

# Immigration and International Co-operation: Public Goods Theory & Collective Refugee Management

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## **Abstract:**

By its very nature, international migration has an impact on the relations between countries of origin and destination. In the case of large-scale refugee flows, such movements also affect the relations between destination countries, as unilateral policy responses by one states often produces significant externalities for other states. Resulting free-riding opportunities undermine cooperation and lead to the under-provision of collective security measures aimed at controlling the movement of displaced persons. In recognition of these collective action problems, international institutions have played an increasingly influential role in the management of global asylum- and refugee flows. This paper highlights the security considerations that have prompted European states into cooperation through the institutions of the European Union. By analysing these collective efforts from an international public goods perspective, this paper offers new ways to assess the efficiency and equity of international refugee burden-sharing initiatives.

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## (1) Introduction: Forced Migration, Security and Refugee Burden-Sharing

Forced migration flows to Europe differ significantly from those to the US. Most persons arriving in the US for humanitarian reasons do so as resettled refugees which allows for considerable control over numbers and for the pre-screening of those admitted. In Europe, in contrast, individuals claiming persecution arrive almost exclusively as (spontaneous) asylum-seekers at the border and the decision as to whether or not they qualify for protection is therefore taken while the claimants are already on a state's territory. The security challenges resulting from spontaneous asylum seekers are therefore potentially greater than those of resettled refugees. Asylum seekers have long been regarded as constituting a variety of security challenges for European states, in particular as they have constituted a large, in some countries (such as in Germany in 1992) the largest category of foreign arrivals. Often, these challenges have been closely related to the massive fluctuations in asylum seekers and the limited effectiveness of receiving states to control such flows. As such, the events surrounding September 11 reinforced a pre-existing European security agenda vis-à-vis asylum seekers in Europe (Guild 2003; Huysman 2000; Bigo 1994) and strengthened a belief in the necessity for closer cooperation among the EU Member States on border-control issues more generally. Although, the Member States devoted the first EU Justice and Home Affairs Council meeting following the US 9/11 attacks exclusively to the EU response on security and other measures to combat terrorism, the specific measures adopted focused on wider security issues (judicial cooperation, cooperation between police and intelligence services, cooperation with the US and joint measures at the EU's external borders) but did not make an explicit link between terrorist attacks and the inflow of asylum seekers into Europe.<sup>1</sup> Hence, unlike in the US where September 11 had quite a wide-ranging impact on US immigration law, in Europe the terrorist attacks in New York, Madrid and London were seen as again highlighting the need to consolidate efforts to achieve more effective border controls in Europe through enhanced cooperation in the wider Justice and Home Affairs (JHA) area. The major driving force behind developments in EU JHA matters in general and moves towards a common European asylum policy in particular, were therefore not a response to particular terrorist

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<sup>1</sup> Conclusions of the Extraordinary Council meeting – Justice, Home Affairs and Civil Protection, Brussels, 20 September 2001.

incidences such as those of September 11 but are the result of broader security implications (perceived and real) of the European integration process itself (Stetter 2000; Guiraudon 2000; Lavenex and Ucarer 2002; Noll and Byrne 2002). Two developments are particularly important here. First, the removal of internal borders as part of the single market programme and the Schengen process which means that once inside one Member State, foreigners can move quite easily on to other Member States. Second, the process of enlargement which meant that over time the external borders of the EU have been faced with poorer and more volatile neighbours while the capacity of the new Member States to effectively control their (and hence the EU's) borders is considerably lower than that of the old Member States.

The security concerns related to these developments have been heightened by the highly varied attractiveness among the EU Member States as destination countries for asylum seekers, leading to the fear that some states might become overburdened by asylum inflows and that unilateral restrictive efforts to gain control over such flows might result in highly undesirable consequences for the other Member States, asylum seekers and the wider integration process itself. Recent developments towards a common asylum policy in Europe have therefore been closely linked with the perceived need for 'burden-' or 'responsibility-sharing' in this area (Suhrke 1997; Noll 2000; Thielemann 2003). The Member States' commitment in this regard was perhaps most clearly stated at the Brussels European Council meeting in November 2004. In their final declaration, EU leaders stressed that the development of a common policy in the field of asylum, migration and borders "should be based on solidarity and fair sharing of responsibility including its financial implications and closer practical co-operation between member states".<sup>2</sup> This concern has been echoed by the UNHCR for which 'burden-sharing is a key to the protection of refugees and the resolution of the refugee problem'.<sup>3</sup> The then UNHCR High Commissioner Lubbers stated in 2005:

'There is a need for responsibility- and burden-sharing within the EU [...]. I fear that high protection standards will be difficult to maintain in a system

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<sup>2</sup> Brussels European Council, 4/5 November 2004, Presidency Conclusions, page 18.

<sup>3</sup> Official Documents Burden-Sharing - Discussion Paper Submitted By UNHCR Fifth Annual Plenary Meeting Of The APC; ISIL Year Book of International Humanitarian and Refugee Law, Vol. 17 (2001)]; URL: <http://www.worldlii.org/int/journals/ISILYBIHRL/2001/17.html>

which shifts responsibility to states located on the external border of the EU, many of which have limited asylum capacity.’<sup>4</sup> However, despite of a lot of legislative activity, the EU’s refugee burden-sharing initiatives have been fully effective. Some of the recent measures introduced even appear to have reinforced the imbalances in responsibilities that one has been able to observe. As such, the EU has arguably undermined its own burden-sharing objectives with security implications for individuals inside and outside the Member States.

