Asylum Policy in Europe

Tim Hatton
(ANU and University of Essex)
In the 1990s there was a sharp increase in asylum applications to the EU and this was followed by a policy backlash.

The questions for European asylum policy are: Could cooperation lead to better policy outcomes? Is there a role for burden-sharing? What are the implications of policy harmonisation and policy integration?

The focus is on three phases of policy: independent policies in the 1990s; policy harmonisation 1999-2004; and the development of a Common European Asylum System from 2004 onwards.
Figure 1
Asylum Applications to the EU by Source Region, 1980-2003
Figure 1 plots asylum applications to the EU-15. The spike in the early 1990s is superimposed on an underlying long-term upward trend. Note also the imbalance in the levels and trends across countries in applications per capita.

Figure 2 plots an index of the average policy toughness. This is an 11 point scale averaged across 14 EU countries. It shows the policy backlash, rising steeply in the mid-1990s. Here too there are variations across countries in timing and severity.
Figure 2
EU Asylum Policy Index, 1980-1999
Policies in the 1990s

• Restricting access to territory (carrier sanctions; special zones; visa requirements.)
• Reforms to asylum determination procedures (safe third country; manifestly unfounded; safe country of origin)
• Altering the outcomes of the process (fast tracking; humanitarian status; deportation)
• Treatment of asylum seekers during processing (dispersal; detention; access to work and benefits)

Until the late 1990s countries undertook these policies independently
Stage 1 of the CEAS

Following Maastricht and Tampere, policy moved from the third pillar to the first pillar.
Stage 1 harmonisation: minimum standards for:
• Reception conditions
• Dublin II
• Qualification for refugee status
• Asylum procedures
A process of levelling down? Note (a) these are minimum standards, and (b) unanimity required.
Also limited financial burden sharing under the European Refugee Fund
Stage 2 of the CEAS

Stage 1 was only partial harmonisation. Stage 2 envisages much deeper policy integration to be in place by 2010. Proposals include:

- Offshore processing
- Common processing centres in the EU
- A European Asylum Agency
- Greater burden-sharing through an enhanced European Refugee Fund

These issues are currently under debate.
Empirical Findings

• Asylum applications are driven by violence and by economic incentives.
• Own country policy effects on applications are important, deflection effects are less clear.
• Policy reacts to a country’s own applications, to EU-wide applications, and to policy elsewhere.
• Public opinion is generally positive towards accepting genuine refugees (but not to illegals)
A Model of Asylum Policy

• People care about refugees, both in their own country and in other countries
• There is cost to refugees that falls only on the receiving country
• Asylum applications depend on the country’s policy, other countries policies and on a destination preference
• There is a public good element to refugees and there is a deflection effect of one country’s policy on another.
Two-Country Framework

Welfare
\[ W_1 = V_1(r_1, r_2) - c_1 r_1; \quad W_2 = V_2(r_2, r_1) - c_2 r_2 \]
\( r \) is the no. of refugees, \( c \) is cost per refugee, \( V \) is concave.

Refugee flows
\[ r_1 = A[s \gamma_1 + \beta(s \gamma_1 - (1-s) \gamma_2)]; \]
\[ r_2 = A[(1-s) \gamma_2 + \beta((1-s) \gamma_2 - s \gamma_1)]; \]
\( A \) is total ‘demand’; \( s \) is the share preferring country 1; \( \gamma \) is the country’s policy ‘generosity’; \( \beta > 0 \) is the deflection effect.
Non-cooperative policy setting (the 1990s)

• In the non-cooperative equilibrium, policy is too tough compared with the social optimum; the more so the greater are the deflection effects.
• As in the 1990s, countries choose different policies in equilibrium—countries facing higher asylum applications have tougher policies.
• Financial burden-sharing that reduced the marginal cost of refugees could be welfare improving.
Figure 3
Nash Equilibrium in Asylum Policies

- A cooperative policy that (a) sets a common policy rule and (b) maximises community welfare could do better.
- But it will not be optimal because, in the social optimum, policy differs between countries (for $s\neq 0.5$).
- Policy in Stage 1 of the CEAS does not seem have been more liberal than in the 1990s, perhaps because (a) it set minimum standards and (b) because of the unanimity rule.
An Integrated Asylum System?

• A centrally set policy could, potentially, reach the social optimum.
• It could avoid deflection effects through central processing.
• It would need to include the reallocation of refugees away from their original preference.
• It may also need to include financial burden sharing in order to get countries to sign up to it.