

Asylum Policy in Europe

Tim Hatton

(ANU and University of Essex)

In the 1990s there was a sharp increase in 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

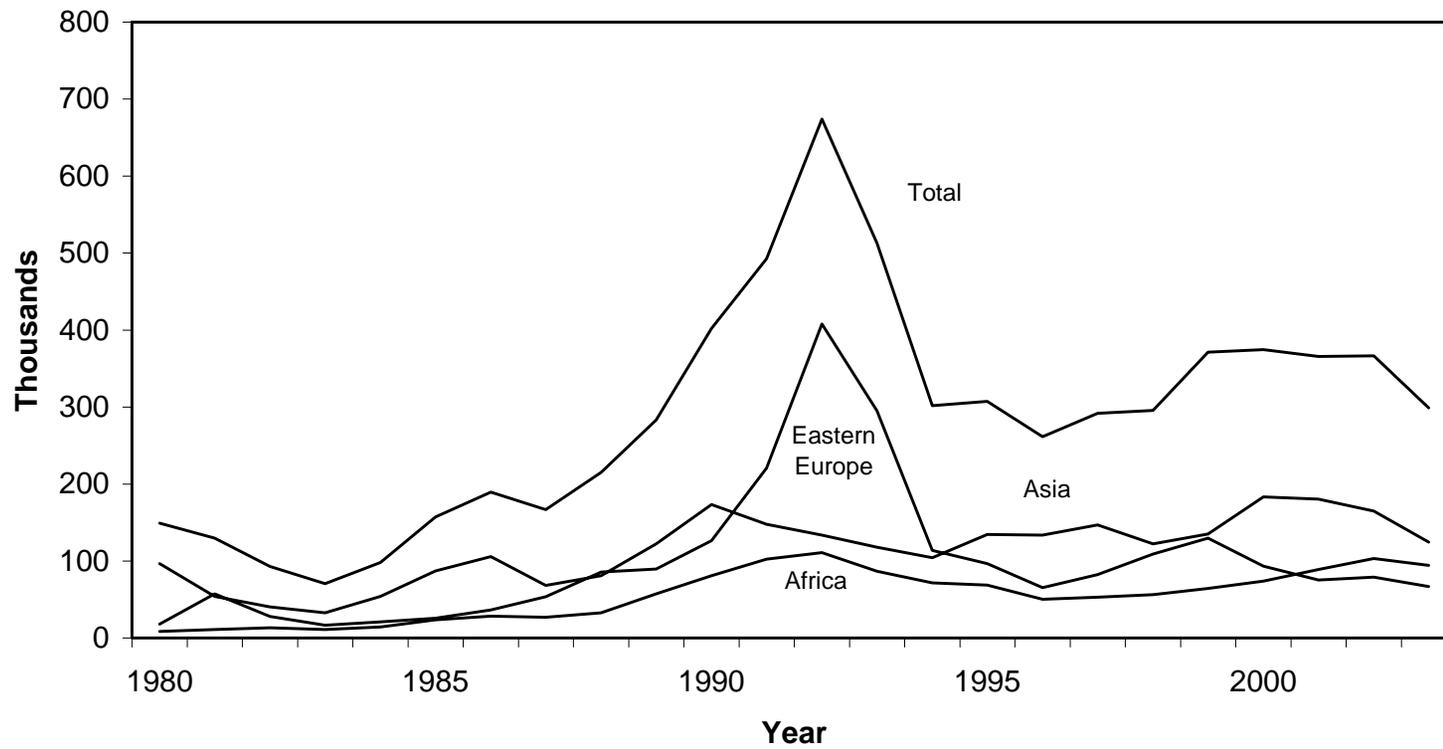
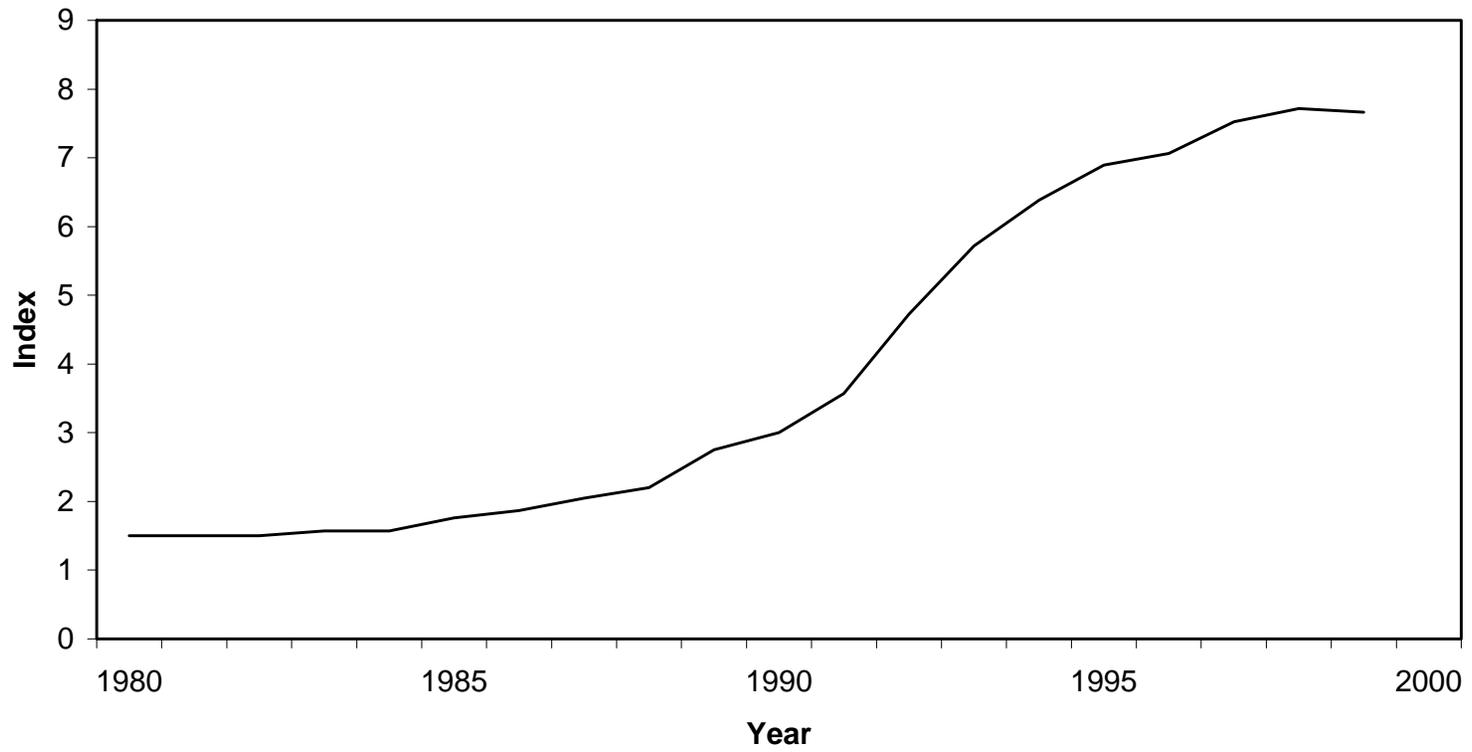


