

Recommendations: A comprehensive strategy to manage asylum and immigration in the EU

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Throughout this Assessment Report, we have emphasized how the policy regimes for asylum, labor migration, and other forms of immigration (family unification, education) are inextricably linked. Short-term challenges arise due to the large recent inflow of asylum seekers, whereas long-term challenges relate to the uneven success, across and within EU member states, of current immigrants' economic and social integration. These challenges, combined, need to be understood against the back-

ground of conditions in migrants' countries of origin, labor market and education policies in EU member states, and the processes that drive public attitudes toward immigrants.

Our specific recommendations for actions should therefore be viewed, and critically debated, as part of a comprehensive strategy that involves interlocking elements covering the relevant policy areas. This is where we hope to start our dialogue with stakeholders at the EU and national levels.

Work with host countries toward partnerships for refugees: The international community covers the financial cost of hosting refugees, while host countries grant refugees a secure legal status, access to public services, and the right to work

The EU and its member states should do more to fulfil their moral and legal responsibility (under the 1951 Refugee Convention) to protect refugees worldwide. They should work toward partnerships for refugees with low- and middle-income host countries that involve increased financial support by the EU (and other donors) to offset the fiscal cost of hosting refugees, combined with a commitment by host countries to grant a secure legal status to refugees and promote their social and economic integration.

Addressing this responsibility involves a dual challenge. First, global funding for humanitarian assistance to refugees is unpredictable and often falls short of needs. The EU and its member states should contribute more and also allow the responsible UN entities (especially the United Nations High Commissioner for Refugees (UNHCR) and World Food Programme) more flexibility in the use of European funds. Adequate humanitarian assistance to refugees would help to ensure decent living conditions for refugees in their host countries and reduce incentives for secondary movements by refugees, including irregular migration to the EU.

Second, many refugee situations are protracted and refugees live in the host country for many years. Most refugees do not live in camps, but are dispersed among the local population. Therefore, they may compete with residents for limited public services and infrastructure, such as education, health care, housing, water, and sanitation. The EU and its member states should ensure that support for host countries is not limited to humanitarian assistance for refugees, but extends to development assistance for public investment so that the needs of refugees and residents can be provided for.

Participate in the resettlement of recognized refugees when countries of first asylum face large inflows of refugees

Financial burden sharing for hosting refugees goes a long way toward sharing responsibility for the protection of refugees equitably. However, when large numbers of refugees arrive in small host countries or refugees have special needs that cannot be met locally, there is a case for resettling refugees from countries of first asylum to more suitable host countries.

Such resettlement is typically organized for recognized refugees through UNHCR. EU member states should offer larger quotas for resettlement in line with their fiscal capacity and the absorptive capacity of their labor markets. As the number of asylum seekers who arrive directly in the EU has declined sharply since early 2016, some of the reception capacities that have been freed up could be used for orderly resettlement.

Explore the use of humanitarian visas for refugees with a prima facie case for international protection when there is no established resettlement scheme

Third-country resettlement works only if refugees are received by a country of first asylum and later selected for resettlement based on their vulnerability, typically under UNCHR auspices. Yet, not all persecuted individuals may be able to reach a safe country of first asylum. It would be helpful if such individuals could seek protection in EU member states while they are still in their home country or in a transit country – without having to travel to the EU irregularly, typically at considerable risk to their lives. While full asylum procedures cannot be conducted outside the EU, member states could issue humanitarian visas for those with a robust prima facie case for protection so they can travel to Europe safely and apply for asylum in the respective member state.

Both third-country resettlement and humanitarian visas for prima facie refugees would focus EU efforts on protecting the most vulnerable refugees and reduce the existing bias in the composition of asylum seekers in the EU toward those who are rich enough to pay people smugglers and physically strong enough to travel under arduous conditions.

Work with countries of origin and transit to curb irregular immigration to the EU by would-be labor migrants

Irregular immigrants to the EU from many countries of origin, including in West Africa, have only a slight chance of being recognized as refugees. Even so, many view an asylum application as their best chance of living and working in the EU. For most such would-be labor migrants, irregular travel to the EU is expensive and risky, particularly if they travel along the central Mediterranean migrant route through Libya. If they fail to obtain a legal status in the EU, they face the choice of returning to their home country (voluntarily or otherwise) and losing the money that they have invested in their migration, or remaining in the EU illegally, with irregular work and typically a precarious existence.

