What can we learn from Denmark's experiences in promoting integration?

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Roadmap for the talk

1. The path to a **new Danish migration regime**

2. What do we know about the impact of **early integration policies**?

3. The Danish debate about **non-EU labour migrants**

1. The path towards a new Danish migration regime

Three early immigration waves

- 1960s: *Guest workers* (from Turkey, Eastern Europe, Pakistan)
- 1970s: Stop to labour migration. *Family reunification* ↑
- 1980s: Increasing number of *refugees*

Pre-2000 political focus on migration

- 1980s: Increasing integration problems
  - Southern suburbs to Copenhagen experience integration problems
- Need for integration programs
  - The Danish Refugee Council (ngo) develops an integration program
- 1999: First integration law
  - New, longer integration program
  - Program responsibility transferred to municipalities

The new regime is formed

- 2000s-: Tighter migration and integration policies
  - *e.g. family reunification, welfare benefits and permanent residency*
  - 2012-16: Towards a work-first integration program
  - 2025: ”Work duty” for unemployed immigrants

- A revival of labour migration
  - 2004: European Union expands → #labour migrants increase
  - 2007: New programs for high-earning non-European labour migrants

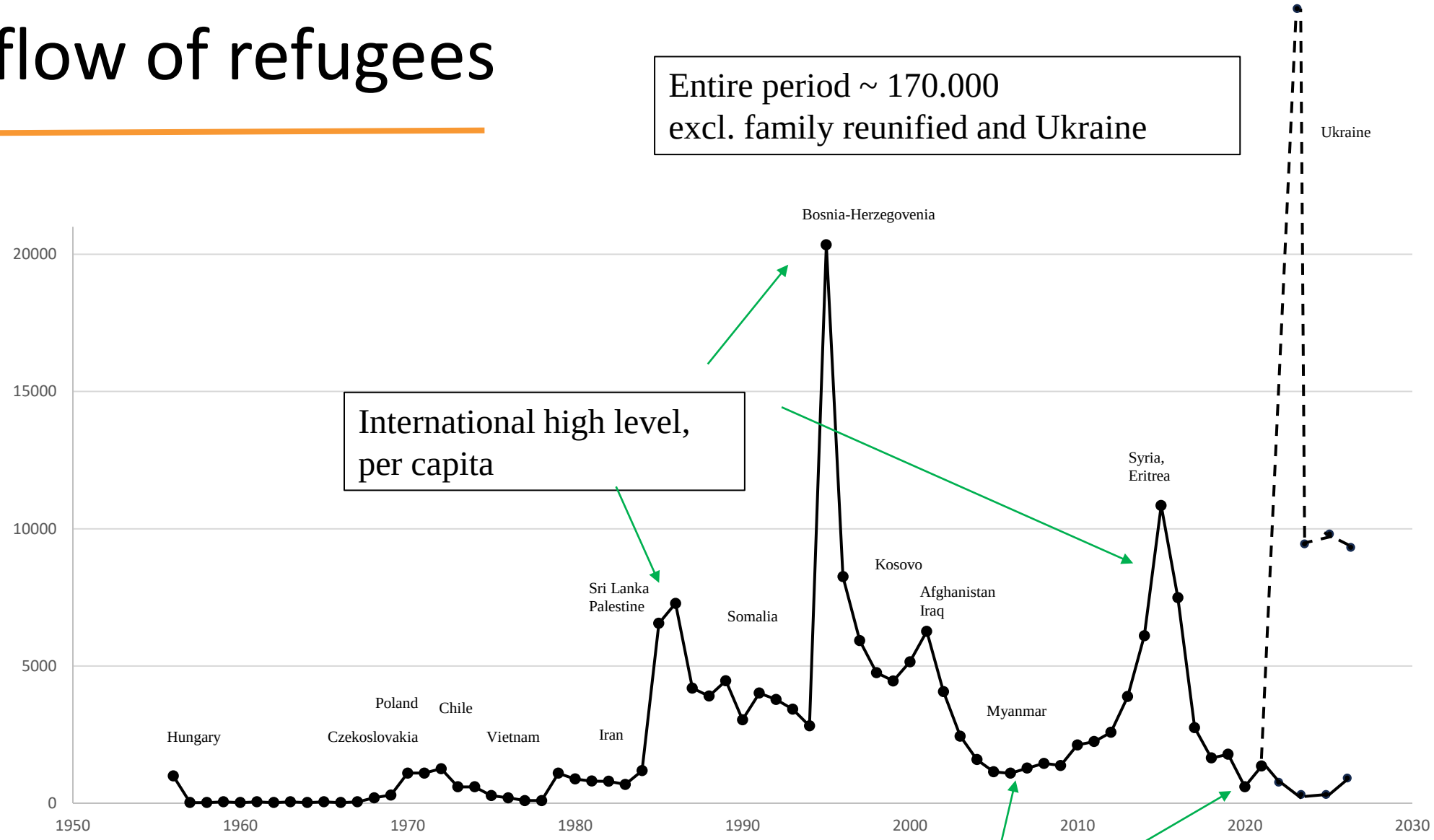
The new regime

- Three pillars:

Tight immigration & residency law	Work-first approach	Programs for high-wage labour migrations

Inflow of refugees

Entire period ~ 170.000
excl. family reunified and Ukraine



International high level, per capita

International low level, per capita

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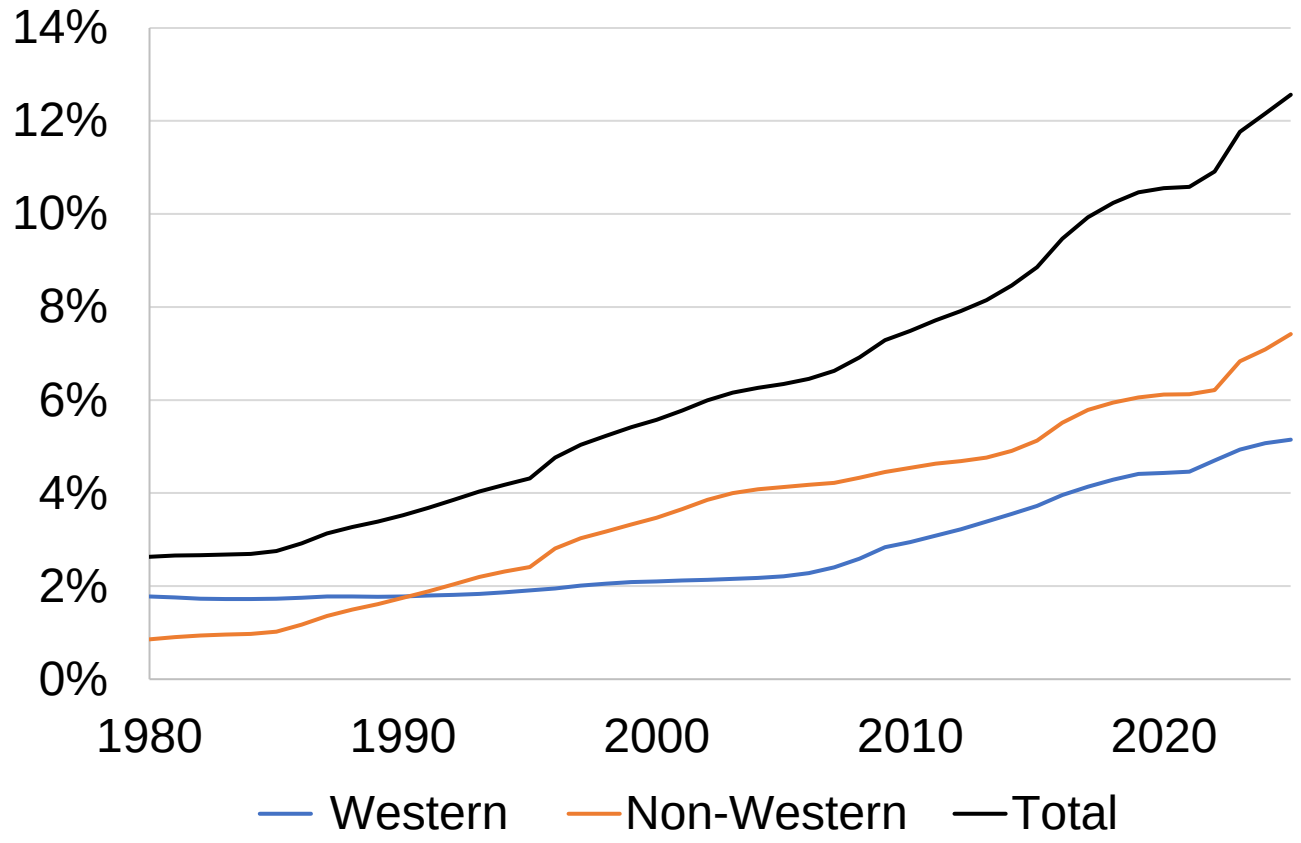
Immigrant population shares



Aspects of early integration policy

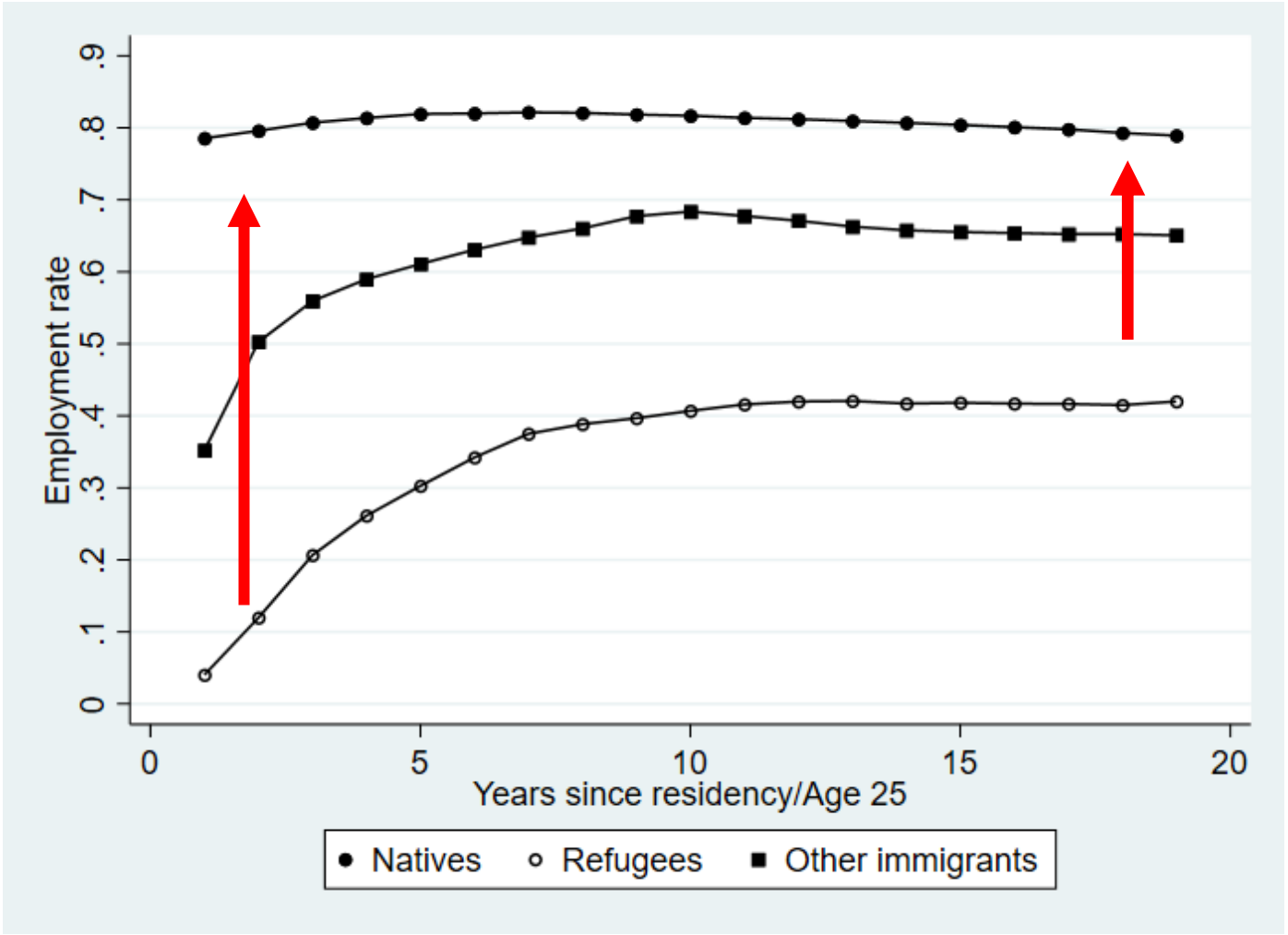
- Focus on **integration programs:**
  - Work-first vs. train-first approaches

