

Regional labor market integration of refugees in Germany: patterns and determinants

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Over the last 10 years, a large number of refugees has arrived in Germany, with Syrians and Ukrainians fleeing from war in their home countries constituting the two major nationalities. While the primary task of the asylum system is to provide protection from war, persecution, and displacement, integration into the labor market is also very important (Brücker et al. 2025a). If the refugees manage to get a job, they might contribute to overall economic production, taxes, and social security contributions, while at the same time lowering the fiscal burden from transfer payments. In addition, refugees might help reduce labor shortages that are reported in many economic sectors (Hickmann et al. 2021; Bossler and Popp 2023) as well as mitigate the negative consequences of demographic change (Fuchs et al. 2025). That the majority of refugees wants to stay in Germany for a longer period of time or even permanently (Kosyakova et al. 2026) is a strong argument in favour of their rapid and successful integration into the labour market.

Overall, the labour market integration of refugees benefited from favourable economic conditions until 2019 due to the sustained economic upturn (e.g., Bauer et al. 2020). However, for refugees to become integrated into the labor market in a sustainable manner, a number of obstacles have to be overcome in advance. First and foremost, sufficient language skills must be acquired and integration courses have to take place, given that language acquisition and vocational training or the recognition of vocational qualifications are regarded as central foundations of integration (e.g., Köhler 2025). In addition, fundamental problems such as housing, childcare, or health restrictions must be addressed before successful placements in training programs or jobs can take place. This also results in spatial path dependencies. Since the provision of integration and language courses varies profoundly between the single regions, depending not least on the size of the region, adequate staffing and prior experience with immigration integration can be expected to differ between regions. Similarly, the question of who is able and willing to further invest in training and education and who decides in favor of a relatively quicker labor market entry may be answered differently depending on the region. Another aspect relates to the question which role the labor market situation as well as the qualification and occupational structure of labor demand in a region play in this context. Urban-rural differences could be important here, among other things, because refugees are relatively restricted in terms of their mobility. For example, many of them are dependent on public transport, which is of limited supply in many rural regions. Hence, refugees living outside cities are spatially restricted in their job search radius. Another aspect is that they face considerable restrictions in selecting their destination region, although the choice of where to live becomes freer with the length of stay and varies depending on their protection status. Accordingly, regional differences in residence regulations and differences in the attractiveness of regions for internal migration flows of refugees can have an impact on the success of their integration into the labor market. A relevant factor in this sense can be the acceptance of refugees by the local population. In this regard, significant differences between municipalities are observed (e.g., Henn and Hannemann 2023). If refugees with protection status live disproportionately often in metropolitan areas with high unemployment and in western Germany compared to the German population (Weber 2023), the question arises as to whether this also results in corresponding regional differences in labor market integration.

The present paper aims to provide novel insights into the labor market integration process of refugees in Germany by specifically taking on a regional perspective. For Germany as a whole, there is a growing body of evidence based mainly on survey data (Brücker et al. 2025a; Brücker et al. 2025b). Results show that nine years after arrival, the employment rates of those refugees who arrived in 2015 have already closely approached the population average; for male refugees, the proportion is even higher than the male population average (Brücker et al. 2025b). Evidence on a spatially more disaggregated level is still sparse, however, which is mainly due to regional limitations in survey data (e.g., Brücker et al. 2025b). We utilize comprehensive administrative data at the individual level on a

daily basis from 2015 to 2024 available at the Institute of Employment Research (IAB). Foremost, the Integrated Employment Biographies (IEB) enable to analyze labor market trajectories covering spells of unemployment, the participation in labor market programs, vocational training, or employment at a disaggregated spatial level. The delineation of refugees is based on their recording in the Central Register of Foreigners, which is prepared as the Immigration Status History (SHZ). We additionally utilize information from the Participants-in Measures History File (MTH) on specific labor market programs. Both datasets are combined with the IEB.

We consider individuals who have been in contact with an employment agency or job centre and who were recorded as entering Germany for the first time between 2015 and 2019, and we trace their labor market trajectories until 2024. For analyzing regional differences, we start with descriptive evidence on selected socio-demographic and labor market related features of the refugees. Second, in the main analysis, we trace their labor market trajectories from their arrival in Germany until they find employment or vocational training. Subsequently, event history analyses are used to econometrically examine the relationship between selected individual and fine-grained regional characteristics and the time taken to find employment subject to social insurance contributions or a dual vocational training programme. Third, the results for employment uptake by refugees are compared with labor shortages in the respective occupations, regions and years. In all analyses, we explicitly differentiate between men and women, as the two sexes show profound differences in labor market success (Brücker et al. 2025b).

The results contribute to a deeper understanding of regional disparities in the labor market integration of refugees, and they should provide regional labor market policy with approaches for promoting employment development.

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