The Political Economy of European Asylum Policies

Marcus Drometer, Martina Burmann and Romuald Méango

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Motivation

- Asylum policies are partly determined by political economy factors
- Dustmann et al. (2016): "the different exposures to refugee inflows and the lack of any effective European-level mechanism to 'spread the burden' of hosting refugee populations, led many countries to implement procedures aimed at reducing inflows into their territories."

- Little empirical evidence on the precise linkages between those political factors and asylum policies

- **Our research question:** To which extent are asylum policies (first-time asylum applications) determined by political factors, i.e., elections and parties.

Pre- vs. post-election politics

Two counter-acting forces:

- Ideological parties benefit from implementing favored policies
- Electoral incentives force parties to implement moderate policies

Predicted pattern:

Convergence of asylum policies (as measured by the number of applicants) before the election and divergence of asylum policies after the election

Literature

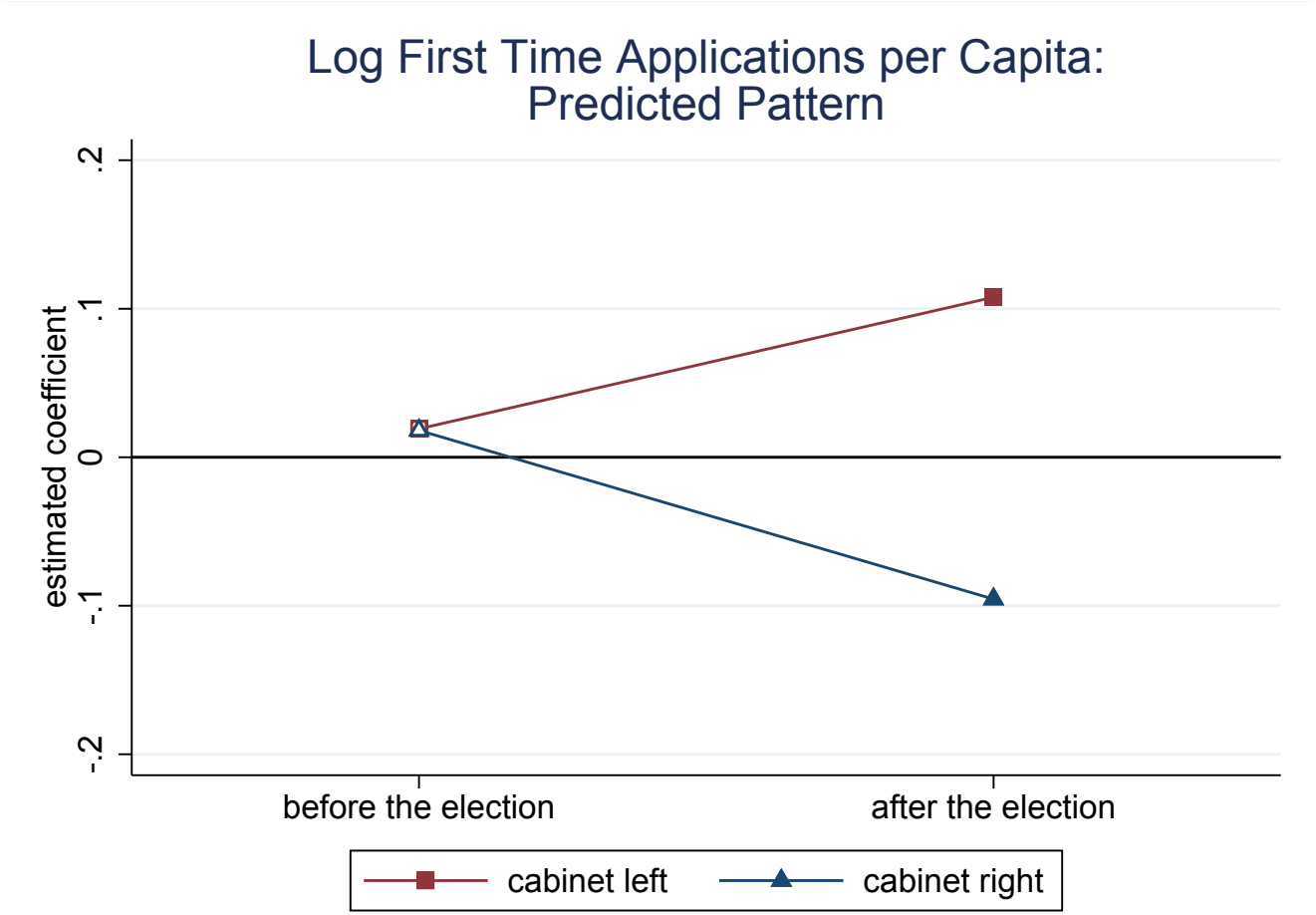
- **Asylum policies:**

  Hatton (2005, 2009, 2016), Gudbrandsen (2010), Neumeyer (2004, 2005), Toshkov (2014)

- **Electoral cycles:**

  Nordhaus (1975), Hibbs (1977), Alesina, Roubini and Cohen (1997), etc.

Preview of the Results



Estimation approach

$$\mathbf{Y_{ijt}} = \alpha_1 \mathbf{O_{it}} + \alpha_2 \mathbf{D_{jt}} + \alpha_3 [\mathbf{Q_{j.}} * \mathbf{C_{jt}}] + \tau_t + \sigma_{ij} + \varepsilon_{ijt}, \quad (1)$$