- Two other important aspects:
  - **Waiting times** in asylum centers
  - **Settlement and housing**

2. What do we know about the impact of early integration policies?

Lessons from 40 years of post-arrival policies in Denmark

The ”demography” of integration policy



native-refugee employment gap

Key message:

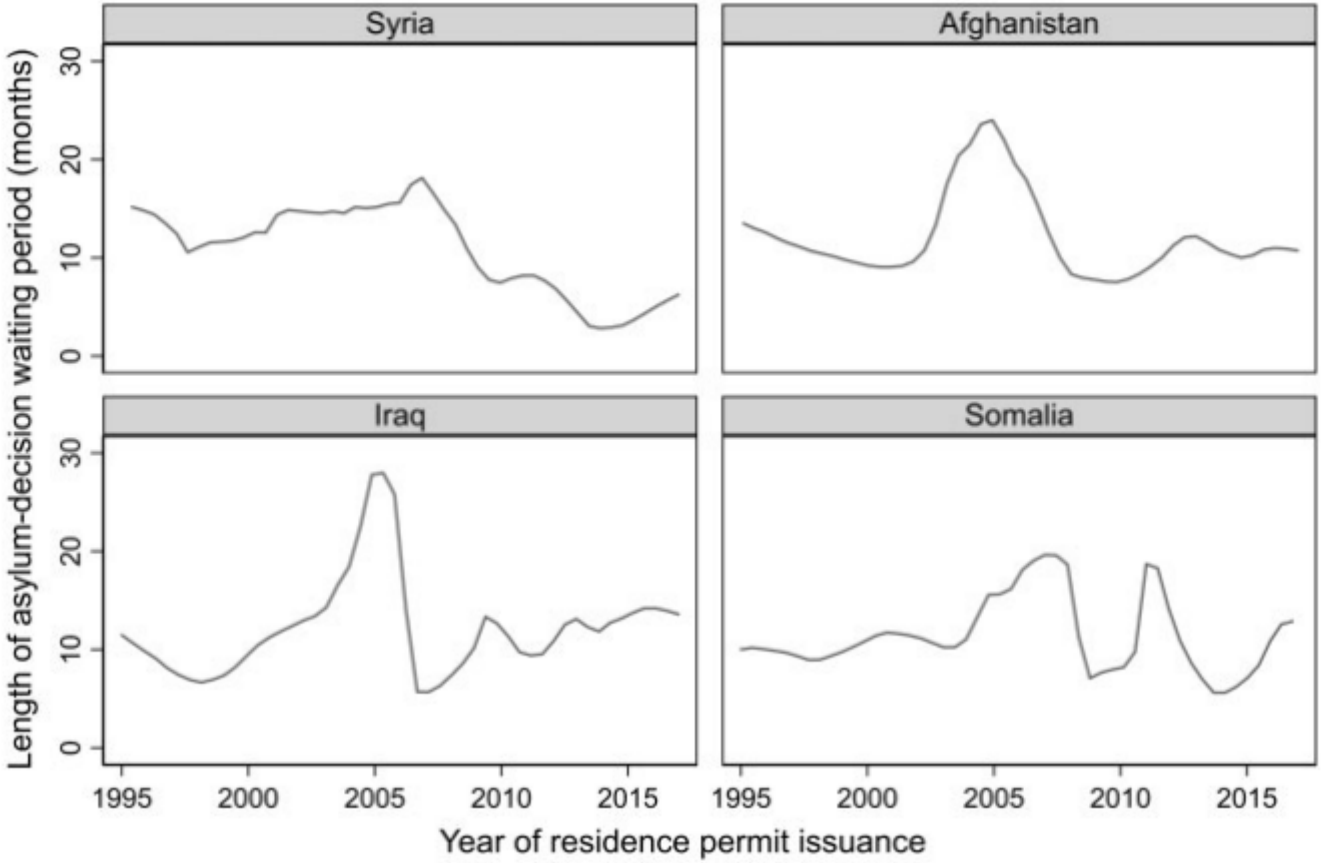
- The policies come with **important trade-offs**

1. A potential trade-off between **short- and long-run** effects

2. And between **employment** and other (**unintended**) **effects**

- Focus on employment effects – then wrap up on other effects

Waiting times in Danish asylum centers



Source: Hvidtfeldt et al (2020)

Waiting times in Danish asylum centers

- Longer waiting time in asylum centers is positively associated with the risk of psychiatric diseases

- Risk is 22% higher if waiting more than 1 year, compared to less than 6 mo.

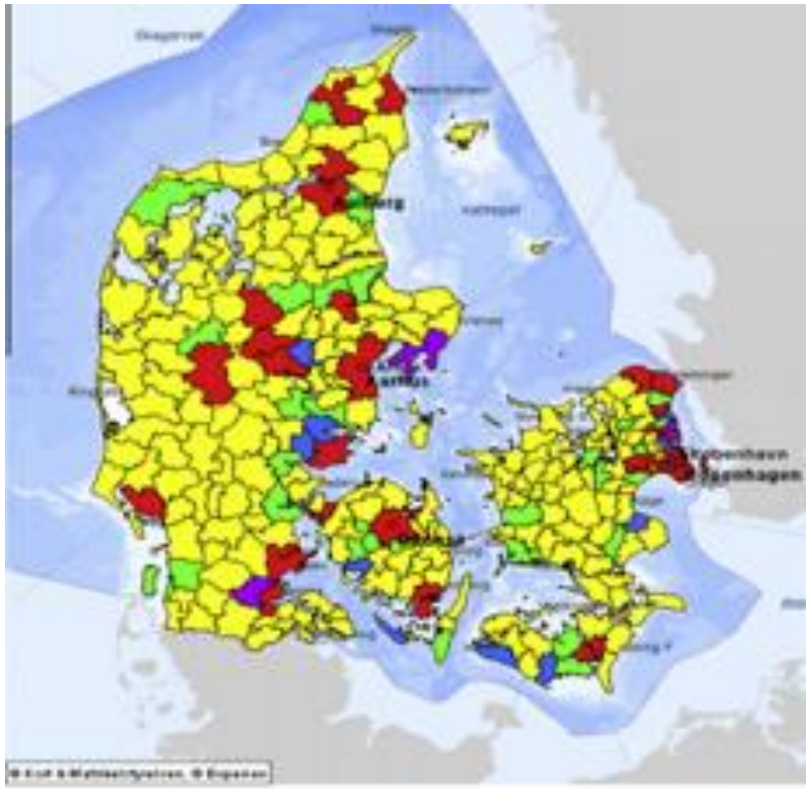
- … but has **no association with subsequent employment**, if protection is provided

Source: Hvidtfeldt et al (2018; 2020)

The 1986 dispersal policy

Refugees per 1000 inhabitants

1980-1984



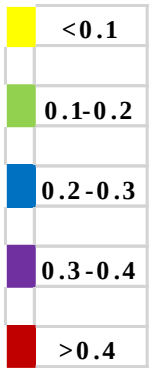
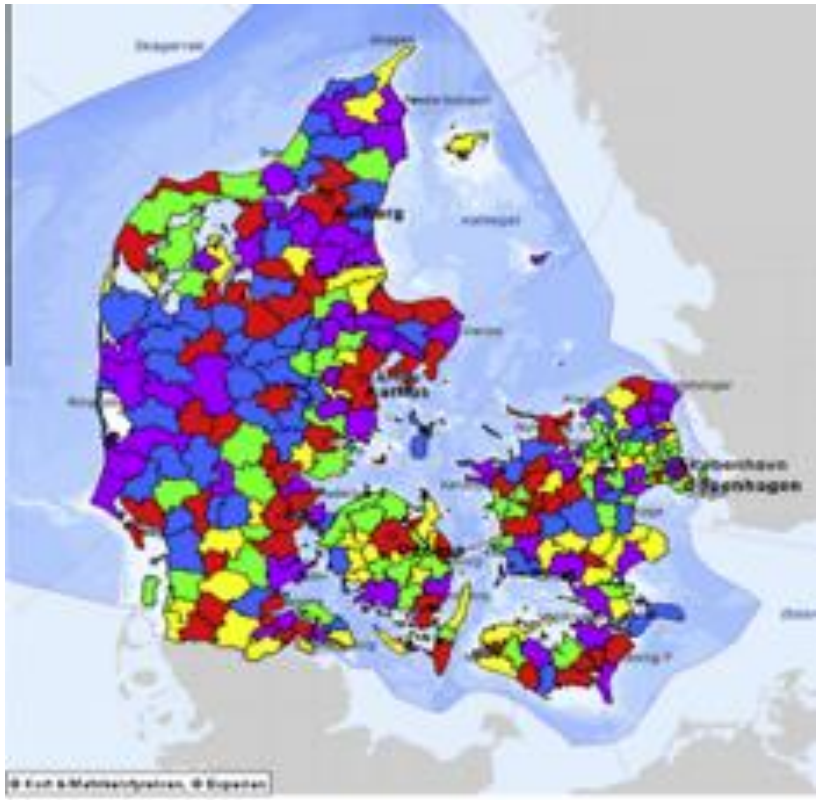


