Economic incentives and the return of rejected asylum-seekers^{*}

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Abstract

The return and reintegration of rejected asylum seekers is a growing concern. In general, only a third of individuals with negative asylum decisions are estimated to have returned to their origin countries in recent years. We provide the first causal evaluation of a specific policy aimed at incentivizing the return of rejected asylum-seekers, namely a cash grant given to those who return to their home countries on their own. We use individual level administrative data from Sweden and leverage that the eligible nationalities have changed over time. We find that being informed about the cash grant increases the take-up rate and subsequently the share who returned on their own, within 2 to 5 years. However, our preferred estimates are not statistically significant at conventional levels, and overall take-up rate is low. We find no evidence of adverse selection, as there is no increase in applications after the introduction of cash the grants.

Keywords: Asylum Policy, Return migration, Refugees, Economic incentives JEL classification: F22, J15, R23, D04

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1 Introduction

Despite an increasingly restrictive stance on refugees, many nations in the European union (EU) continue to receive a steady stream of applications for asylum. For instance, one million applications were lodged in 2023, which is almost as many as the record year of 2015. With regards to the outcome of these applications, a recurrent observation is that many - in fact most - tend to be rejected and that several of those rejected remain as undocumented migrants. About 60 percent of asylum applications during 2017–2018 were rejected (ECRE, 2018), but only around 30 percent of the third country nationals ordered to leave were registered to have returned to a non-EU country (Eurostat, 2020).¹

With regards to ways of returning, many policy-makers have made a case for noncoercive or "voluntary" return over forced removals.² Non-coercive return programs can consist of either practical assistance in the source country, e.g. labour market training, education, housing assistance, or financial incentives, i.e. lump-sum transfers conditional on returning. The programs are often run in cooperation with the UN Migration Agency (IOM), who frequently partner with European countries (Anh Nguyen and Hasan, 2019).³ Non-coercive return is generally considered less expensive than forced removals, and typically doesn't require formal cooperation with the source countries, such as readmission agreements. Advocates also argue that non-coercive return is more humane (Black et al., 2011). Yet, the effectiveness

¹Appendix Figure A1 display statistics on the number of returned individuals in Europe. The number of irregular migrants in Europe is estimated to have increased from 3 million in 2014 to 4 million in 2017, largely as a result of the large inflows of asylum-seekers in 2015 (Connor and Passel, 2019).

²As an example, the EU Return Directive (2008/115/EC) — which stipulates the member states' obligation to either return irregular migrants or grant them legal status — emphasises that voluntary return should be preferred over forced removals. The Directive has been transposed into national law by all EU countries, except for the UK (pre-Brexit) and Ireland.

³Given the risk of deportation for individuals who do not comply with a rejection decision, Leerkese et al. (2017) suggests that these return programs operate as a form of "soft deportation".

of these type of programs is poorly understood. Generally, non-coercive policies have been viewed as unsuccessful, given the failure to attract a substantial number of participants (Black et al., 2011). These conclusions, however, rely mostly on descriptive and/or qualitative evidence (e.g. Koser and Kuschminder, 2015; Arne Strand and Aalen, 2016).

This article has two main objectives: First, to contribute with a better description of those rejected, as well as those in turn returning. We do this by providing detailed descriptive statistics of the close to 200,000 rejected asylum seeker who applied for asylum in Sweden 2005-2023. Importantly, we have information on which individuals that ultimately returned to their home countries, and can examine how individual characteristics are related to (and predict) the probability of returning. While an emerging literature has studied refugees' return behavior (e.g. Zakirova and Buzurukov, 2021; Beaman et al., 2022a), we know almost nothing about rejected asylum seekers' returns. Compared to refugees, they have limited possibilities to stay, and are thereby less likely to return on their own terms.

Second, we examine the effects of one common non-coercive return program — also known as a *pay-to-go scheme* — on the return behaviour of rejected asylum-seekers. We explore a Swedish program that gave (some) rejected asylum-seekers the option of receiving a large cash grant (\approx \$ 2900), conditional on them returning to the source country on their own. We make use of the fact that the program was only introduced for asylum-seekers from certain countries at specific dates. We compare the rate of return among asylum-seekers who were rejected before individuals from their origin country gained access to the program, to those who were rejected just after. We primarily implement a difference-in-differences design and add a control group of never-treated countries.