- $\mathbf{Y_{ijt}}$ is a measure of migration policy (log of the number of first-time asylum applications per capita by citizens of origin country i in destination country j at time t)
- $\mathbf{Q_{j.}} := Q_{j,bef}, Q_{j,aft}$ is set of dummies for before and after the election
- $\mathbf{C_{jt}}$ is a set of dummies for the ruling cabinet's position on a left-right scale (omitted category center)
- $\mathbf{O_{it}}$ are time variant origin specific variables (Political Terror Scale, Freedom House Index, number of battle deaths and real GDP per capita)
- $\mathbf{D_{jt}}$ are time variant destination variables (real GDP per capita, unemployment rate)

Data

Panel of 12 big European destination countries and their 51 most relevant origin countries during the time period 2002 to 2014.

- Quarterly origin-specific first-time asylum applications from Eurostat
- Election outcomes and party positions from the Parlgov database
- Origin and destination specific control variables from Eurostat, World Penn Tables, Freedom House, UCDP, etc.

Identification

Identifying assumption:
Timing of elections is exogenous to the migration flow

- usually the election date is determined by the electoral cycle
- in all cases of early elections there is no idication that the inflow of migrants is in any way related to the decision to call early elections

$\rightarrow$ Our estimates are likely to identify the causal effect of the electoral period on the admission of refugees