To substantiate this argument, this paper will first discuss the extent and causes of unequal asylum and refugee burdens. This will be followed by an analysis of the various types of burden-sharing initiatives available in this area. Finally, there will be an analysis of the specific refugee burden-sharing instruments developed within the EU’s emerging asylum system and a discussion of why their effectiveness has been limited and sometimes counterproductive.

## (2) How (un)equal is the distribution of refugee burdens?

When comparing their relative contributions to refugee protection, states are likely to disagree about how such contributions should be assessed. However, by looking at some of the most directly linked responsibilities associated with international refugee flows, it is possible to arrive at some approximations of relative responsibilities that countries are faced with or prepared to accept. Table 1 below tries to do just that. It presents UNHCR data on asylum and resettlement for a selection of 15 OECD countries for the period 1994-2002. Column 1 shows the average number of asylum applications received in each country over the time period and column 2 indicates what percentage of these arrivals were given permanent or temporary protection status by the state in question. Column 3 lists the number of refugees who arrived vial resettlement programs (i.e. not as ‘spontaneous’ asylum seekers). The final column combines the numbers of ‘recognised’ asylum seekers (i.e. those who have been granted some form of protection status) and the average number of resettled refugees and puts the combined total in relation to a country’s population size (as a measure of absorption capacity). This gives us the average accepted asylum/refugee burden for each state, relative to a country’s size. This ‘relative’ figure, arguably is a more

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<sup>4</sup> United Nations High Commissioner for Refugees, Mr. Ruud Lubbers, Talking Points for the Informal Justice and Home Affairs Council (Luxembourg, 29 January 2005)

appropriate measure of ‘burdens’ or ‘responsibilities’ than comparing absolute numbers of asylum-seekers/refugees that do not take account of vast differences in countries size and hence absorption capacity. One finds strong variation not just among OECD states but also among EU countries, with states such as the Netherlands, Denmark and Sweden facing asylum and refugee related responsibilities that are significantly higher than those of other Member States.

### (3) Why are refugee burdens unequally distributed?

When trying to account for the current distribution of refugee burdens among countries, three principal explanations have been suggested. These related to free-riding opportunities, state interests and variation in pull-factors.

#### Free-Riding Opportunities

Similar to the NATO burden-sharing debate, there have been protests and free-riding accusations from the main receiving countries of asylum seekers as well as threats by some states to opt out of the Geneva Convention for the Protection of Refugees to which all OECD countries are signatories. A number of scholars, most prominently Suhrke (1998), have suggested that refugee protection has (at least in part) important ‘public good’ characteristics. Suhrke argues that the reception of displaced persons can be regarded an international public good from which all states benefit. In her view, increased security can be regarded as the principal (non-excludable and non-rival) benefit, as an accommodation of displaced persons can be expected to reduce the risk of them fuelling and spreading the conflict they are fleeing from. One might therefore expect substantial free-riding opportunities, similar to those that have been observed with regard to the provision of other international public goods such as collective defence. Unlike in the case of NATO burden-sharing where empirical evidence suggests that larger countries have been exploited by small countries (Olson and Zeckhauser 1966), no similar picture emerges when analysing the refugee reception burden. In fact, the evidence presented in Figure 1 suggests that in the case of the reception of refugees by OECD countries, it is mostly smaller states which appear to shoulder disproportionate burdens.

Insert Figure 1 about here

#### State Interests and Normative Preferences

Another way to try to explain the unequal distribution of refugee burdens is to analyse specific state interests and countries' normative preferences in this area. Some economists have developed a refined version of Olson's public goods approach, one that is based on the so-called 'joint product' model (Sandler 1992).<sup>5</sup> This model suggests that what might appear as a pure public good often brings in fact excludable (private) benefits to a country. From this 'joint-product model' we would expect that a country's contributions to the provision of a particular collective good (which has both public and private characteristics) will be positively related to the proportion of excludable benefits accruing to that country. It seems reasonable to assume that one country's efforts in the area of refugee protection will have some positive spill over effects to other countries in the region. However, refugee protection arguably, provides a spectrum of outputs ranging from purely public to private or country-specific outputs. This means that refugee protection provides more than the single output of 'security' implied by the pure public goods model: it also provides country specific benefits such as status enhancement or the achievement of ideological goals (such as when West during the cold war was keen to accept political refugees from behind the Iron Curtain). Moreover, we can also expect relatively more benefits from refugee protection measures accruing to countries closer to a refugee generating conflict.<sup>6</sup> In other words what is often regarded as a public good has in fact excludable (private) benefits to a country. The 'joint product model' suggests that a country's contributions to the provision of refugee protection (with its public and private characteristics) will be positively related to the proportion of excludable benefits accruing to that country. From a norm-based perspective, patterns of burden-sharing can be explained with reference to the observed variation in states' commitment to norms that are related to the particular burden in question. From this perspective the burden that a state is prepared to accept will be linked to the strengths of a state's preferences on safeguarding certain norms (such as general human rights standards or norms of distributive justice). It has been shown that states' willingness to shoulder protection burdens are positively correlated with their relative commitment to the norm of solidarity with people in need and that countries which

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<sup>5</sup> For an attempt to apply the join-product model to refugee protection see Betts (2003).

