The political economy of European asylum policies

Marcus Drometer, Martina Burmann and Romuald Méango

Ifo Institute MEA

12 December 2017

ifo Christmas Conference

Why is the research question interesting?

Dustmann (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."

Our research question

To which extent are asylum policies (applications and recognition rates) 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

Previous 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.

Our findings

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

Estimation approach

Main equation

$$Y_{ijq} = \alpha_1 \mathbf{O_{iq}} + \alpha_2 \mathbf{D_{jq}} + \alpha_3 [\mathbf{Q_{j.}} * \mathbf{C_{jq}}] + \tau_q + \sigma_{ij} + \varepsilon_{ijq}, \qquad (1)$$

- Y_{ijq} 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 in quarter q)
- $\mathbf{Q_{j.}} := Q_{j,bef}, Q_{j,aft}$ is set of dummies for before and after the election
- $\mathbf{C_{jq}}$ is a set of dummies for the ruling cabinet's position on a left-right scale (omitted category center)
- $\mathbf{O_{iq}}$ are time variant origin specific variables (political terror scale, Freedom House Index, number of battle deaths and real GDP per capita)
- $\mathbf{D_{jq}}$ are time variant destination variables (real GDP per capita, unemployment rate)

Identification

Identifying assumption:

Timing of elections is exogenous (all early elections excluded)

→ We measure the causal effect of the electoral cycle on asylum policies

Our interpretation:

Governments adjust asylum policies

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

- Omitted variable bias (control for past asylum applications and average past dyadic acceptance rate)
- Separation of supply and demand side effects
- Reverse causality

Data

Panel of 11 European destination countries and their 38 most relevant origin countries during the time period 2009 to 2016.

Applications and acceptance rates

Eurostat provides monthly origin-specific first-time asylum applications, quarterly aggregate outcomes of claims, and type of status obtained (full refugee status or some form of temporary protection).

Election outcomes and party positions

Parlgov database classifies all governments according to a left-right scale and as regards their stance on immigration.

Control variables

Eurostat, World Penn Tables, Freedom House, UCDP, etc.