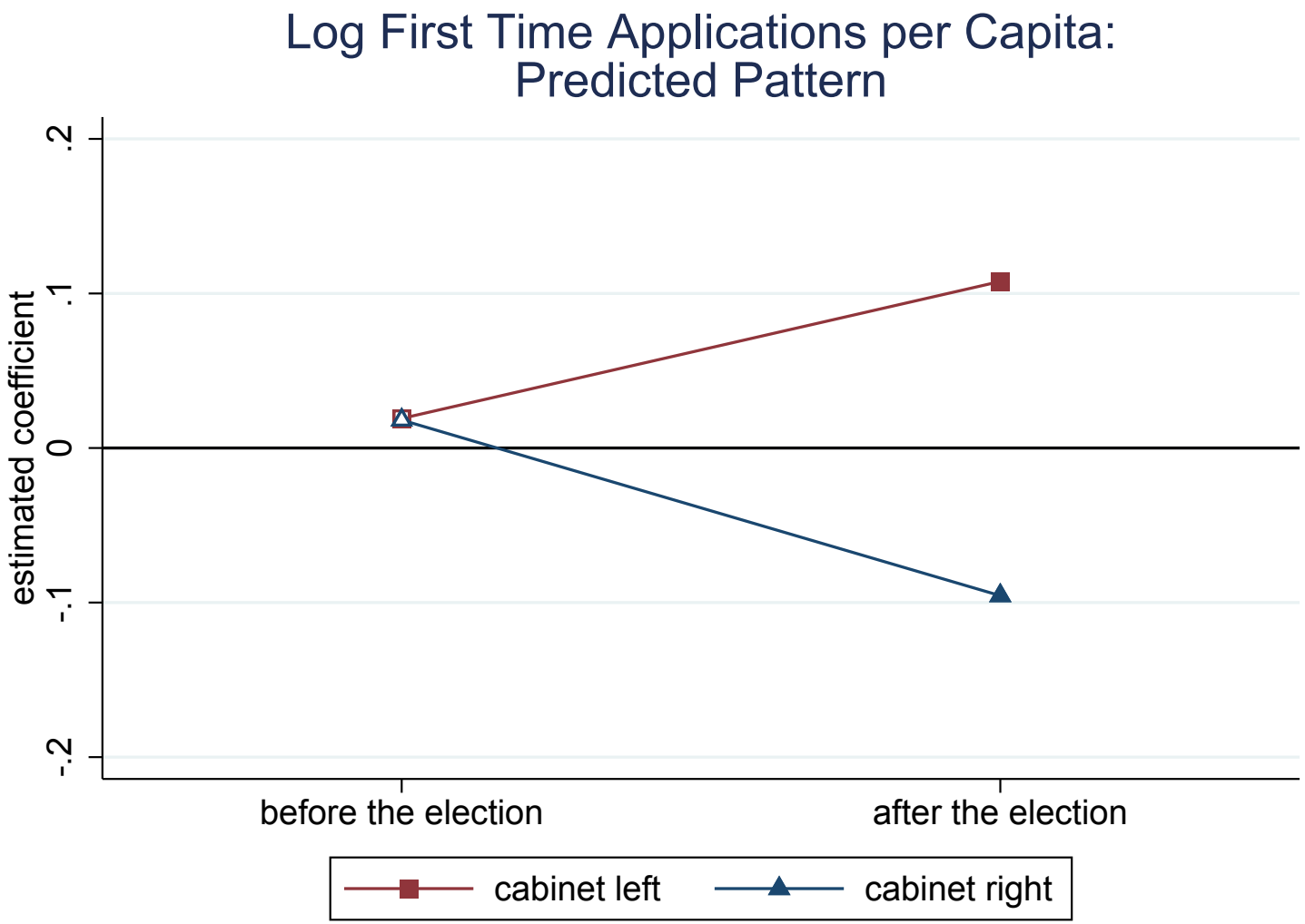
Our interpretation:
Governments adjust asylum policies

