Deflection into Irregularity

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

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- 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!

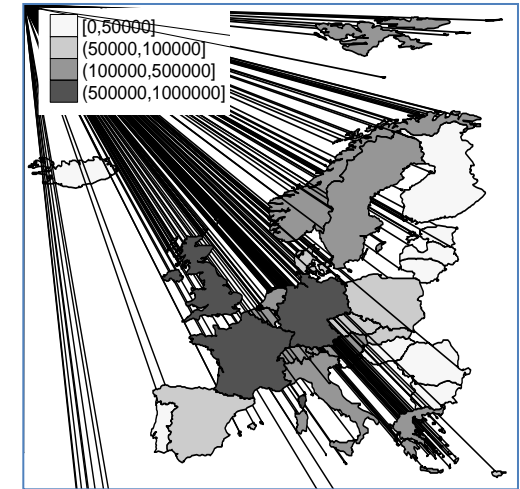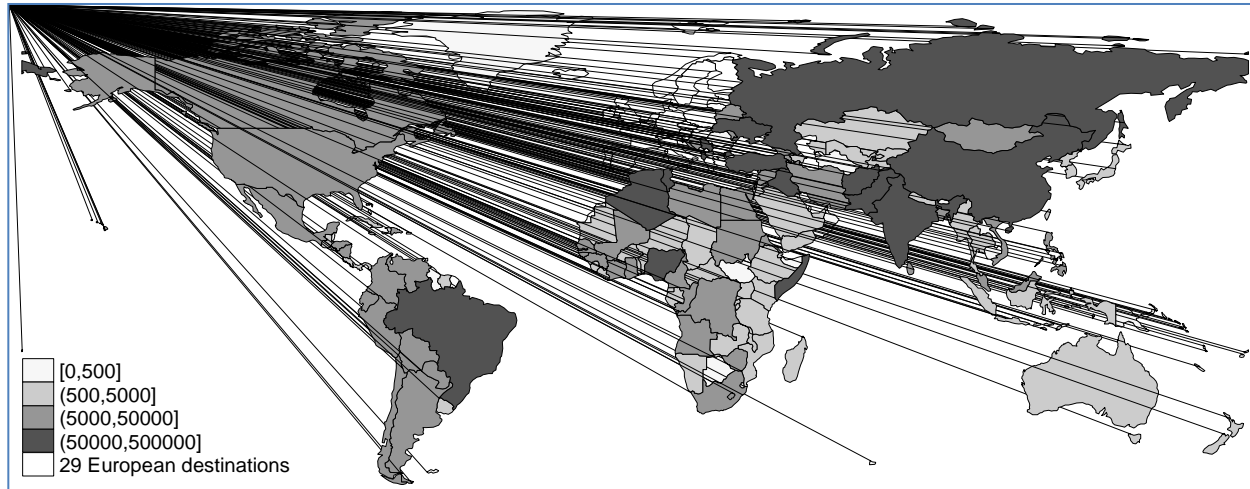- KEY QUESTION: Is there a 'deflection into irregularity'?