The EU and its member states should continue to work with countries of origin and transit to help them strengthen border security, combat people smuggling, and curb irregular migration. Access to objective information about travel risks and the lack of economic opportunities for irregular immigrants in Europe should be facilitated. Migrant support centers along major migrant routes may help migrants to return to their countries of origin voluntarily. Regarding the central Mediterranean migrant route, the focus should be on preventing irregular migrants from reaching Libya because of the dangerous conditions there. Partner country authorities may find it easier to cooperate with the EU in curbing irregular migration if EU member states simultaneously create opportunities for legal migration for individuals with adequate language skills and vocational qualifications (see below).

In the long run, design and implement an incentive-compatible, EU-wide regime for external border security, asylum, and the economic and social integration of refugees

Even if partnerships for refugees with host countries and cooperation with countries of origin and transit to curb irregular immigration are successful, some asylum seekers will continue to reach the external border of the EU. As long as there are no controls on the internal borders within the Schengen area, a comprehensive asylum system at the EU level is required that allocates responsibility for asylum-related policies to EU institutions and member states in an incentive-compatible manner. Otherwise, asylum seekers will seek to move to those EU member states that offer the most favorable conditions. At the same time, member states will have a strong incentive to worsen reception conditions for asylum seekers to the point where they are no longer attractive destinations. Such a race to the bottom would not be compatible with member states' international obligations or humanitarian standards generally.

The challenge of setting up a comprehensive asylum system at the EU level is complex because asylum-

related policies are interlinked, with large spillovers across different areas. For example, if too little effort and financial resources are put forward to ensure that refugees enjoy decent living conditions in their primary host countries, large secondary refugee movements may ensue (as from Turkey to Greece and further to other EU member states in late 2015 and early 2016). Similarly, if asylum procedures are superficial and acceptance rates high (or rejected asylum seekers are not deported because of the associated emotional and financial costs), incentives for irregular immigration will be strengthened and more irregular immigrants will likely require support with their economic and social integration in the host country.

The present 'Dublin' system places most responsibility for receiving asylum seekers and hosting refugees with the EU member state of first arrival. There is little financial burden sharing and the existing schemes for redistributing asylum seekers among member states are not functional. This approach is not compatible with the principle of intra-EU solidarity – nor, incidentally, with the principle of international responsibility sharing that we emphasize at the global level (see above). Even so, the Dublin system is largely incentive-compatible as long as there is (at least) a credible threat that intra-Schengen borders will be closed to asylum seekers, should countries of first arrival try to 'wave on' new arrivals instead of registering them and processing their claims.

Proposals by the European Commission to enforce more responsibility sharing by member states have been unsuccessful largely because they are neither comprehensive nor incentive-compatible. For example, the proposed scheme to redistribute asylum seekers among member states would imply an open-ended commitment by 'inland' member states to receive most arriving asylum seekers. While this approach would in principle be equitable, inland member states may be concerned that they have little effective control over whether 'enough' effort is made to limit irregular immigration by working with neighborhood countries to secure the external EU border or to combat people-smuggling. At the same time, member states on the external border may be tempted to reduce their efforts in the field of border security because the benefits – in terms of receiving and hosting fewer asylum seekers – would flow mostly to inland member states. Very likely, a much larger EU role in border security, funding the hosting of refugees by member states (and additional revenue for the EU – see below) would be required to render a mandatory redistribution scheme workable.

As we have argued with respect to the global governance of refugee protection (see above), sharing the financial burden of receiving asylum seekers and hosting refugees would go a long way toward equitable responsibility sharing. Financial burden sharing is particularly relevant in the context of the multilevel governance system constituted by the EU and its member states ('fiscal federalism'): the implementation of policy interventions may be delegated to the regional units that are most suitable for a particular task (for example, member states on the external border in the case of border security), whereas the financial burden is borne by all member states (and their tax-paying populations) according to their ability to pay (gross contributions to the EU budget are approximately proportional to member states' total GDP).

It seems clear that a comprehensive EU asylum system will involve the EU institutions not only in setting the ground rules, but also in funding asylum-related policies on a much larger scale and in implementing selected policies on the ground to assure the quality of service delivery. The spillovers across different policies as well as the public good nature of many asylum-related expenditures call for centralized financing and control over implementation: from helping to protect refugees outside the EU to securing and managing the external EU border, search and rescue missions in the Mediterranean, receiving asylum seekers and processing applications, and supporting the economic and social integration of recognized refugees.