Identification

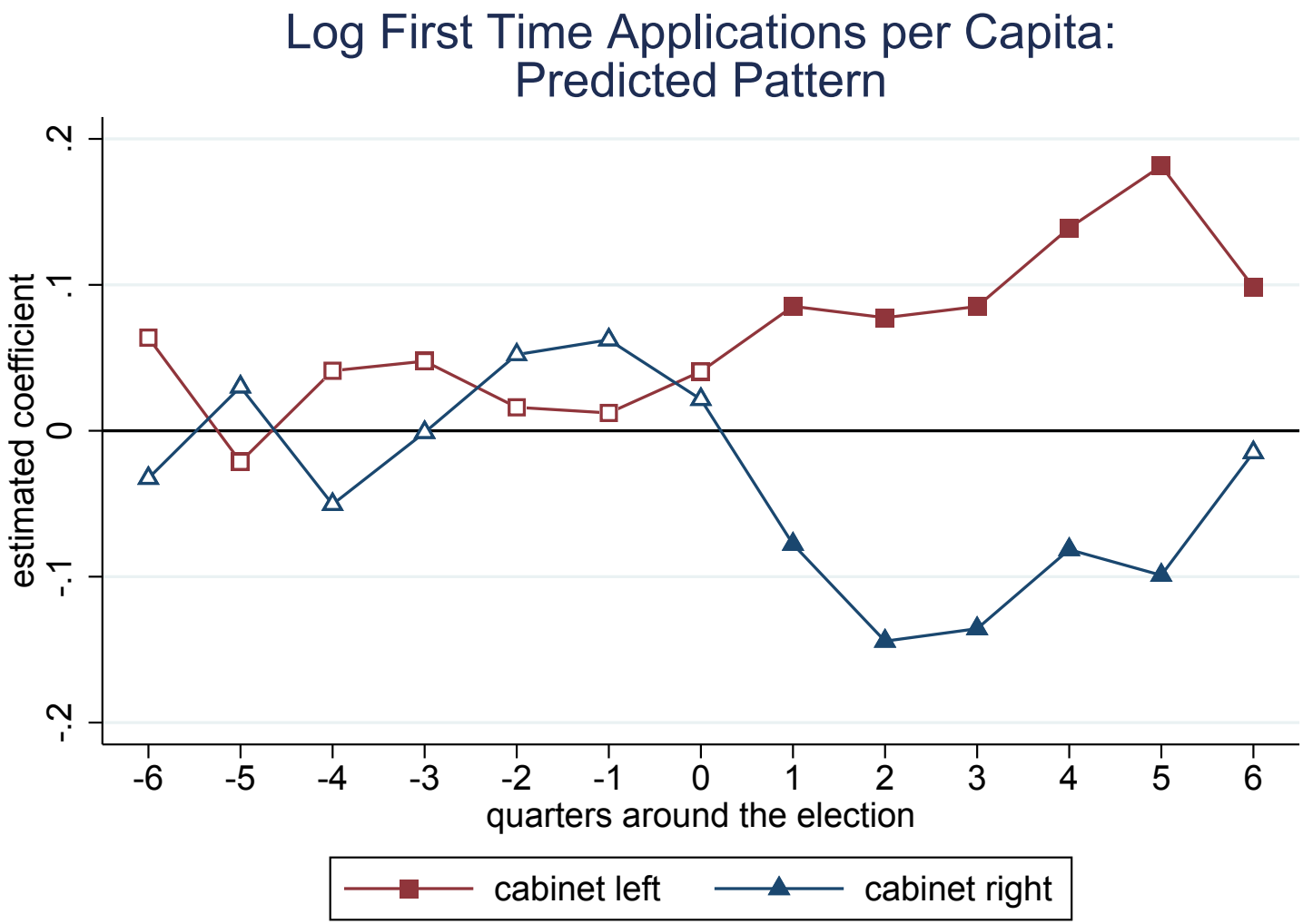
However, due to confounding factors the underlying mechanism is difficult to identify

- Omitted variable bias
- Reverse causality
- Separation of supply and demand side effects