<sup>6</sup> However, empirical tests on this in the area of refugee protection have produced mixed results. During the Kosovo conflict, Greek sensibilities concerning its minority in the north of Greece meant that Greece accepted a lot fewer Kosovo refugees than one would have expected on the basis of geographic proximity (Thielemann 2003).

accept a disproportionate number of protection seekers are also the ones with a strong commitment to domestic redistribution (extensive welfare states) and above average foreign aid contributions (Thielemann 2003). A state's greater willingness to accept burdens (for whatever of the above reasons) often means that it will adopt a relatively lenient policy regime (more access, more attractive reception/integration package, etc.). Overall, however, there are reasons to expect that structural determinants are more important than policy-related factors for attempts to explain the relative distribution of asylum burdens among OECD countries.

### Structural Pull Factors

As shown above, 'spontaneous' asylum seekers constitute the majority of those arriving in Europe stating humanitarian reasons. Under the current international refugee protection regime, states of first asylum are obliged to determine the status of asylum seekers, i.e. assess whether they qualify as refugees under the 1951 Geneva Convention. Differences in structural pull factors (i.e. non policy-related factors that make some host countries more attractive than others) have a very strong effect on the relative distribution of asylum seekers.<sup>7</sup> Table 2 (column 1) ranks Western European countries according to their average number of asylum applications per thousand of population. It then also ranks the same countries with regard to six indicators (columns 2-7) that stand for potential determinants or pull factors for an asylum seeker's choice of preferred host country. The correlation coefficient in the bottom row of the table, gives an indication as to how closely each of the six indicators (explanatory variables) listed correlates with countries' relative asylum burden (in column 1).<sup>8</sup>

[Insert Table 2 about here]

The first two pull factors are economic in nature. Economic migration models (Harris and Todaro 1970) explain the decision to migrate as one of income maximisation in which wealth differentials and differences in employment opportunities constitute important pull factors. International migration is expected to be determined by

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<sup>7</sup> This section draws on Thielemann (2004).

<sup>8</sup> A correlation describes the strength of an association between variables. For a set of variable pairs, the correlation coefficient gives the strength of the association. The correlation coefficient is a number between 0 and 1. If there is no relationship between the predicted values and the actual values the correlation coefficient is 0 or very low (the predicted values are no better than random numbers). As the strength of the relationship between the predicted values and actual values increases so does the correlation coefficient. A perfect fit gives a coefficient of 1.0.

geographic differences in the supply and demand of labour. On this account, it is wage differentials and employment opportunities which explain movements from low-wage countries to high-wage countries. In Table 2, we find that the relative number of asylum applications is very highly and positively correlated with countries' prosperity ranking and one finds a negative and still quite strong correlation with countries unemployment rates. In other words, this suggests that countries which are relatively rich and possess relatively favourable labour market opportunities tend to receive relatively high numbers of asylum applications. The third indicator relates to historical ties (colonial links, language ties, cultural networks, etc.) between countries of origin and destination that often have lead to transport, trade and communication links between such countries. Links which have tended to facilitate movements of people from one country to the other (Massey et al., 1993: 445-7). One possible way to study the strength of such ties is to estimate the number of current or former citizens of a particular country of origin, who are resident in different countries of destination. Drawing on this, Table 2 shows that high asylum burdens correlate strongly (and positively) with historical links between countries of origin and countries of destination. Host countries in which one already finds a large number of people originating from countries from which large numbers of tend to come from, are likely to be countries confronted with relatively high asylum burdens. The fourth indicator is more political in nature, and seeks to capture the reputation that a particular country of destination enjoys abroad and in particular in the developing world from which the large majority of asylum seekers originate from. Asylum seekers can be expected to be concerned about personal security and the difficulties they might face regarding their acceptance into a new host society. Here, we try to capture the reputation of a country in terms of its 'liberal credentials' and concern for foreigners by analysing countries' track records in the area of overseas development aid. The assumption is that countries which spend relatively more of their GDP on aid to the Third World will tend to have a more liberal reputation. Table 2 finds quite a strong and positive correlation between relative asylum burdens and host countries' reputation measured in this way. Host countries which spend a relatively high proportion of their GDP on overseas development aid tend to attract a relatively high share of asylum applications.



Fifth, although perhaps less than some years ago as a result of technological advancements, geographic distance between countries of origin and destination can still be regarded as an important proxy for the cost of movement between countries. With regard to the role of geographical factors, we find a negative, albeit weaker, correlation between relative asylum burdens and the average distance between countries of destination and the five most important countries of origin in any particular year. In other words, those countries which are more closely situated in geographic terms to important countries of origin, are the ones more likely to encounter a disproportionate share of asylum applications.