The additional tasks to be taken on by the EU inevitably require additional revenue, which, in turn, will require a unanimous decision by EU member states. Therefore, a consensus among EU member states is necessary for a comprehensive reform of the asylum system, making it a long-term proposition. In the short to medium run, the EU and member state authorities should emphasize more modest reforms that can be implemented within the existing EU budget and through voluntary contributions by member states in different areas.

In the short to medium run, share financial and logistical responsibilities for asylum-related policies more equitably among EU member states and establish monitoring and peer review of member state contributions

Individual member states already contribute voluntarily to many tasks that would ideally be centralized at the EU level. Significant progress can be made by increasing such voluntary contributions and coordinating more effectively among member states. For example, individual member states already participate in humanitarian assistance to refugees through UN organizations for their own (presumably, in part, altruistic) reasons. The necessary increase in funding at the global level (see above) may initially come from higher contributions from member state budgets, without necessarily involving the EU.

Another example of a member state helping to head off a potentially challenging refugee situation is Poland offering employment opportunities to many Ukrainian labor migrants, who might otherwise seek to escape civil war and economic deprivation at home by seeking protection in Western Europe. While not directly comparable, both humanitarian assistance and liberal access to employment opportunities are important contributions to helping individuals affected by persecution and violence. It would be helpful for EU member states to set up a process of monitoring and peer review that acknowledges such different contributions while encouraging member states to further increase their contributions in response to where the need is greatest and in a manner that is politically feasible, given the circumstances of each country.

While a mandatory reallocation of asylum seekers among member states has proved impossible to implement effectively (see above), there is a strong case for more financial and logistical burden sharing with those member states where asylum seekers first arrive. In particular, it would be useful to extend the current ‘hotspot’ approach to include EU-managed reception centers in member states on the external border where asylum seekers would remain until a decision is made on their application. The

cost of operating hotspots could be borne by the EU budget or through voluntary contributions by inland member states that could also provide personnel and logistical support to help process asylum claims.

Asylum seekers would be registered at hotspots and could be returned there if they chose to move on to other member states. Hence, there would be no need to prevent secondary movements of asylum seekers by closing the Schengen area internal borders. Asylum seekers without valid claims for protection would be returned to their countries of origin from the hotspots. This would be particularly important on the central Mediterranean migrant route, where most asylum seekers are not recognized as refugees.

In the current political climate, any effective resettlement of refugees – from EU member states on the external border to inland member states or from third countries to EU member states – will likely have to be voluntary. This need not prevent a more equitable sharing of responsibility among EU member states: more support for non-EU countries that host refugees and cooperation with neighborhood countries to curb irregular immigration into the EU will ensure that the number of recognized refugees in the EU remains low. If they cannot be hosted by the member states of first arrival, the hotspot approach should give other member states confidence that protection has been granted and the individuals have been vetted in line with EU regulations. The proposed monitoring and peer review of member states’ contributions to protecting refugees would be a suitable forum for inland member states to volunteer quotas for intra-EU resettlement of such refugees.

Expand opportunities for legal labor migration to EU member states from third countries

While working to close the ‘back door’ of irregular immigration into the EU, EU member states should further open the ‘front door’ of legal labor migration by creating more legal employment opportunities for non-EU citizens. This would be in addition to opening the front door by resettling some refugees from non-EU countries in EU member states. Migration to the labor market (rather than the welfare state) typically benefits not only immigrants through higher incomes than at home, but also countries of origin through financial and other remittances. By contrast, the economic impact on host country residents is usually small – mostly positive on aggregate, but negative for those workers who compete directly with immigrants. Such legitimate distributional concerns may be addressed through targeted immigration policies and, more broadly, through policies that promote economic and social inclusion for those affected by economic or technological change.

Beyond providing economic benefits to migrants and (through remittances) to their countries of origin, legal employment opportunities in the EU would also become an important element of the policy frameworks with the countries of origin and transit that are necessary to curb irregular migration to the EU. Political support for such agreements on the part of the country-of-origin governments and populations cannot be taken for granted. By offering significant legal employment opportunities, EU member states would signal their interest in constructively managing migration, rather than merely shutting out irregular immigrants.