Results for the before-after model



Results for the quarterly model



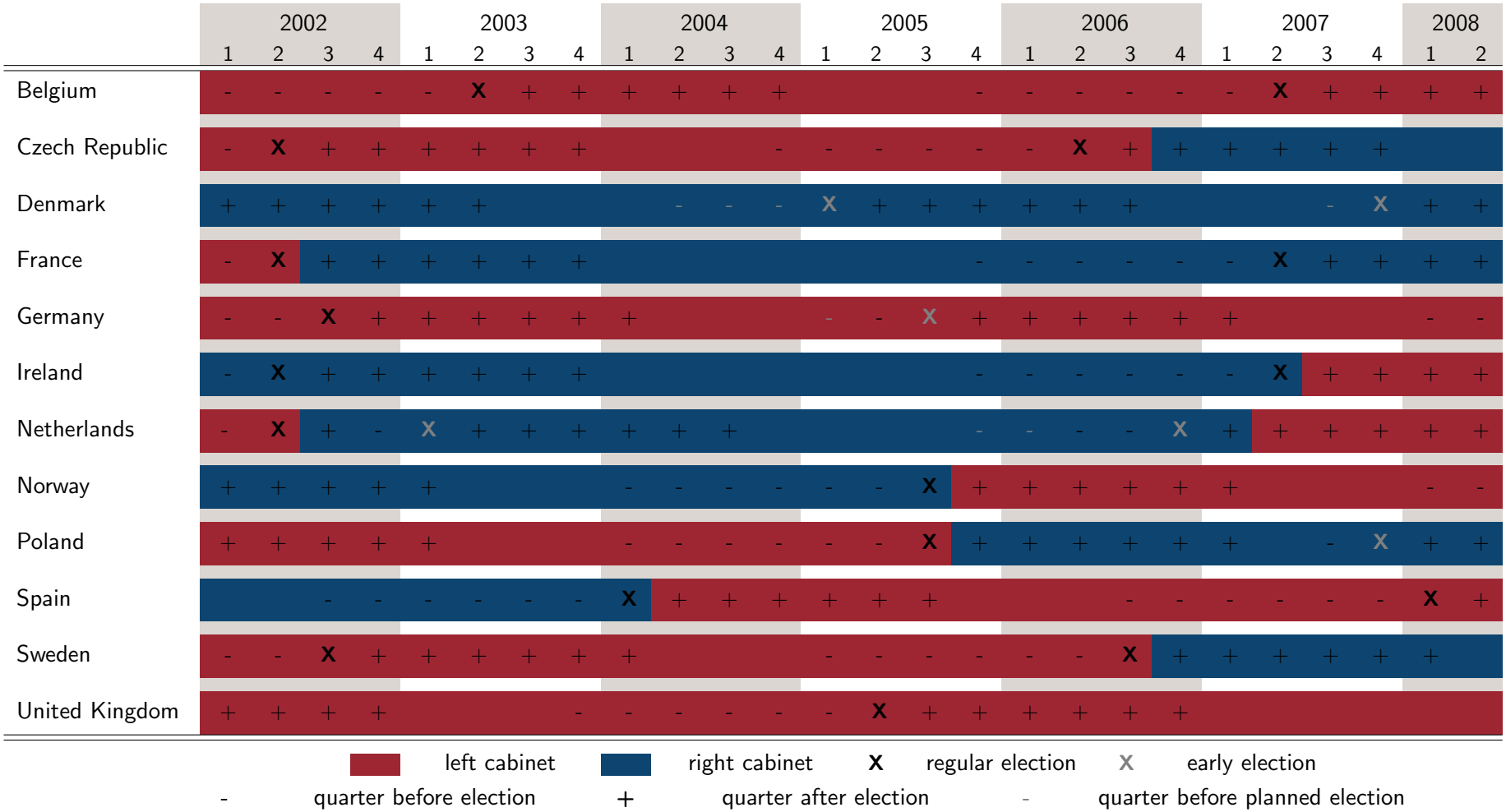
Robustness Checks

- using different fixed effects
- controling for past asylum applications per capita
- clustering the standard errors on the destination-origin level
- including a dummy for the incumbent's cabinet position
- including a post 2007 dummy to account for changes in the data collection method by Eurostat
- looking only at five or four quarters around the election
- using different methods of computing the cabinet position dummies (left and right)
- ...

