

# **Social Benefits of Migrants in Sweden during Their First Five Years after Arrival**

Gerda Neyer, Eleonora Mussino and Hernan Mondani

Stockholm University Demography Unit (SUDA)

## **Extended Abstract**

### **Research Objectives**

The recent wave of immigration to Europe has spurred discourses on social benefits paid to migrants after arrival. Many assume that these payments burden the welfare state and hamper integration; others regard them as necessary start-ups into the labor market and society. To assess the relevance of social benefits for the integration process of migrants, we need a comprehensive picture of the dynamics of benefits paid to migrants and their interplay with other income sources. Our paper concentrates on Sweden, a country that is particularly well suited to study this interplay. First, Sweden has accepted a substantial number of migrants from different countries. Second, Sweden is a comprehensive welfare state whose social policies are based on the principles of social rights, gender and class equality. Integration policies root in these principles, as well, so that migrants are entitled to social benefits on the same grounds as Swedes. Third, Sweden's social policies are employment- and social-investment oriented policies (Morel et al. 2012). This implies that employment provides the main access to welfare coverage for both women and men, and furthermore that social policies are geared towards securing a person's employability and integrating everyone into the labor market. Fourth, Sweden has excellent register data that contain information on the entire resident population, including all persons born abroad.

### **Data**

In this paper, we use Swedish register data to study the composition and time evolution of social benefits taken up by migrants during the first five years after arrival in Sweden. As for the benefit uptake, we examine the type of benefit, the duration and pattern of benefit, and the links between benefit and income from work. We concentrate on migrants that were between 18-55 years old at the time of arrival in Sweden and we concentrate on two cohorts: Migrants who arrived in 2005, that is before the Great Recession, and migrants who arrived in 2010, that is in the aftermath of the Great Recession (N=68 586, half of them women). Concentrating on these two cohorts allows us to assess the potential impact of recent economic developments on benefit uptakes and their links to employment. We distinguish between two sets of social benefits: social investment oriented benefits, that is social benefits related to (past or future) employment (unemployment benefit, parental-leave benefit, and study loans) and social benefits related to poverty (housing assistance and income maintenance). In order to assess the interplay between social benefit uptake and work, we use information on migrants' annual income. We categorize their income so that it may reflect

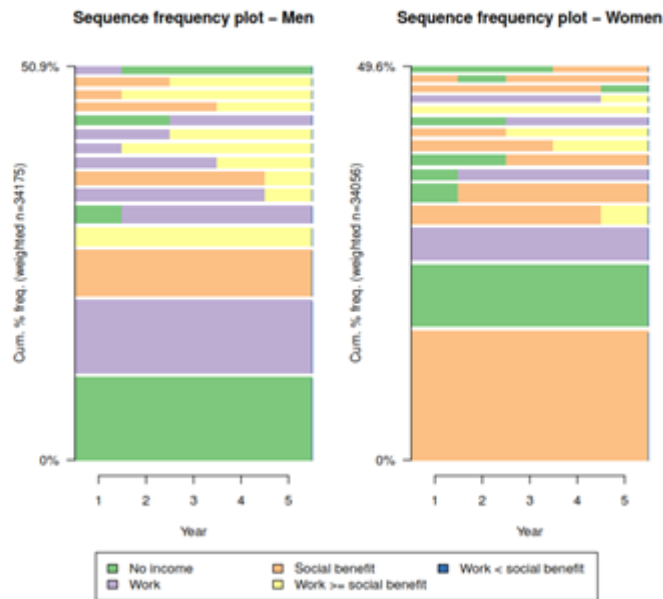
the dependence on social benefits and the links to employment integration. Our main income categories are (a) income from paid work, (b) income from social benefits, (c) social benefits supplementing work (income from paid work larger than income from social benefit) and (d) work accompanying social benefit reliance (income from social benefits larger than income from work). This allows us to assess the extent to which immigrants patch their income and evaluate its relevance for integration. More detailed income sources, e.g. distinguishing income further by type of social benefit and including study loans, are used to more in-depth analyses.