We reach three main conclusions. First, similar to earlier findings for the EU at large (ECRE, 2018), we find that a minority (36 percent) of the rejected were registered to have returned on their own within 5 years after their rejection decision. 9 percent were in turn forcibly deported. Women and families with children were somewhat more likely to return, which may relate to the difficulties for families to stay as irregular migrants. We also note that the return probabilities differ largely between countries. Intuitively, individuals stemming from countries with ongoing conflicts, worse economic standard and less democratic scores, are less likely to return.

Second, examining the cash-grant, we find that individuals who were informed about and offered the grant after being rejected were more likely to return on their own. Measured as return within two years, we find roughly a seven percentage point increase. These effects are, however, imprecisely estimated, and our preferred estimates are not statistically significant on conventional levels.

Third, in line with previous research (Black et al., 2011), we document that a majority of those eligible for the cash grant did not apply. The conclusions from this number, however, depend on what we assume about the mechanisms, which we, unfortunately, have limited possibilities to investigate further.

Our findings primarily add new insights to research on asylum policies and its effects on the international flows of asylum-seekers. This literature has mostly focused on the *inflow* of asylum-seekers (e.g. Hatton, 2020; Andersson and Jutvik, 2023), but a few papers focus on return policies (e.g. Flahaux, 2017). Closest to us is the paper by Leerkese et al. (2017), which, to the best of our knowledge is the only previous quantitative study that focus on return migration among rejected asylumseekers. They find that the deportation risk is associated with an increased use of an assisted voluntary return program in the Netherlands, while there is an insignificant connection to the monetary value of the return assistance.

Our results also add to the literature on the determinants of return migration among immigrants with residence permits and the influence of economic incentives (e.g. Djajic and Milbourne, 1988; Yang, 2006; Dustmann and Görlach, 2016). The action of returning is often modelled as part of a utility maximising plan where return migration can occur due to e.g. migrants reaching a specific targeted income (e.g. Mesnard, 2004; Abramitzky et al., 2019) or preferences for consumption in the home country (Dustmann, 2003). These models unambiguously predict that improvements in the home country's economic situation increase the rate of return. Empirical studies have also found a positive correlation between economic improvements in the home country and return migration (Borjas and Bratsberg, 1996; Bijwaard and Wahba, 2014). Forced migrants are, however, quite different from e.g. labor market migrants, and are, not surprisingly, much less likely to return to their source country as compared to economic migrants (see e.g. Edin et al., 2000; Monti, 2020). Yet, a few studies (Klinthäll, 2007; Zakirova and Buzurukov, 2021) presents descriptive evidence showing that home country economic improvements are (moderately) positively associated with the rate of return also among forced migrants.

Finally, Alrababah et al. (2023) shows that the *intention* to return among Syrian refugees in Lebanon is affected by economic opportunities at home and Beaman et al. (2022b) finds that Syrian refugees (in Jordan and Lebanon) *stated* a higher likelihood to return, under the condition of good security and that an international organisation offers a higher reallocation fee. Taken together, ours and their studies suggest econonomic incentives matter, and could increase the rate of return. Given that a majority of those eligeble choose still choose not to return, cash grants are clearly no silver bullet.

2 Institutional background

2.1 The asylum process

Sweden has had a steady stream of applications for asylum ever since the early 1980's. The country has typically received between 10,000 and 35,000 applications per year (see Figure A2). In the past almost all approved asylum applicants received a permanent residence permit, but since 2016 approved applicants instead receive a 1–3 year temporary residence permit that can be renewed. Many applications are, however, rejected, and out of the just over 1 million individuals who applied for asylum during 1984-2018, only 51 % were accepted.

Under the Swedish aliens act, anyone who wishes to can submit their asylum application (in person) to the Swedish Migration Agency (SMA). The applicants are then assigned a public counsel who will help them throughout the asylum process. When a decision has been made by the SMA, asylum applicants and their counsels are invited to a meeting where they are informed about the verdict. If the application was rejected, they receive information about the possibility to appeal to the second instance, i.e. the Swedish Migration Court, or receive return assistance. Subsequently, the applicants have to decide if they want to appeal (within 3 weeks), or accept the decision. Most rejected applicants decide to appeal, and the verdict is modified in around 10 % of the appealed cases (SMA, 2018). A rejected appeal by the Swedish Migration Court means the end of the legal route for the overwhelming majority.⁴

As soon as the rejection decision has acquired legal validity, applicants are called

⁴The full asylum-process is illustrated in Figure A3. Note that, in theory, there is a possibility to appeal to a third instance, the Supreme Migration Court, or to change visa-track and apply for another type of visa. However, the Supreme Court rarely grants leave to appeal since this court only focuses on cases that are of interest in terms of legal precedent.