Fig. 1. Initial distribution of pre-reform refugees across

1986-1998



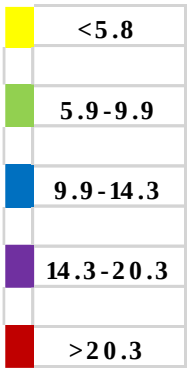


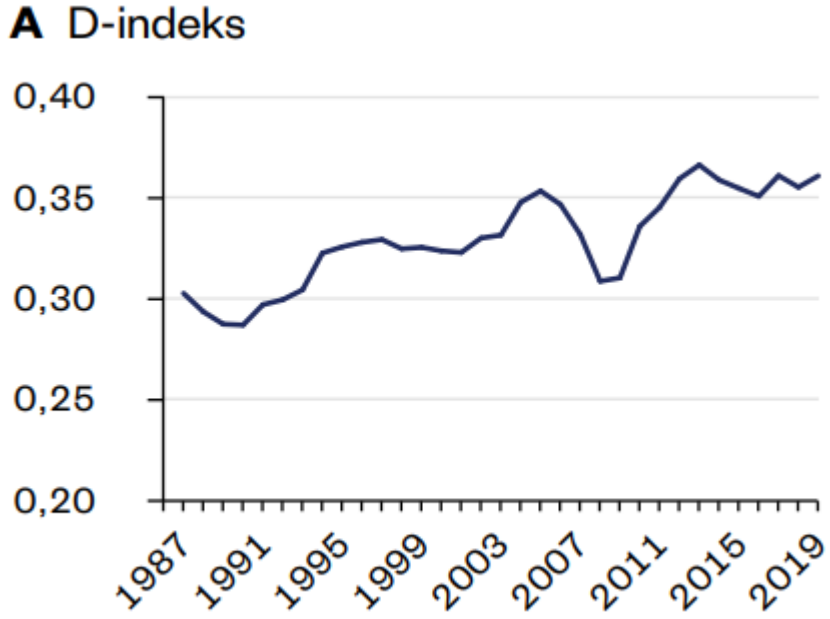
Fig. 2. Initial distribution of post-reform refugees across

Source: Damm (2009)

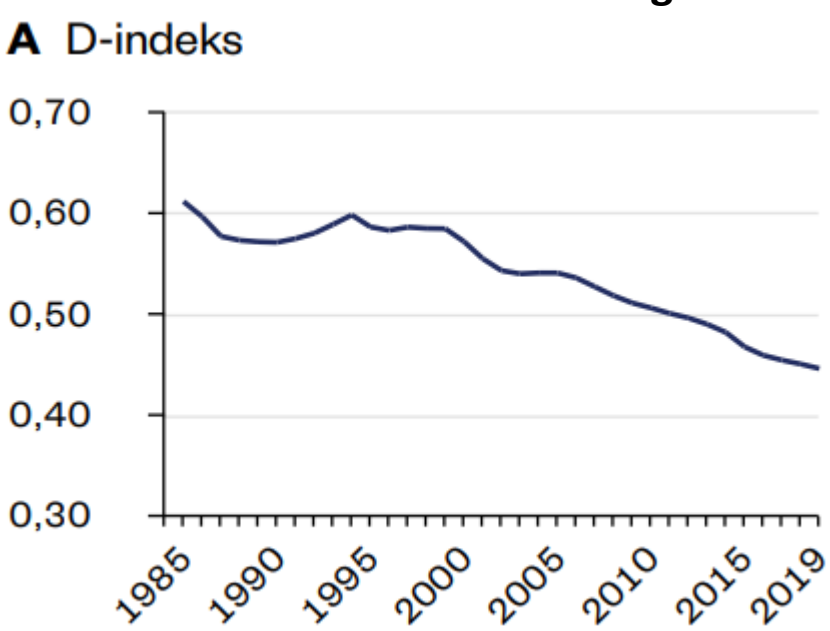
The impact of dispersal policies

- The dispersal policy has **reduced residential segregation**:

Low-income families



Non-western immigrants



But it also **reduced employment** …

- Three Danish studies find **long-lasting negative** employment effects of being placed in a municipality with poor employment prospects

- **Two main mechanisms:**
  - Voluntary settlement often near better **employment prospects** (cities)
  - …and with larger **co-ethnic shares** → network effects

- Similar findings from a reform in Sweden in 1985, and US studies find large effects of settlement-policies based on employment prospects

Sources: Edin et al. (2004); Damm (2009); Godøy (2017); Azlor et al. (2020); Bansak et al. (2018); Caiumi & Simonsen (2025)

”Work-first” or ”Train-first”?

- The Danish integration program emphasized **early** labour market integration already from 1999
- But also included **lengthy** language training programs
- Early experience → de facto ”train-first” approach

The path towards a work-first regime

- Key tools:

- **Economic incentives:**
  Reduced welfare benefits

- **Stepping stone:**
  Early on-the-job training

Work-first: Welfare benefit generosity

- Part of Danish policy debate **for more than 30 years**

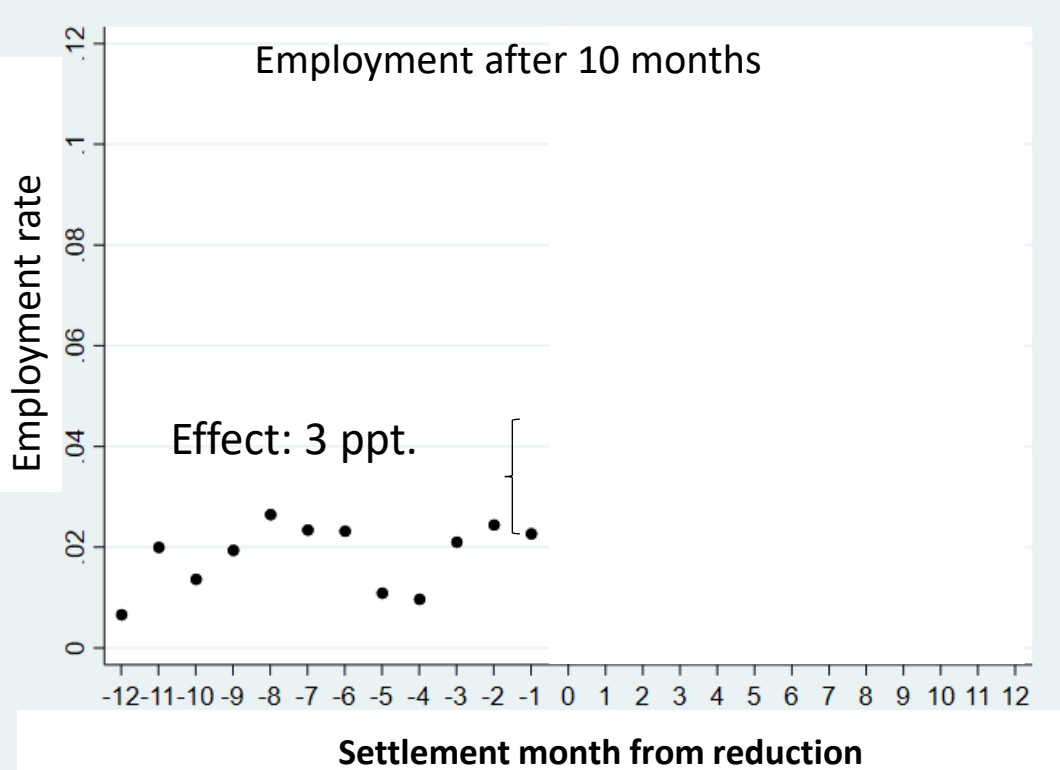
- Unemployment insurance benefits ~ 2900 € per month
- Welfare benefits for natives with children ~ 1900 € per month

- *2002:* Reduced benefits by up to 50% if settled from July 1, 2002
- *2012:* Abandoned reduction
- *2015:* Reduced benefits by up to 50% if settled from September 1, 2015
- *2025:* Further reductions for single adults

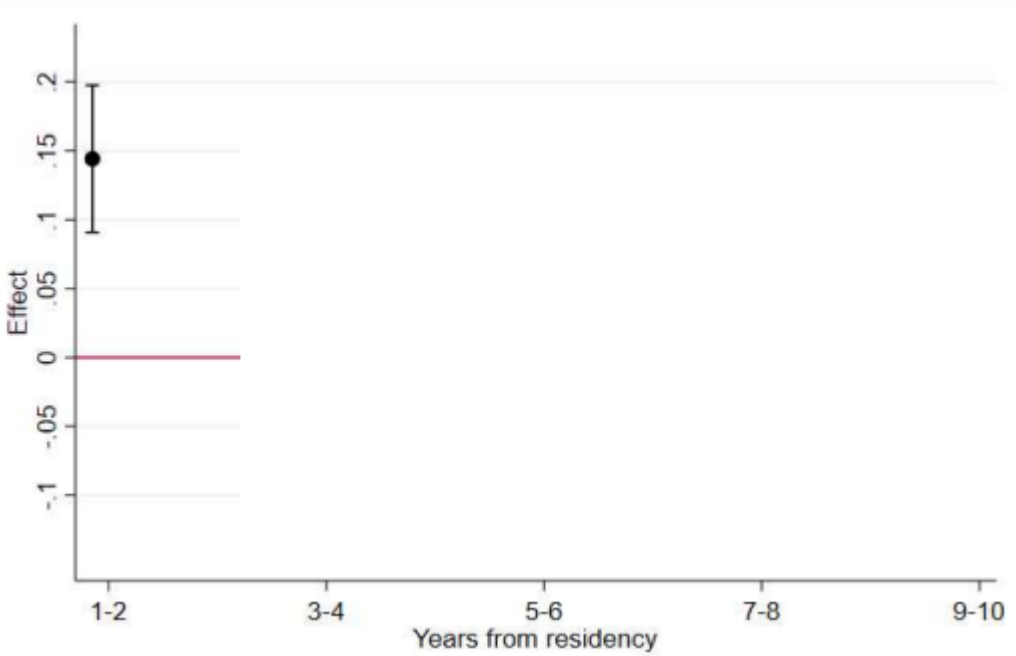
- Today a single adult receives ~ 900 € per month

Employment effects of benefit reductions

- 2015-reform:



2002-reform:



Sources: Arendt (2023); Dustmann et al. (2023)

Work-first: Early on-the-job training

- Denmark has gradually emphasized earlier use of **unpaid internships of 3 mo.** to foster faster entry to the labour market
  - Share in internships 1. year increased from 20% in 2012 to 50% in 2015

- **The 2016-reform:**
  - *Before:* Many exempted from job search and training due to language problems

  - *After:* ALL refugees should participate **immediately** in internships

Kilde: Arendt & Bolvig (2023)

How is this possible?

