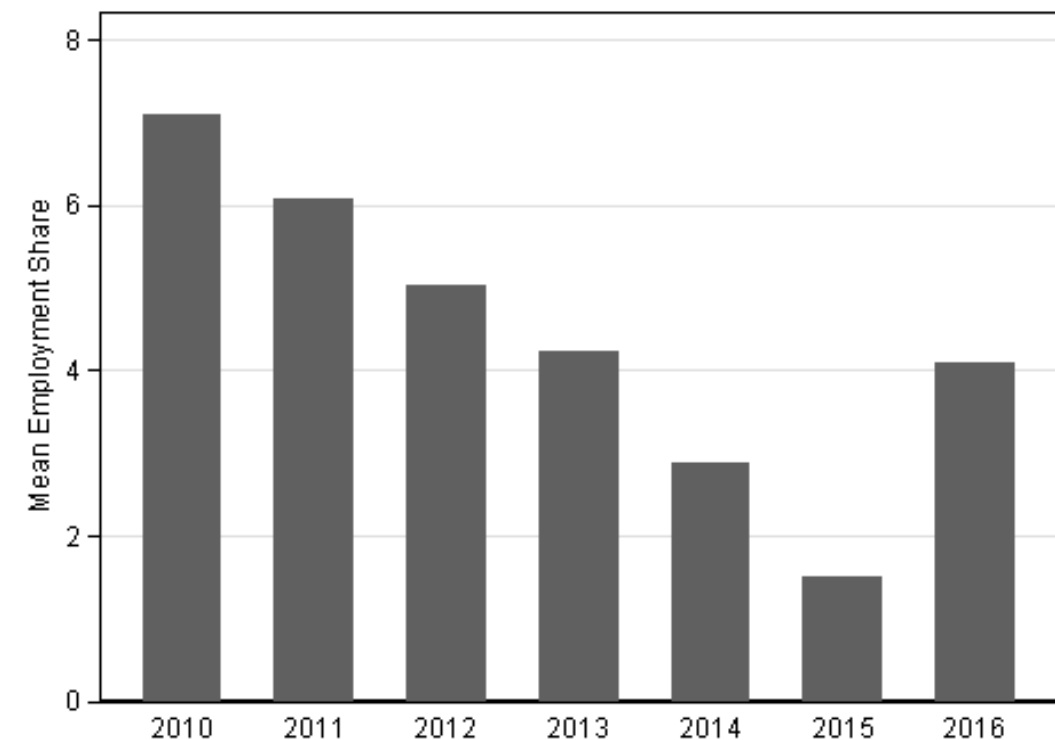
# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Time Variation

