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A Short Overview**

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ABSTRACT

Refugee and Asylum Migration to the OECD: A Short Overview^{*}

This paper provides an overview of asylum migration from poor strife-prone countries to the OECD since the 1950s. I examine the political and economic factors in source countries that generate refugees and asylum seekers. Particular attention is given to the rising trend of asylum applications up to the 1990s, and the policy backlash that followed. I consider the political economy of restrictive asylum policies, especially in EU countries, as well as the effectiveness of those policies in deterring asylum seekers. The paper concludes with an outline of the assimilation of refugees in host country labour markets.

JEL Classification: F22, F55, J61

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Introduction

Refugees are a distinct class of migrants—those whose principal motive for migration is to escape from war and oppression. Although these are often overlooked in the economic analysis of migration the numbers are substantial. In 1992 there were nearly 18 million refugees in the world, amounting to eleven percent of the total migrant stock. By 2009 that number had decreased to nine million or about 4 percent of the migrant stock. But because of the circumstances that they face, refugees have an importance beyond the mere numbers. In Western countries asylum seekers have been a major focus of attention and there has been a vigorous debate over asylum policies. The literature reviewed in this chapter concentrates largely on those who have sought sanctuary in the developed world and it focuses on issues that have much in common with the migration literature. But it also gives prominence to the evolution of policy—both its underlying causes and its effects.

Development of the international refugee regime

Seeking asylum from persecution has a long history that includes religious groups such as the Huguenots in the 16th and 17th centuries, the flights of Russian and Eastern European Jews in the 19th century as well as many other groups displaced by war and colonisation. But the international refugee regime as we know it is largely a product of the twentieth century and its origins lie in Europe. The First World War created refugees on an unprecedented scale as newly established or re-configured states sought to create more homogenous populations through ‘ethnic unmixing’. The displacement of more than two million Poles, Germans and Magyars was followed in the 1920s by mass displacements of Greeks and Armenians, among others. In response to these humanitarian crises the League of Nations appointed a High Commissioner for Refugees, specifically to assist the large number of Russians driven out of their homelands by revolution, war and famine. This initiative created an official refugee status by issuing identity certificates for those who had become stateless and it involved negotiating the exchange, repatriation and resettlement of refugees.¹

In the 1930s border controls and immigration policies in immigrant-receiving countries became tighter as economic conditions deteriorated. Despite international conventions aimed at resettling exiles from Russia and Armenia (1933) and Germany (1938) there was growing resistance to enhancing the legal status of refugees and providing resettlement. The Second

¹ Developments in the interwar period are described by Skran (1995); see also Marrus (1985) Ch. 3, and Loescher (2001), Ch. 2.

World War created an even more acute refugee crisis. In 1945 there were more than 30 million displaced persons in Europe, not counting the 13 million ethnic Germans expelled mainly from Czechoslovakia, Poland and the Soviet Union. In 1943 the United Nations established the UN Relief and Rehabilitation Administration, which repatriated about 7 million refugees. This was followed in 1947 by the establishment of the International Refugee Organisation. It had wider powers for the documentation, relief and relocation of refugees but Cold War politics meant that it lacked universal support and that its mandate was time-limited. The focus on Europe also meant that major displacements elsewhere were dealt with either by the establishment of separate agencies, as in the cases of Palestine and Korea, or not at all, as in the case of India and Pakistan.²

Following the creation in 1949 of a United Nations Commissioner for Refugees, the UN Convention Relating to the Status of Refugees was agreed in Geneva in 1951.³ This became the most influential legal instrument governing refugee policy in the postwar era and it remains the foundation for policy towards asylum seekers and refugees.⁴ Among the key clauses is the definition of a refugee (Article 1 (A2)) as someone who:

owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.

Equally important is the so called *non-refoulement* clause (Article 33 (1)) which provides that:

No Contracting State shall expel or return ('refouler') a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be

² The United National Relief and Works Agency was established in 1949 to assist Palestinians displaced on the creation of the state of Israel. The United Nations Korean Reconstruction Agency (1950) focused on rehabilitation of refugees in the Korean War. Other agencies set up in this period include the Intergovernmental Committee for European Migration (1951), which later became the International Organisation for Migration, and the United States Escapee Program (1952), which focused American efforts on resettling refugees from the Soviet Union and Eastern Europe.

³ The history of the UNHCR is described in Loescher (2001) and UNHCR (2001b).

⁴ The original text can be found on the UNHCR website at: <http://www.unhcr.org/3b66c2aa10.html>.

threatened on account of his race, religion, nationality, membership of a particular social group or political opinion.

These provisions have had a profound influence on asylum policy right up to the present. The *non-refoulement* clause implies that a person arriving on the territory or at the border of a state must be given access to a procedure to determine his or her status. Refugee status must be determined on a case-by case basis, according to the somewhat subjective criterion of Article 1 without limit to the number. And under Article 31 of the Convention, illegal entry or presence in the country does not prejudice admission into the refugee status determination procedure or the outcome of that process.

The 1951 Convention was restricted to refugees displaced in Europe before 1950. However in a step-by-step process the UNHCR expanded its remit as an agency, first in response to the displacements caused by the Hungarian uprising of 1956, and then later to displacements outside Europe associated with independence conflicts and post-independence civil wars, notably in Africa. In 1967 a United Nations conference in New York produced a Protocol that applied the provisions of the Convention to refugees who were displaced after 1950 and also to those outside Europe. From the 1960s to the 1980s there was a radical expansion of the refugee regime. The Refugee Convention which entered into force in 1954 had 22 signatories by 1960; and the number that had ratified either the Convention or the Protocol increased to 60 in 1970, 83 by 1980, and 107 by 1990. (By 2010 the number had reached 147.) In addition, the Organisation of African Unity adopted a separate Convention (in Addis Ababa, 1969) as did the American States in the Cartagena Declaration (in Columbia, 1985), both of which went beyond the 1951 Convention.