- Municipalities and firms have had ”**practiced”** over many years
- **”The Danish model”** is an integral part of new reforms
- Three-party agreements between the government, unions and employer organizations

- *Public funded job center trials involving internships, 2013-19:*
- KVIK
- Integrationspålæg
- Job-first
- Særligt tilret.lagt VH-indsats
- Branchepakker
- Brancheorienteret tilgang
- I mål med integration
- Social støtte og overgang til job
- Flere skal med I, II, III

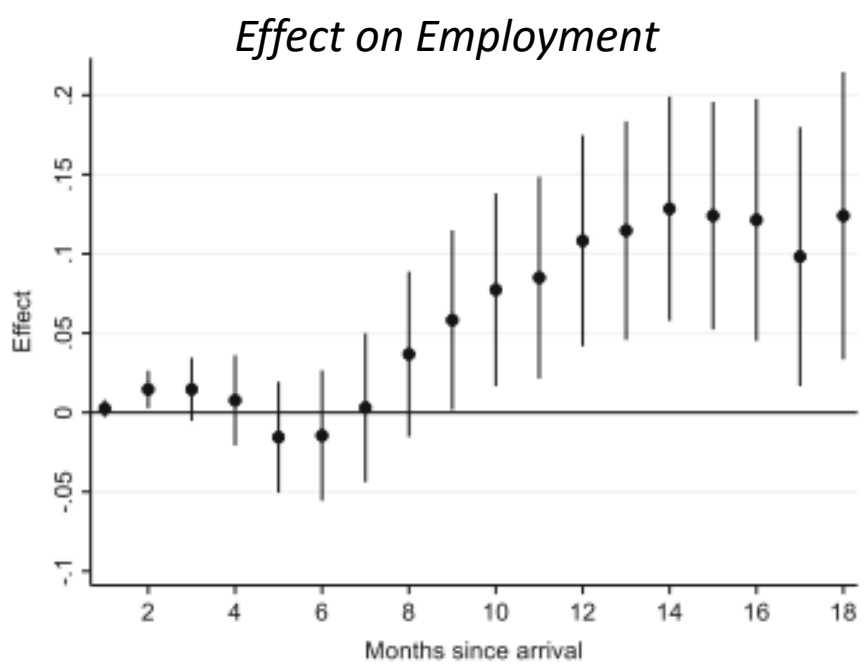
Sammen om Integration – ny kampagne inviterer indenfor

11.06.2016

Udlændinge- og Integrationsministeriet

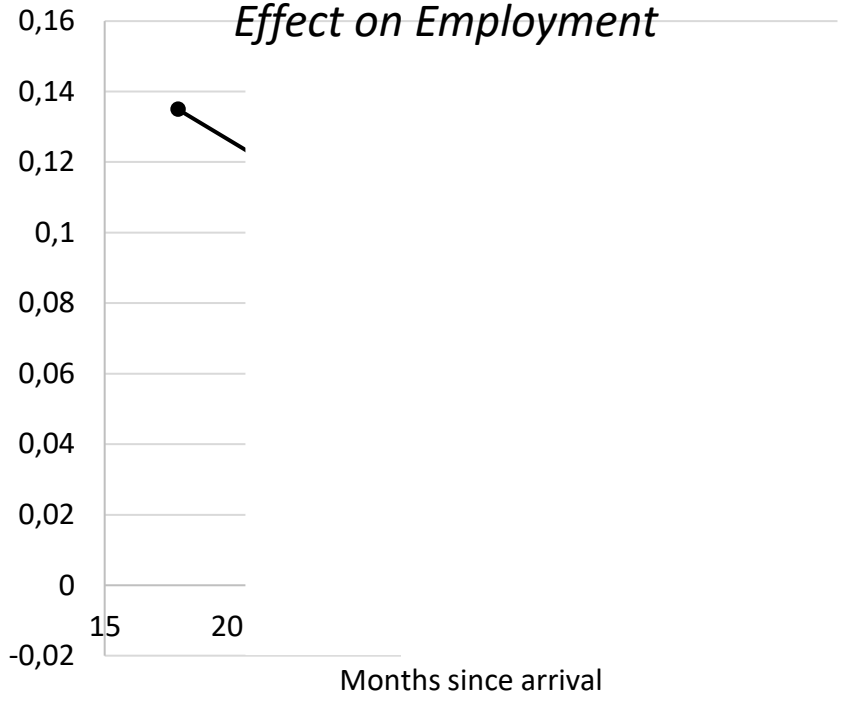
Effect of early on-the-job training

- The 2016-reform:



Source: Arendt (2020)

Longer run effect of early OJT:



Source: Bolvig & Arendt (2023)

Effect of early on-the-job training

- Early on-the-job training increases employment in the short run
- But the effect vanishes after 3-4 years since arrival

- Both studies find that early on-the-job training **reduces language course participation** and **language test** results

+ qualitative studies report limited on-the-job language learning

- **Does it matter?**

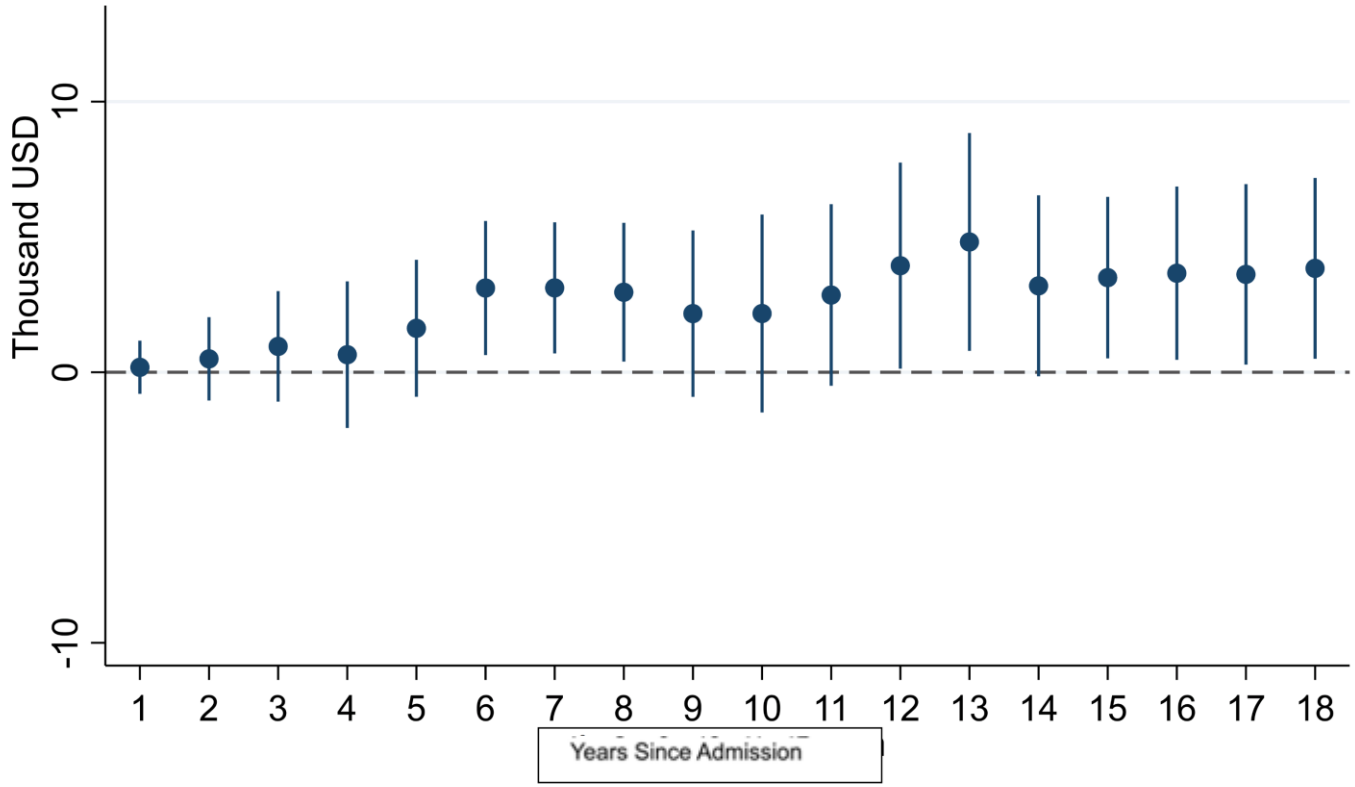
Train first: Language courses

- It is well documented that speaking the native language is associated with better labour market performance
- But do language courses raise language proficiency sufficiently for it to matter for employers?
- The 1999 integration program reform provided more resources for longer language courses for refugees settling after January 1, 1999

Source: Arendt (2020); Arendt & Bolvig (2023)

The impact of longer language courses

- **Difference in earnings** before and after the 1999 reform



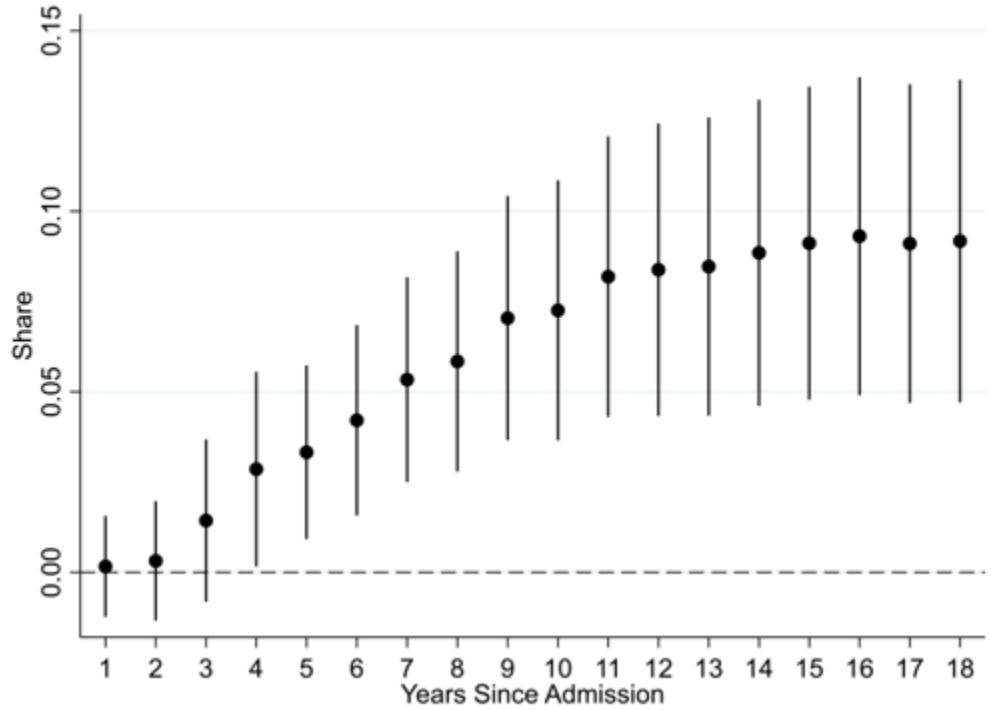
~ 3.000 euro per year

While costly, this reform paid for itself within 6 years

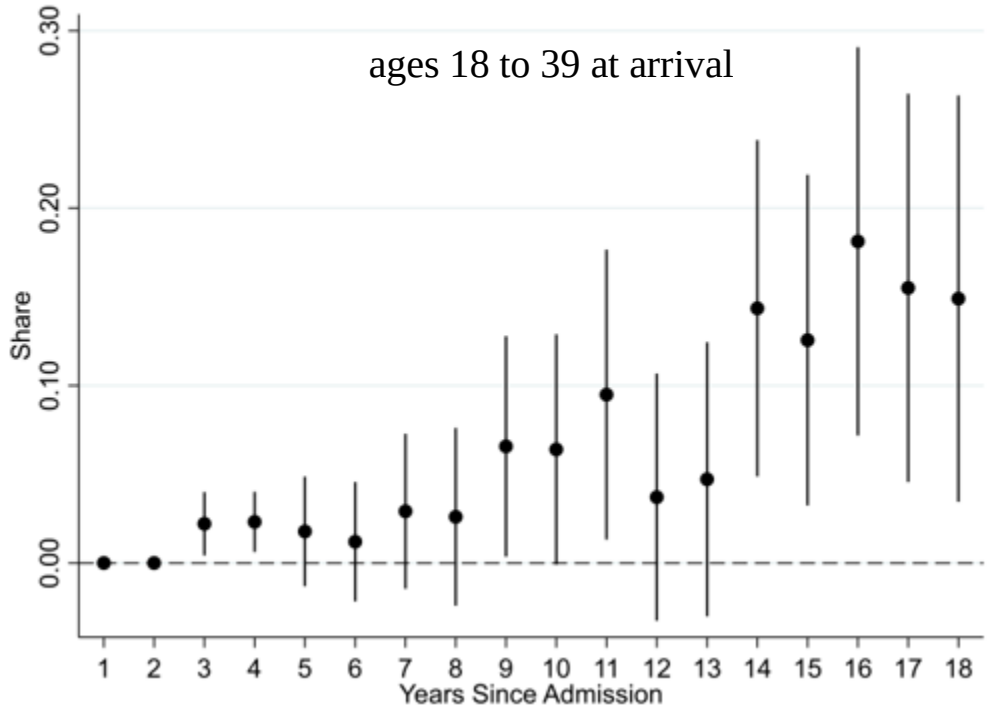
Source: Foged, Hasager, Peri, Arendt & Bolvig (2022a)