Figure 1 plots asylum applications to the EU-15. The spike in the early 1990s is superimposed on an underlying long-term upward trend. Note also the imbalance in the levels and trends across countries in applications per capita.

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

$$r_1 = A[s\gamma_1 + \beta(s\gamma_1 - (1-s)\gamma_2)];$$

$$r_2 = A[(1-s)\gamma_2 + \beta((1-s)\gamma_2 - s\gamma_1)];$$

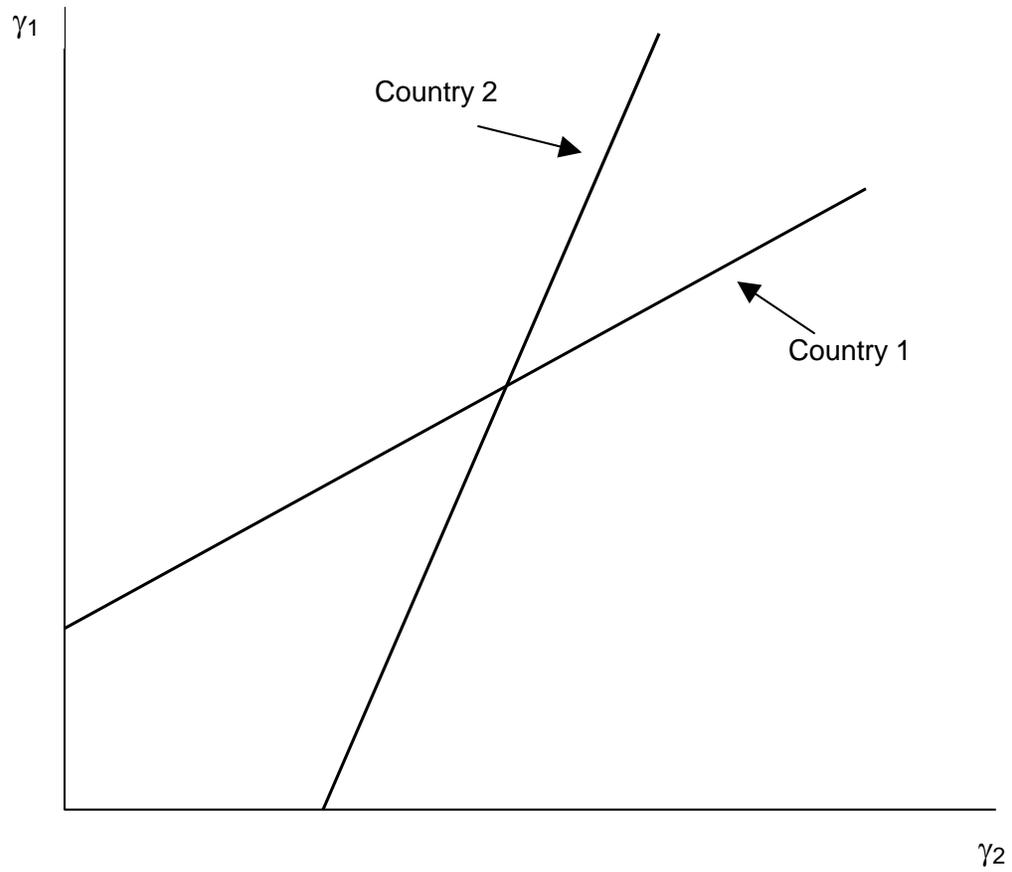
A is total 'demand'; s is the share preferring country 1; γ is the country's policy 'generosity';

$\beta > 0$ 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



Policy Harmonisation (1999-2004)

- 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.