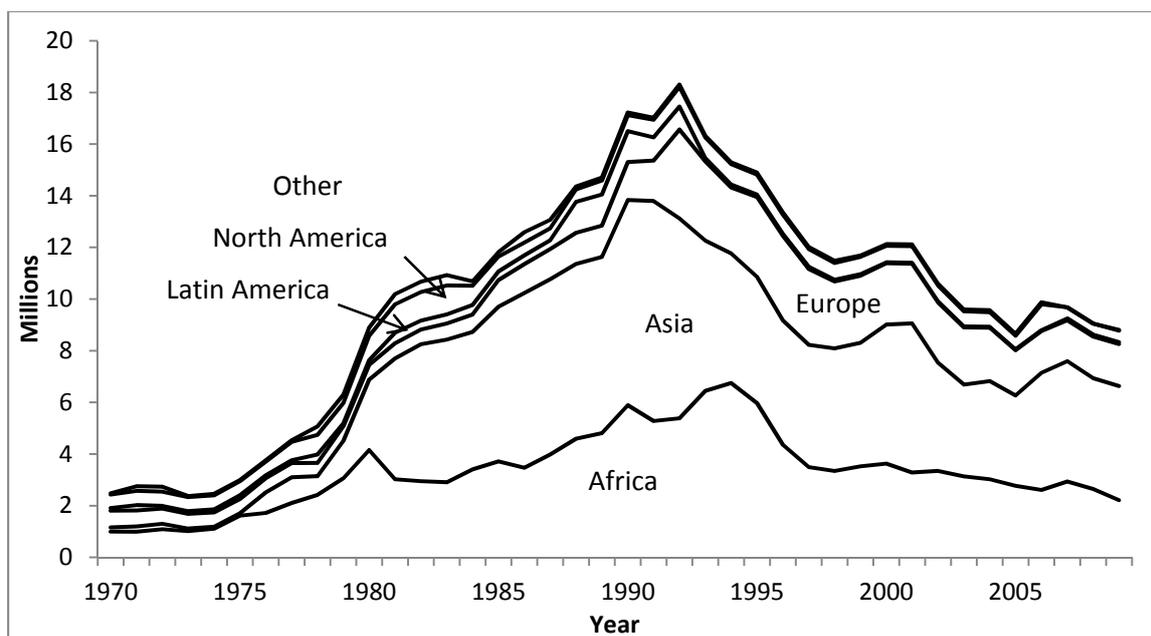
The international refugee regime expanded in both its geographical scope and in the situations that it responded to. What underpinned this expansion? Early in the Cold War much of the focus was on resettlement (rather than repatriation), principally of refugees from the Soviet bloc. From the time of the Korean War, superpower conflict extended across the globe in the form of proxy wars that enveloped a range of countries in Africa, South and Central America and, most important of all, Vietnam. But Cold War mentality was increasingly eclipsed in public opinion by the concerns that underpinned the civil rights movement in the US, combined with a growing awareness of the humanitarian consequences of wars and oppression. This was fed by the mass media, particularly television, which brought the graphic details of war and human rights abuse into the front rooms of millions in

the West (Teitelbaum, 1984, p. 445). The trends in public sentiment are reflected in the proliferation of humanitarian organisations, and is symbolised by the award of the Nobel Peace Prize to Amnesty International in 1977, not to mention anti-war movements and concerts in aid of those suffering poverty and oppression.

By the 1980s a variety of ongoing conflicts were generating refugees on three continents. In Asia there were refugees from Afghanistan as well as those remaining from the aftermath of the Vietnam War. There were major conflicts in the Horn of Africa as well as in the Great Lakes region of Africa; and in South America there were conflicts in Nicaragua, El Salvador and Guatemala. The fall of the Berlin Wall in 1989 and the dissolution of the Soviet Union added to the mounting number of refugees. Together with growing access to international travel these events opened new routes into Western Europe for those seeking asylum. By the early 1990s the refugee regime that had been built on the 1951 Refugee Convention and that had expanded over four decades was under severe strain. On the one hand the number of asylum applications had increased dramatically, while, on the other hand, the willingness of developed countries to provide asylum went into decline. This led to a political backlash which involved the tightening of asylum policies throughout the Western World—something that will be examined further below.

Refugees and asylum seekers

The long run trend in the worldwide stock of refugees by region of asylum is shown in Figure 1. These numbers are estimated by the UNHCR in accordance with the definition of refugee as someone displaced from his or her country of origin. In the early 1970s the total was a little over two million, a magnitude similar to that of the 1950s and 1960s. It then climbed steeply to a peak of 18 million in 1992, after which there was an uneven decline to less than nine million in 2009. On a per capita basis the upward trend would be somewhat less steep. Relative to the world's population the number of refugees increased from 0.7 per thousand to 3.4 per thousand in 1992 and then fell to 1.4 thousand in 2009. It is important to stress however these figures do not include those who are displaced within the borders of their country, which in 2009, according to the UNHCR, was double the number of refugees.

Figure 1: Refugees by Region of Asylum 1970-2009

Source: 1970-99: UNHCR (2001), Annex 3; 2000-5: UNHCR, *Statistical Yearbook* (2005), Table A5; 2006-9 calculated from UNHCR *Global Trends: Refugees, Asylum Seekers Returnees, Internally Displaced and Stateless Persons* (2006-9), Table 1.