The mechanisms: better jobs and more education

(c) Complex Job



(d) Obtained Education in Denmark



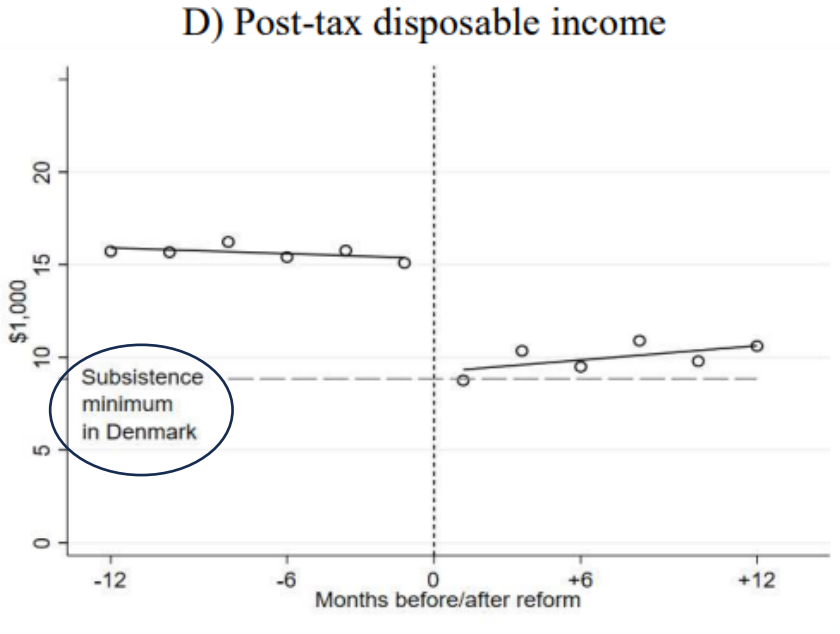
Sources: Foged, Hasager, Peri, Arendt & Bolvig (2022a

Unintended effects of integration policies

- Reduced benefits reduce post-tax income:

…and more women leave the labor force, are convicted for theft and seek more health care

- How about children?



Source: Dustmann et al. (2023); Arendt (2023)

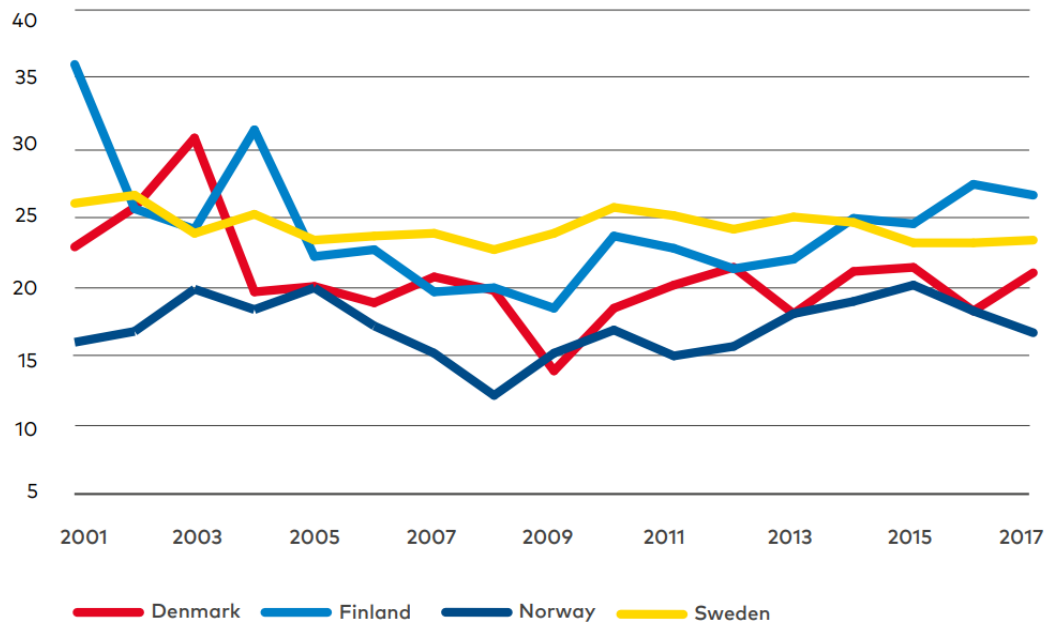
Impact of integration policy on refugee children

- The dispersal policy reduced employment, *but*:
  - **Raised children's school performance and reduced boys crime**
- Reduced benefits raised employment, *but*:
  - **Reduced children's school performance, well-being and earnings**
- Language training raised employment, *and*:
  - **Raised children's school performance and reduced boys crime**
- **Non-dispersal and reduced benefits have negative unintended effects**

Source: Damm et al. (2025); Dustmann et al. (2023b); Foged et al. (2023b)

Last, but not least: Refugee women …

Gender-gap in employment of non-western immigrants



Nordic Council of Ministers

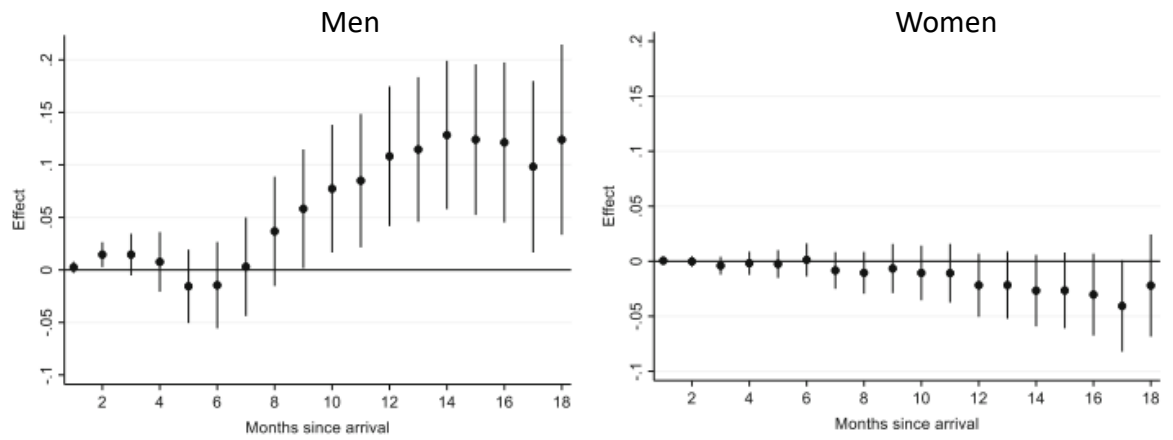
Policies promoting higher employment for non-Western immigrant women

Source: Arendt & Schultz-Nielsen 2019

Results for refugee women

- Reduced benefits and work-first strategies often have much smaller effects on refugee women

Effect of the work-first policy in 2016:

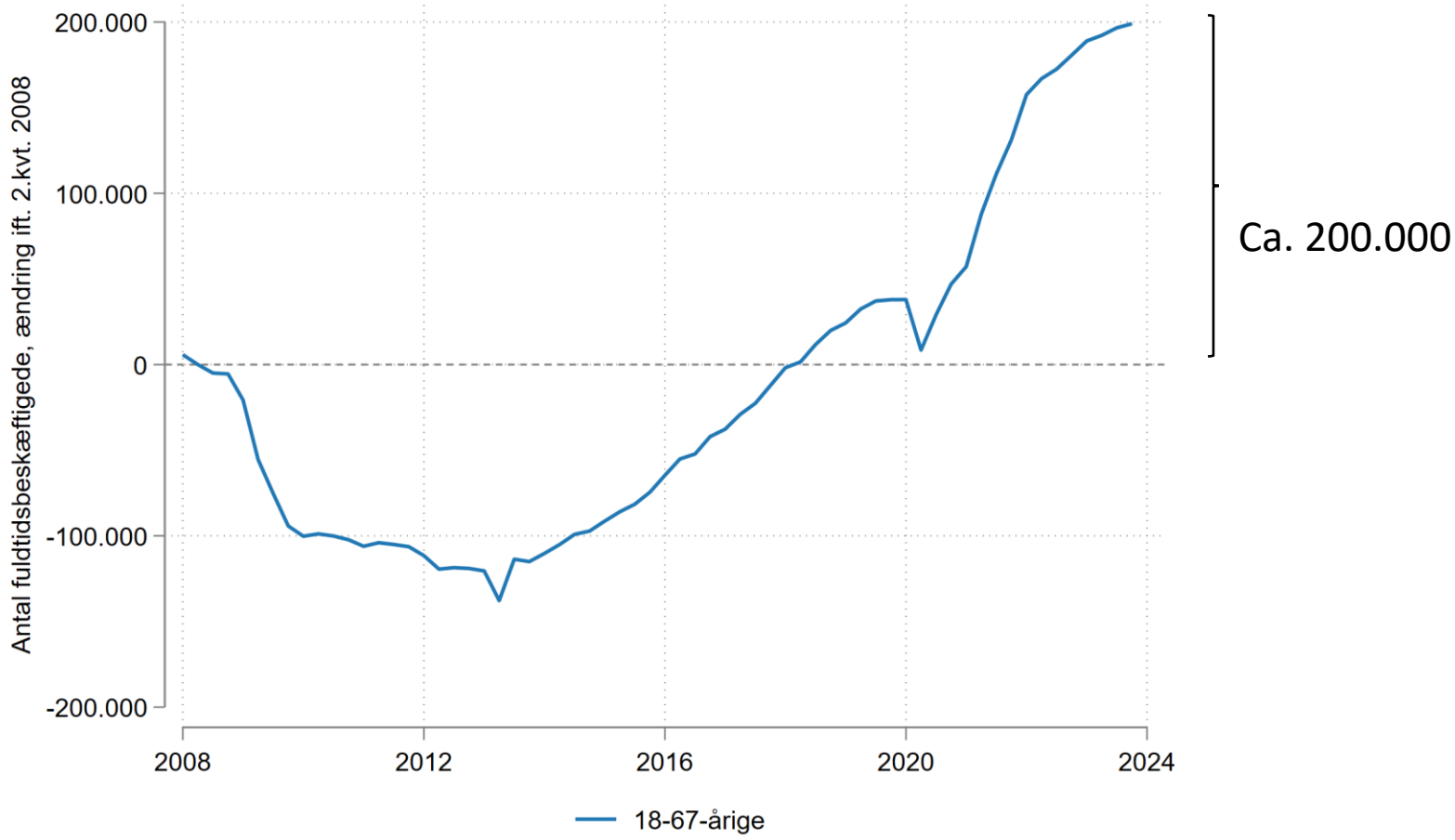


- But no iron law, exceptions e.g. the Swedish integration reform in 2010
- Language training have similar effects for men and women