to additional meetings at the SMA to plan their return, which is expected to take place within four weeks (NAO, 2020). In practice, leaving Sweden often takes longer due to the process time required to create the necessary travel documents (e.g. new passports). Some countries are also unwilling to accept return migrants, causing further delays (SMA, 2010). The SMA pays for the return trip if the applicants lack the means to pay for it. If an individual deviates, or refuses to cooperate with the case workers at the SMA, the case will eventually be handed over to the Swedish police. The police is in turn allowed to stop individuals for an identity check if there is a suspicion that the person does not have the legal right to be in Sweden or due to specific circumstances (e.g. during a crime investigation or traffic control). The police also has the authority to detain individuals (while their return is prepared) and eventually deport them.

All in all, a refused asylum-seeker thereby faces two main options: i) stay in Sweden (or migrate elsewhere) as an undocumented migrant or ii) to return home.⁵ While undocumented immigrants are not allowed to work in Sweden, they have access to many of the universal welfare services also available to residents. For example, children have the right to attend K-12 education and access all health care services, while adults are entitled to urgent health care, such as maternal care (SK, 2016). The rejection decision is normally valid for four years, meaning that it is possible to apply for asylum again after four years.

⁵In addition, for a minority there is a third option. Since 2008 (effectively 2009), a person who have been rejected, but was able to get a job during the asylum process, can apply for a temporary work visa, and thereby avoid leaving the country. During 2009-2021, around 5 % of all rejected individuals applied and were granted temporary work visa status (RiR, 2022:21).

2.2 Pay-to-go program

In order to alleviate the return of asylum seekers a new law (SFS 2007:640) was adopted in Sweden 2007. It initiated a program whereby asylum seekers with rejected applications had the option of applying for a cash grant for re-integration, conditional on returning to their source country. However, the grant only covers the return to countries where conflicts and strong divergence is expected to make it particularly difficult for individuals to re-establish an every day life. In order to be approved, the grant applicants also have to cooperate with the authorities, apply for the grant shortly after their asylum application is dismissed (within approximately 3 months), and not be subject to the Dublin regulation, i.e. ordered to return to another EU country.

Adults are currently given 30,000 SEK (\approx \$ 2900), children 15,000 SEK, and a family at most 75,000 SEK (\approx \$ 7260). The money is collected at the IOM office if there is one in the source country, or transferred to an individuals' account after they verify that they left Sweden.

The list of eligible countries — decided by the SMA — was initially revised and updated on a regular basis. Since its introduction in 2007, the list has been revised at 6 occasions (2008, 2009, 2011, 2012, 2013, and 2021). The largest addition occurred in 2009 when 22 countries where added. It is rare for countries to be removed, and the grant is currently available for individuals returning to 15 countries. Once the list of eligible countries has been revised the information is immediately disseminated to case workers at the SMA. When asylum seekers attend the meeting where the SMA tells them their application was rejected, they are informed about the option to appeal the decision as well as the possibility to apply for the cash grant and return home.⁶ Table A1 displays the relevant countries and implementation dates. In some cases only individuals returning to a specific region within a country where eligible for the cash grant. This was the case for Angola (only Cabinada), Russia (only Chechnya, Ingushetia, and Dagestan), Kosovo (only ethnic Albanians returning to the north of Kosovo or Strptce, and ethnic Serbians returning to the north of Kosovo), and Kyrgyzstan (only Jalal-Abad and Osh). We lack information about individuals' ethnicity and thereby define treatment based on the country of origin.

3 Data

Our individual level data consist of the universe of asylum decisions taken by the SMA 2005–2023. The data include information about the date the application was submitted and decided, if it was appealed, as well as demographic background characteristics such as age, gender, family ID, and country of origin. Most importantly, the data contain information about whether an applicant applied for and received the cash grant, if and what date they left Sweden, and whether they left on their own or were expelled by the law enforcement. We trace the process of each claim over time, from application to appeal to return, via the individuals' de-identified ID-variable.⁷ We merge this data with yearly country level information about poverty rates from the World Bank, information about conflict fatalities from the Uppsala Conflict Database Program (Sundberg and Melander, 2013), and evaluation of the level of liberal democracy from the Varieties of Democracy Project (Coppedge and Ziblatt, 2024).