Finally one finds quite a weak (and positive) correlation between relative asylum burdens and policy related deterrence measures. Despite quite substantial variation in countries' average deterrence index<sup>9</sup> for the time period under investigation, we find little evidence for the claim that countries with stricter asylum regimes are the ones which find themselves with relatively smaller burdens in comparison to those which (on average) have operated more lenient regimes.<sup>10</sup> On the contrary, we find that some of the countries (such as Germany, Switzerland and Austria), despite having put in place some of the most restrictive asylum policy regimes, nonetheless are among the most popular destinations for asylum applicants. Structural, not policy-related, pull factors therefore appear to constitute the most critical factors in explaining the unequal distribution of refugee burdens.

### (3) Types of International Burden-Sharing Regimes

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<sup>9</sup> This index seeks to capture the relative restrictiveness of a countries asylum policy regime. Due to limitations in the available data, it is impossible to include all restrictive measures in the calculation of such an index. However, by focusing on five key deterrence measures that capture all three principal deterrence dimensions (access, determination and integration), it is possible to arrive at a reasonable approximation of such a ranking. The five indicators are: (1) existence of 'safe third country' provisions; (2) below average recognition rate; (3) residence restrictions; (4) restrictions on access to cash welfare payments and (5) work restrictions. For each measure I created a dummy variable which takes the value 1 for each year that a particular measure was in operation in a particular country and the value 0 for all other years. This leaves me with an index ranging from between 0 (lowest deterrent effect) to 5 (highest deterrent effect) for each country in each year. For a more detailed discussion of this index, see Thielemann (2004, 2006).

<sup>10</sup> With the use of more advanced statistical techniques and the use of lagged independent variables, it can be shown that while newly introduced deterrence measures can have a significant effect on the relative distribution of asylum burden, this effect tends to be short lived due to copy-cat strategies by other countries which swiftly cancel out the desired effect of such measures (Thielemann 2006).

What instruments are available to states who want to equalise burdens or responsibilities? One can distinguish two substantively different types of international burden-sharing regimes and four principal burden-sharing mechanisms (see Table 3).

Table 3: Types of International Burden-Sharing

One dimensional	<i>Multi dimensional</i>
Common Rules	Compensation
Redistribution/Quotas	Trade

First, there are *one-dimensional* burden-sharing regimes that aim to equalize efforts on one particular contribution dimension. They often seek to equalize international efforts in two ways – through common rules/ policy harmonization (ex ante equalization) or through redistribution/quotas (ex-post equalization). The former method is based on the assumption that inequalities in burdens can be overcome by agreeing on a common set of rules that aims at equalizing the obligations in public good provision of individual states. By obliging states to harmonize their policies or to comply with a set of common international rules, it is expected that the burdens that individual countries are faced with will converge. The idea with such ex-ante mechanism is that common rules will prevent unequal burdens from arising, thus eliminating/reducing the need for corrective action. In contrast, redistributive measures are classical ex-post measures, in the sense that they try to equalize observed imbalances/inequities in burdens. Once a potential or actual imbalance or inequity has been observed, measures are employed to address these. A prominent instrument is the use of quotas that distribute burdens according to an agreed distribution key (which is usually based on one or several fairness principles such as such as responsibility, capacity, benefit or cost).<sup>11</sup> Examples can be found in efforts to harmonize aid commitments to developing countries or the control of green house gas emissions by the Montreal Protocol.

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<sup>11</sup> The ‘responsibility’ principle is commonly used in environmental regimes and also known as the ‘polluter pays’ principle. The ‘capacity’ principle refers to a state’s ‘ability to pay’ (and is often linked to relative GDP). The ‘benefit’ principle proposes that states should contribute to a particular regime in relation to the benefit they gain from it and the ‘cost’ principle suggests that states’ relative costs in making certain contributions should be taken into account when establishing burden-sharing regimes.

Multi-dimensional burden-sharing regimes are those which do not seek to equalize burdens/responsibilities on one particular contribution dimension alone. On the one hand, there are those multi-dimensional regimes which are based on an explicit compensation logic. In these cases, a country's disproportionate efforts in one contribution dimension are recognized and that country gets compensated (through benefits or cost-reductions) on other dimensions. A second type of multi-dimensional burden-sharing regimes is based on an explicit trading logic. Schuck's (1997) 'decentralised, market-based refugee sharing system' (which has similarities with the Kyoto emission trading scheme) would be such an example. According to this model, an international agency would assign to each participating state a refugee protection quota on the basis of which states would then be allowed to trade their quota by paying others to fulfill their obligation.

Beyond explicit multi-dimensional burden-sharing regimes, the world of international diplomacy is full of examples where states, which are unable (or unwilling) to contribute on one particular contribution dimension, have been induced through moral or other pressure to contribute to the provision of international collective goods on another dimension. The cheque-book diplomacy performed by Japan (and to an extent by Germany) in the post World War II period provides only one example. Partly unwilling, partly unable (as the result of constitutionally imposed constraints) to contribute to military operations by the NATO alliance, the two countries have contributed to alliance efforts through financial contributions rather than through troops or military hardware, implicitly acknowledging their respective comparative advantages and constraints.

#### (4) Refugee Burden-Sharing Regimes in the EU

What types of burden-sharing initiatives have Member States been pursuing in an attempt to equalise Member States' responsibility for asylum seekers and refugees in the EU? When reviewing European legislative initiatives in this area, one finds that Member States have developed initiatives that are based on the first three of the four burden-sharing mechanisms discussed above.

