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WORKING PAPER

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ARE THERE SPILLOVER EFFECTS?**





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Abstract

The paper analyzes the effect of recognition rates on refugee flows using UNHCR data. Applications in individual countries are affected not only by the recognition rates of that country but also by the recognition rates of fellow European countries. Spillover effects, in addition to direct effects, may significantly affect the flow of asylum seekers. It is argued that since the early 2000s, harmonization measures and the Dublin Regulation influenced the strategic use of recognition rates as a tool to redirect the flows. In addition, the degree of restriction may be more intense during episodes of extraordinary influx of particular ethnic groups.

JEL codes: F22, Z13

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The total amount of refugees and the distribution of flows in Europe considerably changed over the last thirty years. During '90s the conflicts in the former Yugoslavia caused major inflows of refugees to Germany, which hosted some 450,000 refugees per year between 1990 and 1993, accounting for almost 80% of the total from that area. Later, refugees flocked from other countries of origin, as changing geopolitical conditions affect other areas, and the distribution of the load (burden sharing) in

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European countries also changed, partly after adoption of a new set of Regulations by the EU.

According to several authors, the adoption of restrictive measures by the States highly contributed to changes in flow distribution of asylum seekers (Thielemann 2004). Among these restrictive measures, the strategic use of the recognition rate¹ so as to regulate the flow of refugees, has drawn wide attention in the literature (Neumayer, 2005; Toshkov and de Haan, 2012; Vink and Meijerink, 2003). A two-way relationship between recognition rates and refugee flows is highlighted in several studies: recognition rate seems to react adversely the more applications are filed, but smaller inflows may also result from lower recognition rates.

The effect of recognition rate on the applications is analysed in Holzer et al. (2000b), Neumayer, (2004), Robinson and Segrott (2002) and Toshkov (2012), while Neumayer (2005), Sicakkan (2008) and Vink and Meijerink (2003) focused on the opposite relationship, namely, that uneven allocations of refugees in Europe may affect approvals from Member States.

In both cases, Member States might strategically adjust the recognition rates to affect the shares of refugees among States. As Thielemann (2004) suggests, lower recognition rates stand for one of the main deterrence measures available to host countries.

However, variation in recognition rates does not represent only a symptom of restrictive policy implemented by States. It is well known that when massive flows

¹ UNHCR defines recognition rates as the ratio between the number of asylum seekers granted Convention refugee status (plus Complementary protection) and the total number of accepted and rejected cases, during the year.



of refugees occur, people genuinely seeking shelter from persecutions are mixed up with economic migrants (or “bogus refugees” as in Neumayer, 2005b) lacking the requirements needed for asylum. Recognition rates may drop accordingly under such circumstances, regardless of strategic justifications.

Empirical investigations has found ambiguous results as regards the causal effects of recognition rates on applications, depending on model specification and on data availability. In any case, the impact of recognition rates on the between-country distribution of asylum seekers appears to be small, although statistically significant.

Another crucial assumption for recognition rates affecting refugee flows, regards refugees awareness of government policy on admissions. Although this point may raise doubts, we observe that information spreads rapidly, both because of human smugglers, and refugees themselves, who are in close contact with the homeland or countrymen abroad through mobiles and internet².

The strategic use of recognition rates from Members requires thus further, in-depth, analysis. We test whether States always hold a neutral stance on refugees, through a careful inspection of the provisions required, or instead adjust rates in order to check on the total number of admissions, possibly redirecting the flow of refugees to neighbouring countries. In this case, a strategic interaction among States may arise, undermining the current EU cooperation efforts. As refugees may hold some propensity to file their application in specific European States, the restrictive measures undertaken by single governments may produce spillover effects, namely a

² From UK Home Office (by Robinson and Segrott (2002)): “The main sources of information on UK asylum policy included agents, friends and relatives living in the UK, and information from newspapers or from rumours in the country of origin”.



shift in flows towards other European countries. National Agencies assessments on the determinants of refugee flows in individual States usually take these remarks in due account. As a result, the distribution of refugees between Members depends on the overall policies of all States.

As a further step, if individual policies create spillovers, we test whether some States implement deterrence measures more harshly than others, in order to shift away the refugees burden. In other words, are there hawks and doves among EU States in the reception of refugees?

From late 90's, EU regulatory interventions gradually altered the rules of the game, involving significant changes in asylum seekers distribution among Members. Despite harmonization of procedures, we observe large discretion in setting recognition rates among Member States, the resulting insight being that recognition rates could be strategically set to reduce the burden. Overall numbers showed substantial twists, but individual groups of refugees from specific countries of origin were affected the most, since spillover effects are likely to be more pronounced. Indeed, refugees head preferably towards specific destinations, depending on proximity (Thielemann (2004, p. 60 and 63)) or on language and cultural ties (Neumeyer (2004)): while Pakistanis and Indians prefer UK, refugees from Maghreb or North Africa mostly approach France and Italy. In addition, as unexpected inflows of refugees usually refer to specific groups affected by extraordinary events, EU States may adopt restrictive measures discriminating against such groups. We can therefore assume, along with Holzer et al. (2000b) and Thielemann (2004), that



restrictions through recognition rates, if any, are specific to certain countries of origin, and more pronounced when above normal flows erupt from those countries.

In conclusion, States may exert deterrence policies that: 1) affect the number of applications in other European countries (spillover effects), 2) are specific to certain countries of origin, in particular during crisis episodes and 3) are implemented by several tools, according to national procedures adopted, which in turn affect the recognition rates figures. As a consequence, we empirically test the role of recognition rates as restrictive measures, checking whether a conceptual reference for an econometric estimate may be consistent with a pattern of non-cooperative interaction such as that outlined above.

While previous research used UNHCR global recognition rates in European countries, where asylum seekers were not split according to their origin, our paper benefits from UNHCR statistics that, from 2006 onwards, show recognition rates as referred to specific countries of origin in different destination States.