## **Methods and Results:**

We apply sequence analysis and logistic regression to describe the patterns of social benefit uptake and their relation to work integration during the first five years after migrants' arrival in Sweden by gender, country of origin, and reasons of immigration. Although in-depth analyses and interpretations of results in light of legal regulations and practices are still to be carried out, our first findings show that the uptake of social benefits is much lower than commonly assumed and the determining factors are more varied than ventilated. Even in the first year after arrival, when dependence on welfare-state support is highest, social benefits amount to only 40% of migrants' median income; in the fifth year, it is only 25%. This means that contrary to wide-spread assumptions (see New York Times June 2018 about gap between perception and facts of unemployment among migrants by country), work is the dominant income source of migrants during the first five years after their arrival. Poverty-related social benefits constitute about 25% of migrants' median income during the first year, but drop to less than 10% by the fifth year; the share of employment related benefits does not change much over time. There is also almost no difference in the work-benefit distribution among the two cohorts. Over time the share of benefit decreases markedly, but benefits often remain supplements to work. The sequences reveal clear gender-specific patterns of benefit uptake and benefit evolution over time. Women depend more on social benefits as main income source right after arrival; they show a slower transition from social benefits to work, patch benefits more, have longer uptakes of employment-related social benefits (due to parental leave), but much shorter usage of social assistance than men. Benefit uptakes, type and composition of benefits and duration also differ by country of origin, reasons of migration and time period. More detailed benefit analysis also shows that work and taking study loan intensify over our years of observation for both women and men, suggesting a speedier integration than generally assumed. In our further analyses we will apply logistic regression and include comparative groups of Swedes to examine whether these patterns are structural or migrant-specific.

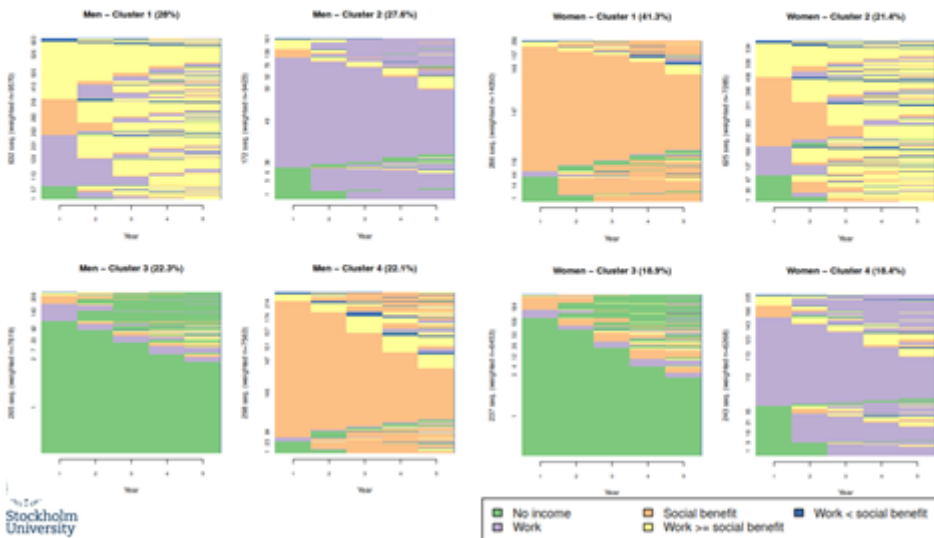
# Income Source Sequences

- 2,738 distinct sequences (1,367 for men, 1,371 for women)
- Analyses weighted by number of individuals in each sequence



# Clusters of Income Source Sequence

- Clustering strategy: partition around the medoids (PAM) with Ward clusters as initial condition



# Benefit Duration

## Mean time in benefit state