Deflection into irregularity: the mechanism
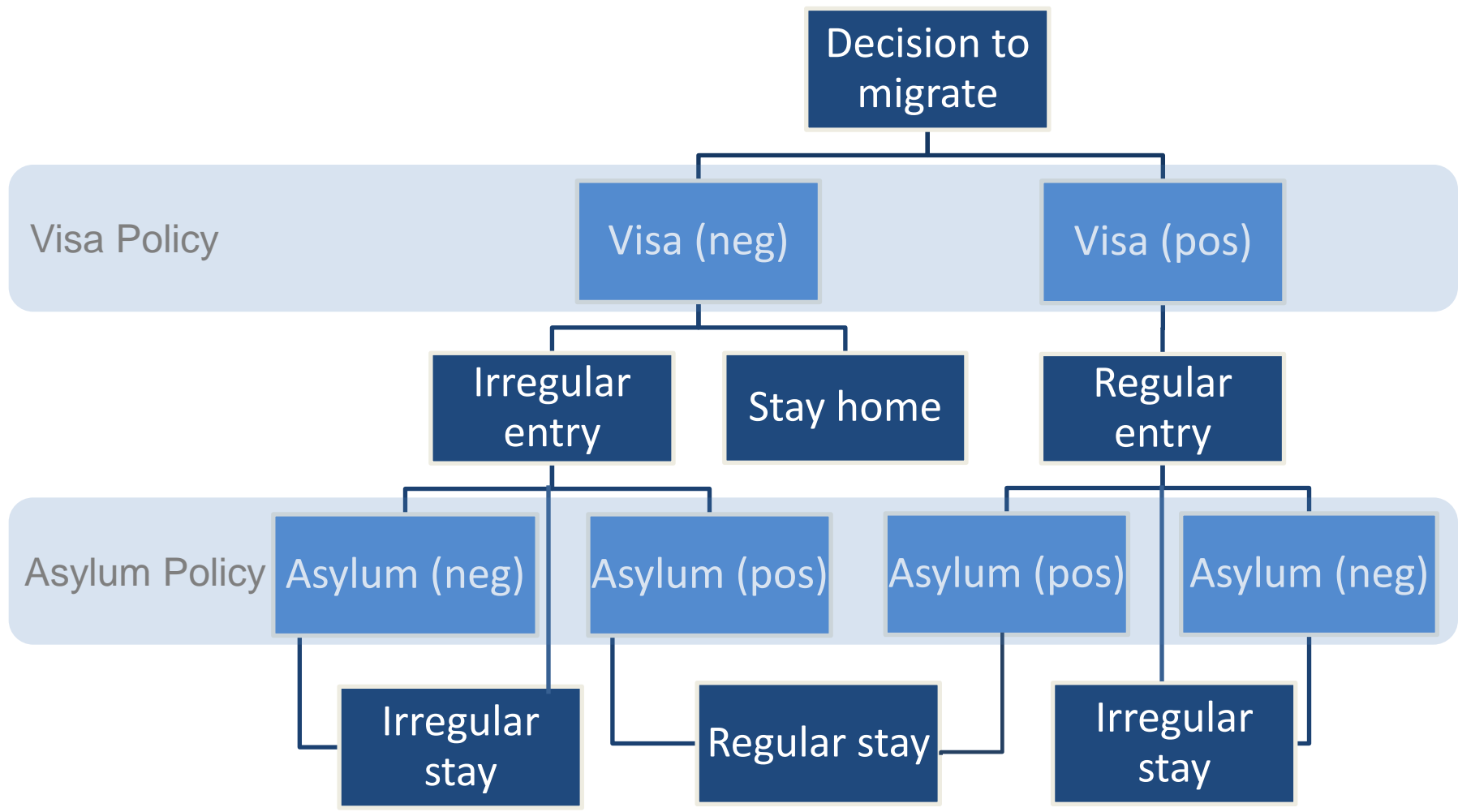
Asylum and irregular migration in a European context
Similar origins but different prime destinations

Asylum seekers, 2001-11

[0,500]
(500,5000]
(5000,50000]
(50000,500000]
29 European destinations

[0,50000]
(50000,100000]
(100000,500000]
(500000,1000000]