The study is organized as follows. The first section draws on the fundamental issue of non-cooperation in the burden sharing of refugees, quoting the European Regulations, and shows why recognition rates can be recognized as a discretionary tool of the asylum policy. After a brief review of the literature and the empirical findings on the role of recognition rates as restrictive measures, we describe the theoretical grounds of our model. We then outline some relevant stylized facts, referred to episodes of massive ethnic-specific refugees inflows, and to the role of EU's recognition rates in those circumstances. Our econometric estimates then follow, along with a non-technical overview of the results and a critical evaluation.



Based on our results, we revert to the issue of harmonization of asylum procedures in Europe and the prospects of the CEAS (Common European Asylum System), in the concluding remarks.

Burden sharing, the origins of the lack of cooperation and the role of recognition rates.

The burden-sharing of refugee has been addressed by European Regulations. However, lack of consensus among Members has led to a compromise status, fostering a non-cooperative attitude overall. A comprehensive review of EU legislation on burden sharing of refugees can be found in Boswell and Geddes (2011), Guild (2006), Lavenex (2001a, b), Niemann (2008), Teitgen-Colly (2006).

At present, EU reception policy is based on the Dublin Convention (Council's Regulation 2725/CE/2000, amended by Regulation 407/CE 2002), which was merged in 2003 in the European Regulation 343/2003/EC, the so-called Dublin II Regulation³. Further, European States (with the exception of Denmark, Ireland and the UK) endorsed the Council Directive 2004/83/EC on minimum standards for the qualification and status of third-country nationals and stateless persons as refugees, then replaced by Directive 2011/95/EU, while Council Directive 2005/85/EC sets common, minimum, standards on procedures in Member States for granting and withdrawing refugee status. Also, in the wake of the Stockholm 2009 Programme, EU has already established a Common European Asylum System (CEAS), which provides for the harmonization of the procedures and the standardization of best

³ The Council of The European Union recently proposed a *recast* of the Dublin Regulation on July 13th 2012.



practices, holding the belief that common procedures among Members may significantly restrain the discretionary use of recognition rates as a tool for asylum policy.

The Dublin Regulation determines the Member State responsible for the examination of an asylum request according to the principle of "first entry" of the asylum seekers, imposing greater pressure on border rather than core countries.

The ambiguity of the Dublin Convention has been questioned by the European Commission itself (2007), after detecting flaws in transfer procedures of refugees across borders and, above all, the unreliability of EURODAC fingerprinting system to effectively establish border crossings. Recently, UNHCR (as reported by EASO, 2012) also raised some criticism on fairness of the Dublin System.

Absence of substantial cooperation among European States lately emerged when thousands of refugees from Northern African countries headed towards Europe, following the "Arab Spring" of 2011, raising harsh disputes between Italy and France and between Italy and Germany.

In such non-cooperative context, individual Member States have progressively adopted additional unilateral measures to reduce their burden, though respecting European standards under the Schengen Convention framework. Thielemann (2004) distinguishes three types of restrictive measures: 1) Access controls, as the "third safe country" clause, or the bilateral agreements with origin or transit countries. 2) Stiffness of procedures. 3) Deterrence through integration measures, or detention during the implementation of the procedure.



As Thielemann (2004) maintains, European countries may steer reception numbers through a discretionary interpretation of the subsidiary protection criteria rather than on refugee status, which should comply with common European standards. However, our econometric estimates clearly show that these two distinct components of reception, which are mutually statistically independent, are both significant in explaining the European reception system mechanisms.

Empirical evidence is not unexpected, after a close watch at the national rules for the implementation of European standards. The procedures of the Member States are broadly discussed in the Report of the Danish Ministry of Refugee, Immigration and Integration Affairs (2009) and in the Intergovernmental Consultations on Migration, Asylum and Refugees (2009), while recent amendments of the procedures in single States are reported in the 2011 EASO Annual Report. The main features that affect the assignment of recognition rates are:

- The number of agencies responsible for the process. In particular, whether who deals with the reception (usually the Police) is independent from the agency which examines the applications.
 - The composition of the Agencies / Commissions examining the application. The presence of members independent from the government should ensure the fairness of the choices.
 - The presence of expedited procedures (as for "manifestly unfounded" cases), which introduces margins of discretion on the examination of the applications.



- The presence of maximum time limits for the processing of applications, assuming that a long-lasting process represents a system of deterrence⁴.
- The chances of appeal, in case of refusal of international protection and the conditions for issuing residence permits in these cases⁵.

Based on the above features, Rossi and Vitali (2011) show that the amount of discretion is high enough to allow a political (strategic) use of recognition rates, though with different intensity throughout Europe. The design of the reception procedures also reveals different attitudes of Members' migration policies. We acknowledge accordingly that hospitality entails "political costs" on governments, as in Thieleman et al. (2010), so when citizens face major flows of migrants, the political leaning matters the most. Right-wing Governments pledge support to more restrictive immigration policies (Neumayer 2004; Thielemann 2003a; Budge et al., 2001; Klingermann et al., 2007) although other authors (Holzer and Schneider, 2002), found conflicting results. In our view, reception policies depend on various elements that may include the (current) electoral mandate but hawkish vs. dovish tendencies are rather rooted into the heritage of specific communities.

Conceptual background of non-cooperation and statistical evidence.

Several overviews scrutinized the empirical and theoretical features of free riding attitude of European countries facing the burden sharing of refugees (Neumayer

⁴ Procedures are scheduled according to a "normative" timetable, which is seldom fulfilled, thus affecting actual durations (see EASO, 2012, p. 44).

⁵ The issue is regulated by Council Regulation (EC) N. 380/2008, April 18th 2008, amending Regulation (EC) No 1030/2002 and laying down a uniform format for residence permits for third-country nationals. Not all States comply with such rules (EASO, 2012, p. 49).



(2004), Thieleman et al. (2010)). Czaika (2009), in addition, includes the (political) costs for protecting refugees in the utility function of host countries. Since Member States bear an asymmetric burden, cost asymmetries are substantial among countries and prevail over positive (humanitarian) spillovers.

The conceptual model underlying our representation is different and more structured, including some strategic interaction between States which could deserve further theoretical developments, to be left to later research.

