NORDEFCO

Peter Bäckström, Senior Researcher, PhD. 2024-09-25

Empirical Studies of Military Veterans on the Civilian Labour Market



In summary

- We present novel evidence on the effect from military peace keeping on future earnings and (other) labour market outcomes
- We use administrative data and follow Swedish military veterans deployed in the 1990s and 2000s for up to 20 years after return home
- We use quasi-experimental methods to assess the causal effects of deployment
- Our result show that veterans, on average, do well on the civilian labour market after return home



Research question

- Sweden has a long history of contributing to international peace operations
- Swedish studies highlight the physical and mental well-being of deployed military veterans
- However, no previous Swedish studies focus on labour market outcomes
- Main research question: What are the long-run labour market consequences of deployment to a peace mission?

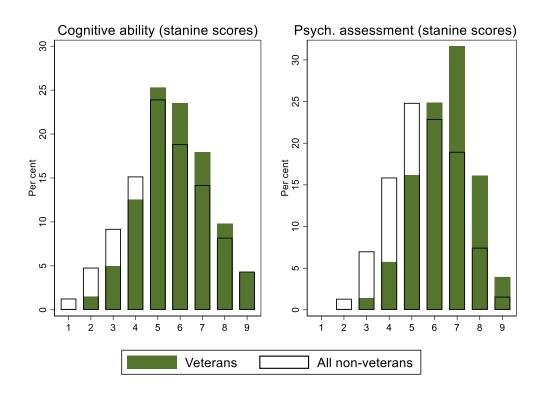


The data

- Military personnel records combined with rich administrative data
- Study population: Swedish conscripts that underwent enlistment testing 1990-2010
- Treatment is defined as deployment to an international military peace mission at some point 1993-2010
- The full sample consists of around 11 000 treated individuals and 350 000 untreated individuals
- Annual information on labour market outcomes (e.g. earnings, unemployment, disability pension) up until 2019



Empirical challenge



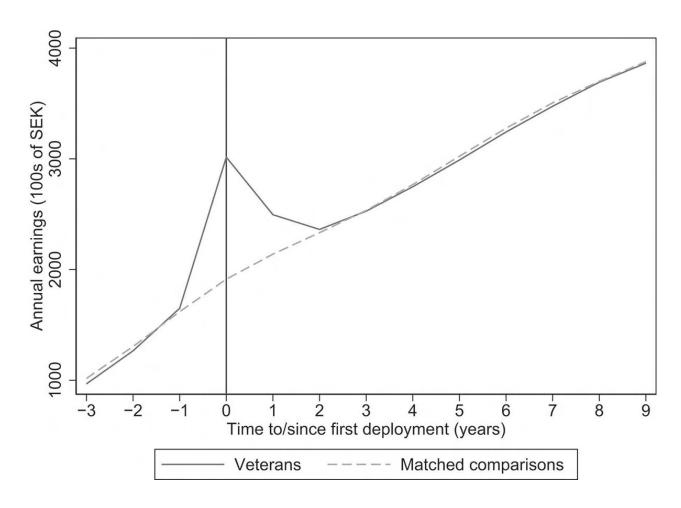


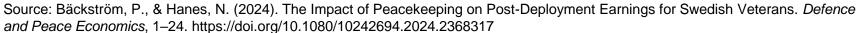
Research design

- Quasi-experimental design to assess the causal impact from deployment
- We identify a comparison group that is as similar as possible to the treatment group in terms of pre-deployment (baseline) characteristics
- The comparison group is constructed by means of propensity score matching among non-veteran conscripts from the same birth-cohort
- Labour market outcomes for this comparison group represent veterans' counterfactual outcomes.



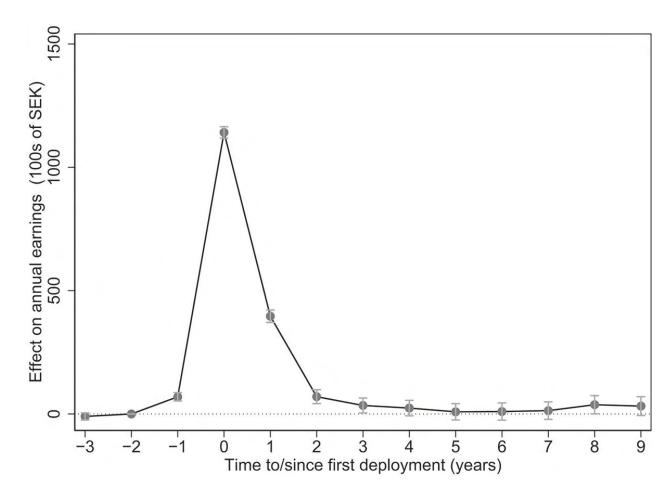
Results: Real annual earnings for veterans and matched comparisons

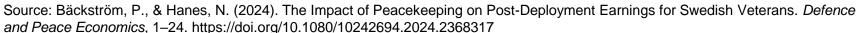






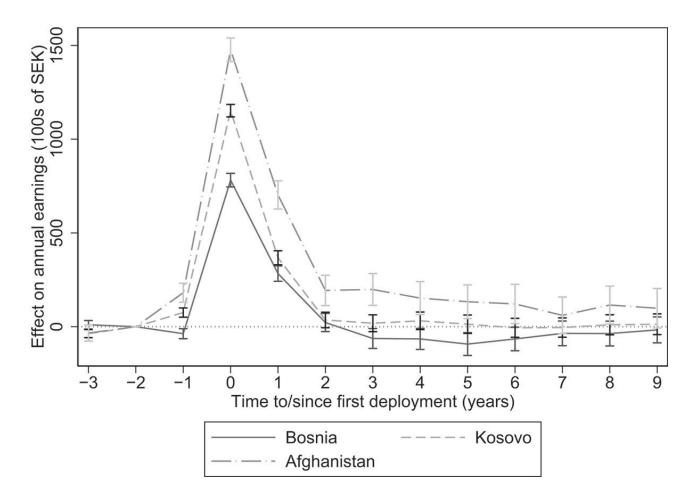
Results: The estimated effect of deployment on real annual earnings

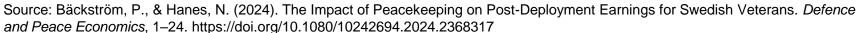






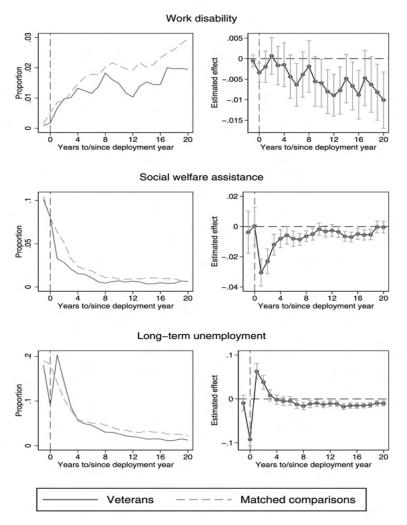
Results: The estimated effect of deployment on real annual earnings, across missions







Results: labour market outcomes for veterans deployed to Bosnia in the 1990s





Conclusions

- Swedish veterans, on average, perform well on the labour market after returning home
- Effects, however, tend to vary over sub-groups of veterans
- The overall results are in line with previous studies that highlight the well-being of Swedish peace veterans
- The absence of adverse effects is likely to be connected to active selection, as well as pre-deployment training and postdeployment support
- Findings are conditional on the specific circumstances that these veterans found themselves in during deployment



Thank you!