Irregular migrants, 2008-11

[0,500]
(500,5000]
(5000,50000]
(50000,500000]
29 European destinations

[0,50000]
(50000,100000]
(100000,500000]
(500000,2000000]
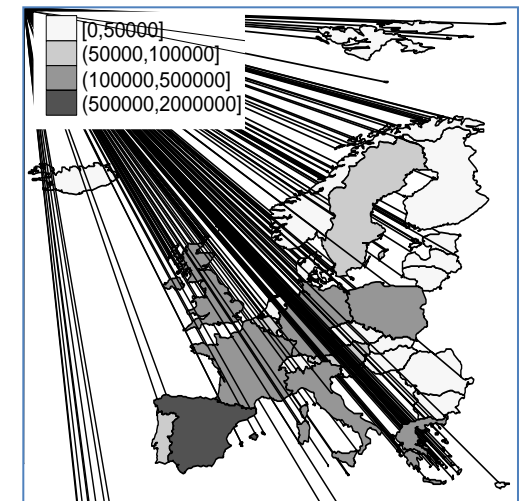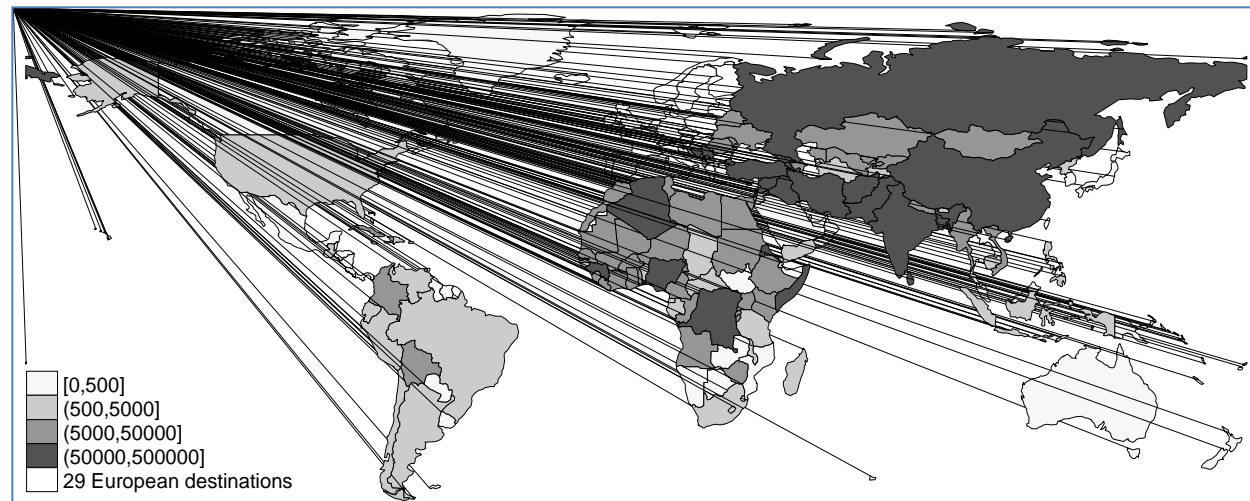
- 29 destination countries, 180 origin countries, 5220 panels (unbalanced)

- 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
  - Asylum refusals and rate (*UNHCR 2013*)
  - Visa refusals and rate (*European Visa Database, Hobolth 2012*)
- Asylum migration
  - Asylum applications by year and origin (*UNHCR 2013*)
- Irregular migration
  - Apprehensions at the border and on territory by year and origin (*Eurostat 2012*)
- Other controls (origin-, destination-, dyad-specific)
  - Governance (*WGI 2012*)
  - Income p.c. (*Worldbank 2013*)
  - Population size (*UNPD 2012*)
  - Network size (*Worldbank 2012*)
  - Geographical proximity (*CEPII 2013*)

DV: Asylum applications (log)	(1)	(2)	(3)	(4)	(5)
Visa regimes	*all*	*free*	*required*	*all*	*required*

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**.

	(1)	(2)	(3)	(4)	(5)
Other controls	yes	yes	yes	yes	yes
Constant	yes	yes	yes	yes	yes
Observations	16,090	1,646	12,831	14,528	5,184
Number of dyads	2,339	467	1,899	2,286	980

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 (xtdpdsys) with robust standard errors. All models include AR(1) term.

DV: Irregular Migrants (log)	(1)	(2)	(4)	(3)
Visa regime	*free*	*required*	*all*	*required*

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**.

	(1)	(2)	(4)	(3)
Other controls	yes	yes	yes	yes
Constant	yes	yes	yes	yes
Destination FE	yes	yes	yes	yes
Observations	864	6,161	12,956	3,555
Number of dyads	362	1,900	3,361	1,074

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.

- 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!)