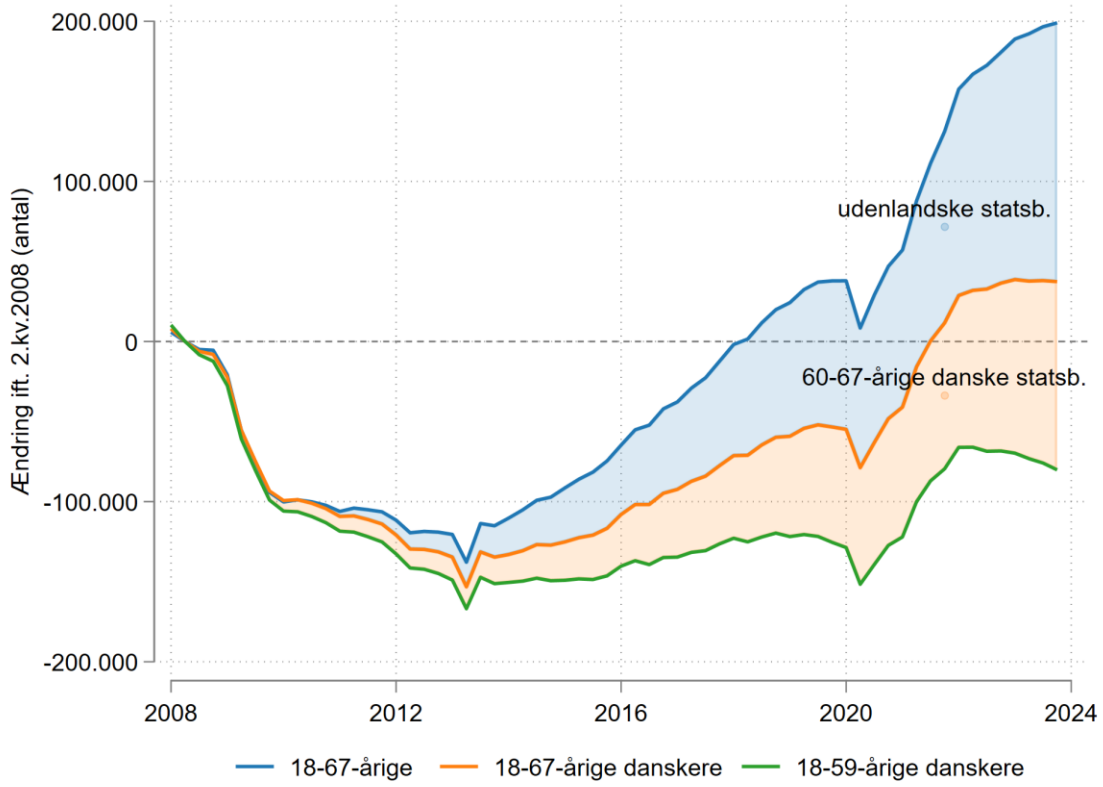
Sources: Arendt (2020); Joona et al (2016); Qi et al. (2021)

3. The Danish debate on Labour migrants

Danish employment growth since 2008



Danish employment growth since 2008



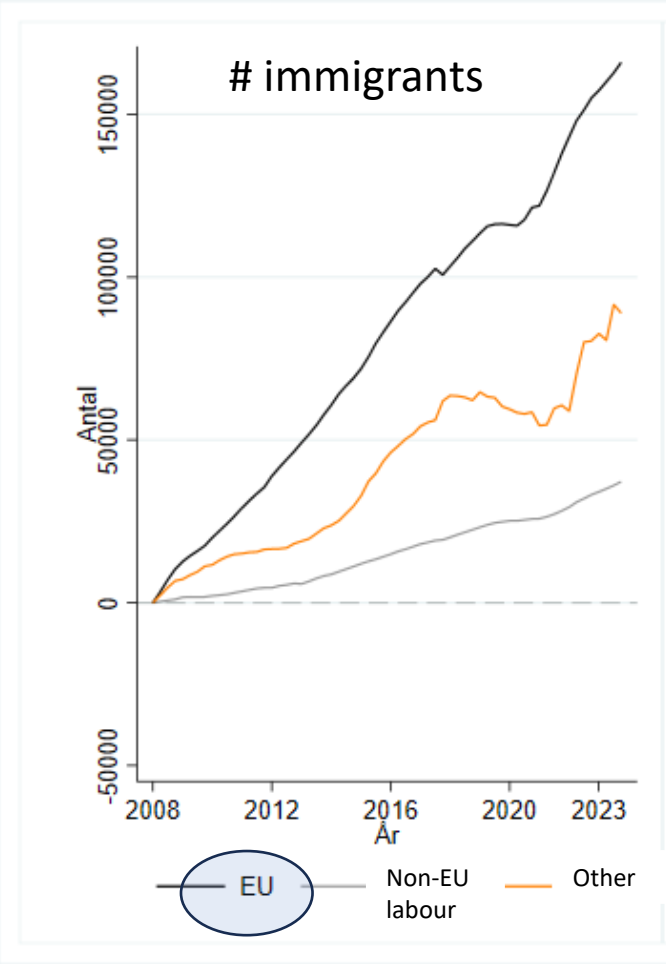
+ 160.000 more immigrants

Ca. 200.000

+ 110.000 60+ natives

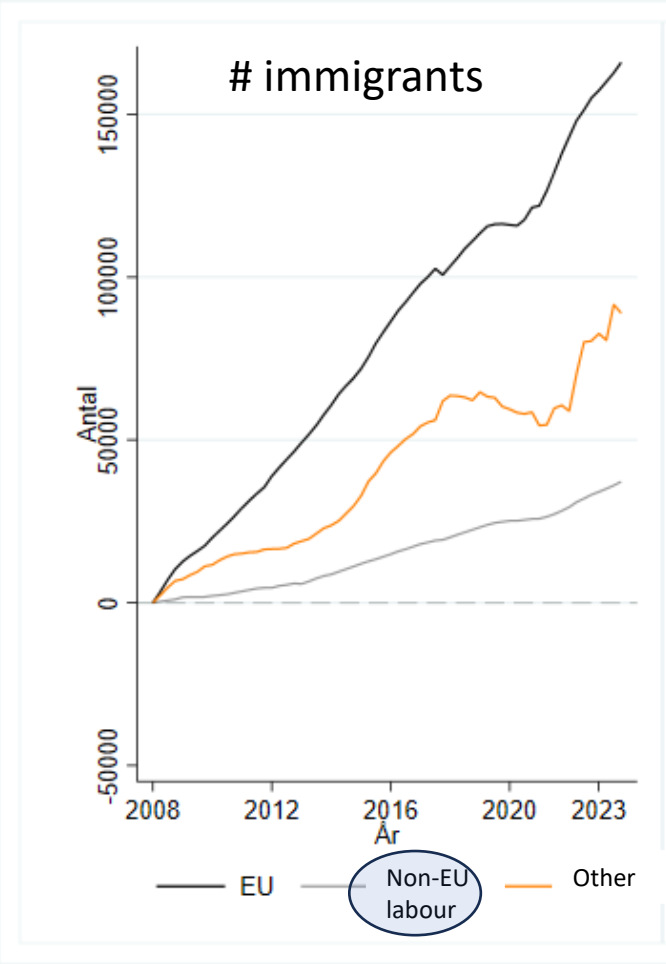
-70.000 18-59-year old natives

Population and employment rate growth



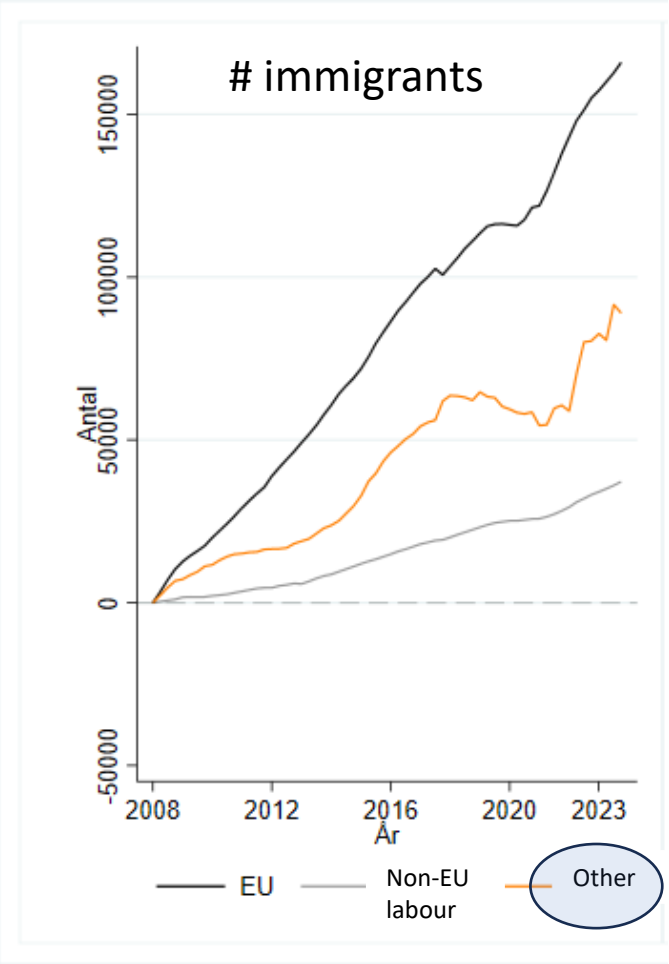
Source: Arendt & Ingólffsdóttir (2025)