Since the mid 1980s, the EU has worked towards the convergence of Member States' laws on forced migration. What started with initially non-binding intergovernmental

instruments has since then been followed by developments in Community law. Most noteworthy here are several directives which have aimed to level the asylum playing field and to lay the foundations for a Common European Asylum System.<sup>12</sup> The 2003 Reception Conditions Directive guarantees minimum standards for the reception of asylum-seekers, including housing, education and health. The 2004 Qualification Directive contains a clear set of criteria for qualifying either for refugee or subsidiary protection status and sets out what rights are attached to each status. The 2005 Asylum Procedures Directive seeks to ensure that throughout the EU, all procedures at first instance are subject to the same minimum standards. The significance of these initiatives notwithstanding, policy harmonization can of course only address imbalances which are due to differences in domestic legislation in the first place. As discussed above, policy differences are only one of several determinants for a protection seeker's choice of host country, with structural factors such as historic networks, employment opportunities, geography or a host country's reputation being at least equally, if not more, important. If structural pull factors are indeed so crucial, then policy harmonization might actually do more harm than good to the EU's efforts to achieve a more equitable distribution of asylum seekers across the Member States. EU policy harmonization curtails Member States' ability to use national asylum policy to counterbalance their country's unique structural pull-factors (language, colonial ties, etc.). This is why policy harmonization might undermine efforts to achieve to more equitable responsibility-sharing (Thielemann 2004).

The most prominent burden-sharing regime that relies on redistributive/quota mechanisms can be found in the area of refugee resettlement where both voluntary mechanisms and compulsory quotas are used to redistribute refugees across territories. Resettlement schemes are based on the idea of voluntary offers by states to accept refugees into their territory. As we have seen in Table 1 above, some Western states have accepted significant numbers of refugees through this route. One finds some very established systems for refugee resettlement in the dispersal regimes operated inside in many states. The UK dispersal scheme is a prominent example (Boswell 2003; Berliner Institut 2001). Given large inflows of refugees that were increasing the pressure on already scarce accommodation in London and the South

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12 Council Directive 2003/9/EC of 27 January 2003; Council Directive 2004/83/EC of 29 April 2004 and Council Directive 2005/85/EC of 1 December 2005.

East of England led the UK government to introduce a voluntary dispersal scheme for asylum seekers in 1998, followed by a more comprehensive scheme which was subsequently incorporated into the government's 1999 Immigration and Asylum Act. Under this scheme, asylum seekers will be dispersed to 'cluster areas' outside London and the South East, in which there is a sufficient supply of suitable accommodation.<sup>13</sup> The Act contains provisions for the reimbursement of participating local authorities for any additional costs incurred in accommodating and supporting asylum seekers (Boswell 2003). Under the initial scheme dispersal took place at the expense of the local authorities in the South East and London which agreed to compensate local authorities in the North. As the financial burden for London and the South East increased, the Home Office introduced the National Asylum Support System (NASS) with the 1999 Act which along with accommodation, provides financial support. Thus, the UK national government pays volunteering local authorities for the costs of the asylum and dispersal system. A recent EU initiative which is based on a similar mechanism is the 2001 Council Directive on Temporary Protection in the Case of Mass Influx.<sup>14</sup> The directive develops a range of non-binding mechanisms based on the principle of 'double voluntarism': the agreement of both the recipient state and the individual protection seeker is required before protection seekers can be moved from one country to another. Under this instrument, Member States are expected, in spirit of 'European solidarity', to indicate their reception capacity and to justify their offers. These pledges are to be made in public, allowing for mechanisms of peer pressure or 'naming and shaming'. The directive has not yet been used and therefore the effectiveness of this new instrument of 'soft' co-ordination still remains to be tested in practice.

In the EU, the most developed multi-dimensional refugee burden-sharing regime is the European Refugee Fund (ERF), which aims 'to promote a 'balance of efforts' in receiving and bearing the consequences of displaced persons' in order 'to demonstrate solidarity between the Member States' in their efforts to promote the social and economic integration of displaced persons.<sup>15</sup> The ERF does so by allocating common European funds to Member States in relation to the numbers of asylum-seekers and

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<sup>13</sup> Prior to the implementation of the dispersal policy in April 2000, around 90% of asylum seekers were housed in London and the South East.

<sup>14</sup> Council Directive 2001/55/EC of 20 July 2001, OJ L 212, 7 August 2001.

<sup>15</sup> Council Decision of 28 September 2000 (2000/596/EC), L252/12 of 6.10.2000.

refugees that they are dealing with. It has been in operation since 2000 and has aimed to financially *compensate* those Member States which are faced with disproportionate responsibilities in this area by supporting Member States actions aimed to promote the social and economic integration of asylum seekers and their return to their countries of origin. The most obvious problem with the ERF has to do with the Fund's limited size (initially EURO 216 million over five years) which compared to national expenditures in the area of reception, integration and return of asylum-seekers and refugees pales into insignificance. According to UK Home Office estimates, Britain spent just under 30,000 Euro per asylum seeker in 2002, if one includes administrative costs, legal bills, accommodation and subsistence. According to figures from the ERF's mid-term review, the UK was the second largest recipient of the Fund in 2002, and received approximately 100 Euro ERF money per asylum application made in the UK that year. One can therefore conclude that the overall effect of the ERF up to now has been more important in symbolic terms, then it has been in terms of its substantive effect in promoting a balance of efforts between the Member States. Even with the recently agreed tripling of the Fund for the 2005-2010 funding period, revenues from the ERF are highly unlikely to alleviate Member States' concerns about the economic (and social) costs associated with refugees and enhance their willingness to provide refuge to displaced persons. When analyzing the allocation of ERF resources, one finds that the Fund's principal beneficiaries have been destination countries with the largest absolute number of asylum-seekers and refugees even though these countries arguably were not facing the largest burdens in this area (see Table 3).