In summary, first, we focus on the recognition rates as a tool for the allocation of refugees in Europe. We suppose that recognition rates primarily affect the countries' shares of applications, and then the final allocation of refugees. In addition, since Members might implement restrictive measures with different intensity, the extent of restriction adopted by fellow countries affects own shares of applications. Thus deterrence measures imply a share redistribution among European countries. A model of strategic interaction among States and between governments and refugees then arises, in particular when considering that admissions might be restrained for specific ethnic groups, especially during specific geopolitical events.

Whether the recognition rates are effective tools for carrying out this strategy game is an issue that needs to be addressed empirically. Neumayer (2004) and Thielemann (2003a) already found evidence that restrictive policies, as non-cooperation means, can affect the shares of inflows of asylum seekers. Neumayer (2005) and Toshkov (2012) found similar results, although recognition rates mildly influenced shares.

So far, empirical research may look questionable as to statistical properties and regressor selection of the models. OLS estimates might be inadequate and biased in



case of skewed data, since means do not reflect the central position (for a review see Toshkov (2012), Kristensen and Wavro (2003), Shor et al (2007)). Also, inclusion of variables that proxy non directly measurable events, make the econometric analysis utterly discretionary. For instance, the effect of economic variables on refugee applications is highly debated, mostly because refugees seek shelter from oppression rather than wealth improvements, as economic migrants do. According to Neumayer (2004) and Holzer et al. (2000b) the unemployment rate has no explanatory power on applications; Hatton (2004) found that a 1% increase in the unemployment rate brings applications down by 10%; Thieleman (2003) also found a significant inverse relationship, finally Toshkov reckons that unemployment is more related to cross-country variability of recognition rates rather than to within country variability. After various attempts, we dropped those variables from our setting since estimates were not robust.

Dynamics is also relevant, since flows and shares have changed dramatically over the years, while recognition rates look quite stable over time.

We wonder how they can have an impact on the flow of refugees, that is, how do they play a role in the strategic game between States and asylum seekers. Our hypothesis is that recognition rates may experience wide swings in case of exceptional and massive influxes of refugees. Our suggestion is that *changes* in recognition rates rather than their absolute values matter the most, and that such changes are a signal that can drive the flows of refugees. Statistical estimates in this way, are not influenced from trend components that have greatly influenced the distribution of refugees in Europe. On the other side, choosing the variations of the



relevant variables refines the interpretation of the conceptual model. The great refugee movements of the eighties and nineties have been influenced by geopolitical factors, geographical proximity and other factors of attraction. We can classify these factors as country-specific factors that influence trends in the distribution of refugees among States. Instead, the distribution in the early 2000's has been regulated with the Dublin Regulation. The Dublin Regulation attempts to reduce the role of country-specific factors, imposing mechanical rules for the allocation of refugees, where geographic proximity prevails. On several circumstances, States tried to circumvent these rules by unilateral measures. In this frame we can think of a game in which States use recognition rates (and other restrictive measures) for adjusting at the margin, in an attempt to correct the underlying movements and escape the Dublin Regulation.

Stylized facts on asylum seekers flows and empirical findings.

This section runs through the effects brought about by the Dublin Convention which determines the Member State responsible for the examination of an asylum request. UNHCR data depict a framework where interrelations emerge among recognition rates implemented by destination countries to different groups of refugees.

In recent years, although refugees were declining in numbers, still massive flows were brought about from several episodes of international turmoil, in particular in the middle east. The reaction of European States to these episodes was diversified. The main flows were from Iraq, Afghanistan, Somalia and former Yugoslavia. During 2007-08 about 13,000 people from Afghanistan came to Europe asking for refugee,



16,500 asylum seekers came from Iraq after civil war brought out in 2006, over 10,000 Somalis travelled across the Mediterranean in 2006-07 running away from wars and persecutions, more than 20,000 people asked for asylum from countries which formed the former Yugoslavia during 2009 and 2010.

Some recent episodes of massive refugees inflows and recognition rates of European countries.

Since episodes of massive flows of refugees may last over a span of several years, our descriptive measure of variation is based on a mean difference over 3 to 4 years. Graphic inspection of the change in recognition rates and in host countries shares clearly shows that when refugee crisis hit Europe, destination countries rarely share a common response. The upper right quadrant shows combinations where shares rise after an increase in recognition rates: when more people asks for asylum, those countries are more welcoming and accept a higher number of applications. We can intuitively (and, at present, approximately) consider these countries as doves. The lower left quadrant, on the contrary, displays countries where a reduction in recognition rates leads to lower shares and, seemingly, restrictive policies do reach their goal. These countries could be considered as hawks. The other two quadrants refer to less characterized behaviors, which can be partially explained by cross-country effects of migration policies of the States.

At first, we analyzed the case of Afghanis. The main flows headed to Germany and UK. However, while the number of asylum seekers heading to UK remained constant (about 3.000 unit per year), Germany experienced a huge increase in 2009 and 2010.



Recognition rates in both countries reflect a similar attitude: a sudden decrease followed the previous rise in approval rates. Nonetheless, if recognition rates reflect a policy restriction to massive admissions of refugees, UK was more effective than Germany in curbing arrivals, since the English share of asylum seekers from Afghanistan markedly declined while German share proportionally raised. Lower, but still significant amounts also hit Denmark and Netherlands; their response was analogous, with a constant reduction of recognition rates, though not achieving the possible goal of reducing shares: lower levels of admissions do not always lead to a lower burden, when an increasing number of people is heading to specific countries, and the adoption of similar policies by most countries may elicit cross-effects on European shares. Pressures on border countries are even higher and the political reaction could be tougher. In 2008, more than 2.000 Afghans asked for reception in Italy, a welcoming country for them, since recognition rates were higher than elsewhere (usually beyond 90%). Recognition rate went suddenly down to 66%, while afterwards, when numbers and shares came back to previous figures, they returned to 90% level. Greece confirmed his unwelcoming policies toward refugees, with near zero recognition rates, although geographical proximity nonetheless crowded Hellenic shores with migrants.

