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Deliverable 3.5



QuantMig has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 870299.

## History of changes

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Version	Date	Changes
1.0	7 July 2023	Issued for Consortium Review
1.1	14 July 2023	First version submitted as official deliverable to the EC

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## Suggested citation

Di Iasio V. and Wahba J. (2023). Policy Uncertainty and Attitudes: What Drives EU Migration? QuantMig Project Deliverable D3.5. Southampton: University of Southampton.

## Dissemination level

**PU** Public

## Acknowledgments

This work has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 870299 QuantMig: Quantifying Migration Scenarios for Better Policy. We are very grateful to Jakub Bijak, for his comments that helped improve an earlier draft. All the remaining errors and inaccuracies are ours. The responsibility for all conclusions drawn from the data lies entirely with the authors. This document reflects the authors' view and the Research Executive Agency of the European Commission are not responsible for any use that may be made of the information it contains.

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# Policy, Uncertainty and Attitudes: What Drives EU Migration?

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July 2023

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This work has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 870299 QuantMig: Quantifying Migration Scenarios for Better Policy.

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# 1 Background: Traditional Economic Pull Factors

Why do people move to certain countries and why do they choose particular destinations? The aim of this research brief is to bring together lessons learnt about the main non-economic pull drivers of recent migration to the EU: policy uncertainty, asylum policies, as well as attitudes and perceptions.

There is a large literature examining the pull drivers of migration; i.e. the destination choices of migrants. Within this framework, the individual's objective is to maximise their utility so that the potential benefits of migration outweighs the potential migration costs. In other words, individuals move in search of higher living standards. Thus, at the heart of this utility maximisation objective is the role played by economic gains mainly expected income/wage differentials between origin and destination. Individuals typically move in pursuit of a higher wage/income or job opportunities enabling them to maximise income. Most of the studies on the determinants of international migration use the gravity model of migration to estimate the determinants of migration, as is commonly done in the international trade literature, see [Anderson \(2011\)](#) and [Beine et al. \(2016\)](#). In addition to income and unemployment, geographical and cultural factors linking origin and destination countries are typically seen to play a role as well. To capture geography, distance between the capital cities of the origin and destination countries and contiguity are used. Longer distance is typically seen as a cost: migrants tend to prefer to migrate to countries that are closer to their origin. At the same time, sharing a common language, and having colonial ties capture cultural proximity and therefore are seen to reduce the psychological cost of migration.<sup>1</sup> Also, another key determinant of migration flows, which is well established in the migration literature, is migrant networks in destination. Migrants typically rely on their social networks at destination to provide them with information and support. Many studies find strong evidence on the role of social networks in influencing destination choice of migrants, see, for example, [Beine et al. \(2011\)](#); [Munshi \(2020\)](#).

There is also a large body of literature investigating the role of the “welfare magnet” in attracting migrants to certain destinations where there is a generous welfare state, e.g. [Boeri \(2010\)](#); [De Giorgi and Pellizzari \(2009\)](#); [Razin and Wahba \(2015\)](#). A widespread concern in EU countries, often exploited in the political discourse of far-right and populist parties, is that immigrants are attracted to the generous welfare system. However, the empirical evidence on the role of the welfare magnet is somewhat mixed (see [Giulietti and Wahba \(2013\)](#) for a review).

Overall, economic factors, geographical and cultural distance matter in the choice of destination, and affect migration to the EU as well as the destination choice within the EU.

## 2 Policy and Non-Economic Drivers

Building on this literature, we examine three understudied potential pull factors for EU migration that are related to migration policy and public attitudes.

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<sup>1</sup>See [Grogger and Hanson \(2011\)](#); [Mayda \(2010\)](#); [Adserà and Pytliková \(2015\)](#)

## 2.1 Policy Uncertainty

First, a less studied determinant of immigration is the role played by migration policies, and in particular by policy uncertainty. A few studies find that less restrictive migration policies attract more migration flows (Mayda, 2006; Ortega and Peri, 2013) but can also affect the skill composition of migrants (Razin and Wahba, 2015). Others, as for instance Czaika and Parsons (2017), have particularly focused on the role of different types of policies in attracting or deterring the flow of highly educated migrants. None of these studies has focused on the role played by policy uncertainty on migration.

Our paper (Di Iasio and Wahba, 2023) contributes to this literature by investigating the impact of a shock to migration policy expectations and uncertain migration policy changes. We examine the impact of the Brexit referendum vote on 23 June 2016, and before the actual UK exit from the EU on 31 January 2020, a four-year period in which there was still freedom of movement of EU citizens to the UK but there was no clear certainty about the future migration policy and migrants' rights. Our empirical strategy relies on comparing the migration behaviour of EU migrants relative to non-EU migrants before and after the referendum using quarterly data and controlling for various potential confounding factors.

