

# Appendix for Online Publication

## Temporary Refugee Protection and Labor-Market Outcomes

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This appendix consists of 5 sections. Sections A and B provide more background on the Danish asylum process and the other components of the 2002 reform package. Section C provides additional details on the micro data. Sections D and E contain, respectively, supplementary figures and tables.

### A The Danish Asylum Process

The process of applying for asylum in Denmark is governed by the Aliens Act from 1983, to which several changes have been made over the years. This section describes the Danish asylum system *in effect around 2002* based on information in The Danish Immigration Service (2003).

An asylum seeker arriving in Denmark should report to the police once at the border. The asylum application is filed at a local police station or at the center in Sandholm. First, the Danish Immigration Service (DIS) confirms whether Denmark is responsible for processing the asylum application. Asylum seekers not rejected at the border are sent to a registration center and, once identity and travel routes have been established, to one of several accommodation centers. During the processing time, accommodation and financial support are provided by the DIS.<sup>1</sup> Most asylum seekers are accommodated at a residence center until the final decision is made, but after six months from the application date, the asylum seeker is allowed to find own housing (but not buy property) until the claim has been processed. During the processing time, the asylum seeker is not allowed to accept any paid work. Voluntary activities are provided and there are also compulsory activities.

The asylum application is handled by the DIS, which determine if the asylum application falls under the provisions of the Geneva Convention or the Danish Aliens Act. The assessment is made using information provided by the asylum seeker as well as information collected by the DIS. Convention refugee status is regulated by the UN 1951 refugee convention. Asylum seekers who do not directly qualify as refugees according to the definition of the Refugee Convention but who risk the death penalty or being subjected to torture, inhuman or degrading treatment, or punishment in case of return to his or her country of origin, get protection status. This category extends the refugee status beyond the UN refugee convention, to individuals with "asylum reasons similar to those in the convention". Prior to the reform in 2002 this would fall under the *de facto* refugee status in the Danish Aliens Act. As part of the reform, a new Status B was introduced with much stricter criteria to get protection status.

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<sup>1</sup>In cooperation with the Danish Red Cross, the Danish Emergency Management unit and the municipalities of Hanstholm and Brevst.

There are two different procedures for the application: the normal procedure and the manifestly unfounded procedure.<sup>2</sup> If an application is rejected by the DIS under the normal procedure, it is automatically appealed to the Refugee Appeals Board<sup>3</sup> (whose decision is final), in order to speed up the process. If the application is rejected, the individual can still obtain a residence permit for humanitarian reasons or for other exceptional reasons (in which case decisions are made by the Ministry of Integration, later the Ministry for Foreigners, Integration and Housing), although very few individuals are considered for these types of residence permits. These decisions are final, and cannot be appealed. If granted asylum for humanitarian reasons, one can only stay in the country for as long as those reasons are valid. What constitutes humanitarian reasons has varied over time and, for example, used to include families with small children from countries at war and individuals suffering the effects of torture.

Once recognized as a refugee, social benefits are given on the same conditions as for Danish citizens. According to the 1999 integration plan, the DIS required that the refugee resided in a specific municipality during a three-year integration program. Refugees would be assigned a municipality based on a quota system designed to achieve even distribution, with considerations to circumstances related to the municipality and the refugee. The integration program consisted of Danish culture courses, language classes, and vocational training. After three years (prior to the reform), permanent residence permits were conditioned on the performance in the integration program.

## **B Further Details on the 2002 Reform Package**

The time period of interest to us is the early 2000s. While Denmark has seen the number of asylum applicants vary a great deal over the years, 2001 marked a peak in the number of asylum seekers. Between 2001 and 2002, the number of asylum seekers was cut in half from 12,512 to 6,068, with most of the asylum seekers arriving from Afghanistan, Iraq, and the Former Republic of Yugoslavia. This was also a time of substantial change in terms of asylum policies as described in Section 2 in the main paper. Here we briefly describe the other components in the 2002 reform package.

### **B.1 Other Components in the 2002 Reform Package**

1. Access to the Danish welfare state was limited. Following the reform, individuals were required to have been a resident in Denmark for seven out of the eight most recent years to get the standard level of benefits. For others, benefits were lowered by 35 percent. This part

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<sup>2</sup>The manifestly unfounded procedure is applied when it is clear that the application cannot be approved. In this case, there is no possibility to appeal, and the applicant has to leave Denmark immediately. However, it is required that the Danish Refugee Council (an NGO) agrees with the DIS's assessment. If the Danish Refugee Council uses its veto, the case will instead be processed under the normal procedure.

<sup>3</sup>An independent body with representatives from the government and the Danish Bar and Law Society.

of the reform also applied to native Danes who had lived abroad. The change applied to all asylum seekers who got their applications *granted* after July 1, 2002.