⁶According to staff at the SMA there were delays in implementing the program in 2007, and we therefore lack a sharp date cut-off. Previous reports also noted that almost no asylum-seekers applied during the first months after the program was launched (Statskontoret, 2010). We also exclude the update 2008 when Gaza was added to the list, since they are coded as nation-less applicants and can thereby not be distinguished in our data.

⁷Additional details about the data can be found in Section A.1.

The sample is restricted to those who were rejected in the first instance of the decision process (and could either appeal or return). When examining the impact of the cash grant we limit the focus to those who received a decision up to one year before or after a country was added to the list of eligible countries in either 2009, 2011, 2012, 2013, or 2021.⁸

Table 1 summarises our sample. Of all applicants 36 % have returned on their own within five years of their first instance asylum decision, while 9 % have returned with assistance from the law enforcement.

Close to 33 % of the cases were handed over to the police. On average it takes around 560 days for individuals to return, and individuals who applied for the cash grant return 550 days faster than non-applicants. The fact that it takes more than a year before individuals return is partly explained by the fact that most people appeal (75 %) and the appeal process takes a long time. Also, it may take time to prepare necessary travel documents and convince an individual to return.

4 Descriptive analysis of returns

In Table 2 we estimate how the probability to appeal a rejection decision and the probability to return on your own correlates with both individual characteristics as well as country level variables. The probability to appeal does not vary much with individual characteristics, although unaccompanied minors are more likely to appeal.

Women are less likely to return on their own and to be deported. Unaccompanied minors are less likely to be removed by force, which is likely due to the fact that

⁸Syria was added in 2013, but we do not include Syrian asylum-seekers in our sample since there were no expulsions to Syria following the domestic conflict, meaning that no one could be deported.

	mean	sd
Age	25.05	14.63
Woman	0.34	0.47
Unaccompanied child	0.04	0.19
Family size	2.05	1.53
Family with one or more children	0.35	0.48
Applied benefits $< 2 \text{ y}$	0.04	0.20
Granted benefits < 2 y	0.03	0.18
Appeal < 2 y	0.69	0.46
Vol return < 2 y	0.31	0.46
Own return < 5 y	0.36	0.48
Forced return < 2 y	0.05	0.22
Forced return < 5 y	0.09	0.29
Return < 2 y	0.37	0.48
Return $< 5 \text{ y}$	0.45	0.50
Days return $(\max 5 y)$	411.63	385.44
Handed to police $< 2 \text{ y}$	0.33	0.47
Detention $< 2 \text{ y}$	0.05	0.23
Processing time $(\# \text{ days})$	322.23	266.79
Decision to appeal $(\# \text{ days})$	232.93	240.02
Days return	552.41	708.88
Afghanistan	0.15	0.36
Iraq	0.13	0.34
Iran	0.04	0.20
Serbia	0.08	0.26
Albania	0.04	0.19
Kosovo	0.04	0.18
Russia	0.03	0.16
Georgia	0.02	0.16
Mongolia	0.03	0.18
Somalia	0.04	0.19
GNI per capita	9601.48	6653.81
Democracy	0.27	0.16
Conflict deaths	3912.05	8228.93

Table 1: Summary statistics, rejected applicants 2005-2021

they cannot be deported from Sweden unless there is an organized reception in the country to which the child is being deported. On the other hand single adults are more likely to be deported.

Looking at country characteristics, individuals are less likely to appeal and more likely to return on their own if the income level and degree of democracy in their

Notes: The sample consists of all rejected applications 2005-2021. *Own return* refers to return without law enforcement and *Forced return* are those returned by law enforcement. *Processing time* is the time from application to the first decision, while *Decision to appeal* shows the time between receiving the Migration Agency decision to the Migration Court decision for individuals who appealed the first decision. *Days return* is the days from the initial decision to the registered return date. *Handed to police* are all cases transferred to law enforcement.

home country is higher. This suggests that individuals are more likely to return when conditions in their home countries are better. The correlation disappears when we add country fixed effects, which can be explained by limited within-country variation in these variables. Looking at the degree of conflict, we only note that individuals are less likely to be deported during years with ongoing conflict, which is likely due to the fact that it is not legally nor physically possible to conduct such operations during intense conflicts.

Regarding the availability of the cash grant program, we observe no correlation with the probability to return. Since some countries have been eligible for the cash grant during most of our observed period there may also be limited within-country variaton in this variable. In the next section we therefore focus on examining how return behavior changes when the cash grant is introduced.