A striking feature of the figure is that despite the attention in recent years to asylum flows into Western countries, around three quarters of the world's refugees are located in Asia and Africa—regions where an even greater share of them originated. As Figure 1 implies, the surge in the stock of refugees that took place from around 1975 to 1990 was largely due to displacements in Asia and Africa. Although refugees are by definition outside their country of origin most of them do not get very far—usually just across the border. According to the UNHCR more than half of all the refugees enumerated in 2008 were in ‘protracted refugee situations’. About 30 percent of refugees (and especially those in Africa) are located in camps, sometimes under appalling conditions where they lack basic necessities and where there is little security.

As a result the refugee burden still falls disproportionately on some of the world's poorest countries. This is illustrated in Table 1, which compares those hosting the largest number of refugees with some of the major OECD refugee hosts. In the left hand column are Syria, Iran, Pakistan and Jordan, each hosting more than half a million refugees. As the second column shows, for Syria and Jordan, this is more than 50 per thousand of the population. As the right hand panel shows, the largest refugee hosts in the developed world are Germany, the UK and the US, while in relation to population they are Sweden, Norway and Germany, each with

more than seven per thousand. Although these proportions are comparable with some of the poorest nations, they do not adequately reflect the capacity to provide for refugees. Accordingly, the third column in each panel reports the ratio of the number of refugees to the country's GDP in millions of international dollars. Among the poorer countries Syria, Jordan and Chad have more than ten refugees per million dollars while Tanzania, Kenya and the Congo have more than five refugees per million dollars. By contrast the maximum among developed countries is around 0.2 refugees per million dollars.

Table 1: The Refugee Burden in 2008

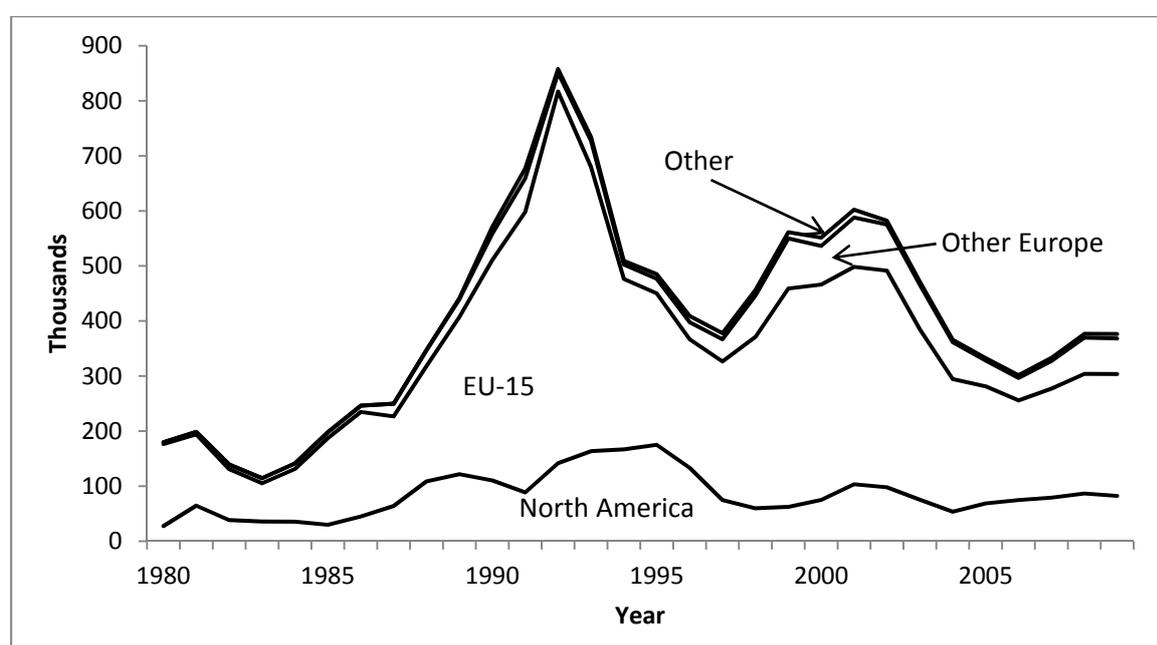
Country	Refugees	Refs/ Popn	Refs/ GDP	Country	Refugees	Refs/ Popn	Refs/ GDP
Syria	1105.7	50.47	11.71	Germany	582.7	7.09	0.20
Iran	980.1	13.21	1.20	UK	292.1	4.74	0.13
Pakistan	765.7	9.85	1.74	United States	279.5	0.89	0.02
Jordan	500.4	79.22	16.08	Canada	173.7	5.17	0.13
Tanzania	321.9	7.36	5.99	France	160.0	2.57	0.08
Kenya	320.6	8.05	5.31	Netherlands	77.6	4.68	0.11
Chad	302.7	29.49	18.78	Sweden	77.0	8.33	0.23
China	301.0	0.22	0.04	Italy	47.1	0.79	0.03
Saudi Arabia	240.6	9.35	0.41	Switzerland	46.1	6.10	0.15
India	184.5	0.15	0.06	Austria	37.6	4.49	0.11
Sudan	181.6	4.30	2.07	Norway	36.1	7.50	0.14
Uganda	162.1	4.96	4.39	Denmark	23.4	4.28	0.11
D. R. Congo	155.2	2.35	7.52	Australia	20.9	0.98	0.03
Yemen	140.2	5.94	2.53	Belgium	17.0	1.60	0.04
Nepal	122.3	4.26	3.87	Poland	12.8	0.34	0.02

Source: UNHCR, *Statistical Yearbook*, 2008, Tables 1 and 25; International Monetary Fund, World Economic Outlook Database.