The findings show that after the referendum vote, there was a negative and significant decline in the inflows of EU immigrants to the UK. The results suggest a relative decrease of EU immigration of around 27%. Importantly, our results are not driven by any potential spillover effects affecting non-EU immigration to the UK. When examining the inflow by socioeconomic characteristics, we find that this decline was experienced by all groups. This suggests that, contrary to some expectations that the Brexit referendum could have led to a surge in migration, as immigrants could have tried to establish legal residence in the UK before the freedom of movement was officially suspended, the referendum and the ensuing policy uncertainty related to their future rights discouraged EU immigrants to move to the UK.

Another important dimension of the referendum is its role in the selectivity of migrants. Indeed, the referendum had a much larger negative impact on the EU inflows of low-educated (37%) compared to the EU inflows of high-educated (17%). This is also reflected if using skills to distinguish between high and the low skilled occupations which suggest that the negative role of the referendum was larger for the EU inflows of low-skilled (30%) relative to the EU inflows of high-skilled (15%), in particular inflows of low-skilled from new EU member states (31%, while the inflows of low skilled from the group of EU 14 countries experienced a decline of 27%).<sup>2</sup> It is also interesting to note that the negative impact of the referendum on inflows was across all sectors: Construction experienced the lowest decline (12%) in EU inflows while Hospitality had the largest drop (35%) in EU inflows fuelled by sharper decline in EU new member states inflows (39%) relative to EU14 (23%).

We also find a positive and significant increase (almost doubling) in the outflows of EU

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<sup>2</sup>All States that joined the EU starting from 2004 are classified as new member States. Those are Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, Slovenia, Bulgaria, Romania, Cyprus and Malta. EU14: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden.

migration from the UK. In other words, EU nationals were twice as likely to leave the UK after the referendum compared to before, especially for those who came to the UK for work reasons. Moreover, our results suggest that the effect on leaving the UK is higher for migrant coming from new EU member States. We also find a substantial negative decline in net EU migration as EU inflows have declined and EU outflows increased.

The findings of this paper highlight that uncertainty and expected but undefined changes in migration policy matter for migration decisions and the destination choice. It underscores the importance of clear devised migration policies as a driver of migration.

## 2.2 Asylum Policy

In another paper ([Di Iasio and Wahba, 2023](#)) we investigate further the role of policies and focus on those targeted to asylum seekers as determinants of asylum inflows in the EU. We examine the pull factors that drive asylum seekers to apply for asylum in a particular destinations within the EU. Differently from other studies, rather than focusing on one set of drivers (see for instance [Hatton \(2009\)](#) and [Hatton and Moloney \(2017\)](#) that focused on welfare and asylum policy, and [Bertoli et al. \(2022\)](#) that focused on asylum process) we examine several determinants of asylum flows namely: economic factors, such as GDP per capita and unemployment, the attractiveness of generous welfare states and social networks. We also examine the role of employment rights of asylum seekers and whether they are allowed to access the labour market or not, and the duration of employment ban which has not been studied before. In addition, we study the asylum application process in terms of processing time, recognition rate and risk of repatriation. The main aim of our study is to measure and quantify the association of all these different factors with asylum applications in the EU.

We study the determinants of the destination location of first time non-EU asylum seekers between 2008-2020 which allows us to examine the so called Mediterranean refugee crisis as well. The findings show that social networks, measured by the cumulative sum of previous asylum applications and stock of migrants from the same country of origin, are the most important determinant of the choice of where to apply for asylum within the EU countries. Although economic factors are important, they are not the main drivers of the destination of asylum flows. Also, policies matter little for location choice of asylum seekers. Importantly, there is little evidence that asylum applicants are attracted by generous welfare systems. There is also a positive association between recognition rate and asylum applications. Furthermore, employment bans are not highly correlated with the number of asylum applications.

More specifically, a one percent increase in cumulative sum of previous asylum applications is associated with 0.66% increase in first time asylum applications, while a one percent reduction in the length of ban is associated with 0.18% increase in first time asylum applications. Similarly, a one percent increase in total social spending (as a percent of GDP) is associated with 0.14% increase in first time asylum applications. This suggests that the correlation between social networks and the number of asylum applications is four times larger than the correlation with the employment ban and five times larger than social spending.

Another important aspect worth highlighting is that we check the robustness of our results using different measures to proxy social networks based on both previous asylum seekers as well as migrant stock. Although all the different measures of social networks have similar magnitude, unsurprisingly, asylum applications in the previous year has the largest effect (0.77%). In a way this underscores that destination choice of asylum applicants is to a large extent driven by recent asylum flows. This might be due to social networks transmitting information about routes and destinations or helping friends and families to join them.