*Number Co-national Asylum Seekers*



*Mean Employment Share by Year*



Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

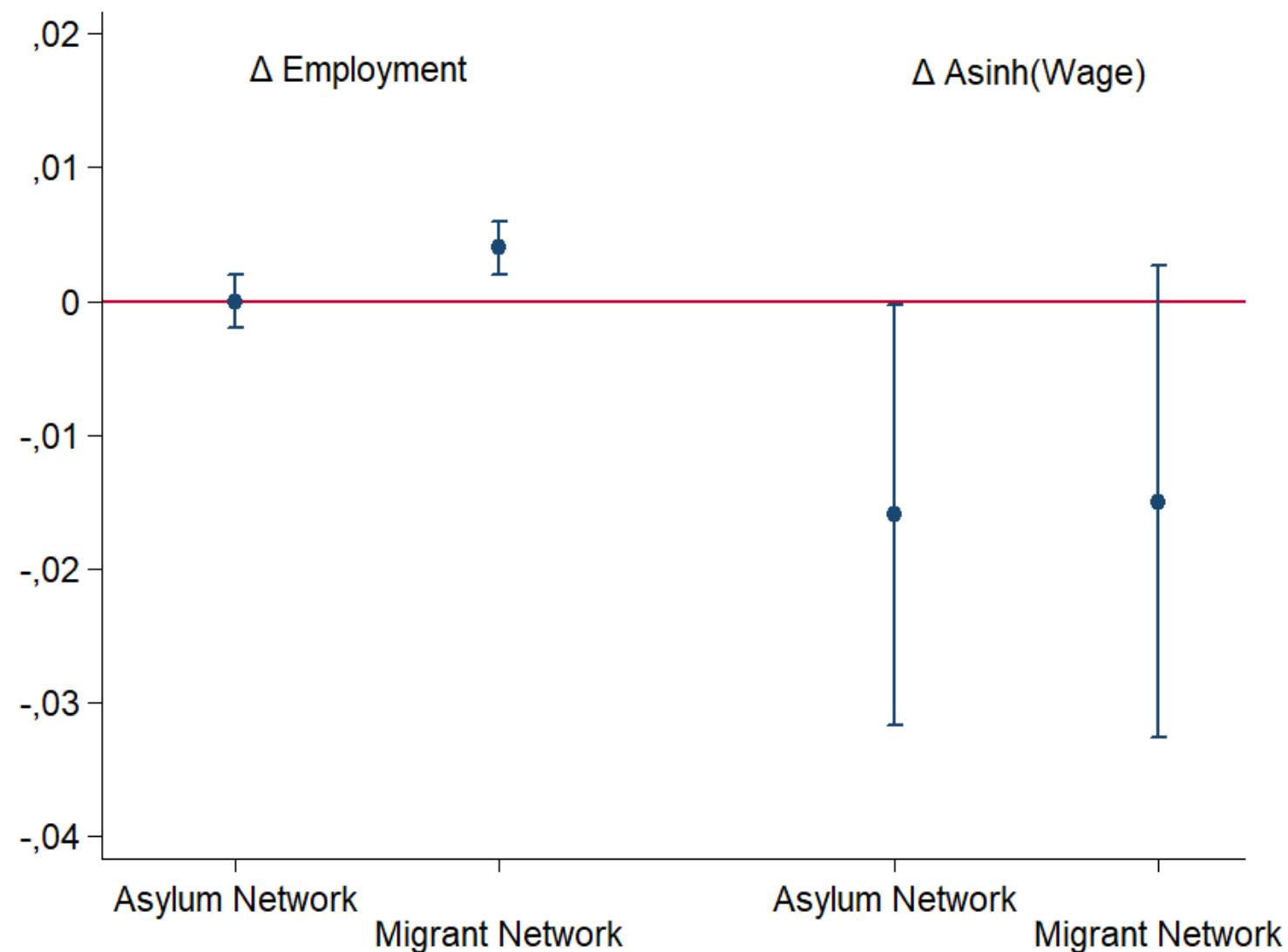
## Empirical Approach

$$Y_{ijkt} = \alpha_0 + \gamma_1 N_{jkt} + X_{ijkt}\beta + \theta_{jt} + \vartheta_{kt} + \epsilon_{ijkt}$$

- $Y_{ijkt}$ : Employment Outcome
- $N_{jkt}$ : Migrant Network Variable
- $X_{ijkt}$ : Individual Characteristics
- $\theta_{jt}$ : Nationality-specific Trends
- $\vartheta_{kt}$ : Local Labour Market Conditions