The fall in refugee numbers since 1990 has been partly due to a slowdown in the number of new displacements, following the end of the Cold War. But it is also the result of refugees returning to their homelands, often with the assistance of humanitarian organisations. Over the last decade returnees amount to about 9 percent of refugee stock each year. A much

smaller number have been resettled elsewhere—less than 1 percent per year—while an unknown proportion has partially assimilated into urban ghettos in the host country. Nevertheless a large proportion of exiles from the most intractable conflicts have remained in limbo. These include Afghans, Burmese, Somalis, Sudanese and Congolese, many of whom have been displaced for more than a generation. According to the UNHCR, the average duration of exile for those in protracted refugee situations increased from nine years in 1993 to 17 years in 2003 (UNHCR, 2006, p. 109).

Figure 2: Asylum Applications by Region of Asylum, 1980–2009



Sources: 1980–1: UNHCR (2001a) Table V.1, V.2; 1982–2005: UNHCR, *Statistical Yearbook*, 2001 and 2005, Table C1; 2006–9: UNHCR, ‘Asylum Levels and Trends in Industrialized Countries, 2009’, Table 1.

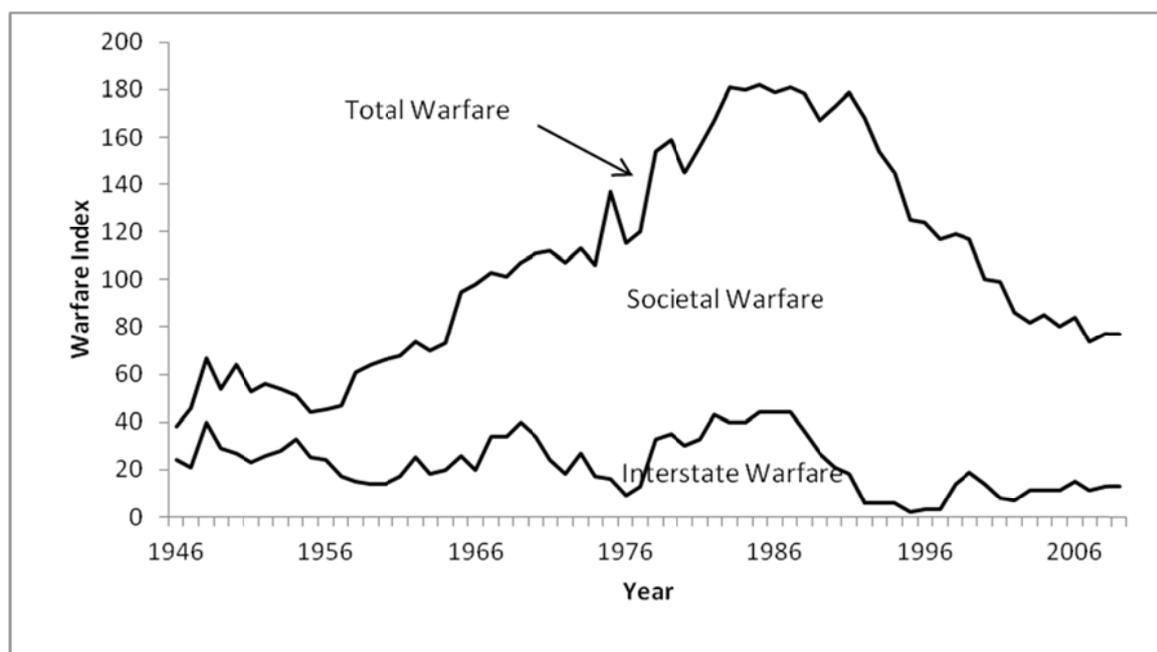
Although the bulk of refugees remain in poor and middle income countries, over time an increasing number have applied for asylum in the rich countries, and it is these that have attracted the most attention. Figure 2 shows the time profile of the number of asylum applications to ‘industrialized countries’—essentially the OECD and a few others. These are first instance claims (not appeals or family reunification). The vast majority of them are submitted within the destination country or at the border by applicants who have arrived spontaneously, rather than having been transferred through organised resettlement programmes. Total applications increase from around 100,000 in the mid-1980s to a peak of 850,000 in 1992. After some decline the number reached a second peak in of 600,000 in

2001. Since that time the number has halved, representing a return to figures last seen in the 1980s.

Two features stand out. First, the time profile of the flow of applications to the West is similar to that of the total stock of refugees. This suggests that some of the same fundamental forces that drive displacement within the third world also determine asylum migration to the West. The second feature is the bulges in 1989-94 and 1998-2003 in the number applying in Europe, and especially in the EU-15. Much of this is driven by applications from and through Eastern Europe and the former Soviet Union. The ratio of the asylum flow in Figure 2 to the refugee stock in Figure 1 increased from 2.0 percent in 1980 to 4.7 percent in 1992 and then 5.5 percent in 2002. It seems that the tendency to seek sanctuary in the West has increased.

What drives refugee displacement?

Figure 3: Global Warfare, 1946-2009



Source: Marshall and Cole, 2009, p. 5. Data kindly provided by Monty Marshall.