Population and employment rate growth



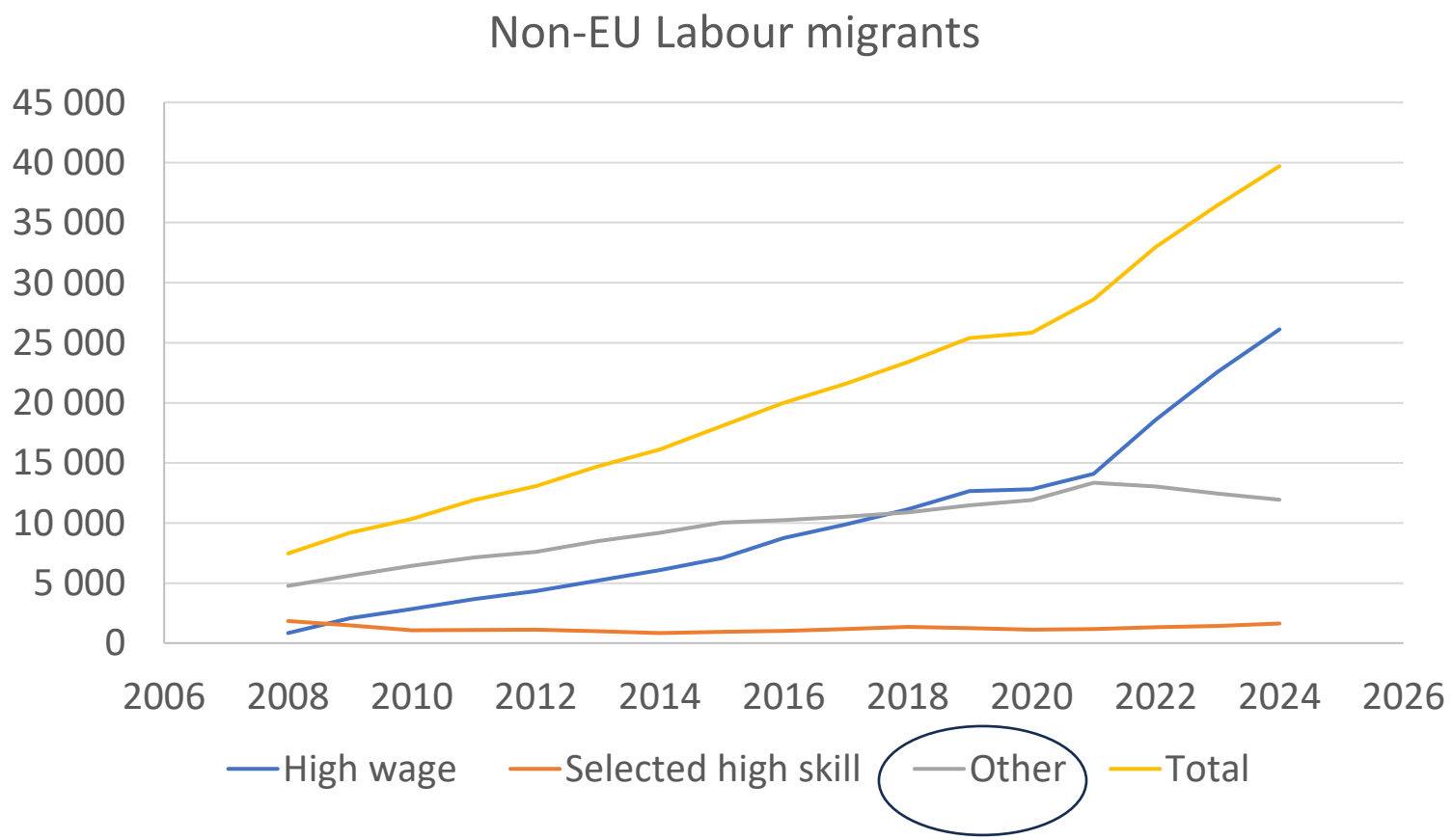
Source: Arendt & Ingólffsdóttir (2025)

Population and employment rate growth



Source: Arendt & Ingólffsdóttir (2025)

Labour programs for non-EU migrant

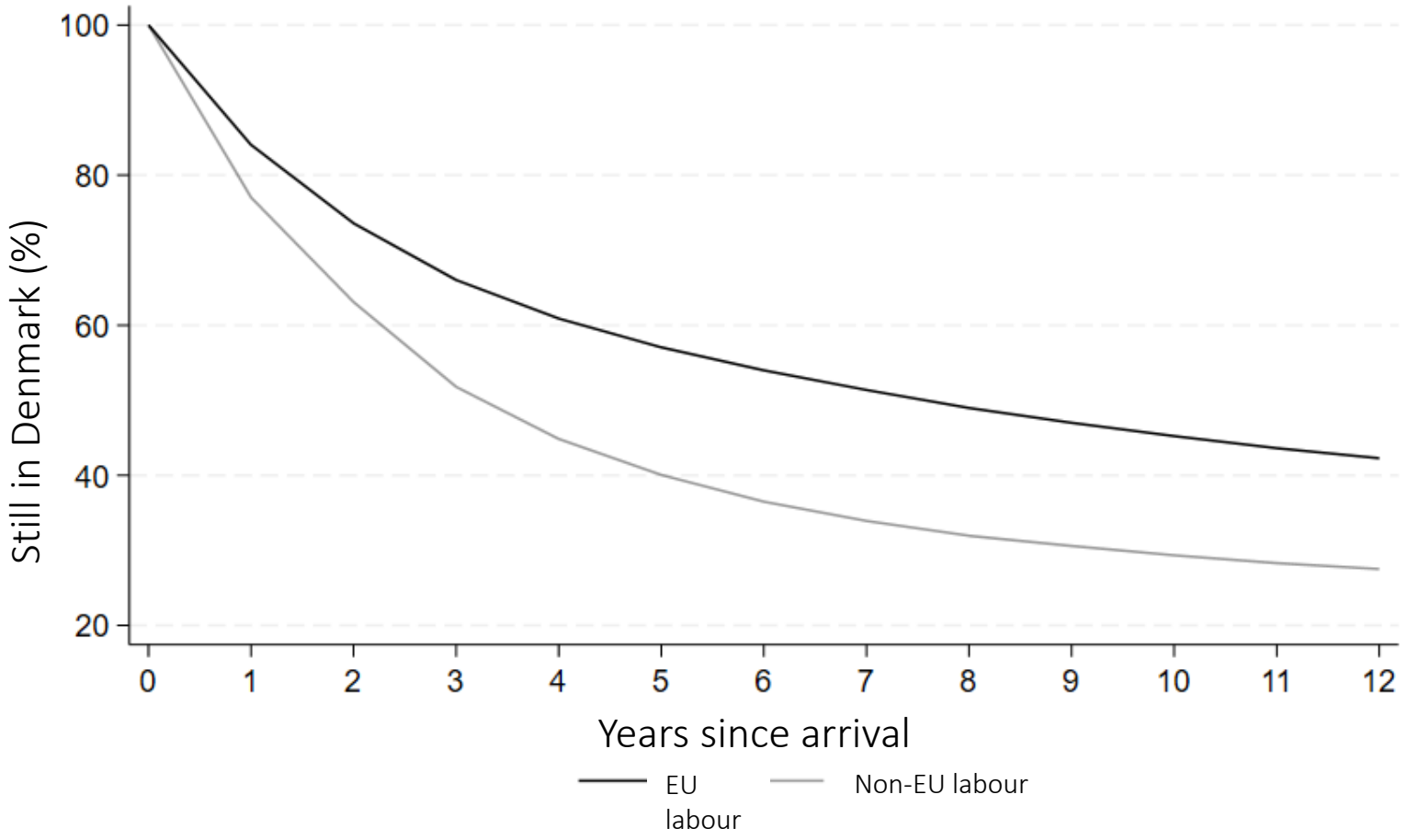


This group has lower entry wages

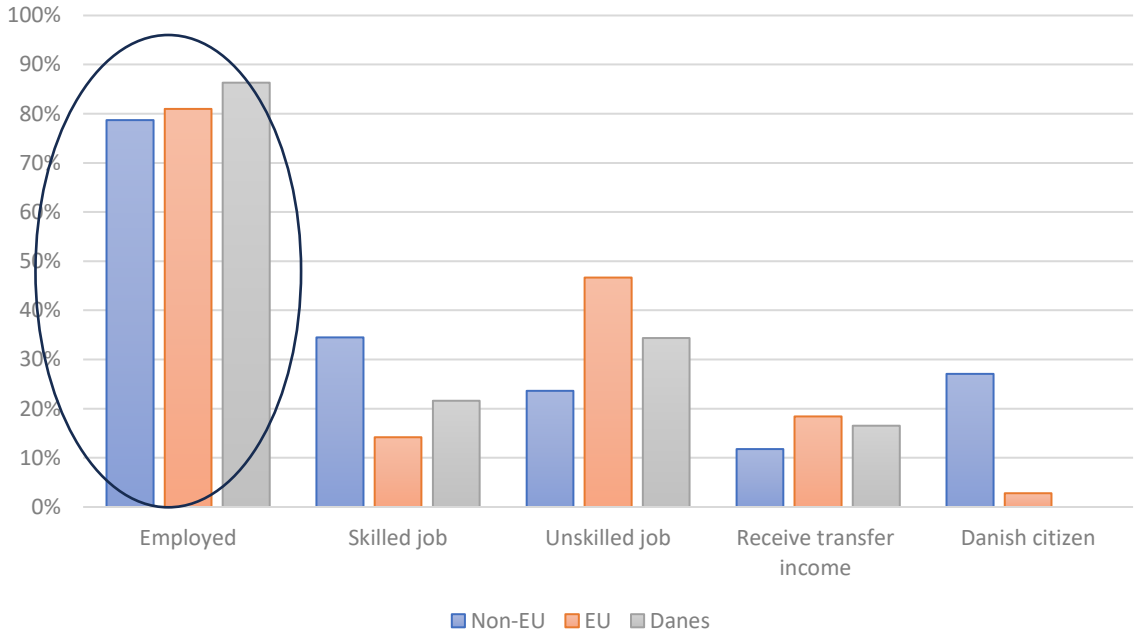
Concern about ”lower wage” non-EU migrants

- **2025:** Reduce earnings threshold for labour migrants from 16 selected Non-EU countries (70.000→40.000 euro)
- **Do ”low-wage non-EU labour migrants integrate in the long run?**
- **Does integration depend on country of origin?**
- Particular concern for immigrants from ”MENAPT-countries”

Do non-EU labour migrants stay?



Labour market integration after 12 years



Source: Arendt & Schultz-Nielsen (2025)

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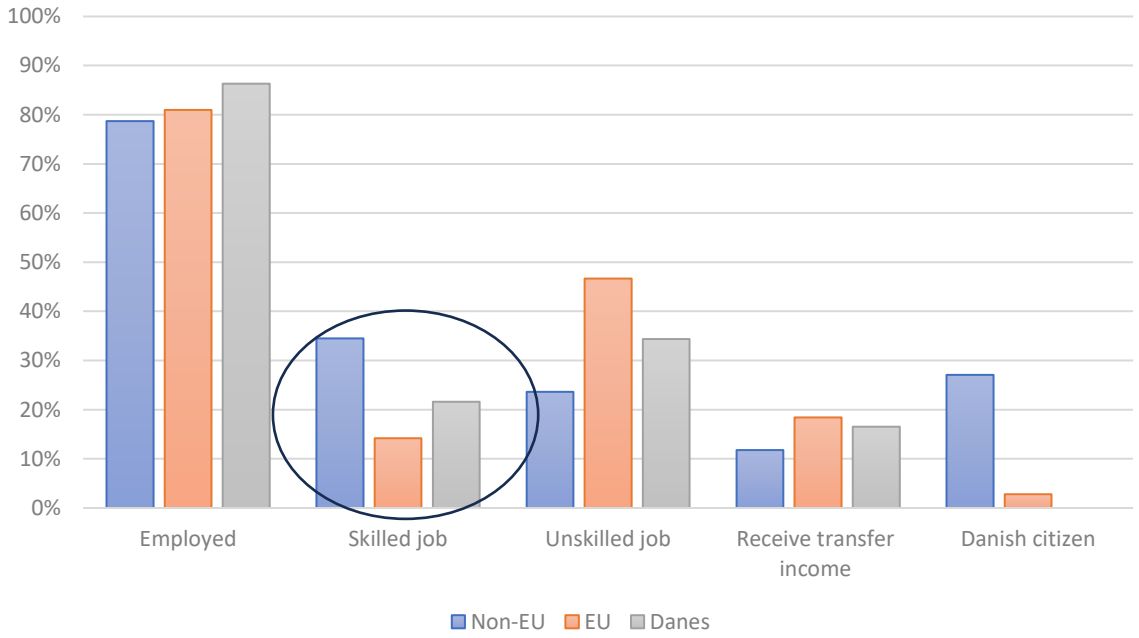