Figure 1 about here

As a second step, referring to Iraqis asylum seekers, Sweden received the highest share in 2007. Swedish authorities accepted 81% of applications that year and 34%



in 2008, thus concurring to reduce the number of queries from over 18.000 in 2007 to 6.000 in 2008 and 2.000 in 2009. A dovish stance still characterized Germany, and the more Iraqis applications were filed, the more were recognized. The rise of German share of Iraqis asylum seekers also reflect reductions of shares in other European countries; UK numbers trended downwards throughout the period, although recognition rates remained quite high, suggesting cross-effects stemmed from (mutual) restrictive measures.

Figure 2 about here

Further, we examined the case of asylum seekers from Somalia. Sweden, Netherlands and Italy were the preferred destination. No dove versus hawk behavior seems to arise in this case. Sweden and Netherlands show neutrality, since recognition rates remain constant, while levels of applications and reception grow in conjunction with the increasing flows. UNHCR lacks complete statistical information on Italy: about 6.000 Somalis sought asylum in 2007 and 2008 but levels and shares rapidly diminished afterwards. Since recognition rates are available only up to 2008, we cannot draw any conclusion when relying upon such an indicator. Probably, Italian stance towards Somalis is positive (previous recognition rates were close to 95%) due to historical reasons, although Italy still could be seen as a transit country towards other destinations in northern Europe.

Figure 3 about here



Lastly, since over 20.000 applications were filed in 2009 and 2010 in central and northern Europe from asylum seekers of Serbia and Montenegro, Bosnia and Herzegovina and FYR Macedonia, we gathered those refugees under a unique body named Former Yugoslavia. Claims of humanitarian needs from those countries are nowadays considered less realistic than in the recent past, and lower recognition follows throughout Europe, although France and Germany looks more welcoming: recognition rates do not show clear tendencies to restriction and shares consequently rise, while Austria and Norway reduce their share in conjunction with a drastic reduction of recognition rates.

Figure 4 about here

Table 1 about here

Summing up, Germany is always listed on the receiving hand, while other countries happen to implement procedures to reduce their quotas that are sometimes successful (the case of UK versus Afghanis or Sweden versus Iraqis to name a few) and sometimes not (Norway usually reduces recognition rates, but fails to reduce its share). In the case of asylum seekers from former Yugoslavia, European authorities managed to hold access down to a minority of applications, while Germany partially balanced the overall restrictions, allowing protection to a slightly greater amount of refugees.



On the whole, data show some evidence of diversified behavior of European countries, when taking decisions on applications within the asylum procedure. Some look more accommodating (i.e. doves) in front of massive inflows, others, on the contrary, are prone to impose a greater amount of restriction (i.e. hawks). What should be clearly stressed, is that measures of restriction usually differ at great length with the origin of refugees, while only few European countries display a homogeneous behavior, either benevolent or not, regardless of origin. This may stem from the different inclinations towards specific source countries, in particular when some historic connection has been established in the past, for instance during the colonial period. However, no clear stance emerges for countries falling into the second and fourth quadrant. Both size effects and cross country effects (which we omitted from this preliminary analysis) might explain such cases.

Econometric estimates

Our panel dataset, based on UNHCR statistical publications, includes yearly asylum applications and recognition rates from 21 countries of origin in 12 European host countries.

Data on asylum seekers and global recognition rates are available at UNHCR from 1982, but only from 2006 onwards recognition rates are referred to single countries of origin. Since levels of protection vary at great length depending on nationality of refugees, global recognition rates offer only an average measure of acknowledgement of human rights and they could possibly be assumed as a policy indicator only to a broad extent. When referred to single countries of origin, the



behavior of European authorities becomes clear-cut and a link between the flow of asylum seekers and the reception of host countries can be established.

Our dependent variable is the first difference of the yearly shares of asylum seekers received by host European countries (the ratio of asylum seekers from a certain origin country to the total number of asylum seekers from that country in Europe). Since restrictive policies may be carried out simultaneously by many countries, in particular when numbers of refugees soars and public opinion urges for counteraction, our hint is that an internal measure of restriction must be weighed with how much restriction is imposed by fellow countries, so that for such policy to be effective, our share is reduced and the others' is increased.

By first differencing our endogenous variable, not only we get rid of first order autocorrelation that could lead to spurious effects⁶ but also we measure the net impact of a (possibly) strategic use of recognition rates. Our suggestion is that European governments may steer admissions to marginally adjust the burden borne by their communities: the more acute the flows, the more intense the incentive towards restriction. The admission process is highly differentiated throughout Europe, inducing asylum seekers to redirect towards nearby countries, where asylum seekers expect lighter procedures. Hence, the recognition rate of European countries while at first narrows the inflows, also reduces the appeal of once welcomed destinations at a later stage, while affecting the shares of other European countries as a side, spillover, effect.

⁶ Woolridge tests clearly identifies serial correlation in the idiosyncratic error term in our panel-data model.



Asylum seekers could receive full refugee status under the Geneva Convention or a subsidiary (humanitarian) protection status. In particular, Thielemann (2004) suggests that subsidiary rather than conventional protection could be used as a measure of possible restriction, since in such case requirements that asylum seekers have to fulfill are set by destination countries, allowing them a greater amount of discretion. In order to test this claim, our explanatory variables could therefore be represented either by an overall protection indicator or split into these two components.

We conduct our analysis in two steps. At first we assess whether groups (namely groups of asylum seekers from the same country of origin) are different between each other and show some variation or, instead, asylum seekers of any origin country could be pooled together as a single cluster. Simple one-way Anova offers a measure of variability between groups, whether groups are different with each other, and within groups, how much the observations vary within each individual group. We can see from output (appendix A) that, either for the whole sample (from 1982 to 2010) or the restricted and most recent sample (from 2006 to 2010), the average share of asylum seekers is statistically different across host countries. Further, since variables whose within standard deviation is small are nearly time-invariant, selecting a shorter time span and a restricted sample of countries of origin leads to the smallest within standard deviation, meaning that when asylum seekers flows are surging, the share of individuals may vary among European countries, but not over time. We conclude that the share of refugees each host country receives is quite stable over time, but the shares as referred to specific groups do vary among each



other, either because asylum seekers rather choose certain host countries, due to geographical proximity or strong connections with specific destinations, or because host countries show a different stance to refugees from given origin countries. This means that Members could marginally adjust their long run shares through proper adjustment of a broad set of restrictive measures, including variations of recognition rates. Moreover, such actions could be applied differently to different countries of origin throughout Europe.