The most obvious source of refugee displacement is conflict and persecution—something that seems ever present in the world. If this is the fundamental driver of refugee displacement then the evidence from Figures 1 and 2 suggest that since the early 1990s the volume of conflict must have declined. A range of measures of the volume of warfare suggest that the world has indeed become a safer place. Figure 3 presents one measure, where for every country conflict is given a score from one to seven according to its scale and the overall societal impact. The

figure gives the total unweighted score for a constant set of countries. The top line shows that total warfare increased from the 1950s, with a steep rise from the mid-1970s to the mid-1980s. From the mid 1990s there is an equally steep decline that is broadly consistent with the profile of the refugee stock. Notable also is the fact that most of the rise and fall of global warfare is due to civil wars rather than interstate wars (lower graph).

Violence and oppression is not only the result of war. Human rights abuses and absence of the rule of law are often prevalent, even when there is no outright war. The Political Terror Scale, which captures a somewhat broader range of threats, exhibits a rise in intensity from the early 1980s to the mid-1990s with some decline thereafter. But not all indices point in the same direction. The Freedom House indices of political rights and civil liberties show a trend of improvement for the world as a whole from the early 1980s to the mid-1990s with no subsequent reverse. At a more institutional level, there is evidence from the Polity IV index of political authoritarianism that the number of autocracies increased to the mid-1970s and then declined, while the number of transitional polities increased (see Hatton, 2011, pp. 26-28). Some observers find that countries with fragile political institutions, particularly those in transition, are more prone to civil conflict than those that are more settled (Gates et al, 2006; Goldstone et al, 2010).

A number of studies have sought to assess the causes of refugee flights using quantitative analysis. Typically they use cross-country analysis to assess the relative effects of measures of conflict and socioeconomic variables. Such variables are sometimes seen as capturing elements of an exit-voice trade-off; whether to leave or instead to fight, whether to resist or just lie low in the hope that a better future will emerge. One issue is the distinction between the proximate causes of refugee exodus, such as violence and terror, and the deeper structural conditions that give rise to these situations such as political authority, ethnic fractionalisation, poverty, inequality and resource endowments. A second issue is that some variables may be interpreted as intervening conditions. These are obstacles that intervene between the latent desire to escape and the ability to do so. For instance, people may want to escape from an authoritarian regime but find that repressive policies make departure more difficult.

In an important paper Schmeidl (1997) used regression analysis to explain the stock of refugees in over 100 countries during the 1970s and 1980s. She found that the most significant variables were those representing armed conflict, especially civil wars and genocide and politicide. In the presence of these forces, other variables representing political

rights, civil liberties and ethnic tensions were generally not significant. This suggests that the conflict outcomes tend to overshadow the deeper causes of violence. Intervening factors (poverty, population density, geography) also proved to be unimportant unless they were interacted with some measure of conflict. But those interactions seem not to work in the 'right' direction, and Schmeidl (1997, p. 304) surmised that intervening conditions may be less important than some of the previous literature had suggested. Further research has largely confirmed those results. Davenport *et al* (2003) and Moore and Shellman (2005) provide fixed effects estimates for the net refugee stock, including the internally displaced, for over 100 countries. Both studies find that conflict, genocide and protest were the most influential variables, as well as finding some role for political transitions towards democracy.

These studies focus on the (absolute) stock of refugees rather than on the flow of asylum seekers to the developed world. By contrast, Neumayer (2005) analysed asylum applications to Western Europe by country of origin. The results indicate that asylum flows are largely explained by the same variables that generate total refugee displacements. Like Moore and Shellman (2005) he found that an index of political terror was highly significant, and in addition that autocracy had a positive effect on asylum flows. He also found negative effects for the level and change in origin country GDP per capita, while the share of prime age population and the cumulative stock of past applicants were positive influences. A comparison of the results suggests that some variables such as genocides, famines and natural disasters mainly generate internal and cross-border displacements rather than longer distance flights.⁵ On the other hand, economic and demographic factors seem to be more important for longer distance migrations.

Previous studies have focused mainly on cross-country variation in the conditions that generate refugee displacements and asylum applications. In a recent study I analysed panel data for asylum applications to the developed world from 56 strife-prone countries over the period from 1982 to 2006 (Hatton, 2009). The results are largely consistent with those of previous studies—source country GDP per capita has a negative effect while greater political rights reduces asylum applications. An index of conflict (the number of war deaths) increases asylum outflows, as might be expected, but this effect fades when the political terror index is included. Not surprisingly outflows are larger, by a factor of about three, if the source country is in Europe. Together the variables in the model account for an increase in asylum

⁵ However, Moore and Shellman (2006) find that civil war and high levels of dissident violence and government terror increase the number of refugees relative to the number internally displaced.

applications of 43 percent between 1982-6 and 1992-6 and exactly the same percentage decrease between 1992-6 and 2002-6. However the model does not fully explain the surge in asylum applications during the 1980s.

Several hypotheses have been advanced to explain the surge of the 1980s. One possibility is that, following the abrupt end of guestworker programmes in the early 1970s in Germany and other European countries, migrants switched to using the asylum channel to gain entry (see Bauer *et al* (2005) for a description of the phases of policy in Germany). Such a direct substitution effect seems doubtful although the evidence for Germany suggests a switch from ‘pull’ to ‘push’ migration from guestworker countries (Zimmermann, 1995). But the major surge in asylum applications took place a decade after the *Anwerbestopp*.⁶ Also, the surge came from a variety of source countries—not just those that had been sources of guestworkers. It seems likely that falling transport costs and improved information contributed something to the rise in applications during the 1980s. And these effects were probably magnified by the proliferation and growing efficiency of people-smuggling networks (see Friebel, this volume).