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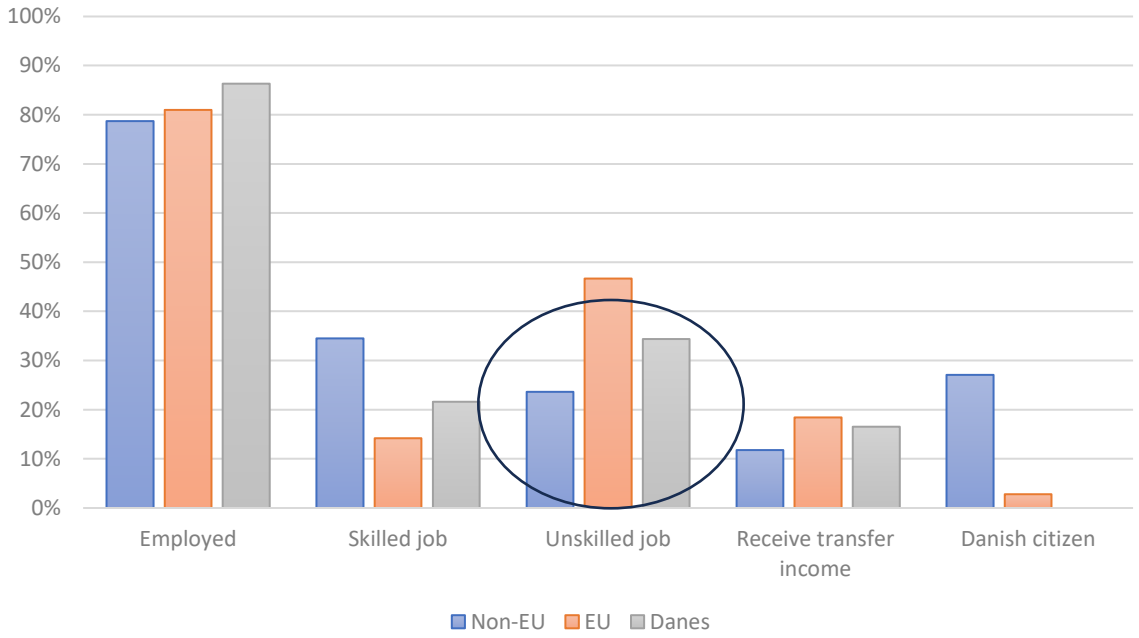

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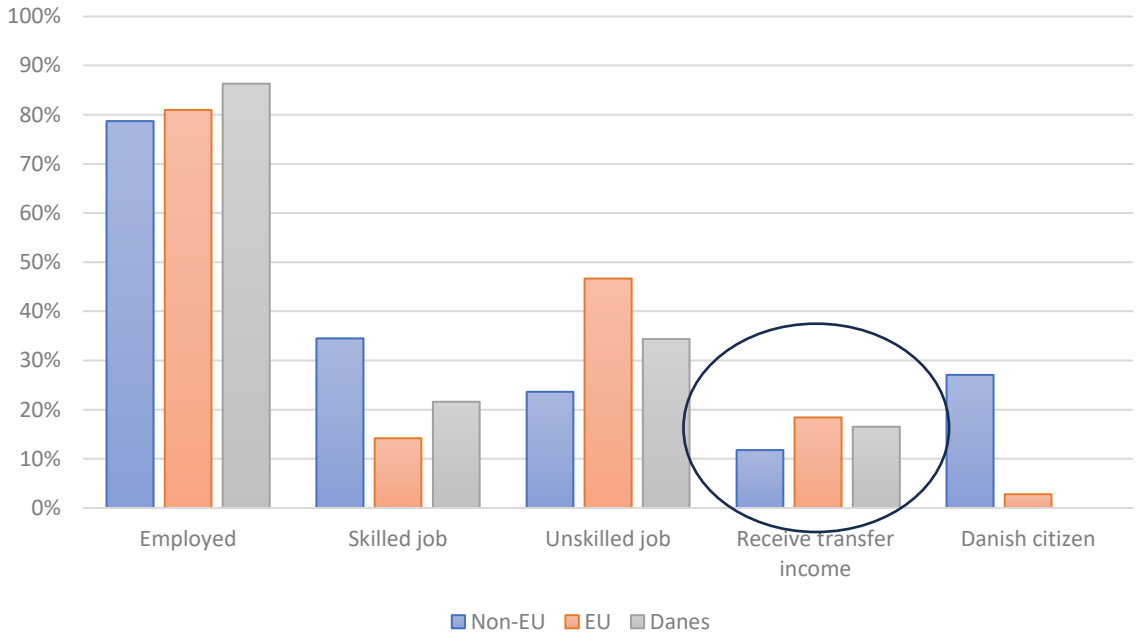

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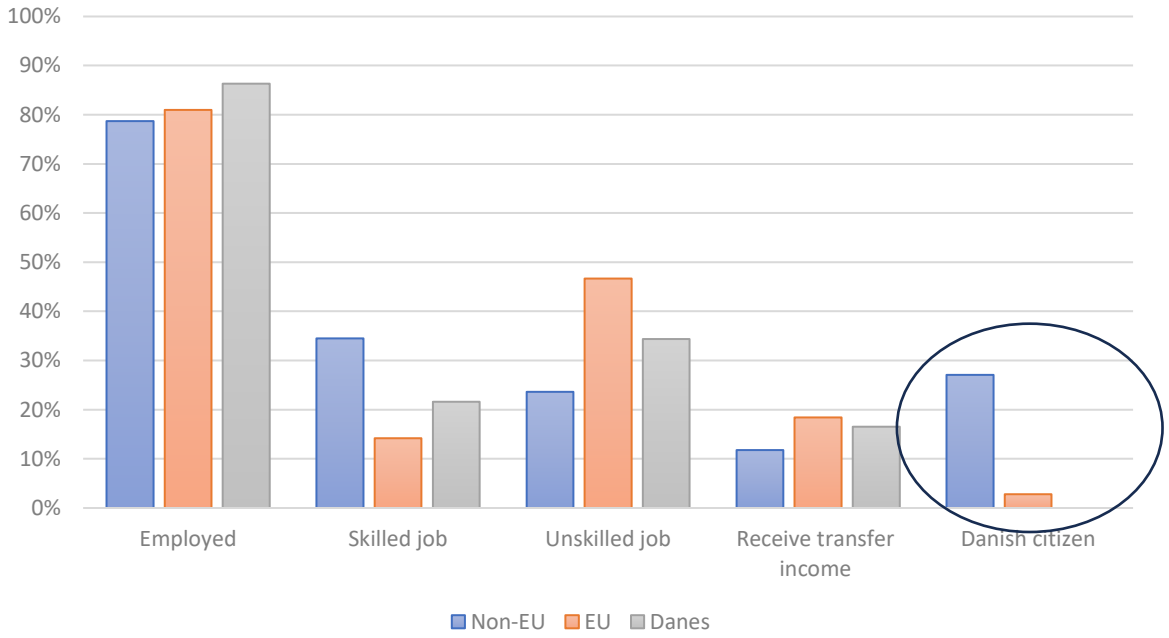

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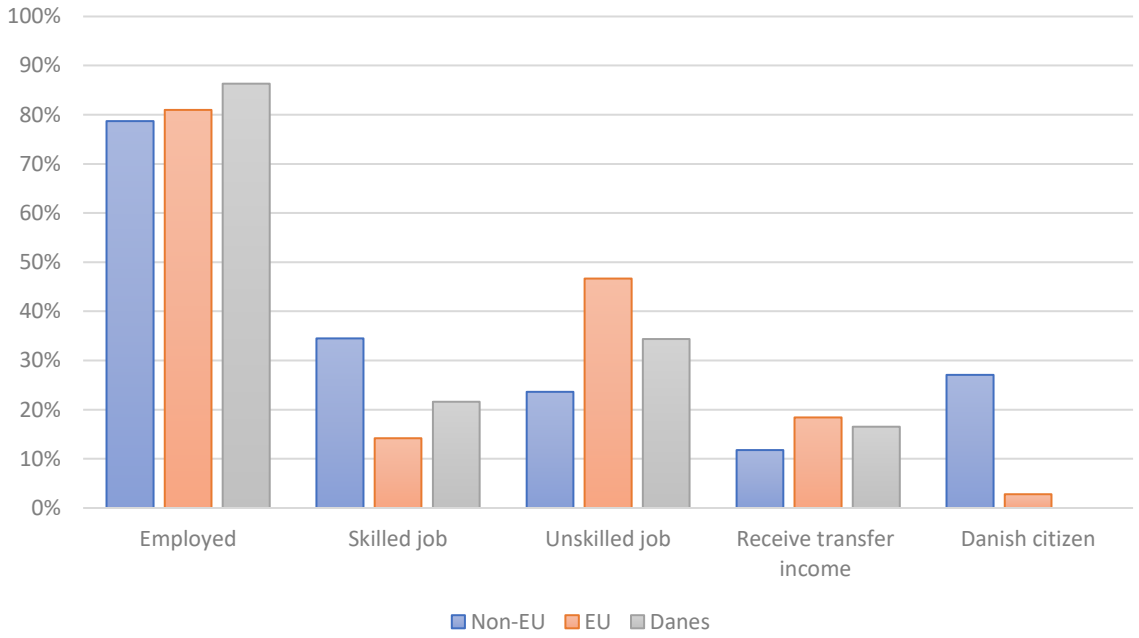

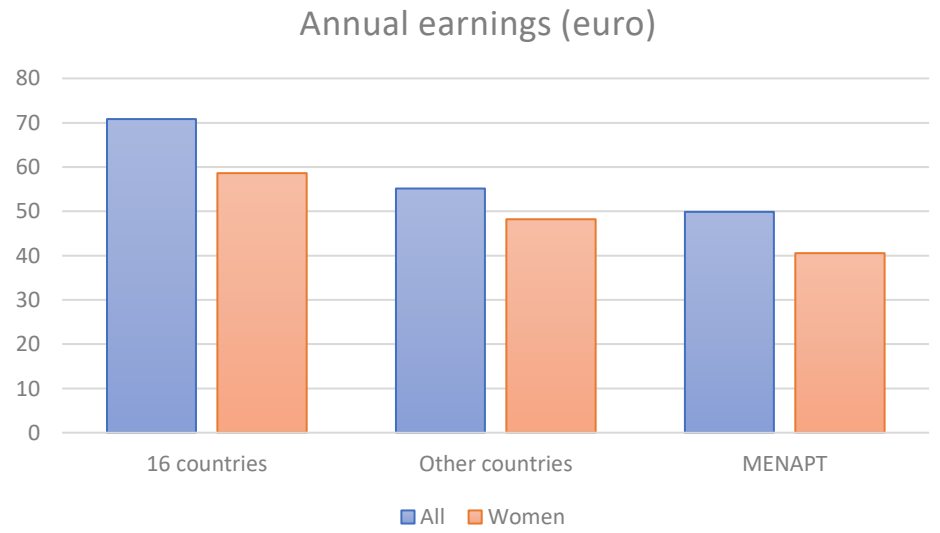

Source: Arendt & Schultz-Nielsen (2025)

What have we learned?

- Denmark has moved in the direction of a work-first regime for refugees while at the same time receiving more non-EU labour migrants
- In the short run, the **work-first** approach increases refugee employment rates
- But impact is **short-lived** and comes at **the expense of decreased skill investment** and **poorer integration for future generations**
- Long-term refugee integration is improved through skill investment made possible by longer language courses
- **Few ”low-wage” non-EU labour migrants stay for long**, but those who do, **integrate well**, irrespective of country of origin

Thank you for your attention!

Questions or comments:

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