Asylum applications: Controls

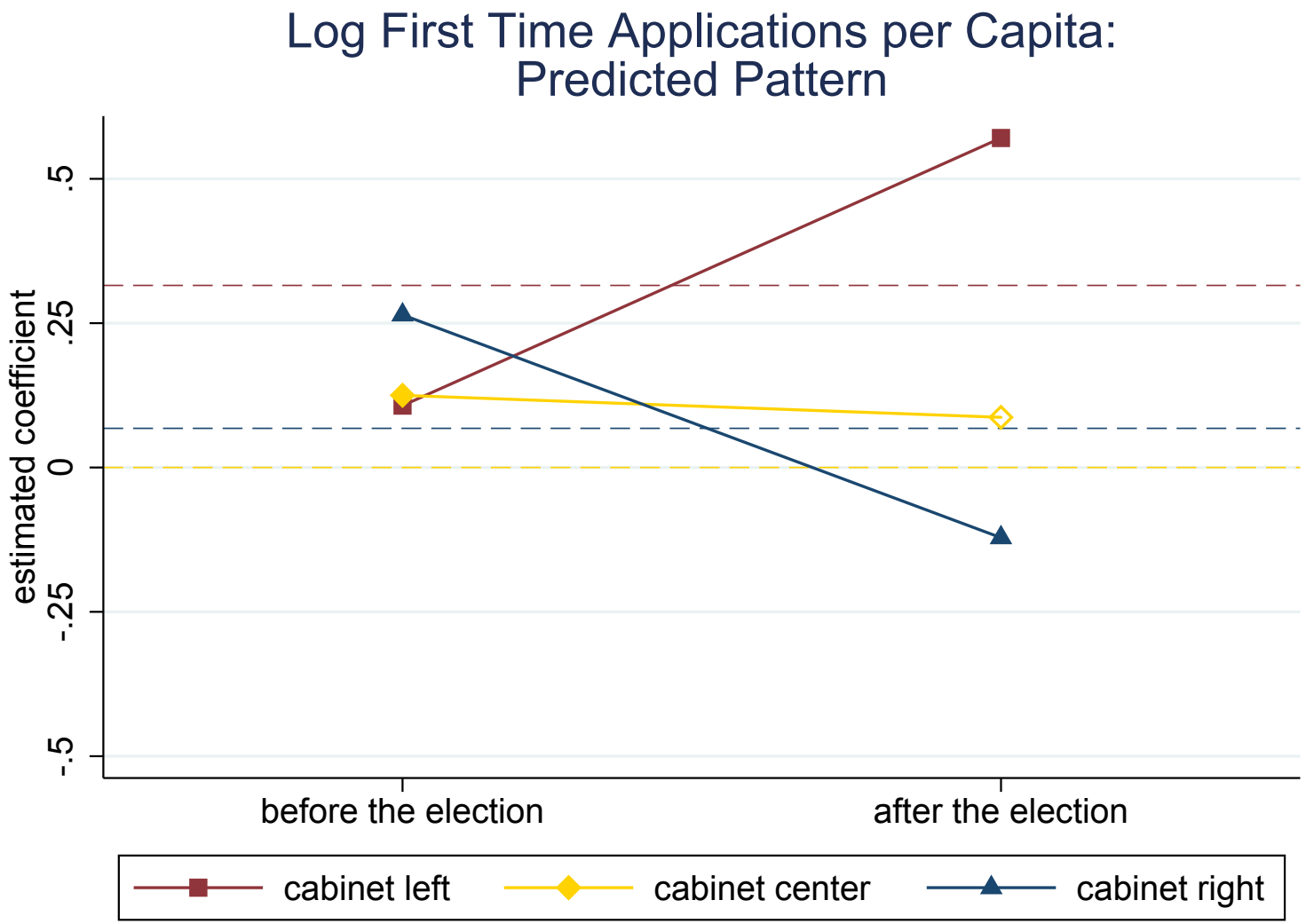
	(1)	(2)	(3)
Dependent variable:	Applications (log)		
Political Terror Scale	0.435**	0.445***	
	(0.124)	(0.123)	
Civic Liberty (FHI)	-0.149	-0.151	
	(0.127)	(0.129)	
Political Rights (FHI)	-0.00325	0.0134	
	(0.0705)	(0.0743)	
Battle death (000s)	0.0260***	0.0278***	
	(0.00367)	(0.00335)	
Log origin country real GDP per capita	-0.326	-0.388*	
	(0.177)	(0.170)	
Log migrant stock in 2000/1	0.237***		0.237***
	(0.0347)		(0.0347)
Log distance from origin to destination	0.622		0.629
	(0.646)		(0.647)
Log destination country real GDP per capita	0.835**	0.974***	0.770**
	(0.248)	(0.262)	(0.240)
Unemployment rate at destination	-0.0829***	-0.0824***	-0.0797***
	(0.0176)	(0.0175)	(0.0171)
Average past dyadic acceptance rate	0.389	0.274*	0.414
	(0.209)	(0.111)	(0.214)
Log average past asylum applications at destination	0.758***	0.751***	0.801***
	(0.0869)	(0.0838)	(0.0887)
Observations	9432	9432	9432
Adjusted R^2	0.336	0.224	0.330
Fixed Effects	O	D x O	O x T
Destination dummies	Yes	No	Yes
Quarter-Year dummies	Yes	Yes	No

Asylum applications: Coefficients of interest

Dependent variable:	(1)	(2)	(3)
	Applications (log)		
Cabinet left	0.316***	0.315***	0.309***
	(0.0848)	(0.0850)	(0.0836)
Cabinet right	0.0670	0.0679	0.0524
	(0.0799)	(0.0802)	(0.0745)
Cabinet left	-0.204***	-0.208***	-0.205***
x Before election	(0.0423)	(0.0410)	(0.0416)
Cabinet left	0.257***	0.255***	0.258***
x After election	(0.0394)	(0.0391)	(0.0394)
Cabinet center	0.124*	0.125*	0.118*
x Before election	(0.0530)	(0.0533)	(0.0530)
Cabinet center	0.0811	0.0870	0.0708
x After election	(0.0537)	(0.0524)	(0.0553)
Cabinet right	0.192***	0.196***	0.195***
x Before election	(0.0404)	(0.0409)	(0.0417)
Cabinet right	-0.189**	-0.189**	-0.183**
x After election	(0.0581)	(0.0572)	(0.0565)