2. Family reunification of refugees was discouraged in several ways. First, by disallowing reunification for spouses under the age of 24 (both spouses had to be 24 years of age or older). In addition, if a Danish citizen wanted to sponsor a spouse, the couple had to prove that their “ties” were stronger to Denmark than to the country of the non-Danish spouse. Further, a Danish citizen could no longer sponsor a parent aged 60 years or older. This change applied to applications for family reunion *lodged* after July 1, 2002.
3. The *de facto* refugee status was abolished. This status previously implied that an individual could get asylum even if the criteria of the UN Geneva Convention from 1951 were not satisfied. This was no longer possible. Instead, a new status B was introduced with a more narrow scope. This change applied to all refugees who *lodged* their applications after July 1, 2002.
4. Prior to the reform, it was possible to apply for asylum in Denmark at a Danish embassy or consulate abroad. This possibility was abolished by the reform.<sup>4</sup> The possibility to lodge an application abroad was removed as of July 1, 2002.

We define the control and treatment groups to assure that these other changes do not interfere with the component of interest for this study.

## References

The Danish Immigration Service (2003). Statistical Overview 2002.

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<sup>4</sup>During the first six months of 2002, 354 individuals lodged their asylum applications from abroad. In 2001 that number was 1,933 with a vast majority of the applications (1,669) coming from the embassy in Afghanistan (The Danish Immigration Service, 2003).

## C Details on the Data

### C.1 Mapping from DISCO codes to skill levels

We use the Danish version of the International Standard Classifications of Occupations (DISCO) to map working functions, that we observe in the data, into different skill levels. We define skill level by picking one occupation per year and person. If a person has more than one job, we take the job with the highest skill level. If there is more than one job with the same skill level, we pick the most common job within that skill level. Finally, if a person has two jobs from different occupations that have the same skill level in a given year, we pick the occupation with the highest ranking according to the DISCO code. If a person has an equal number of jobs in two occupations with the same skill level and one of the occupations is in the armed forces, we pick the civilian occupation as the main occupation. This variable is used to see if there is a change in average skill level over time.

Code	Description	Skill level
1	Managers	$3 + 4^5$
2	Professionals	4
3	Technicians and Associate Professionals	3
4	Clerical Support Workers	2
5	Services and Sales Workers	2
6	Skilled Agricultural, Forestry and Fishery Workers	2
7	Craft and Related Trades Workers	2
8	Plant and Machine Operators and Assemblers	2
9	Elementary Occupations	1
0	Armed Forces Occupations	$1, 2 + 4^6$

## D Supplementary Figures

Figure A.1: Overview of the time period of interest

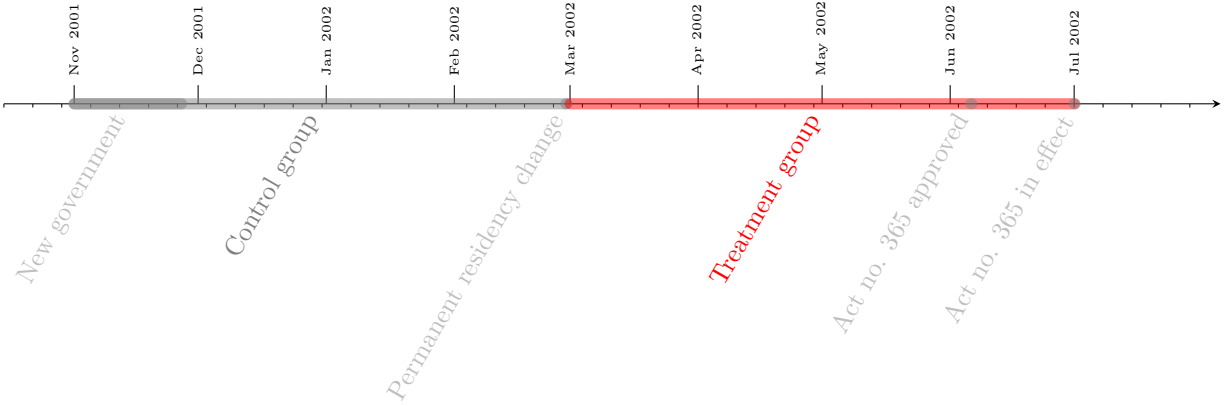
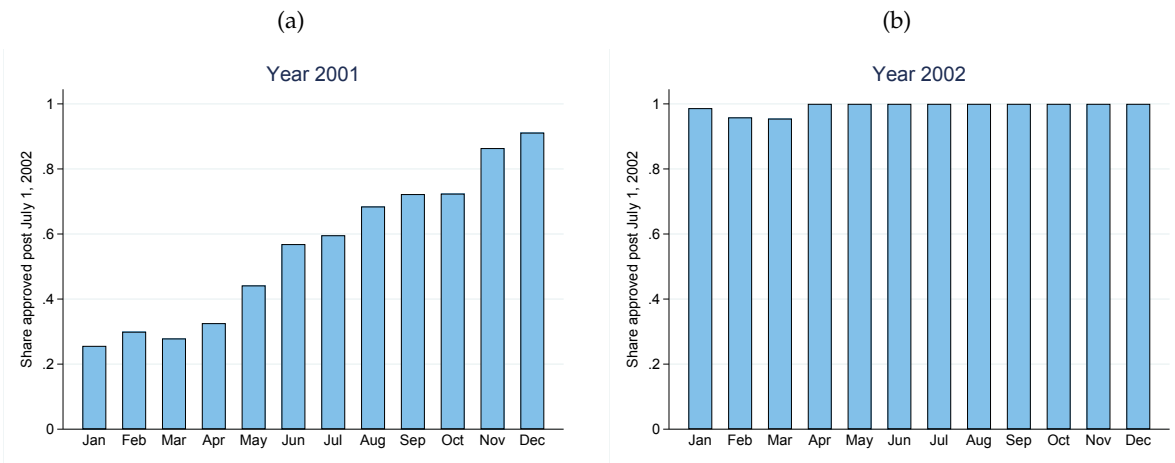