The second step in our analysis is the specification of our model. Host country shares may depend, among others, on the adopted stance towards refugees, the behavior of neighbor states, the nationality of refugees, the size of the flows. Hence we build our panel discriminating between clusters of asylum seekers, where each group (i.e. the relative share) is made of individuals originating from a specific country, heading to one of the host European countries of our sample, within each year.

Since groups are different among each other, variability could either stem from compositional differences between groups or the effects of independent variables can differ between groups. When compositional differences emerge among groups, the independent variables (own recognition rate and other countries recognition rate) means are different for each cluster. Statistical tests⁷ confirm that coefficients are not the same in case of refugees which make their request in Germany or in other European countries. Further, statistically significant differences emerge when considering refugees from countries that contributed the most to recent flows. Our

⁷ A Chow test on a restricted extra-flow sample of origin countries confirms that model parameters are not the same among populations. F-statistic is highly significant (F value is 4,94; using the 0,05 level of significance, the critical value for an F with d.f. = 3,167 is only about 2,66), leading to rejection of the null hypothesis.



view is that those differences may stem from the different levels of recognition they could obtain, depending on their country of origin. During 2006-2010 about half of the requests from Afghanistan and Iraq were accepted in Europe, but recognition rates show great variance among single countries (more than 80% in Italy, 2% in Greece) and also, great differences emerge in some host countries (Norway recognizes 72% of Afghanis and 40% only of Iraqis). A higher number of Somali refugees gets recognition in Europe (64% on average) and still levels range from 96% in Italy and less than 1% in Greece, while Norway's recognition rates is twice higher for Somalis than Iraqis. Numbers are much lower in case of refugees from former Yugoslavian countries (average recognition rate is about 15%), but the probability of being recognized varies much among host countries just as in the previous cases.

The different effects of a subset of explanatory variables across groups may be tested through interaction terms built from the original set of regressors, rather than estimation of separate models for each group. Recognition rates influence on host countries shares may differ between groups both in size, when changing admission criteria entails a stronger effect on one group than it does on others, and in direction, leading to different models describing different groups.

As far as the choice of the model is concerned, different specifications of the error term were tested. Pooled OLS model may be suitable if we believe that our model includes both the entire set of possible regressors and the whole observable heterogeneity affecting our dependent variable (Wooldridge 2002). However, if our hypothesis were false, we overlooked some correlation between the error term and



the exogenous variables and pooled OLS estimates would be biased and inconsistent. We dismissed Pooled OLS upon belief that our model is incomplete, in that several (and mostly unobservable) determinants affect the asylum seekers flows toward specific European countries.

Since European countries shares do not vary much through time, we are inclined to consider the "blocking" or "control" variable as a "random" effect rather than a fixed effects, with a correction of the estimator for the assumption of i.i.d. errors.^[7]

The general equation representing the various models takes thus the form:

$$\Delta \text{Share}_{i,k,t} = \beta_0 + \beta_1 \Delta \text{RR}_{i,k,t-1} + \beta_2 \Delta \text{RR}_{i \neq j,k,t-1} + v_i + \varepsilon_{it} \quad (1)$$

$\Delta \text{Share}_{i,k,t}$ stands for the yearly variation of the share of asylum seekers from the k-th origin country, to the i-th destination State of our sample. The $\Delta \text{RR}_{i,k,t-1}$ variable shows the effect of each country recognition rates on her own share of refugees coming from country k. Interaction among European States stems from the $\Delta \text{RR}_{i \neq j,k,t-1}$ variable, namely the weighted average of recognition rates applied by countries different from i-th State to asylum seekers coming from the k-th country of origin. The share of i-th host country might react according to spillovers from neighboring countries changing their rates of admission. Along with our previous discussion, we could split recognition rates into the different levels of protection granted in Europe. Lagged values of explanatory variables reveal a causal effect: we assume that knowledge of restrictive measures adopted in Europe spreads over refugee communities, thus leading to at least partial changes of their preferred destinations. v_i is an unobserved, time-invariant, panel level effect and ε_{it} is an idiosyncratic shock, which varies over individuals and time.



In order to understand whether the distinction between countries of origin were significant, we estimated the model over two samples: 1982-2010 and 2006-2010. For the 1982-2010 period, we use total recognition rates, i.e. recognition rates referred to the entire population of applicants for protection. In the 2006-2010 period, on the contrary, we specify a model including the effect of recognition rates as referred to applications from different countries of origin.

The 1982-2010 model

When considering the whole sample 1982-2010, since recognition rates are referred to the entire population of asylum seekers of host countries, an average behavior emerges, which suggests that in general, host countries might implement restrictive policies, but we cannot tell whether those policies discriminate against specific ethnic groups. A positive sign of lagged own recognition rate (Table 2, col. 1) means that European countries could have used recognition rates to reduce their share of asylum seekers, and such behavior might be considered systematic, since significance is high. The influence of the same instrument as used by other countries is statistically not significant: on average, own shares are not influenced by the policies adopted by fellow countries. With aggregate measures of admission, no strategic interaction across countries and groups arises. The 1982-2010 model cannot capture the resulting interrelations from domestic policies possibly affecting the shares of specific groups. Measures of economic wealth (per capita GDP, unemployment rate) were tentatively included in our regressions but significance was very low. This could suggest that economic prosperity does not statistically influence



the choice of the destination country for people in search of safety. Our results, albeit contingent on model's assumptions and on average indicators, verify that recognition rates positively affect Member countries shares. This is consistent with existing literature, confirming that quantitative effects remain negligible, since a 1% change in recognition rates produces a 5 basis points change in shares.