[Insert Table 3 about here]

The Fund, hence, does not take into account countries' relative absorption capacity. This means that for any given number of displaced persons a country like Luxembourg receives the same financial help as Germany, irrespective of the two countries' fundamental differences in terms of population or geographic size, etc. The underlying assumption appears to be that a particular number of protection seekers received, require the same amount of effort, no matter whether the receiving state is small or large, rich or poor, etc. This is clearly not the case, as a certain number of protection seekers received will require greater efforts by a small country than a large one. In other words, the Fund's redistributive element currently compensates Member

States according to the absolute numbers of protection seekers received rather than according to the relative responsibilities or burdens that Member States are faced with. The Fund's redistributive impact consequently remains very limited. From a solidarity or burden-sharing perspective, the ERF's current arrangements therefore appear sub-optimal.<sup>16</sup> Ultimately, neither the ERF, nor the other instruments described above, can be said to effectively contribute to the goal of responsibility-sharing.

Given the limitations of the existing EU refugee-sharing initiatives, it might be time to further explore the fourth burden-sharing mechanism discussed above: trade. This is the one mechanism that has not yet been used by the Member States in their burden-sharing efforts. Several objections can be made against a Kyoto style refugee burden-sharing regime (Schuck 1997) which is based on the idea of 'explicit trading' and which therefore raises legitimate unease about treating refugees as commodities in inter-state transactions (Schuck 1997: 289-297; Anker, Fitzpatrick and Schacknové 1998). An alternative 'implicit trade' model suggests that countries can be expected to specialise according to their comparative advantage as to the type and level of contribution they make to international collective goods. Applied to the area of forced migration, it has been suggested that countries can contribute to refugee protection in two principal ways: proactively, through peace-keeping/making and reactively, by providing protection for displaced persons (Thielemann and Dewan 2006). With some countries making disproportionate contributions in 'pro-active' refugee protection contributions (through peace-keeping) and other countries contributing in a disproportionate way with 'reactive' measures related to refugee reception, there appears that some implicit trading in refugee protection contributions is already taking place. Indeed, one finds a consistently negative correlation between pro-active refugee protection contributions (measured in troops sent to international peace-keeping operations) and reactive refugee protection contributions (the acceptance of forced migrants) for the years 1996-2002 across the EU Member States (see Table 4).

Moreover, such apparent specialisation in countries' contributions has potentially important implications for attempts to develop multi-lateral burden-sharing initiatives

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<sup>16</sup> For a more extended discussion of the ERF, see Thielemann (2005).

that are perceived to advance states' interests in providing for more equitable, efficient and effective refugee protection. First, evidence of inter-country specialisation suggests that overall refugee protection contributions are perhaps not as inequitable as is often assumed. Second, it is possible that burden-sharing initiatives that attempt to force all nations to increase contributions in a particular category of provision are likely to be counterproductive for the efficient provision of collective goods such as refugee protection. It can then be argued that the provision of this collective good is closer to optimality when countries are able to specialize with regard to their contributions. The existence of country-specific benefits from refugee protection combined with tendencies for specialisation in states' contributions helps to raise the efficiency of refugee protection efforts. When just looking at reactive protection contributions (as most burden-sharing models do), it is tempting to suggest that some (larger) countries should be contributing more in this area. Similarly, equalizing reactive contributions also appears to be the general thrust of recent European policy initiatives. However, any attempt to impose quotas and suchlike should be seen as a hindrance toward greater specialisation and trade, with adverse overall effects. Burden-sharing initiatives, if they are to strengthen refugee protection, need to be aware of variations in states' preferences in this area and need to recognise comparative advantages possessed by individual states in this area. If they do not, they risk to undermine the search for more effective refugee protection efforts.

#### (5) Conclusion: The need for a more comprehensive burden-sharing approach

This paper has argued that border security in the EU's single market have been the major driving forces behind recent steps to develop a common European asylum policy. Unlike in the US., where the recent terrorist attacks have had a direct impact on development in US immigration law, development in EU asylum and refugee policy have continued to be dominated by the security implications of the processes related to the EU's ongoing 'deepening' and 'widening'. It has been shown that the distribution of refugee burdens in Europe is highly unequal and that efforts to achieve a more 'equitable balance of efforts' in this areas have dominated legislative developments on asylum in the EU over recent years. Given the shortcomings of existing EU burden-sharing initiatives in this area, the paper has made the case for the



development of more comprehensive refugee burden-sharing regimes. Against the background of an ongoing threat of a continuing erosion of refugee protection standards in the face of international collective action problems inherent in refugee matters, the need to explore new options in developing an EU asylum policy that is based on a more equitable, efficient and effective refugee burden-sharing regime appears to be more urgent than ever.