Asylum applications, yearly

R3: Exclude current refugee crisis - Model 1



Asylum applications, quarterly

R3: Exclude current refugee crisis - Model 2

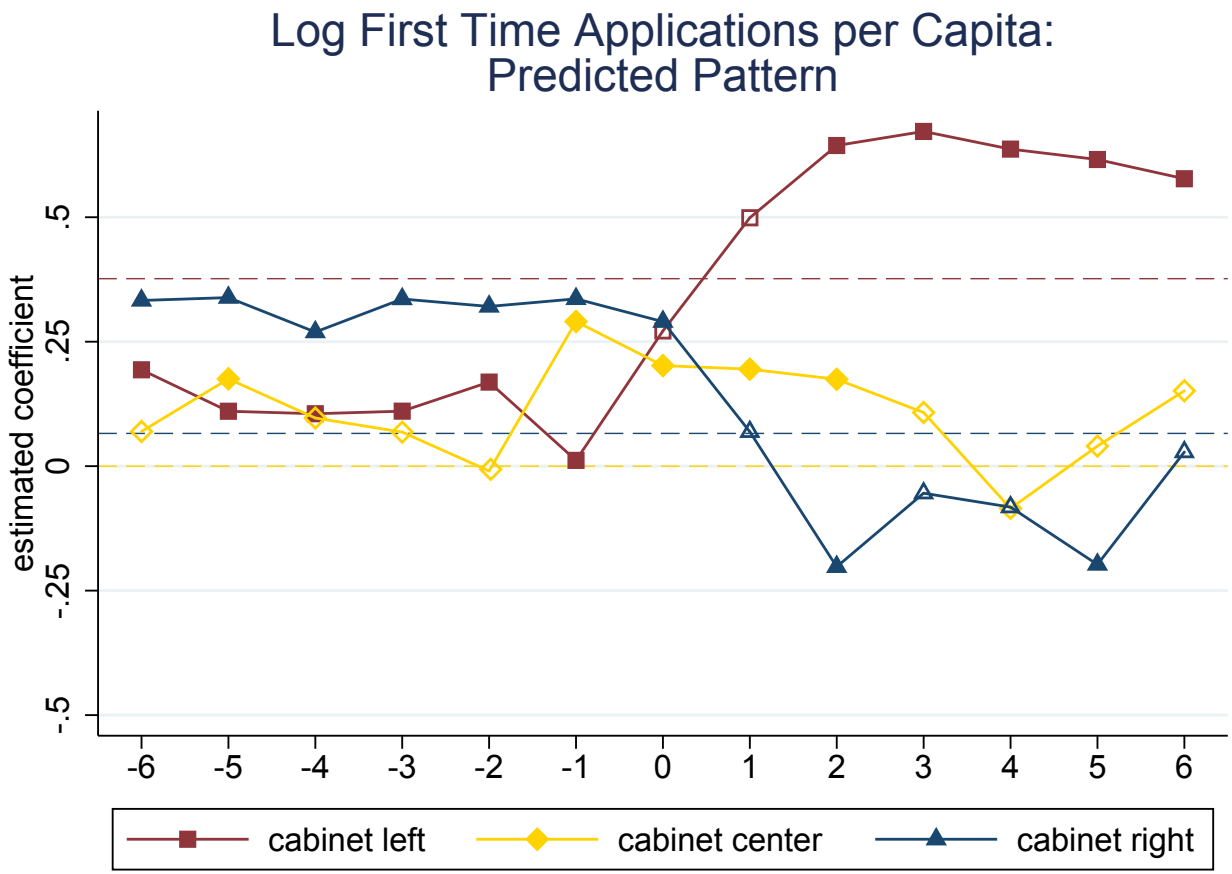
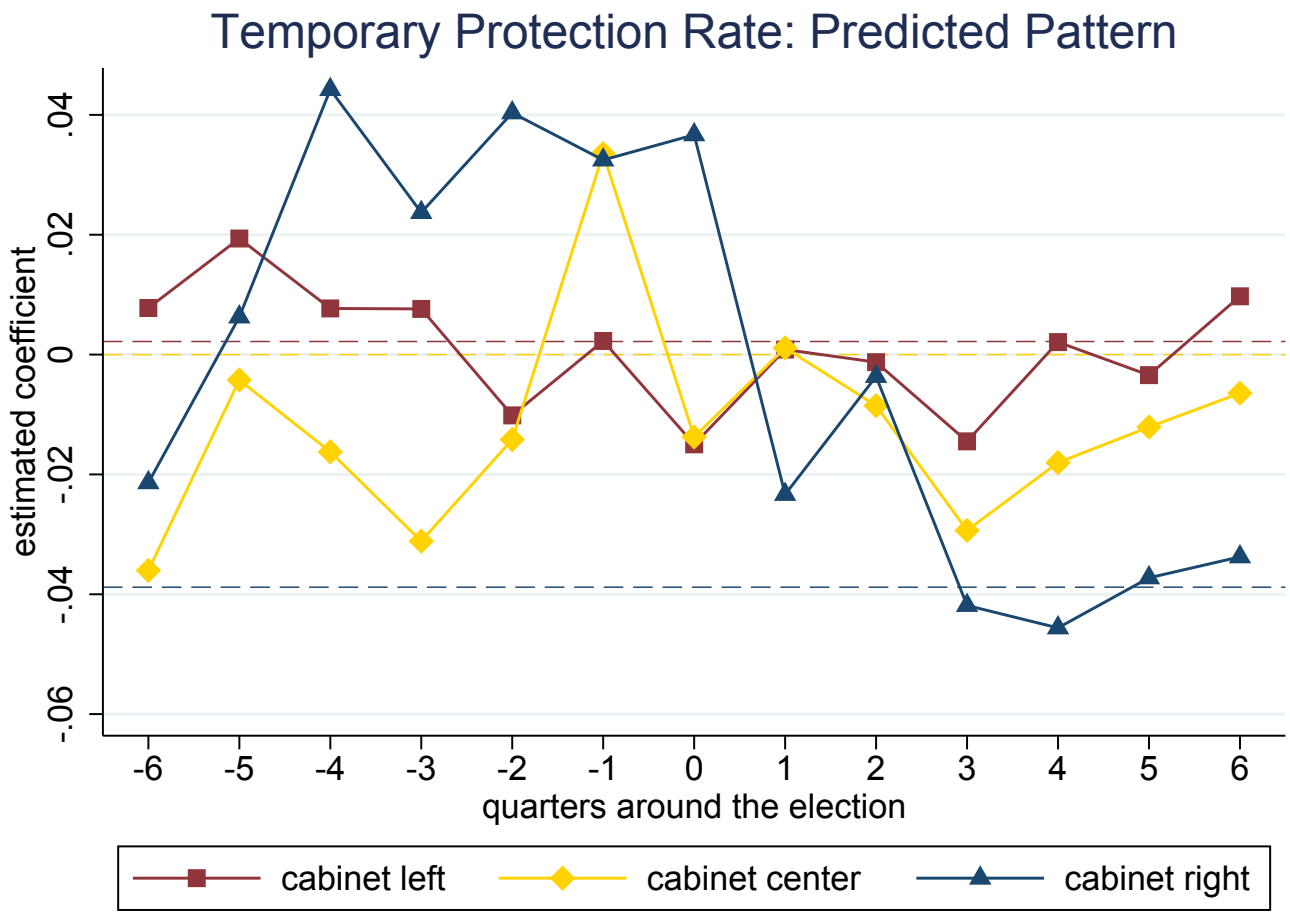


Figure 8: R3: log First Time Asylum Applications per Capita: Predicted Pattern

Asylum decisions, quarterly

Exclude current refugee crisis



Robustness

- Current refugee crisis excluded
- Cabinets' stance on immigration policy
- All countries and years available included
- Only 4/5 quarters around the election dependent, etc. variable
- Analysis by subgroups based on religion and language

Thank you for your attention!