The asylum policy backlash

As noted earlier, the rise in asylum applications that gathered pace in the 1980s and peaked in the 1990s led to a policy backlash in the developed world. Although all the countries of the OECD had acceded to the Refugee Convention, this nevertheless left open many ways in which governments could act to deter asylum applications. One of the most important policies was to limit access to the country’s territory. Tougher border controls included measures such as carrier sanctions, enhanced inspections and border patrols, and the introduction of special airport zones to quarantine potential asylum seekers. These were backed by the escalation of visa requirements for countries that were potential sources of asylum applicants.

The second strand of policy tightening was in the procedures that were used to determine whether or not an applicant would gain refugee status. They included narrowing the definition of a refugee, introducing fast track procedures for ‘manifestly unfounded’ claims,

⁶ Applications from two of the most important guestworker sources, Turkey and the former Yugoslavia, correspond closely with conflicts in those countries rather than with the ending of the guestworker era. It seems likely however that, at times of conflict refugees from those countries fled to places where there was already an established expatriate population.

limiting the scope for appeals and being less generous in awarding permission to stay on humanitarian grounds. As a result, the proportion of applicants to EU-15 countries who were granted some form of status fell from a half in 1985 to 30 percent a decade later. And third, there was a progressive toughening in the conditions asylum seekers faced during the processing of their applications. These included restricting access to employment, reducing welfare payments or substituting benefits in kind, and increasing the use of detention.⁷

During the 1990s governments responded to political pressure with policy packages that included one or more of these ingredients. A notable example is Germany where the Basic Law (constitution) was amended in 1993 in order to implement more restrictive policies. In most countries the rules were tightened in a series of steps. In Denmark the Aliens Act was amended in the mid-1990s and again in 1998 and 2002. The UK provides another example of the step-by-step tightening of asylum rules. An Act of 1993 introduced a fast-track procedure for applicants from 'safe countries of origin' and an Act of 1996 limited the rights of those who had travelled through 'safe third countries'. Under the 1999 Immigration and Asylum Act asylum seekers were dispersed to reception centres outside London and vouchers were substituted for cash benefits. This Act also included faster processing of applications and tighter border security with increased stop and search powers for immigration officers and tougher carrier sanctions. This was followed by the 2002 Nationality, Immigration and Asylum Act, under which appeals no longer suspended deportation and permission to work after six months was abolished.

Among the countries of the EU there was minimal coordination of asylum policies during the 1990s. Some observers interpreted the trends as a race to the bottom as each country sought to deflect asylum seekers elsewhere (Noll, 2000). However there was closer cooperation after the Treaty of Amsterdam (1997) and the 1999 Tampere ministerial meeting, which set out to create a Common European Asylum System. The first stage saw the establishment of the European Refugee Fund and established minimum standards in a number of dimensions of asylum policy. A number of directives were issued covering the qualification for refugee status, asylum procedures and reception conditions, as well as the determination of the state responsible for processing a claim. Further harmonisation in these areas took place in the

⁷ Here I focus on the elements of policy that relate directly to applicants for asylum. However it worth acknowledging a range of policy developments that influence asylum flows more indirectly. These include social policies in destination countries (for Germany see Rotte, 2000), as well as policies aimed at stabilizing source countries and reaching agreements with transit countries in order to stem the flows.

second stage (the Hague programme, from 2004), which also saw the establishment in 2005 of the Frontex agency to integrate and standardise border procedures. The next stage, from 2009 (the Stockholm program), included the setting up of the European Asylum Support Office (EASO), which began operations at the end of 2010. EASO is responsible for information exchange and disseminating best practice as well as assisting states under 'particular pressure. But despite this process of convergence much of policy is still determined at the national level.⁸

While the progressive toughening of asylum policies is plain to see, it is less clear precisely what political process underlay it. As national governments are responsible to those that elect them it is natural to look first at popular sentiment. Evidence on public attitudes to asylum seekers from the European Social Survey of 2002/3 reveals that more than three fifths of respondents believed that their country had more than its fair share of people applying for refugee status, while less than a third thought that the government should be generous in judging applications (Hatton, 2011, p. 56). Analysis of these attitudes indicates that older people, males and those with low levels of education generally prefer policies that are less generous to asylum seekers and refugees.

It is widely believed that public attitudes towards asylum seekers have soured over time, although the evidence on long run trends is fragmentary. But if it is true, then this trend does not seem to have been due changes in personal characteristics or in the core values that people hold. Rather, it seems to be due to the shifts in the popular perception of asylum seekers and refugees. Hardening attitudes may simply be a result of the increase in the number of asylum applications (Lahav, 2004). But it may also be due to the way in which asylum seekers and refugees are perceived. While most citizens express compassion towards refugees, they are strongly against illegal immigrants. Over time the term 'asylum seeker' has become conflated with illegal immigrant (Hatton 2011, p. 62). This has been exacerbated by negative press coverage of boat people and those caught entering illegally, as well as those found working illegally or living on benefits. And by presenting asylum seekers as mostly non-whites and/or Muslims the media has played to racism and xenophobia as well as to latent feelings of insecurity (Greenslade, 2005). Also important is the populist rhetoric of

⁸ One reason is that is that not every dimension of policy has been covered by European legislation; another is that harmonization in most branches of policy has imposed minimum standards rather than a fixed standard; and third, even with common standards there is considerable scope for differences in implementation.

politicians who have encouraged the demonization of asylum seekers as cheats and fraudsters, creating a climate of opinion in support of restrictive policies (Mulvey, 2010).⁹

While public attitudes are fairly well understood the link to policy is less well researched. The political science literature identifies strong links between anti-immigration attitudes and the popularity of extreme right-wing parties (Knigge, 1998; Lubbers *et al*, 2002; Kessler and Freeman, 2005). There was a resurgence of right wing populist parties in the early 2000s, notably in Austria, France, Denmark and the Netherlands, which was followed by a round of tougher policies. Even where such parties have not become part of the government they have nevertheless influenced the agendas of the more mainstream parties (Van Spanje, 2010). Most of the analysis of the relationship between politics and asylum policies has been qualitative owing to the lack of quantitative indicators of asylum policy. However a recent study, using an index of asylum policies for a range of countries, supports a link between the electoral success of right wing populist parties and tougher policy stance (Hatton, 2011, p. 66).