**Table 1: Average Accepted Protection Burden (1994-2002)**

	1	2	3	4
Country	Average annual number of asylum applications*	Average of Recognition Rate (in percent)**	Average resettlement arrivals	Average Accepted Protection Burden***
Netherlands	35345	62.7	308	1.399
Switzerland	25208	39.3	0	1.376
Denmark	8312	61.6	1034	1.181
Sweden	15556	45.1	1945	1.031
Norway	7836	35	1494	0.967
Canada	29755	59.8	10898	0.959
Belgium	21532	32.3	0	0.678
Australia	9086	18.1	10222	0.636
United States	75484	29.7	76243	0.369
United Kingdom	61077	36.1	39	0.362
Germany	100844	15.7	0	0.188
France	30595	18.4	0	0.092
Italy	9223	24.6	0	0.049
Spain	7352	24	0	0.048
Japan	187	13.5	162	0.001

\* Figures generally refer to the number of persons who applied for asylum. The figures used here are generally first instance ("new") applications only. Source: Governments, UNHCR. Compiled by UNHCR (Population Data Unit). See also: <http://www.unhcr.ch> (Statistics).

\*\* Total recognition rates in industrialised countries (first instance). Includes persons recognized (under Geneva Convention) and those 'allowed to remain' (on the basis of subsidiary protection) divided by the total of recognized, allowed to remain and rejected. Source: UNHCR Statistical Yearbooks.

\*\*\* Number of asylum seekers given permanent or temporary protection status combined with number of resettlement arrivals per 1000 of population per year.

**Table 2: Determinants of Relative Asylum Burdens (Averages 1985-2000)**

		Structural Determinants									Policy-Related Determinants		
		Economic			Historical		Political		Geographic		Deterrence-Policy		
	Relative Asylum Burden	GDP per Capita	Unemployment Rate	Foreign (Born) Population		ODA	Distance	Deterrence Index					
1	CHE 3.3	LUX 0.033	ESP 19.5	AUT 60.9	NOR 1.02	PRT 4886	DEU 4.5				1		
2	SWE 2.6	CHE 0.032	IRE 14.4	DEU 41.6	SWE 0.92	ESP 4461	CHE 4.0				2		
3	DEU 2.0	NOR 0.028	BEL 12.1	DNK 29.6	DNK 0.86	IRE 4355	AUT 3.0				3		
4	DNK 1.8	DNK 0.026	ITA 11.2	NLD 26.3	CHE 0.68	NOR 4224	PRT 2.9				4		
5	AUT 1.7	SWE 0.025	FRA 10.6	CHE 21.8	DEU 0.51	GBR 4043	GRC 2.8				5		
6	NLD 1.7	DEU 0.023	FIN 9.4	SWE 16.4	FIN 0.41	FRA 3918	FRA 2.5				6		
7	BEL 1.6	FIN 0.022	DNK 9.0	NOR 9.7	AUT 0.40	BEL 3805	ITA 2.5				7		
8	NOR 1.3	AUT 0.021	GRC 8.1	BEL 9.6	FRA 0.36	NLD 3783	ESP 2.2				8		
9	LUX 0.9	FRA 0.021	GBR 7.9	FRA 7.4	LUX 0.36	LUX 3718	NLD 1.8				9		
10	FRA 0.6	NLD 0.020	DEU 7.9	ITA 5.3	NLD 0.36	CHE 3642	LUX 1.6				10		
11	GBR 0.5	BEL 0.020	NLD 7.0	FIN 3.9	BEL 0.34	FIN 3612	DNK 1.5				11		
12	IRE 0.5	GBR 0.018	AUT 6.0	GBR 1.3	IRE 0.27	DNK 3502	IRE 1.5				12		
13	GRC 0.3	ITA 0.018	PRT 5.9	GRC -	ITA 0.26	SWE 3473	BEL 0.9				13		
14	FIN 0.3	IRE 0.016	SWE 4.5	IRE -	ESP 0.22	ITA 3409	NOR 0.9				14		
15	ESP 0.2	ESP 0.012	NOR 4.1	LUX -	GBR 0.21	DEU 3380	SWE 0.8				15		
16	ITA 0.2	GRC 0.009	CHE 2.5	PRT -	PRT 0.18	AUT 3166	GBR 0.8				16		
17	PRT 0.0	PRT 0.008	LUX 2.2	ESP -	GRC 0.14	GRC 2929	FIN 0.8				17		
<b>Correlation Coefficient</b>	<b>1.00</b>	<b>0.70</b>	<b>-0.52</b>	<b>0.63</b>	<b>0.43</b>	<b>-0.37</b>	<b>0.21</b>						

AUT: Austria; BEL: Belgium; CHE: Switzerland; DEU: Germany; DNK: Denmark; ESP: Spain; FIN: Finland; FRA: France; GBR: Great Britain; GRC: Greece; IRE: Ireland; ITA: Italy; LUX: Luxemburg; NLD: Netherlands; NOR: Norway; PRT: Portugal; SWE: Sweden.

