

Early labor market entry, language acquisition and labor market success of refugees

Jacob Nielsen Arendt^a and Iben Bolvig^{b*}

^a The Rockwool Foundation Research Unit, Ny Kongensgade 6, 1472 Copenhagen, Denmark, email: jar@rff.dk

^b The Danish Center for Social Science Research (VIVE), Oluf Palmes Alle, Aarhus, Denmark, email: ibbo@vive.dk. *Corresponding author

Abstract

This study investigates how early on-the-job training offered to refugees participating in language courses affects their subsequent language learning and longer-run labor market outcomes. To identify the causal effect of early on-the-job training, we utilize a gradual rollout of that training combined with a dispersal policy of refugees across municipalities in Denmark. We find that the on-the-job training in the year of arrival reduces standardized language tests scores after three to four years by 75% of a standard deviation. We also find that early on-the-job training has positive short-term effects on employment, but show that these effects are temporary. We show that time spent in job training replaces time spent in language courses and conjecture this may explain the negative effect on language acquisition and the lack of persistent employment effects.

Keywords: Refugee, Immigrants, Integration, Language acquisition, Skill investment, Labor market

JEL Code: J15; J24; J61; Z13; ¹

¹ *Acknowledgements:* This project is conducted as part of the Economic Assimilation Research Network (EARN), generously financed by the Innovation Fund Denmark. It was initiated while Jacob Nielsen Arendt was employed at VIVE. We thank Matvei Andersen for excellent research assistance. We also thank Mette Foged, Rune Vammen Lesner, and participants in seminars at the Rockwool Foundation, VIVE and the Copenhagen Education Network for their comments.