Asylum policies and their effects

A number of studies have analysed asylum applications from the perspective of receiving countries in Europe and elsewhere. They have focused on three questions. One is the role of conditions in destination countries as ‘pull factors’ in asylum migration, and in particular the role of labour market conditions. As asylum seekers have often been characterised as labour migrants in disguise, the goal has been to see if variables that are known to influence international migration also determine asylum flows. A second issue is whether or not policies that are aimed at reducing the volume of applications have had any effect. The experience up to the early 1990s, when rising applications went hand in hand with tougher policies, led many observers to question the deterrent effects of policy. And third, if policy does influence the volume of applications, would a convergence in the policy stance among receiving countries lead to a more equitable sharing of the refugee burden? This question arose from discussions in the EU about ‘burden sharing’ and the potential effects of policy harmonisation.

⁹ There has been some debate about the influence of ‘securitization’ on asylum policies in the aftermath of 9/11. While this may have been a factor in the United States it has gained little traction in Europe—either in political discourse or in terms of practical policy outcomes (Boswell, 2007).

A number of different methods have been used to identify the effects of policy and other destination country variables on asylum flows. Studies based on interviews with asylum seekers find that their choice of destination is determined by the presence of friends and relatives, while asylum policies and labour market conditions are of secondary importance (Havinga and Böcker, 1999; Robinson and Segrott, 2002; Day and White, 2001). Those that study cross-country correlations generally find an inverse relationship between changes in applications and increases in policy restrictiveness (Vink and Meijerink, 2003; Thielemann, 2004; Zetter *et al*, 2003). Some studies have focused on the effects of major policy reforms in a single country using time series analysis. For Switzerland, Holzer *et al* (2000) found that policy reform in 1990 had a negative effect on applications. Controlling for a variety of source country variables Rotte *et al* (1997) found that German policy reform of 1987 and the revision of the Basic Law in 1993 both had large negative effects (see also Vogler and Rotte, 2000). And for Australia, Hatton and Lim (2005) estimated that the dramatic tightening of asylum policies in late 2001 reduced asylum applications by more than half.

Several studies have analysed panel data for applications to a range of destination countries. Neumayer (2004) took shares for each destination of applicants from each origin as the dependent variable (thus also netting out origin country effects) for the years 1982–99. He found significant effects for the level and growth rate of GDP per capita in the destination, but not for unemployment. In the absence of the migrant stock, variables such as colonial links, common language and distance were all found to be significant in the expected direction (consistent with the empirical evidence on migration). The only policy variable used was the overall recognition rate for the destination. This proved to be positive, suggesting that tougher status determination procedures act as a deterrent, but the effect on a country's share of applications appears to be small. Neumayer also found that countries with right-wing populist governments had lower shares of asylum applications.

Using a similar estimating framework Thielemann (2006) analysed asylum applications to 20 destination countries for 1985–99 he found that a country's unemployment rate negatively influenced its share of applications, while its foreign-born stock had a positive effect. He also used an index of policy made up of five components, which overall had a negative effect. Examining the individual components of policy he found that the impact of refugee integration policies was weak as compared with the effects of variables representing refugee status determination procedures. Analysing a panel data for 14 destinations for the years 1981-99 and disaggregating applications by source continent, I found that relative income,

destination unemployment and the cumulative stock of applications were important influences. A composite index of asylum policy toughness based on 11 components gave a significant negative coefficient (Hatton, 2004). This implies that the tightening of policy that occurred over the two decades to 1999 reduced asylum claims in the EU by about 150,000, or about 12% of its mean level. A more detailed analysis of EU country shares of applications by country of origin in the 1990s also supported the negative effect of policy but it provided little evidence that tougher policies deflected asylum seekers from one destination country to another.

More recently I examined the effects of policy on asylum flows from 56 source countries to 19 destination countries from 1997 to 2006 (Hatton, 2009). Here the policy index for each destination country was disaggregated into the three components noted above: those relating to access to the territory, those relating to the processing of asylum claims, and those relating to the living conditions of asylum seekers. The results suggested that only the first two of these had significant deterrent effects. The overall effect of the round of policy tightening between 2001 and 2006 was to reduce annual asylum applications to these 19 countries by 108,000, or about one third of the total decrease. Once those policy effects are taken into account there is no evidence of a disproportionate fall in applications from Muslim countries following the 9/11 attacks.

Assimilation of refugees

For policy purposes, and for social cohesion more generally, it is important to assess the socioeconomic progress of refugees in the destination country. There is a large literature on immigrant assimilation that estimates the post-arrival trajectories of income and employment. Assimilation in other dimensions such as language proficiency, education, housing tenure, use of health and welfare benefits has also been examined. However, there are reasons to think that the results for refugees might differ from those of other immigrants. The very fact that they come from different origins, under different circumstances, that they are admitted under different criteria, and that they are sometimes subjected to a protracted processing period suggests that their outcomes might differ.