Table 3: The Redistributive Impact of the European Refugee Fund

Rank	Country	Number of asylum applications per 1 000 head of population	Country	Percentage of ERF contribution to all MS
1	<b>Belgium</b>	4.2	Germany	20.05
2	<b>Ireland</b>	2.9	United Kingdom	19.11
3	<b>Netherlands</b>	2.8	France	11.50
4	Denmark	2.3	<b>Netherlands</b>	9.46
5	Austria	2.2	Sweden	8.37
6	Sweden	1.8	Italy	8.06
7	United Kingdom	1.7	<b>Belgium</b>	5.73
8	Luxembourg	1.4	Austria	5.06
9	Germany	0.9	<b>Ireland</b>	2.69
10	Finland	0.6	Spain	2.59
11	France	0.6	Finland	2.35
12	Greece	0.3	Greece	2.35
13	Italy	0.3	Portugal	1.77
14	Spain	0.2	Luxembourg	1.12
15	Portugal	0.02	Denmark	
	<b>Correlation Coefficient</b>	<b>1</b>		<b>0.06</b>

Figure 1: Average Accepted Protection Burden (by ascending GNP size), 1994-2002

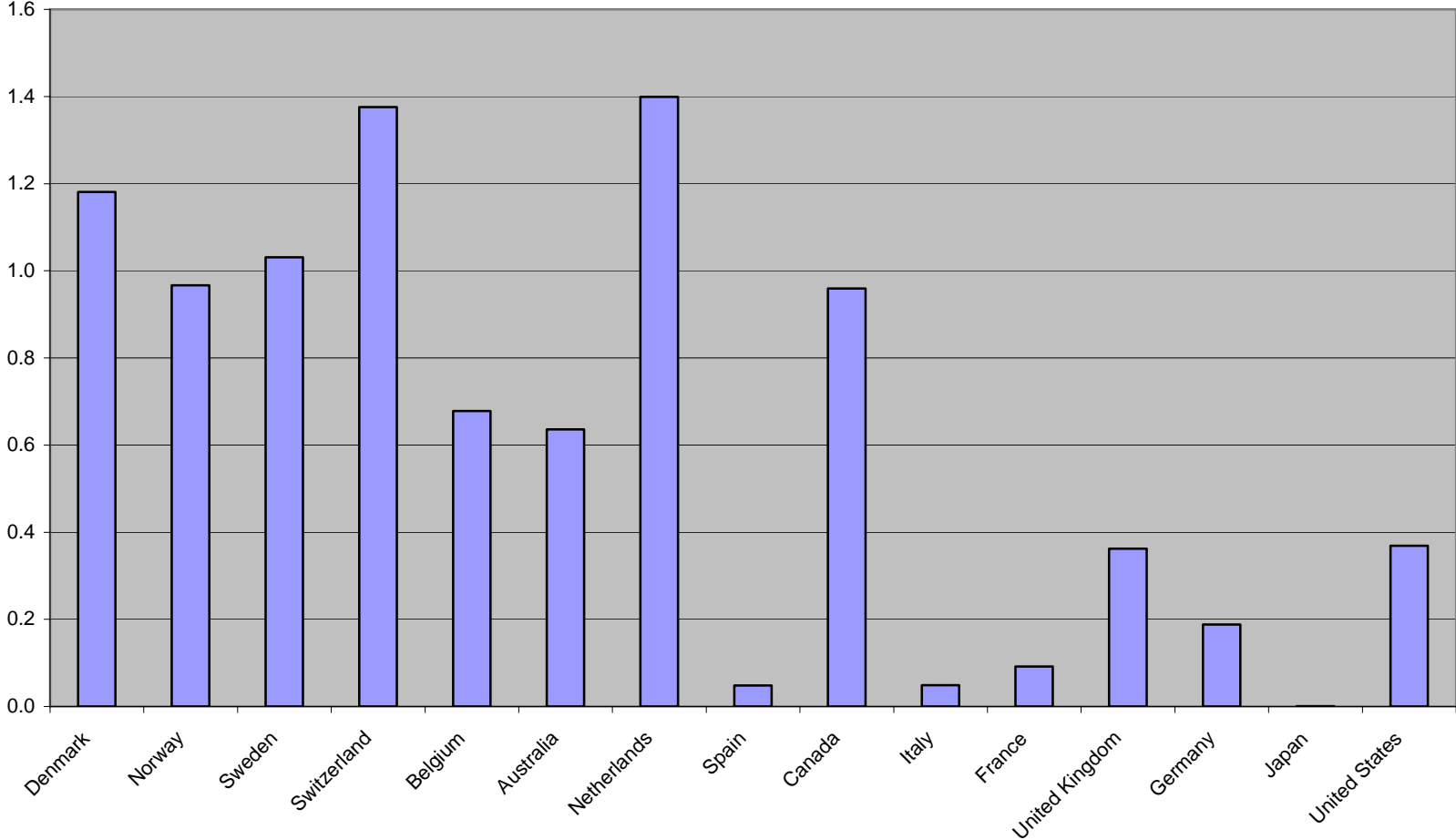


Table 4: Correlation of pro-active (peace-keeping troops) vs. reactive (refugees) protection contributions, (EU Member States, 1996-2002)

1996	-0.15
1997	-0.28
1998	-0.15
1999	-0.27
2000	-0.52
2001	-0.42
2002	-0.26

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