

Conditional Permanent Residency and Refugee Integration: Evidence from Germany's 2016 Reform

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Abstract

This study examines the 2016 reform of Germany's Residence Act that intended to foster refugee integration by extending the waiting period for permanent residency from three to five years and introducing requirements, such as proficiency in German and partial financial independence. Using data from the German Socio-Economic Panel (SOEP), we employ a difference-in-differences design to analyse employment and full-time employment trends among refugees. Results show that the reform did not accelerate take-up rates of either overall or full-time employment. However, administrative data from the German Central Register of Foreign Nationals reveals that after the reform permanent residency acquisition rates significantly declined. The findings call into question the efficacy of conditional residency policies in fostering labour market integration.

Keywords: refugee integration, immigrant assimilation, permanent residency, labour supply