	Appeal		Own return		Forced return	
	(1)	(2)	(3)	(4)	(5)	(6)
Individual variables:						
Woman	0.007 (1.15)	0.007 (1.48)	-0.016^{**}	-0.014^{***}	-0.014^{***}	-0.013^{***}
Single	(0.012)	-0.002	-0.021	0.009	0.019***	0.019***
Age < 20	(0.04) -0.000 (-0.02)	(-0.10) (0.90)	(-1.43) -0.014 (-0.99)	-0.026** (-2.37)	(0.47) -0.004 (-1.52)	(0.00) -0.004 (-1.32)
Age > 30	0.002 (0.24)	(0.003) (0.33)	(0.009) (0.97)	(2.007) (0.007) (0.75)	-0.003 (-1.31)	-0.002 (-0.86)
Family with one or more children	-0.010 (-1.15)	-0.001 (-0.07)	-0.006 (-0.45)	-0.023** (-2.25)	-0.002 (-0.65)	-0.001 (-0.44)
Unaccompanied child	0.071^{***} (4.13)	0.068^{***} (3.78)	-0.021 (-0.94)	-0.012 (-0.90)	-0.022*** (-5.85)	-0.024^{***} (-5.13)
Country level variables:						
Conflict	0.028^{*} (1.78)	$\begin{array}{c} 0.019 \\ (0.93) \end{array}$	-0.035 (-1.03)	$\begin{array}{c} 0.012 \\ (0.65) \end{array}$	-0.019^{***} (-2.75)	-0.005 (-0.56)
GNI per capita	-0.000*** (-2.64)	$0.000 \\ (1.25)$	0.001^{***} (3.27)	$\begin{array}{c} 0.000 \\ (0.40) \end{array}$	$0.000 \\ (0.05)$	-0.000 (-0.22)
Democracy	-0.217^{***} (-3.05)	-0.034 (-0.34)	0.491^{***} (3.94)	0.203^{*} (1.66)	0.040^{*} (1.75)	0.034 (1.38)
Cash grant	$0.000 \\ (0.00)$	0.064^{*} (1.80)	-0.014 (-0.35)	$0.028 \\ (0.71)$	-0.002 (-0.29)	-0.001 (-0.12)
Year FE	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
Country FE		\checkmark		\checkmark		\checkmark
Baseline Observations	$0.69 \\ 182181$	$\begin{array}{c} 0.69 \\ 182181 \end{array}$	$\begin{array}{c} 0.35 \\ 162686 \end{array}$	$\begin{array}{c} 0.35 \\ 162686 \end{array}$	$\begin{array}{c} 0.058 \\ 162686 \end{array}$	$\begin{array}{c} 0.058 \\ 162686 \end{array}$

Table 2: Probability to appeal rejection decision and return home 2005–2021

Notes: T-statistics in parenthesis. Sample restricted to all first-time applicants whose application was rejected by the SMA 2005-2021. We remove individuals with successful appeals in column (3)-(6). We follow each individual for two years after their initial asylum application is rejected. *Conflicts* is a dummy that measures years when there were at least 100 fatalities from conflicts (including both state-based and non-state conflicts). *Democracy* is based on the Liberal democracy index, which emphasizes the importance of protecting individual and minority rights. Democracy is measured on a continuous scale from 0 to 1. *GNI per capita* gives gross national income (GNI) values expressed in current international dollars converted by purchasing power parity. *Cash grant* indicates that the program was available at the time of the rejection decision.

5 Research design effect of cash grant on return propensity

We aim to estimate the effect of being eligible for a cash grant, on the propensity to return. To achieve this, we estimate the following equation:

$$y_{itc} = \alpha + \delta_{ic} \sum_{d=-8}^{8} \beta_d + \theta_c + \theta_t + \varepsilon_{ict}, \qquad (1)$$

for individual *i* in quarter *t* from country *c*. The quarters refer to when the rejection decision is made, and all outcomes are measured within two years after the rejection decision. Hence, there is only one observation per individual. We include a dummy $\delta_i c$ for all individuals from countries that are added to the cash grant program, and estimate their outcomes two years before and after the grant is introduced. We include fixed effects for country and quarter and cluster the standard errors at the country level. The control group only includes countries that are never added to the cash grant list. Finally, we restrict the sample to individuals who are at least 18 years when they receive their initial rejection decision, since minors are unlikely to be deported.

We mainly focus on four outcomes: whether or not the individual i) applied for and was granted the cash grant, whether they ii) appealed, iii) returned on their own, or iv) by force.