Table 2 about here

The 2006-2010 model

From 2006 UNHCR recognition rates are referred to single countries of origin, thus enabling to discriminate whether European countries do follow specific policies towards specific ethnic groups. When clustering asylum seekers according to origin and destination country, recognition rates influence on European countries shares is estimated about the same size as with the 1982-2010 sample. A first model, (col. 2) shows that restrictive policies are not only capable of reducing the impact of refugee flows, but also of redirecting those flows towards fellow countries. The $\Delta RR_{j \neq i}$ variable is now statistically significant indeed.

When sample is restricted to episodes of massive inflows regarding specific source countries, where our selection stems from weight (overall they represent more than 40% of the gross amount of refugees between 2006 and 2010) and the substantial variation of flows during the same time span, the above remarks are confirmed and strengthened (col. 3). Both measures of admission have a considerably stronger impact, which confirms our view that countries react to a great extent under specific



circumstances, when hit by large numbers of refugees. Also, Germany (col. 4) shows substantial differences when adding an intercept correction: German share is on average 0,05 higher than other Members' when sample is restricted to 4 origin countries, with a comparable contribution of residual explanatory variables.

Splitting recognition rates into convention and subsidiary protection leads to equivalent considerations (col. 5) and more accurate outcomes. No correlation is found between these two instruments, while multipliers are about twice as large. Contrary to Thielemann (2004), National Authorities independently manage such measures, showing no predominance of subsidiary over convention recognition rates when a greater amount of restriction is imposed through such measures. Rather, the effect of convention recognition rates seems a bit stronger. In our sample no clear bias emerges among European authorities. In general, subsidiary protection may be used to shrink admittance as much as convention status, and both instruments may contribute to the definition of the global stance towards refugees.

However, since the effect of recognition rates could differ among groups and States, we included dummies and interaction terms to capture group and States differences. The results show that global explanatory power is enhanced with comparable levels of coefficients, while two main characters emerge as leading actors of the strategic game. On the one hand, Germany is more benevolent towards asylum seekers during episodes of massive flows that happened in the recent past and, on average, her share grows over fellow countries. The effect of a 1% increase of recognition rate in Germany entails a share increase 0,05% higher than an equivalent policy implemented by neighboring countries. UK shows instead negative global



coefficients on the same dummies, when extra flow episodes are considered. Greece exhibits analogous results (not reported). This comes at no surprise since Greek recognition rates are by far the lowest in Europe and, presumably, also tightened during human rights crises. UK procedures reflect instead a less welcoming attitude towards asylum seekers. Further tentative estimates of restricted models (for specific groups or a specific host States) displayed no significant results, thus suggesting a global mechanism, where recognition rates mainly affect shares under specific episodes. The overall outcome is that European countries might interact by steering recognition rates across ethnic groups and through time, especially during extra flows episodes, producing, under certain circumstances, spillover effects across Europe that are statistically significant and more sizeable than in most of the existing literature. We suggest that, on such recurring occasions, such measures might have been adjusted to reduce the burden, redirecting the flows to neighboring countries.

Conclusions

In this paper we have shown that European countries might use recognition rates as instruments of reception of asylum seekers. Strategic adjustments redirecting people to other Member countries mostly happen when humanitarian crisis occur, involving specific groups of refugees. As a result, global spillovers between Member States clearly emerge. Also, some States display a different tendency toward the reception process: from graphical analysis and empirical investigations, Germany stands at the receiving end, systematically increasing her burden when Europe faces unexpected waves of refugees, while UK and Greece usually implement measures to curb



arrivals⁸. European countries approach may also stem from other relevant factors, not included in our analysis. Hence, no “hawks and doves” partition of European countries is stated in our model, but estimates do strengthen the belief shared by many scholars and practitioners, that different attitudes and a lack of cooperation portrays European countries. Such view is further supported when considering other formal and informal procedures adopted by host countries and some criticisms of Official and non-Official Bodies, as previously reported.

Restrictive measures, including recognition rates, can therefore be effective because European regulations allow a considerable degree of discretion of reception procedures among Member States.

This raises the question of whether greater harmonization of procedures and practices, as under EASO (European Asylum Support Office), can be effective in imposing more cooperation between Member States in the field of reception of asylum seekers.

Thielemann (2004) believes that harmonization of procedures can be counterproductive, stating that “structural factors are indeed more important than policy related factors in determining how asylum applications are distributed among countries, then the current European emphasis on the harmonisation of deterrence measures is misplaced”. The relevance of push and pull factors over policy measures is also reaffirmed in Thielemann (2012): although Germany, Austria and Switzerland adopted flow restraint policies, they still received large amounts of applications. In

⁸ Thielemann (2004), examined several restrictive measures and found different results about such attitudes, but implementation of the Dublin Regulation significantly changed the rules of the game, thereby affecting previous strategies.



our view, instead, the implementation of restrictive measures may redirect flows among host countries, with substantial spillover effects. By steering recognition rates, European countries achieve a marginal adjustment, where the variation in asylum seekers shares among States is primarily affected, but also the overall distribution of flows might experience relevant changes. In brief, while Thielemann examines the long term determinants of refugees flows, we consider restrictive policies as short term adjustments that might, nonetheless, structurally alter the refugees distribution.

If European States are involved in a strategic game to control refugee flows, and non cooperative behaviour actually leads to a shift of the burden towards neighbouring countries, harmonization is strikingly needed, in order to reduce the discretionary power of local authorities and to encourage the respect for human rights.

Actually, Dublin Regulation imposed wide changes in the rules of the game with resulting shares redistribution in Europe, which may contradict Thielemann's claim and shift our study to a different direction. We argue that Member States approved the Dublin system without full commitment, allowing themselves some degree of freedom when some restriction to admissions is imposed to adjust their own burden. Our evidence is based on the use of recognition rates only, since they represent the visible and quantifiable part of a broader set of restrictive measures. As a result, also in the Dublin context, there is room for restrictive measures, which may have substantial consequences on burden sharing for refugees, thus further harmonization has yet to be implemented.