This paper has important policy implications. Asylum seekers are fleeing war and persecution and hence are vulnerable. This might explain the importance of social networks in where they apply for asylum. Although host countries are eager to have policies to deter irregular migration, we find evidence that such policies that restrict access to the welfare system and to the labour market are neither very effective in terms of reducing the number of asylum applicants nor cost effective. Importantly, the paper also shows that the destination choice of asylum seekers might not be driven by economic factors, as is the case for economic migrants, but by a large extent by social networks. Hence, for asylum seekers policies play a smaller role.

## 2.3 Attitudes and Perceptions

Another factor that has not been sufficiently investigated so far is the role of perception about the host country, in particular the attitude of natives on immigration. In our paper ([Di Iasio and Wahba, 2023](#)), we contribute to the migration literature by highlighting the role played by natives' attitudes on immigration flows. In particular, one of the main contributions of our analysis is that we attempt to establish a causal relationship between natives' attitudes and immigration flows to the EU by accounting for the potential reverse causality between the two and for the possible dependence among destinations.<sup>3</sup> We also disentangle the role played by migration policy from that of public attitudes as we distinguish between EU and non-EU inflows to the EU.

We use OECD data on bilateral migration flows from 193 origin countries to 21 EU destinations between 1995- 2018. To measure anti-immigration attitudes we use Eurobarometer data and build an index based on the percentage of natives who consider migration one of the main issues faced by their country. Although this could be seen as a measure of salience of immigration, there is evidence supporting the link between salience of immigration and anti-immigration attitudes (i.e. [Talo \(2017\)](#) and [Alesina et al. \(2018\)](#)), and that the salience of immigration is the most important predictor of voting for anti-immigration parties ([Dennison and Geddes, 2019](#)). Our findings show that natives' anti-immigration attitudes negatively affect migration flows to the EU. This negative relationship exists even when we distinguish between EU and non-EU immigration flows to EU destinations. This suggests that we are not measuring the impact of policies, that may become stricter if public attitudes towards immigration worsen, but that the negative impact of attitudes negatively influence immigration even within the free movement scheme of EU countries. Interestingly, we also

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<sup>3</sup>A study close to ours is [Gorinas and Pytliková \(2017\)](#) which examine the effects of native anti-immigration attitudes on migration to OECD countries. However, their analysis does not fully account for simultaneity between attitudes and immigration.



find similar results when we examine the impact of public attitudes on migration stocks and not just flows, suggesting that public hostility towards migration negatively affect also the number of migrants already present in the country.

In terms of impact, a 10 percent increase in anti-immigration attitudes leads to 0.4 percent fall in immigration flows to the EU. The impact of a one percent rise in anti-immigration attitudes on immigration flow is equivalent to half that of a similar increase in unemployment rate in destination. If compared to GDP, we find that a one percent reduction of GDP is equivalent to almost five fold increase in anti-immigration attitudes. This implies that negative attitudes do not offset the impact of other important pull factors, such as GDP and unemployment, but rather play a concurrent important role. We also find that the impact of anti-immigration attitudes is similar in magnitude on intra-EU migration compared to that on non-EU immigration. Yet, the elasticity of immigration to public attitudes is higher than the elasticity of immigration to economic factors for EU migrants. This suggests that for intra-EU migration natives' attitudes matter more than economic factors and that public attitudes might be a hurdle for intra-EU labour mobility. Our results hold also when we measure negative attitudes towards immigration using alternative questions from the Eurobarometer and alternative attitudes measures based on the European Social Survey.

Our analysis highlights that non-economic factors such as public attitudes are important determinants of international migration. An important implication of our findings is that, in times when there are labour shortages and governments want to attract the “best and brightest”, anti immigration attitudes would discourage immigration.

### 3 Conclusion

In this report we summarise the main findings on the drivers of migration to the EU. Along with traditional migration pull factors (such as economic factors, geographical and cultural distance, and social networks) we investigate the role of three understudied drivers, namely policy uncertainty, asylum policy, and public attitudes and perception towards migration.

We find that migration policy uncertainty has an important role in discouraging the inflows and encouraging the outflows of economic migrants. On the other hand, when focusing on forced migration (asylum seekers), we find that policy matters less in driving destination choice and that the most important pull factor is social networks. In addition, despite the importance of economic factors, public attitudes and public hostility also play a critical role when migrants are deciding where to go within the EU, and this holds for both EU and non-EU migrants. Overall, our findings underline the complexity of migration drivers and the importance to account for different pull factors, along with the traditional ones, to better understand this complexity and address the migration challenges with more robust policies.

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