Asylum-seekers can be rejected by the caseworker at SMA (first-instance) and, conditional on them appealing, by the Migration court (second-instance). We will estimate Equation 1 and present results for both of these events.

Importantly, the first and second instance rejection come with slightly different

challenges and interpretations. In the second-instance case (except in very particular and rare cases of special legal precedent), there are no further appeals to make. This means that those who received their rejection by the court in the quarters before their country was added to the list, will not have access to the cash grant program, but simply must choose between deviating or returning. Consequently, Equation 1 in this case measure the effect of being eligible for the cash grant.

However, in the case of the first instance decision, many choose to appeal the decision. As a result, also those who receive their decision in the quarter before their country is added to the list, can become eligible over time. Since the appeal process takes time, an individual can become eligible as they await the appeal verdict. In the case of the first instance decision, we therefore instead measure the effect of being informed of the cash grant before having to make the decision between appealing and deviating. These are two different comparisons, but as we will see, the results are in the end very similar.

Of course, it is not random who is eligible for a cash grant in Sweden. Rather, it is decided by the current list of eligible source countries. Although these are added according to subjective evaluations of country specific circumstances, they are only updated (at most) once a year. An assumption is, therefore, that it is as good as random if an applicant received their rejection decision just before or after their country was added to the list.

We believe that this argument is plausible in our context for the following reasons: First, as the list is decided by the operative support unit within the SMA, and then communicated internally just before the introduction, neither the case workers nor the asylum-seekers are aware of the specific revision of the program in advance. Second, while asylum-seekers decide when to submit their application, processing times are long (on average around 7 months for our sample), and asylum-seekers have essentially no means to affect the exact timing of when their decision is taken.

6 Results cash grant

We begin by considering whether eligible applicants are granted the cash assistance in Figure 1. In Figure (a), we analyse rejections in the first instance (by the caseworkers at the Migration Agency). we plot the share of granted benefits for eligible countries only. We observe an increase of about 15–30 pp for applications in the first instance. As expected, the take-up rate in the control group is not zero. This is expected as a sizeable share of the applicants on the left-hand side of the cut-off will appeal and receive a rejection on their appeal, and then decide to apply for the cash assistance. This is also why we see an increase in the share applying in the shaded grey area. In Figure (b), when we consider rejections by the Migration Court, the results are qualitatively similar, but the overall take-up rate is lower.

Figure 1: Share of granted benefits by quarter



(a) Rejection by the Migration Agency

(b) Rejection by the Migration Court

Notes: Time difference between the quarter of asylum seekers' rejection by either the Migration Agency or (if appealed) the Migration Court and the quarter their country of origin was added to the list of cash-grant eligible countries (x-axis). We measure the share that has been granted a cash grant within two years of the rejection decision. Results also available in Table ??.

Overall, and in line with previous descriptive findings (Black et al., 2011) the general take-up rate is low and a majority do not use the cash program. Furthermore, as already alluded to, we find that many variables, such as age, family size, and the tendency to appeal are remarkably similar among applicants and non-applicants (see Table 1). This suggests that other unobserved characteristics are likely to impact who chooses to use the cash grant.

In Figure 2, we estimate Equation 1 for rejected individuals in the first instance, and consider the effect on i) approved benefit applications, ii) appeals, iii) returning to the source country on your own, and iv) being deported (forced return).

The are two clear take-aways. First, we find little or no indication of any effect on either forced return, or appealing the decision. Second, there is an imprecisely estimated positive effect on returning on your own. If we compare those rejected the following 2–3 quarters after their country was added to the list, around seven percentage point more of returned on their own compared to those receiving their first instance decision 2-8 quarters before the addition of their country to the list. As expected, also those rejected the quarter before their country was added to the list return to a slightly higher degree, as many of these will appeal and learn of the program later in time.

Furthermore, in Figure 3 we consider rejected in the second instance (Migration Court). In this case we focus on returning on your own, and we, again, find an imprecisely estimated increase of around seven-eight percentage points just after the country is added to the list.



Figure 2: Application rejected by the Migration Agency

Notes: Time difference between the quarter of asylum seekers' rejection decision and the quarter their country of origin was added to the list of cash-grant eligible countries (x-axis). All outcomes are measured within two years of the rejection decision. The sample is restricted to applicants age 18 and above. Standard errors clustered at the country level. Results also available in Table ??.



Notes: Time difference between the quarter of asylum seekers' rejection decision and the quarter their country of origin was added to the list of cash-grant eligible countries (x-axis). All outcomes are measured within two years of the rejection decision. The sample is restricted to applicants age 18 and above. Standard errors clustered at the country level.