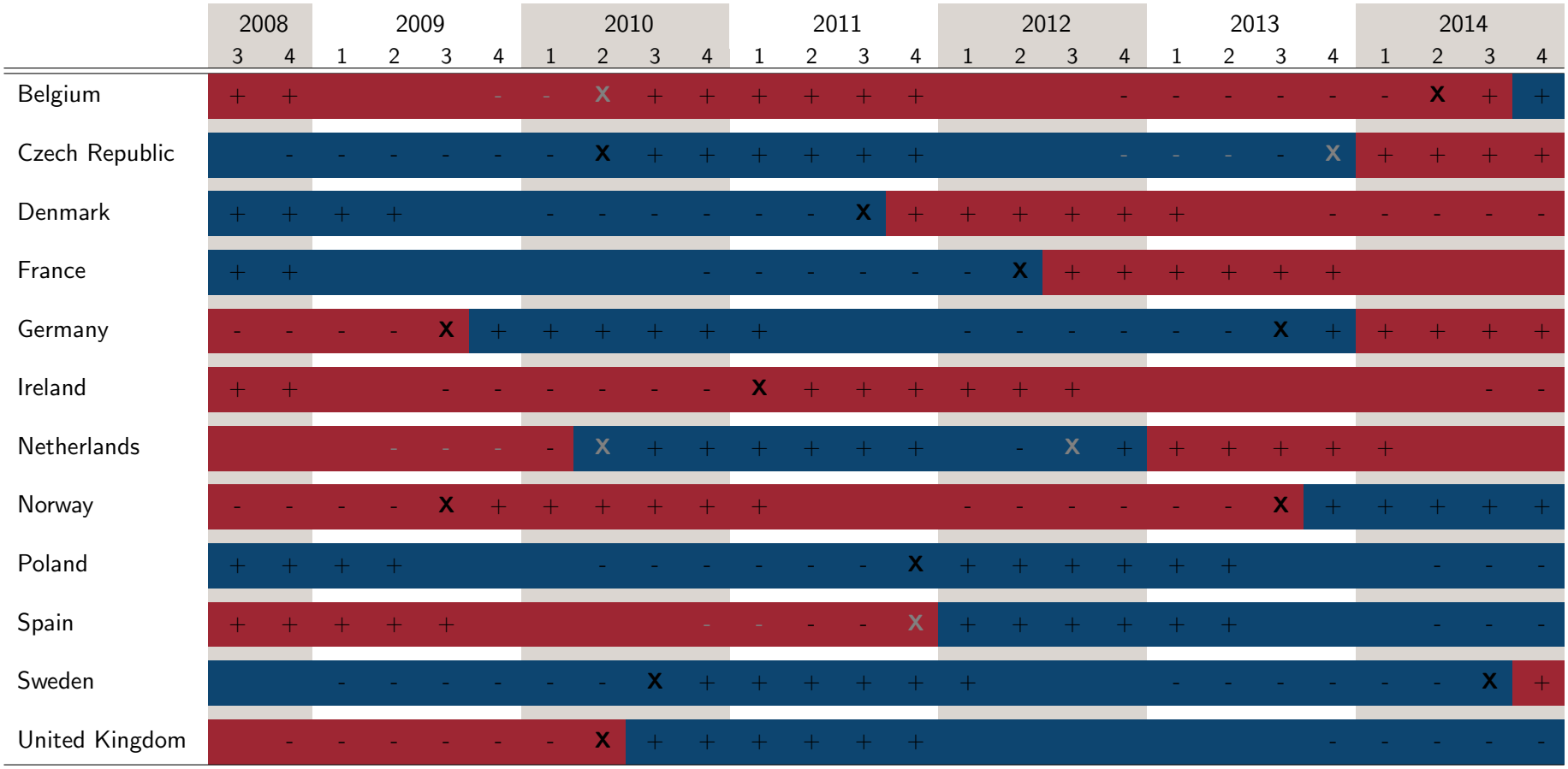
Conclusion

- Our findings suggest that European asylum policies are affected by the electoral cycle and the identity of incumbent parties
  - i) before an election, the inflow of refugees is very similar across left and right cabinets;
  - ii) in the quarters following an election, the inflow of refugees diverges substantially, with significantly less asylum applicants under a right-wing cabinet
- Outlook
  - Look at asylum decisions
  - Use an index of asylum policies as dependent variable to find out more about the channels

