

Integrating Refugees: Less Welfare or More Skills?

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1 Overview

This paper is addressing a very pertinent and policy relevant question; what is the most effective approach for refugee integration? To answer this question the paper evaluates the effect of a policy change in Denmark that mandated extensive language classes among other things (e.g. twenty hours of civic education and on-the-job training) for refugees who were granted residency starting January 1st, 1999 and after. The authors exploit the timing of the Danish Integration act and compare refugees who were granted residency two years before and after January 1st, 1999. The most appealing aspect of this paper is certainly the random timing of the policy implementation, which allows the authors to employ a regression discontinuity design. The second most appealing feature of this paper is undoubtedly the data. It allows the authors to track refugees for two decades and includes information about country of origin, location, education, employment, crime among other demographic characteristics such as gender, age, family and number of children. The longitude and detailed nature of the data lends itself not only to long-term analysis of the policy on treated immigrants, but also on their children so that we get a more holistic picture of the policy in the long run.

2 Comments

- I would really appreciate more information about the Danish context to get a better sense of the results. I have two concrete examples:
 - We are told that treated refugees are more likely to obtain primary education and so are the boys of the treated group. But how many years is primary school and is it societal expectation in Denmark that students pursue post-primary education like it is expected that people go to college in the US?
 - We are told that annual earnings are approximately \$ 3100 higher for the treated group, but the baseline income is between \$6159 and \$7371. I am not sure what to make of this number because I don't know the median/mean income of a household/individual in Denmark.

- Cost-benefit analysis are very appealing to make the case that the investment pays off, but you provided us with a benefit-cost ratio of 2-15 after 18 years, and I am unclear about that means.
- The paper mentions that the reform extends previous language learning by 30% so 430 more hours to bring the total to 1830, but how concerned should we be by the fact that previous language provision was not mandatory. In other words, how much of the effect can we contribute to more language provision vs. the mandatory nature of the program starting January 1st, 1999?
- I think the paper has a lot of room to explore heterogeneous effects such as:
 - Difference between kids born in Denmark to refugees vs. kids who were young (6-7 years) when their parents became residence.
 - We are told that crime is highest among the group who were subjected to lower welfare, but I am also intrigued if you can say something about the correlation between unemployment and crime.
 - Around 55-57% of refugees move to urban cities, Should we be concerned who moves and why?
- For the model, it would be helpful to have an explanation of why we have a running variable x that measures the distance between the cutoff date and the date of admission. What's the intuition here? I presume our coefficient of interest is τ , but what is our interpretation of β_2 ?
- For the lower welfare policy, first I want to understand what happens if you were 24 and turned 25 during the 13 months in which it was implemented and how you account for that. Second, we are told that "intensive language training after the reform crowded out time spent in employment support in the early months" (p.9), so it feels like that intervention was doomed to failure from the start just because of the language requirement. I guess part of the answer to this concern is how many hours and days a week were refugees expected to attend language classes and how much did that intervene with trying to get a regular job?