Can large-scale language training programs improve the economic integration of asylum seekers? Quasi-experimental evidence from Germany

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The recent arrival of a large number of asylum seekers motivate European governments to invest in language training programs. Early support for language acquisition might be critical to facilitate the integration of asylum seekers into the labor market, but governments face challenges to rapidly scale up capacity to meet the sudden excess demand for training. One key policy decision is whether to expand existing programs or to create new ad hoc programs. We examine the impacts of two language programs used by the German government in response to the recent asylum crisis: a new, large-scale ad hoc program that was rapidly developed to offer basic language courses and a smaller-scale pre-existing program offering comprehensive language courses that was expanded during the crisis.

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We leverage register data on the entire population of asylum seekers who arrived in Germany between 2015-2016 and exploit program eligibility variation using regression discontinuity and difference-in-differences designs. We find that the ad hoc program, which served over 230,000 newly arrived asylum seekers, had no discernible short-term effect on employment rates. In contrast, the expanded pre-existing program increased employment rates substantially. Together, these findings have important implications for how governments can design effective policy responses to foster the integration of asylum seekers in times of crisis.