Elections and cabinets I



Elections and cabinets II



Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Quarterly fist-time asylum applications	23705	114.18	338.11	0	15330
Quarterly first-time asylum applications per 100,000 inhabitants	23705	.57	2.18	0	112.55
Number of elections per destination country	23705	3.45	.81	2	5
Number of cabinet changes per destination country	23705	1.83	.87	1	4
Left-right position of the cabinet	23705	5.57	1.52	2.77	8.22
Political Terror Scale	23705	3.34	.93	1	5
Civic Liberty (FHI)	23705	4.58	1.45	2	7
Political Rights (FHI)	23705	4.87	1.7	1	7
Quarterly civil war battle death (000s)	23705	.22	.87	0	15.09
Yearly real GDP per capita at origin	23705	6440.79	5270.3	336.8	24039.13
Distance from origin to destination	23705	4395.18	2167.79	454	9680
Migrant stock in 2000/1	23705	16452.49	74737.36	0	1272000
Quarterly real GDP per capita at destination	23705	8718.8	3206.1	1557.45	18047.84
Quarterly unemployment rate at destination	23705	7.76	3.93	2.4	26.9

Destination countries

Destination country	# of first-time applications
Germany	704450
France	629288
United Kingdom	470960
Sweden	445525
Belgium	184200
Netherlands	167055
Norway	113545
Poland	89680
Denmark	59440
Spain	56227
Ireland	47070
Czech Republic	35370

Top 10 origin countries

Source country	Share of first-time applications	Cumulative share
Russia	7.0%	7.0%
Iraq	6.9%	13.9%
Syria	6.1%	20.0 %
Afghanistan	5.2%	25.2%
Somalia	4.6%	29.8%
Iran	3.4%	33.1%
Turkey	3.4%	36.5%
Eritrea	3.3%	39.8%
Serbia	3.0%	42.9%
Democratic Republic of Congo	2.8%	45.6%

Regression Table I

	(1)	(2)	(3)
Political Terror Scale	0.399***	0.400***	
	(0.0703)	(0.0697)	
Civic Liberty (FHI)	0.174	0.175	
	(0.132)	(0.131)	
Political Rights (FHI)	0.0472	0.0486	
	(0.0753)	(0.0752)	
Quarterly civil war battle death (000s)	0.190***	0.188***	
	(0.0236)	(0.0234)	
Log origin country real GDP per capita	-0.659***	-0.661***	
	(0.165)	(0.163)	
Log migrant stock in 2000/1	0.263***		0.263***
	(0.0210)		(0.0210)
Log distance from origin to destination	-0.608*		-0.613*
	(0.298)		(0.296)
Log destination country real GDP per capita	-1.404**	-1.479**	-1.146*
	(0.490)	(0.441)	(0.465)
Quarterly unemployment rate at destination	-0.0731***	-0.0743***	-0.0715***
	(0.0114)	(0.0108)	(0.0116)
Observations	23705	23705	23705
Adjusted R^2	0.444	0.176	0.447
Fixed Effects	O	D x O	O x T
Destination dummies	Yes	No	Yes
Quarter-Year dummies	Yes	Yes	No

Standard errors in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Regression Table II

	(1)	(2)	(3)
Cabinet position left * Before the election	0.0207	0.0191	0.00933
	(0.0262)	(0.0261)	(0.0269)
Cabinet position left * After the election	0.116***	0.108***	0.111***
	(0.0228)	(0.0212)	(0.0229)
Cabinet position right * Before the election	0.0159	0.0181	0.0191
	(0.0249)	(0.0234)	(0.0247)
Cabinet position right * After the election	-0.101***	-0.0955***	-0.101***
	(0.0242)	(0.0230)	(0.0240)
Observations	23705	23705	23705
Adjusted R^2	0.444	0.176	0.447
Fixed Effects	O	D x O	O x T
Destination dummies	Yes	No	Yes
Quarter-Year dummies	Yes	Yes	No

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