

Session – Ethnic minorities and migration (or Education and labour market)

Does integration policy improve social and labour market outcomes of refugees? Evidence from Sri Lankans in Switzerland

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Abstract

The arrival of many asylum seekers in Western European countries after 2014 has renewed debates on how best to cope with the inflow of refugees. While there is growing evidence that some policy parameters such as asylum processing times and labour market access regulations each play significant roles on the labour market participation of refugees, we still lack knowledge about the links between integration policy and other crucial dimensions of the refugees' adjustment process in European countries. In 2008, Switzerland implemented a new integration policy to better foster the social and professional inclusion of foreigners. One objective of this new law was also to better integrate refugees with a temporary protection status (F-permit). Using two-wave microdata from the *Health Monitoring of the Swiss Migrant Population* in 2004 and 2010, we estimate the effects of this policy change on social well-being, host-country language proficiency, labour market participation and earnings among Sri Lankan refugees. Our difference-in-difference analyses show that Sri Lankan refugees affected by the new policy are less likely to feel lonely while more likely to speak one of the Swiss languages relative to a comparable but unaffected group (Sri Lankan asylum seekers with N-permit). They also face employment and earnings growth, meaning that the new integration policy does not only improve the social dimension of refugees' life but also enhance their economic integration process in the host country. Overall, the results of this study offer causal evidence on the effectiveness of policies fostering the social and labour market integration of refugees.