6.1 Heterogeneity by origin country characteristics

Economic theory predicts an increased return rate with cash upon return, which we have demonstrated evidence of in the previous section. However, the effect is likely to be conditioned by contextual factors in the home country.

We test three such factors in Figures 4 and 5. We consider the income level, the level of democracy, and the existence of ongoing conflicts. For all three variables we split the sample in two: above and below median in terms of income and democracy, and the existence of conflicts with more than 100 casualties or not. We focus on own return and granted cash grants after the first instance decision.

With regards to democracy and conflicts, the results are in line with expectations, as the cash grant primarily increases return to countries who are relatively more democratic and with fewer conflicts. Put differently: economic incentives seem ineffective to increase return to relatively less safe dictatorships.

The analyses on GNI show that the cash grant primarily increases return to relatively poorer nations. One reason can be that 30,000 SEK simply is worth more in poorer countries.



Figure 4: Heterogeneity by democracy and income level

Degree of democracy

Notes: Time difference between the quarter of asylum seekers' rejection decision and the quarter their country of origin was added to the list of cash-grant eligible countries (x-axis). All outcomes are measured within two years of the rejection decision. The sample is restricted to applicants age 18 and above. The treated sample is divided into countries above and below the median depending on the country characteristic the year the country is added to the cash grant program. We do not split the control group and use the full group in both estimations. Standard errors clustered at the country level.





Conflict level

Notes: Time difference between the quarter of asylum seekers' rejection decision and the quarter their country of origin was added to the list of cash-grant eligible countries (x-axis). All outcomes are measured within two years of the rejection decision. The sample is restricted to applicants age 18 and above. Standard errors clustered at the country level. Results also available in Table ??.

7 Conclusion

The return of rejected asylum seekers is a policy challenge in many countries. We examine rejected asylum seekers in Sweden, and provide descriptive evidence of which rejected applicants ultimately return.

We find that the overall return rate is low, around 36 percent return on their own within five years. We find that women and families with children are more likely to return, while there are also large differences between countries. Intuitively, individuals from countries with better economic standards, fewer conflicts and better scores on democratic indexes return to a higher degree.

Next, we investigated to what extent a commonly used non-coercive return policy — namely cash grants conditional on return — affects the return behaviour of rejected asylum-seekers. Since the grant is equivalent to an expected increase in home country consumption, economic theory dictates that the rate of return will increase. However, if the preference against returning is strong enough, the demand to live and consume *anywhere but in the home country* may be almost completely inelastic.

The main conclusion is that the introduction of the grant weakly increased the share who returned on their own, while we see no detectable change in the share who were returned by force (deported). Consequently, the compound outcome is a positive effect on return by any means (within two-five years).

A final result, in line with descriptive findings in other settings (Black et al., 2011), is the low take-up rate of the program. Despite being eligible, a great majority do not apply for the cash grant. Why so few choose the program is an important question we can only speculate about. Our leading hypothesis is that economic incentives may be insufficient as a tool for return among many in the group of rejected asylumseekers, due to considerable preferences against returning. Another, complementary hypothesis, is that trust in the relevant institutions is not high enough. Returning due to a cash grant requires individuals to trust that they will in fact receive the money upon return. It is not unlikely that many lack that trust to the relevant institutions. Finally, we cannot fully rule out that some simply did not know about the cash grant. Since the Migration Agency routinely informs about the cash grant, we expect this to be a minor part of the story.

Some caveats with this study are important to keep in mind. First, most of the individuals in our data come from countries with a low recognition rate (i.e. relatively safer countries). Cash-upon return is likely to have an even smaller impact on returns for individuals arriving from countries with severe ongoing conflicts. Second, we don't have any (usable) variation in the *size* of the cash grant. We cannot rule out that the cash grant simply needs to increase in order to be viewed as an attractive option for more asylum-seekers. However, increasing the size of the lump-sum transfer may cause incentives for applicants with unfounded claims to come to the country to collect the grant. At least at the current grant levels, we observe no direct signs of adverse selection. Third, the return behavior is likely affected by the conditions for undocumented migrants in the specific country. We expect our estimated effects on return behaviour to be externally valid for countries with less (but not more) inclusive polices for undocumented migrants.