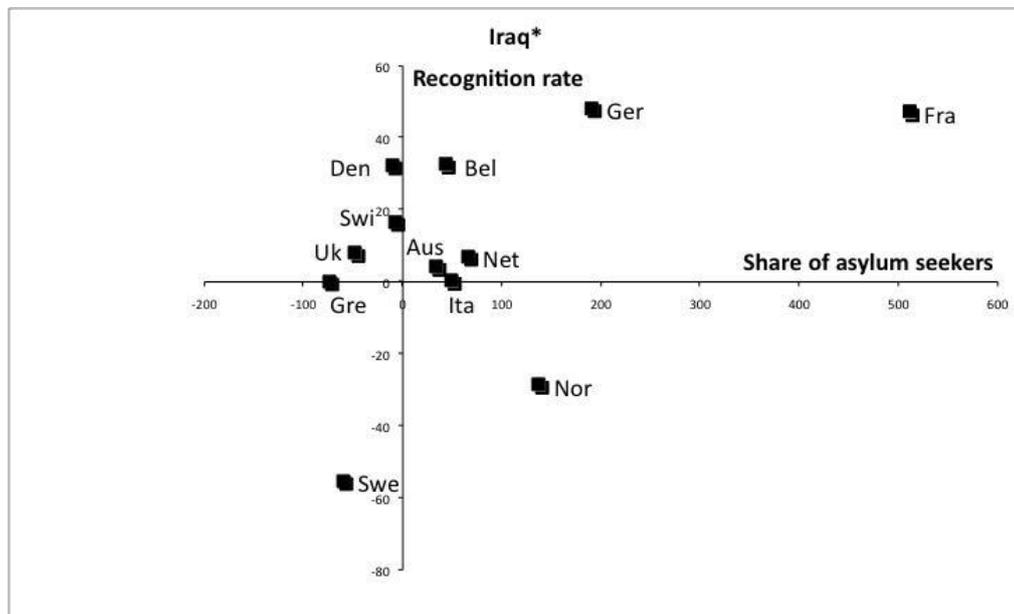
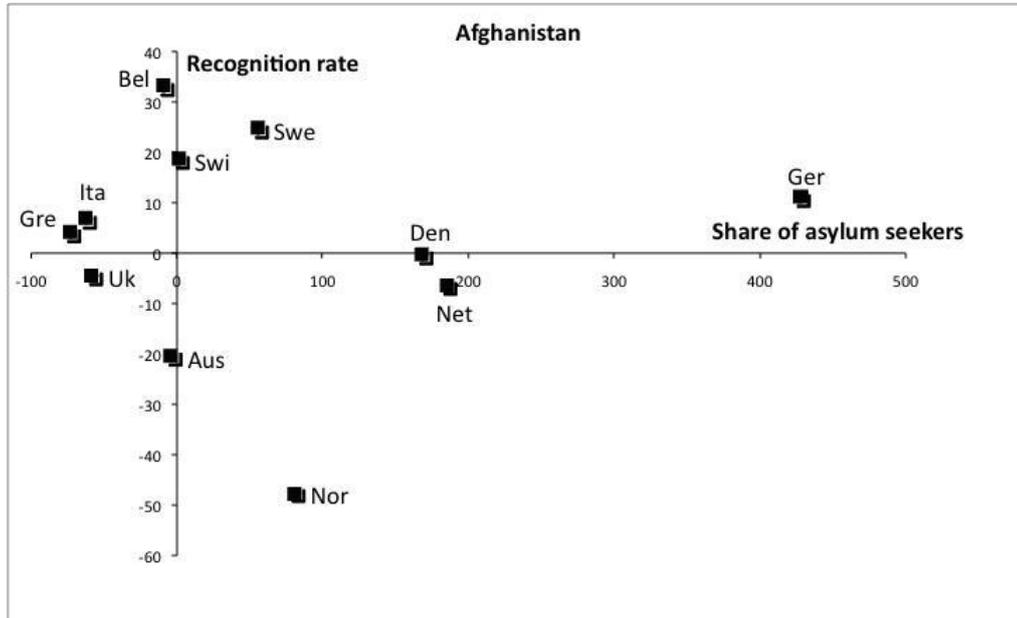
The latest report available at EASO (2012) lists a number of initiatives of cooperation in Europe. On general grounds, arrangements may concern greater coordination with partners (Frontex, Fundamental Rights Agency, UNHCR, International Organisation for Migration) or on initiatives of the Transnational Dublin project forum, part of the "European Council (2012) proposal". More specifically, projects such as the "Temporary Desk on Iraq" (TDI) identify tools for practical cooperation on data, asylum, resettlement, return and early warning. However, the EASO report also warns against actions that move in opposite directions, such as the unilateral setting of the "safe third countries", without a common agreement among Member States. As a result, even if Europe has promoted closer harmonization, still more cooperation is needed among Member States.

These issues may be addressed in a specific future work.