Opportunities for legal immigration in the EU already exist for many high-income individuals, typically with tertiary education. Efforts to expand legal immigration could usefully focus on individuals with sufficient language and vocational skills to succeed in the labor markets of EU member states. To avoid a brain drain on the countries of origin, vocational training may be set up by EU member states in countries of origin where skills are taught that are useful both at home and abroad. Typically, some trainees will remain in their countries of origin where their new skills will increase the skill level of the workforce.

In the EU, labor migration from non-EU countries is a competency of the member states. Therefore, each member state would decide individually what employment opportunities to offer to non-EU citizens, what language and vocational skills to require so that immigrants do not become a fiscal burden or residents suffer undue competition in the labor market, what training opportunities to offer in potential migrants' countries of origin, etc. Member states will want to consider their overall labor market situation and skill shortages as well as possible distributional effects. What would be crucial is for member states together to offer a package that creates strong incentives for potential emigrants in developing countries to invest in their language and vocational skills, rather than in irregular migration.

A related question is whether asylum seekers whose applications have been rejected should be allowed to 'change track' and remain in the destination country if they are well integrated into the labor market. The possibility of such a track change would be a strong incentive for all asylum seekers to invest in destination-specific human capital right from the start, maximizing their chances of successful labor market integration. At present, many are held back because their legal status in the destination country remains uncertain for several years, resulting in lost opportunities. At the same time, if unsuccessful asylum seekers enjoy privileged access to the labor market relative to other non-EU citizens, that may create undesirable incentives for more irregular immigration. Navigating that trade-off may require EU member states to find pragmatic humanitarian solutions for those already in the country for a prolonged period, without creating a firm expectation of labor market access on which potential irregular migrants could base a migration decision.

Address long-standing shortcomings in immigrant integration to promote social inclusion while facilitating the labor market integration of recently arrived refugees

Across the EU, the economic and social integration of immigrants who have arrived here during the last half century is quite uneven. Overall, employment rates are broadly similar to those of local workers for male immigrants, who typically arrive as legal labor migrants, but substantially lower for female immigrants who often come to the EU through family unification. Refugees – who come in search of protection rather than in response to labor demand – take much longer to find employment. Unemployment is higher for immigrants than for local workers, especially among refugees and immigrants through family unification, whereas incomes tend to be lower. Thus, some immigrant groups are at risk of social exclusion, with detrimental consequences for their well-being and that of future generations.

Integration policy faces the dual challenge of reducing social exclusion among immigrants (and others) who are already in the EU, and promoting the economic integration of newly arriving immigrants to prevent further social exclusion. Large investment in labor market integration and education for immigrants (along with other individuals at risk of social exclusion) will be required, with a particular focus on recent refugees. While some EU member states already employ a plethora of labor market interventions, the multitude of programs and lack of coordination can be overwhelming, particularly for recent immigrants unfamiliar with the local language and institutional environment. Personalized guidance and counseling have a key role to play in enabling immigrants to navigate the system and to reduce matching frictions when they (finally) search for a job.

Work with European society at large to sustain a political culture centered on respectful debate and evidence-based policy-making

Finally, public attitudes toward immigrants and immigration are not only important drivers of immigration policies in European democracies, but also, indirectly, affect integration outcomes. When immigrants perceive a large proportion of the host population as hostile, they are likely to reduce their destination-specific investment and efforts toward integration. Thus, negative attitudes may translate directly into worse integration outcomes.

Many individuals in the host population who are skeptical toward immigration are not primarily concerned about how their own real incomes will be affected by additional immigration, but by a perceived risk of a negative effect on their peer group – with the peer group defined by ethnicity rather than, say, commitment to civic values. In addition, anti-immigration attitudes may be hardened by the absence of positive contact with immigrants, polarized political debates, particularly in the 'echo chambers' of social media, and media coverage that stigmatizes immigrants as an out-group. Conversely, positive contact, respectful political debate, and objective media coverage promote more balanced views.

Among European citizens, a negative attitude toward immigration often coincides with a negative attitude toward European integration. This observation highlights many citizens' ethnicity-based identities as well as their desire to see their own ethnic group 'in control'. Hate crimes against immigrants have soared not only in high-immigration Germany and Sweden, but also in the post-Brexit U.K.

Increasingly, relevant civil society actors will need to stand together and uphold democratic principles and civic values to safeguard an undistorted political process and public debate about contentious issues, including asylum and migration policies. In this context, we believe that experts (including MEDAM researchers) can usefully contribute by providing unbiased information and analysis.