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Average Effects



Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

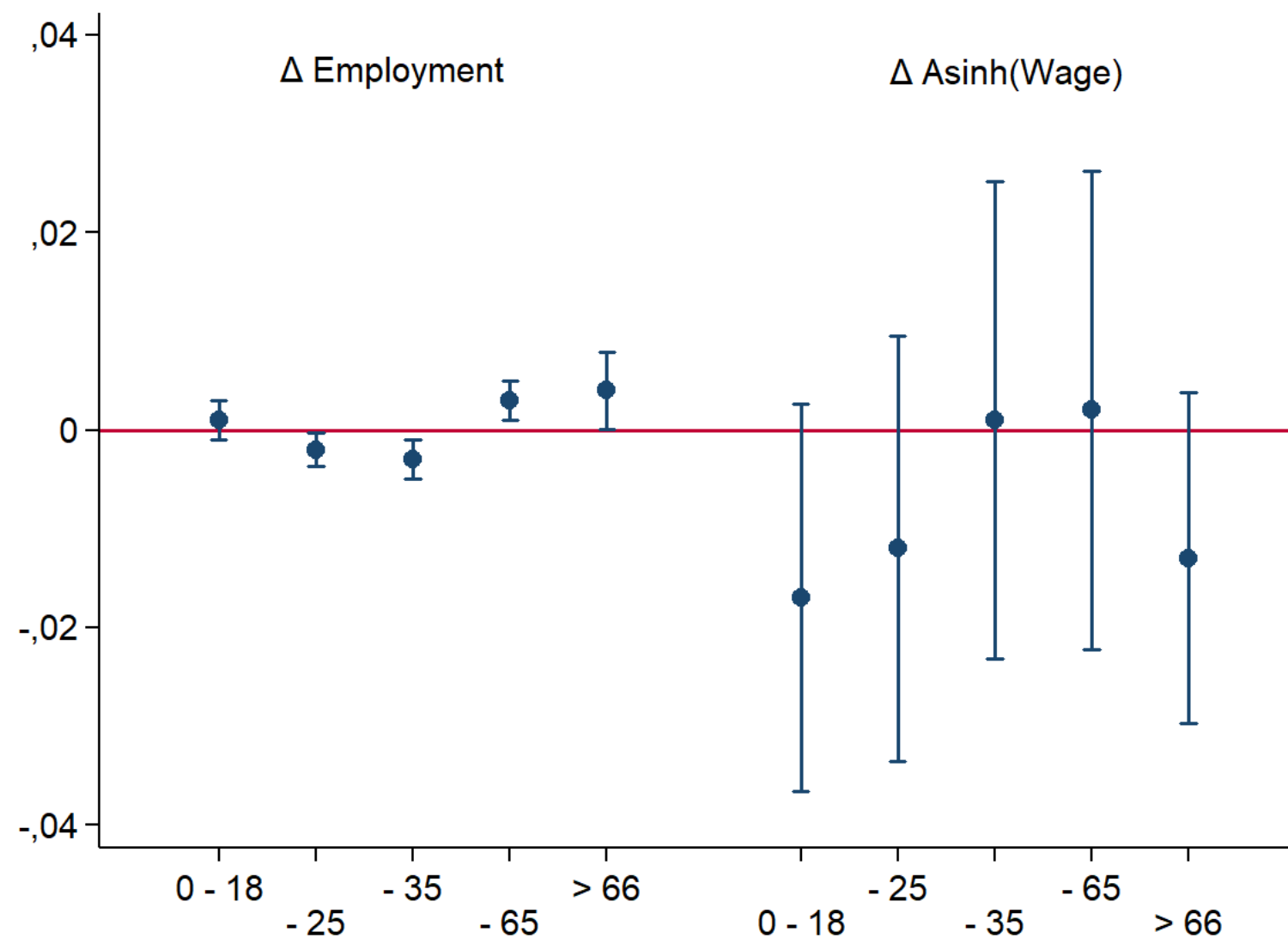
## Asylum Network Quality



Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

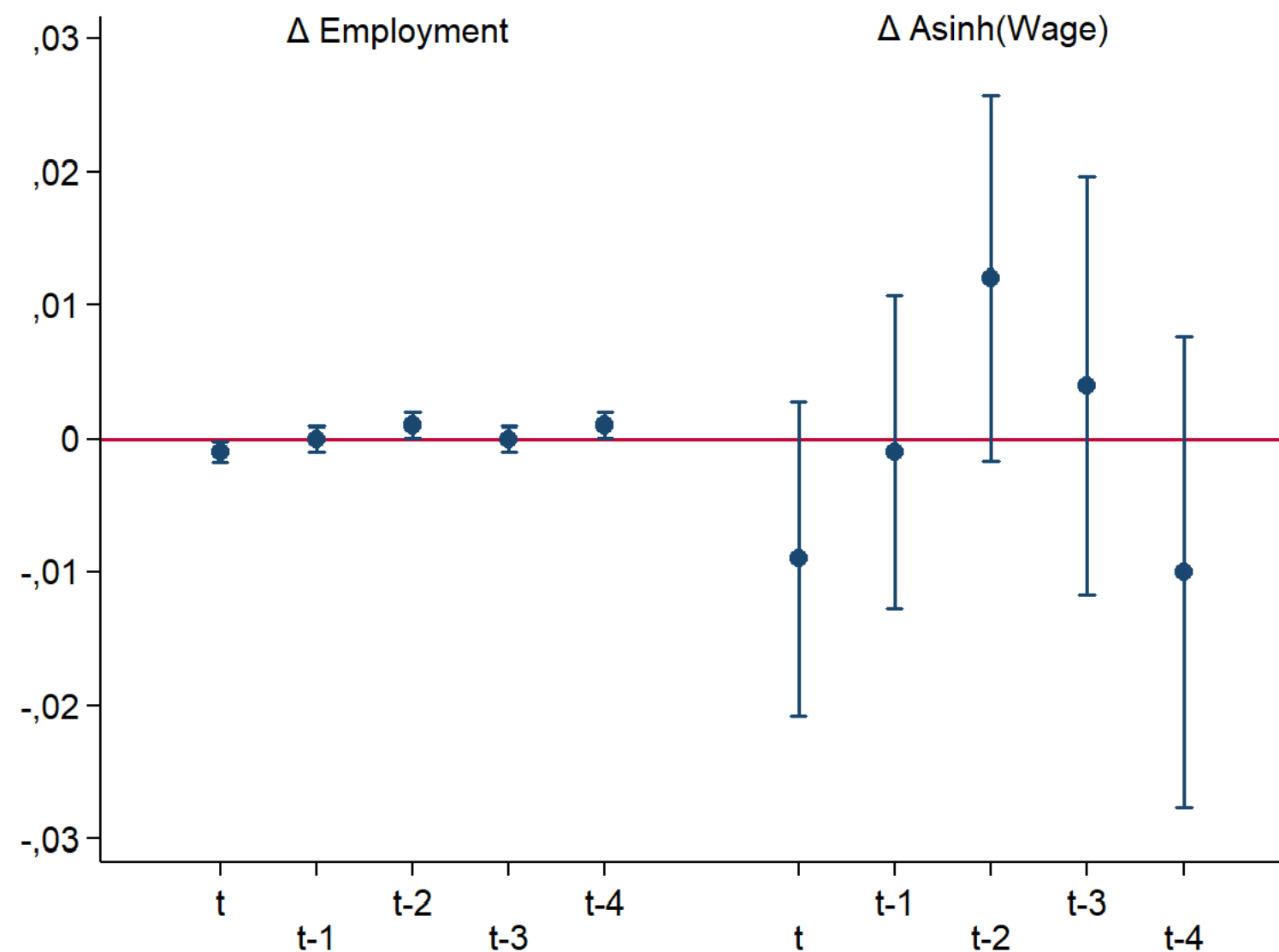
## Age Composition



Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Cohort Effects



Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, SdEA survey years 2010-2016, own calculations.



# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Robustness

- Different Fixed Effects
- Sample excluding
  - small counties
  - small countries
- Quadratic and cubic regression
- Before and after 2015

# PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

## Conclusion

- Composite Effect
  - No effect of asylum network on employment, and decreases in job quality
  - Migrant networks increase employment, but also in lower quality jobs
- Heterogeneities
  - Age composition relevant but ‚network quality‘ is key
  - Cohort composition less important
  - Negative Network effects predominant in Post-2015 period
- Policy Conclusion
  - Economic merits of dispersal policies?
  - Better allocation mechanisms (Bansak et al., 2018)

---

PRELIMINARY: PLEASE DO NOT CIRCULATE OR CITE

# Thank You!

## Questions, Discussion...