Several studies have examined differences in employment assimilation by visa status (see Aydemir, this volume). For Australia Cobb-Clark (2006) found that 18 months after arrival employment rates were 20-30 percent lower for refugees than for family migrants and their unemployment rates were two or three times as high. Aydemir (2011) found similar results

for Canada. Taking a longer term perspective DeVoretz *et al* (2005) studied immigrants who arrived in Canada between 1980 and 2000. Only 52 percent of refugees aged 20-64 had moved into employment after seven years and they were twice as likely as family migrants to depend on welfare benefits. Their total incomes were about 40 percent lower than those arriving through the employment/skills stream but were about the same as those entering through the family stream. As compared with family migrants refugees had higher levels of education but lower language proficiency (in English or French).

Turning to Europe, Bevelander and Pendakur (2009) find that resettled refugees in Sweden have even lower initial employment rates than those who arrived spontaneously and, while they eventually converged to those of family migrants, this process takes more than 15 years. For the Netherlands, Hartog and Zorlu (2009) found that the employment rates of refugees rose from only 15 percent after one year to one third after five years. They also found that having a basic education was associated with gains in employment and income but any additional education counts for almost nothing. Thus source country education seems to be of even less value to refugees than it is for other immigrants. As they are not selected principally on employment criteria, the skills of refugees may be less transferable than those of other immigrants, for whom the transferability of skills weighs more heavily in the decision to migrate. Interestingly, for both Sweden and the Netherlands, there is evidence that time spent during processing contributes less to the probability of employment than time spent in the country after gaining status.

It is sometimes suggested that the enforced dispersal of refugees outside the main gateway cities adds a negative twist to their economic progress. Such policies, used for decades in Germany, have been adopted in Austria, Belgium, Denmark, the Netherlands, Sweden and the UK. The Swedish policy, introduced in 1985, dispersed resettled refugees throughout the country, sometimes to remote locations. Edin *et al* (2004) found that non-employment increased by one third, earnings declined by a quarter, and welfare dependency increased by half. However most of this effect was not due to dispersal, but rather to the simultaneous shift in policy focus away from labour market integration towards welfare support. Nevertheless those dispersed to remote locations with poor employment prospects suffered some additional disadvantage (Åslund and Rooth, 2007). Consistent with this, the Danish policy introduced in 1986 had modest effects on the job finding rate (Damm and Rosholm 2010). For the low-skilled, relocating to ethnic enclaves led to increased wage rates with only marginal effects on employment probabilities (Damm, 2009)

In many respects the assimilation process of refugees is similar to that for other immigrants, particularly those from the poorer parts of the world. However they do seem to suffer some additional penalty. Thus while refugees may be positively selected on energy and initiative, these qualities are more than offset by the relatively poor match in terms of employability. In part this may be due to legal barriers to employment during processing and more limited access to job opportunities through kinship and ethnic networks. Apart from this, the main barriers to employment are lack of education, lack of recognition of skills, and above all lack of language proficiency (Bloch 2002). Evidence for the UK indicates that refugees do improve their language proficiency, especially after gaining status (Daniel et al., 2010). Not surprisingly, those with higher skills and language proficiency were the most likely to gain employment, although this was typically in jobs that undervalued their skills (Cebulla *et al*, 2010).

One key difference between refugees and other immigrants is that the former have often been traumatised. Some have suffered physical injuries and others have witnessed killings, sometimes of close relatives, or have been parted from family members who have been abducted or imprisoned. A meta-analysis of nearly 7,000 refugees in seven OECD countries concluded that one in ten suffered from post-traumatic stress disorder (PTSD) and one in 20 suffered major depression (Fazel *et al*, 2005). For refugees from the Balkan wars the incidence of PTSD was 20 percent (Priebe et al, 2010). Refugees also suffer disproportionately from other health conditions such as HIV/AIDS, respiratory and gastrointestinal disorders, the incidence of which is strongly associated with the source country disease environment. Among refugees in the UK in the 1990s, one in six had a health condition that was serious enough to require treatment and that potentially limited their activity (Burnett and Peel, 2001).

Perhaps the most disadvantaged among asylum seekers are those who are not successful in gaining status. Many of them remain as undocumented migrants, about which comparatively little is known. A 2008 survey of 1,100 undocumented adults in 11 European countries found that more than a quarter claimed to be victims of persecution in their country of origin. But despite their illegal status, more than 80 percent intended to stay (Médecins du Monde, 2009). Not surprisingly, less than half of them had secure accommodation and many lived in overcrowded conditions, while some slept rough or in shelters. A third of men and a quarter of women were in poor health, but only around a fifth had effective access to health care. About a fifth had regular employment and another third had occasional work. On the one

hand their employment options are severely limited, but on the other hand, in the absence of other sources of income, they have even greater incentives to gain an independent income.

Conclusion

Asylum seekers and refugees have often been considered as a separate area of study and not a topic for economists. In economic studies of migration refugees are often simply lumped in with other immigrants, or ignored altogether. One of the main points of this survey is to illustrate that while there are certainly differences between refugees and other immigrants the same tools of analysis can be applied. Although oppression and persecution loom large in the migration decisions of refugees they are also influenced by the same forces as other migrants. And the factors determining their assimilation into host societies are also similar to those of other immigrants. Nevertheless it is important to keep in mind the two key differences. One is that the overwhelming importance of terror and human rights abuse, and the trauma that it causes, means that refugees are selected differently from other migrants. The second is that asylum policies rest on a foundation that is different from other immigration policies and they must therefore be analysed with that in mind. While the political economy of immigration policy has been a prominent focus for economists in recent years, much less progress has been made on understanding refugee and asylum policy.

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