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Appendix: Economic incentives and the return of rejected asylum-seekers

A.1 Data

Our data set was compiled by the Swedish Migration Agency (SMA), and consists of the universe of asylum applications 2005–2019. We restrict the estimation sample to applications that were rejected at the initial level (SMA) and are not unaccompanied minors. We then restrict the sample to countries that were added to the eligibility list each year (in 2009, 2011, 2012 and 2013). If the same individual has applied for asylum on multiple occations, we only keep the first observation. Likewise, when we add information about appeals and returns, we only keep the individuals' first observation in case they have multiple ones. Our estimation uses different date thresholds during these four years (depending on when the list was updated), and we take out all applications where the initial decision occurred at most 1 year before or after the cutoff. We then pool the four sub-samples.

We are excluding the countries that were added to the list when the program started in 2007 and in the 2008 revision. During the first months of the program almost no one applied (Statskontoret, 2010), and according to staff at the SMA there were delays in implementing the program. Hence, there is not a clear cut-off date for us to use in 2007. In 2008 applicants from Gaza were added to the list, but unfortunately they are coded together with other nationless applicants, and can thereby not be distinguished in our data. We further exclude Syrian asylum-seekers from the 2013 sample since the recognition rate for Syrians was close to 100% in 2013 and there were no expulsions to Syria following the domestic conflict, implying that it was not possible to execute a forced return. For the same reason, we exclude stateless individuals from Palestine, since a large share of this group were under the protection of The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) in Syria.

Note that in some cases only individuals returning to a specific region within a country where eligible for the cash grant. This was the case for Angola (only Cabinada), Russia (only Chechnya, Ingushetia, and Dagestan), Kosovo (only ethnic Albanians returning to the north of Kosovo or Strptce, and ethnic Serbians returning to the north of Kosovo), and Kyrgyzstan (only Jalal-Abad and Osh). We lack information about individuals' ethnicity and thereby define treatment based on the country of origin.

A.2 Institutional background figures



Figure A1: Third country nationals ordered to leave the EU

Notes: Number of third country nationals ordered to leave the EU-27, and the number who returned following an order to leave. Source: Eurostat (2020).

Figure A2: Number of asylum-seekers and recognised refugees in Sweden, years 1984-2018



Notes: All first instance applications for asylum in Sweden. The numbers for 1984–1986 are scaled up with 10 percent according to recommendations from the Swedish Migration Agency. # Recognised refugees include all types of refugee-type residence permits, including subsidiary protection, humanitarian grounds, and convention refugees, but excluding quota refugees. Due to processing time applications are not always decided on the same year they are submitted. Source: Swedish Migration Agency.



Figure A3: Stages in the asylum-seeking process

Notes: Overview of the Swedish asylum process. Note that we have not depicted the possibility to appeal the decision from the Migration Court to the Supreme Migration Court, since it is extremely rare (less than 1 % of all appealed cases) for them to revert a ruling.

A.3 Tables

Country	Rec. rate	Overall rec. rate	Added	# rejected cases
Eritrea	0.68	0.80	2009-11-01	146
Guinea Bissau	0.11	0.10	2009-11-01	4
South Sudan	0.50	0.50	2012-02-01	1
Sudan	0.34	0.42	2009-11-01	59
Tchad	0.22	0.14	2009-11-01	4
Rwanda	0.23	0.23	2009-11-01	5
Yemen	0.28	0.64	2009-11-01	127
Burundi	0.22	0.57	2009-11-01	81
Mali	0.20	0.11	2009-11-01	5
Uganda	0.15	0.49	2009-11-01	78
Guinea	0.09	0.13	2009-11-01	45
Niger	0.07	0.07	2009-11-01	3
Russia	0.09	0.18	2009-11-01	996
Angola	0.06	0.10	2009-11-01	18
Kosovo	0.05	0.04	2009-11-01	1355
Ivory Coast	0.05	0.13	2009-11-01	41
Libya	0.05	0.06	2013-07-04	44
Kyrgystan	0.02	0.05	2011-06-01	582
Liberia	0.00	0.11	2009-11-01	18
Sierra Leone	0.06	0.19	2009-11-01	35
Togo	0.00	0.07	2009-11-01	10
Total	0.22	0.48		
Observations	8576	81656		3583

Table A1: Countries added to list 2009, 2011, 2012 and 2013 $\,$

Notes: Sample restricted to applications rejected by the first instance within a year before/after the cutoff. We give a description of the recognition rate in our sample (column 2), the general recognition rate between 2005-2019 per country (column 3), date of addition to the list (column 4) and the number of individuals per country in our sample (column 5).