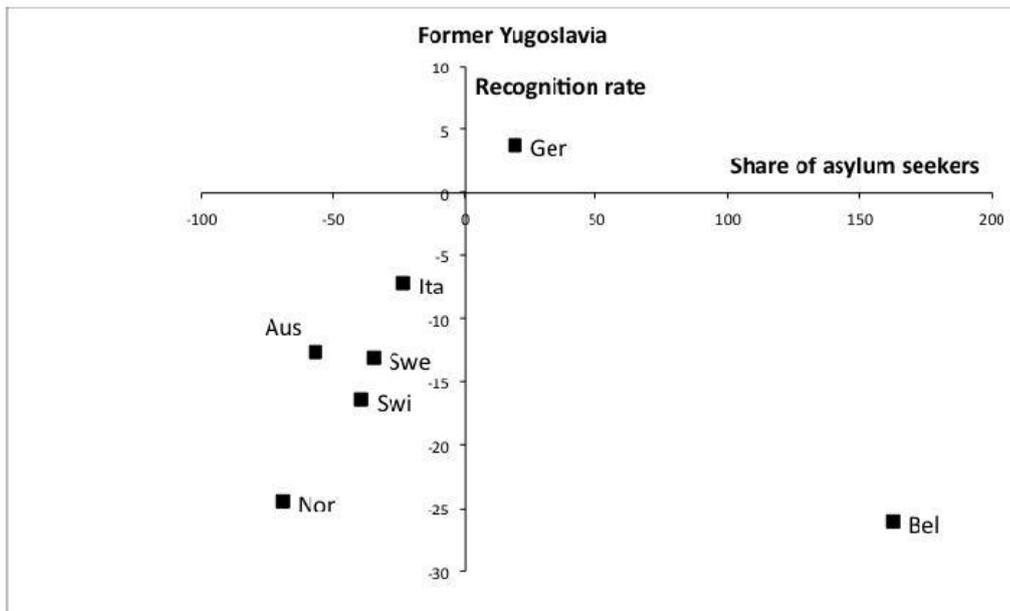
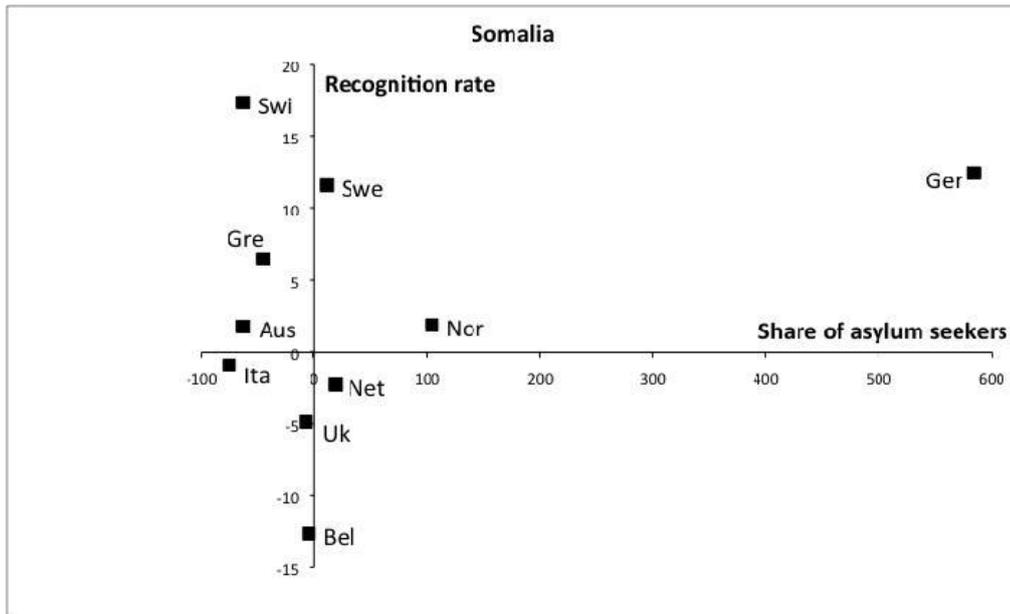


Appendix A

1. Change in recognition rates and in host countries shares variation – mean 2009-10 minus mean 2008-07



* mean 2008-09 minus mean 2007-06





Appendix B

One-way Anova performs an F-test to measure the variability of the clusters. To interpret the F-test, if the significance (in the Prob>F column) is less than 0,05, we have evidence, at the 5% level, to reject the Null Hypothesis, and say that there is some difference between the groups. We can see from output that, either for the whole sample (from 1982 to 2010) or the restricted and most recent sample (from 2006 to 2010), the F-value has always a significance larger than 0,05, and therefore we reject the Null Hypothesis: the average share of asylum seekers is statistically different across host countries.

1982-2011

Analysis of Variance						
Source	SS	df	MS	F	Prob>F	
Between groups	2,10399768	11	0,191272516	55,4	0,000	
Within groups	1,19103046	345	0,003452262			
Total	3,29502814	356	0,001157808			

Bartlett's test for equal variances: $\chi^2(11) = 434,9275$ Prob> $\chi^2 = 0,000$

2006-2010

Analysis of Variance						
Source	SS	df	MS	F	Prob>F	
Between groups	1,8255788	11	0,1659617	16,11	0,000	
Within groups	7,18890566	698	0,010299292			
Total	9,01448440	709	0,012714364			

Bartlett's test for equal variances: $\chi^2(11) = 507,8025$ Prob> $\chi^2 = 0,000$

2006-2010 Afghanistan, Iraq, Somalia, former Yugoslavia only

Analysis of Variance						
Source	SS	df	MS	F	Prob>F	
Between groups	0,394848434	11	0,035895312	7,68	0,000	
Within groups	1,05179181	225	0,00467463			
Total	1,44664025	236	0,006129832			

Bartlett's test for equal variances: $\chi^2(11) = 133,6173$ Prob> $\chi^2 = 0,000$



Appendix C

Appendix D			
Share of Asylum Applications and Recognition Rates			
(Dependent variable: first difference share of asylum applications)			
	RE GLS regression 1982-2010	RE GLS regression 2006-2010	RE GLS regression 2006-2010*
Constant	█ -0,00099 (0,777)	█ 0,00028 (0,959)	█ 0,00393 (0,536)
Lagged own recognition rate	█ 0,00976 (0,09)	█ 0,02888 (0,0000)	█ 0,029103 (0,0001)
Lagged others' recognition rate	█ -0,00784 (0,320)	█ -0,03722 (0,007)	█ -0,04592 (0,003)
Dummy Germany		█ 0,0180 (0,0000)	█ 0,00507 (0,474)
Interaction Germany			█ 0,04102 (0,022)
R-sq: within = 0.0041	0,004	0,0146	0,017
N. obs	345	█ 530	█ 503
N. of groups	█ 12	█ 157	█ 141
Obs. per group (avg.)	█ 28,8	█ 3,4	█ 3,6

* Afghanistan, Iraq, Somalia and former Yugoslavia only

P>|z| statistics in parenthesis



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