Figure A.2: Fraction granted asylum post July 1, 2002, by month of application 2001-2002



## E Supplementary Tables

Table A.1: Comparison of means for individuals residing in Denmark 2015 (bw 119 days)

	(1)	(2)	(2)-(1)
	Control	Treatment	Normalized difference
<i>Demographic characteristics</i>			
Male	0.51 (0.50)	0.43 (0.50)	-0.16
No. of children	1.78 (1.91)	1.66 (2.05)	-0.06
Partner	0.53 (0.50)	0.57 (0.50)	0.08
Age	30.92 (9.15)	31.65 (9.73)	0.08
<i>Education</i>			
Danish 1	0.23 (0.42)	0.25 (0.43)	0.05
Danish 2	0.40 (0.49)	0.36 (0.48)	-0.08
Danish 3	0.26 (0.44)	0.28 (0.45)	0.04
Primary or secondary	0.48 (0.50)	0.47 (0.50)	-0.02
Higher	0.23 (0.42)	0.23 (0.42)	0.00
<i>Country of origin</i>			
Afghanistan	0.37 (0.48)	0.33 (0.47)	-0.08
Iraq	0.19 (0.39)	0.10 (0.30)	-0.26
Former Yugoslavia	0.10 (0.30)	0.16 (0.37)	0.18
Somalia	0.13 (0.34)	0.10 (0.30)	-0.09
Other	0.21 (0.41)	0.31 (0.47)	0.23
<i>N</i>	329	239	

*Notes:* Values in parenthesis are (s.d.). This table shows the means and normalized difference for individuals in our sample that were still residing in Denmark in 2015. Demographic characteristics are measured at application. Danish 1 - Danish 3 indicate the level of Danish courses assigned at approval, whereas primary or secondary and higher education indicates the level of education acquired prior to applying for asylum in Denmark. The normalized difference is defined as  $\frac{\bar{x}_t - \bar{x}_c}{\sqrt{(sd_t^2 + sd_c^2)/2}}$ .

Table A.2: Regression discontinuity density test

	bw 30 days		bw 60 days		bw 90 days		bw 119 days	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
p-value	0.017	0.623	0.363	0.009	0.200	0.077	0.121	0.935
Degree of polynomial	1	2	1	2	1	2	1	2

*Notes:* The test is implemented using the `RDDENSITY` command in Stata, using the robust bias-corrected estimates. Reported values are p-values from this test.

Table A.3: Optimal bandwidth: Education and labor-market outcomes

Outcome	Full sample	
	(1)	(2)
Enrollment	0.163 (0.142)	0.175 (0.125)
Enrollment university	-0.031 (0.078)	-0.008 (0.090)
Employed	-0.572*** (0.185)	-0.644*** (0.167)
Earnings 3Y	-43,670 (44,545)	-65,326* (39,243)
Earnings 7Y	-130,000** (60,276)	-140,000** (55,381)
Covariates	NO	YES

*Notes:* Regressions are estimated for the full sample using a polynomial of order 1 and a uniform kernel. Covariates include age, gender, partner, number of children, education level (all measured at application) and dummies for the most common nationalities (Afghanistan, Former Yugoslavia, Iraq, and Somalia). Enrollment is a dummy variable equal to one if the individual at some point is enrolled in general education. Enrollment university is the corresponding variable for university education. Employed is a dummy equal to one if the individual was ever employed in Denmark. Earnings is total annual labor earnings in DKK from employment and/or self-employment after three and seven years. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .