Deflection into Irregularity

The (un)intended effects of restrictive asylum and visa policies

Mathias Czaika
(University of Oxford)

Mogens Hobolth
(University of Copenhagen)
Most empirical studies support the view that immigration restrictions do significantly affect the magnitude and composition of immigration flows (Beine et al. 2011; Hatton 2005; Mayda 2010; Ortega and Peri 2013; Czaika and de Haas 2014).

On asylum, existing studies show that shifts in government regulations and practices do have a significant deterrence effect on the size of inflows, although exact size of the effect unclear (Neumayer 2005; Hatton 2004, 2009; Thielemann 2006; Keogh 2013).

BUT: Mind the side effects!

KEY QUESTION: Is there a ‘deflection into irregularity’?
Deflection into irregularity: the mechanism

Visa Policy
- Visa (neg)
- Visa (pos)

Asylum Policy
- Asylum (neg)
- Asylum (pos)

Decision to migrate
- Irregular entry
  - Irregular stay
- Stay home
  - Regular stay
- Regular entry
  - Irregular stay
Asylum and irregular migration in a European context
Similar origins but different prime destinations

Asylum seekers, 2001-11

Irregular migrants, 2008-11
Data and methods

- 29 destination countries, 180 origin countries, 5220 panels (unbalanced)
- Observation period: Asylum 2000-11; Irregular 2008-11
- Regression modelling (endogeneity of policy):
  - System dynamic GMM (Arrellano-Bond)
  - IV regression (2SLS)
- Empirical model:

\[ M_{ijt} = \beta_0 + \beta_1 X_{it} + \beta_2 Y_{jt} + \beta_3 Z_{ijt} + u_{ijt}, \]

with bilateral asylum and visa policies \( P \in Z \).
• Visa and Asylum Policy
  o Asylum refusals and rate (*UNHCR 2013*)
  o Visa refusals and rate (*European Visa Database, Hobolth 2012*)
• Asylum migration
  o Asylum applications by year and origin (*UNHCR 2013*)
• Irregular migration
  o Apprehensions at the border and on territory by year and origin (*Eurostat 2012*)
• Other controls (origin-, destination-, dyad-specific)
  o Governance (*WGI 2012*)
  o Income p.c. (*Worldbank 2013*)
  o Population size (*UNPD 2012*)
  o Network size (*Worldbank 2012*)
  o Geographical proximity (*CEPII 2013*)
**Asylum and visa policies: Deterrence of asylum seekers?**

<table>
<thead>
<tr>
<th>DV: Asylum applications (log)</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visa regimes</td>
<td>all</td>
<td>free</td>
<td>required</td>
<td>all</td>
<td>required</td>
</tr>
</tbody>
</table>

A **10 per cent increase** in asylum refusals decrease the asylum flow by about **0.7-0.8 per cent**
A **10 percentage points increase** in the asylum refusal rate reduces the number of future asylum applications by about **1.4 per cent**

Bilateral asylum flows are on average more than **50 per cent lower** in visa-constrained corridors than in visa-free corridors.

In visa-constrained corridors, visa refusal slightly increase asylum flows:
A **10 per cent increase** in visa refusals increase asylum applications by about **0.3 per cent**.

<table>
<thead>
<tr>
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<tbody>
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<td>yes</td>
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<tr>
<td>Observations</td>
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<td>12,831</td>
<td>14,528</td>
<td>5,184</td>
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<tr>
<td>Number of dyads</td>
<td>2,339</td>
<td>467</td>
<td>1,899</td>
<td>2,286</td>
<td>980</td>
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</tbody>
</table>

Notes: Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1. Observation period: 2001-2011. 29 European destination countries, 195 countries of origin. GMM regressions apply Arellano-Bover/Blundell-Bond linear dynamic panel-data estimator (xtdpdy) with robust standard errors. All models include AR(1) term.
Asylum and visa policy effects: 
Deflection into irregularity?

### DV: Irregular Migrants (log)

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<td>all</td>
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</table>

A **10 per cent increase** in asylum refusals increase irregular migration by about **3.1 per cent**.

No. of irregular migrants is more than **56 per cent lower** in visa-constrained corridors.

In visa-constrained corridors, **visa refusal increase irregular migration**:

A **10 per cent increase** in visa refusals increase irregular migration by **5.4 per cent**.

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<tbody>
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<tr>
<td>Destination FE</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Observations</td>
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<td>6,161</td>
<td>12,956</td>
<td>3,555</td>
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<tr>
<td>Number of dyads</td>
<td>362</td>
<td>1,900</td>
<td>3,361</td>
<td>1,074</td>
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</table>

Notes: Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1. In (9), dependent variable (apprehended irregular migrants) is adjusted by presence of police forces. Observation period: 2008 - 2011. 29 European destination countries, 195 countries of origin (unbalanced). GMM regressions apply Arellano-Bover/Blundell-Bond linear dynamic panel-data estimator (xtdpdsys) with robust standard errors (appendix). 2SLS regressions use following instruments for policy variables: (1) Share of Muslim population at origin, (2) Share of informal sector at origin. GMM models include AR(1) term.
Conclusion

- Visa requirement as such is associated with lower numbers of asylum seekers and irregular migrants.
- Asylum refusals decrease the number of (future) asylum applications but increase the number of irregular migrants.
- Visa refusals increase the number of asylum applications but even more the number of irregular migrants.

- Deterrence effect of a tightening asylum and visa policy is counterbalanced by a ‘deflection into irregularity’!

- Size of an additional spatial deflection dynamic yet unknown.
Thank you

(and the DEMIG team!)