The European Migration Crisis – Economic and Political Factors and Challenges for the Future

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Until 2014 the problem of migration was discussed primarily in the context of free movement of people and the asylum policies of selected countries. Since 2014 the European Union (EU) has been facing one of the deepest political and social crises, namely the migration crisis. The stance adopted on this issue by individual Member States has demonstrated great divergence between countries in terms of their understanding of the notion of “solidarity”. In 2015 alone, over a million migrants arrived in the EU, creating an urgent need to develop adequate solutions and mechanisms that would help to manage this influx and prevent its negative effects. The need for tight cooperation and support for the countries affected must lead to the development of a long-term strategy for the future.

The article introduces selected theoretical issues that may be applied in describing the current situation in migration crisis. The article offers a brief overview of the steps undertaken on the European level in response to the migration crisis and analyses their effectiveness. At the same time the author discusses the reaction of Member States, taking into consideration the fundamental principles of solidarity, openness to new countries or the global role of the EU. The article emphasises the economic implications of the crisis and its impact on the political dimension of the EU in the future. The article is based on a literature review and analysis of documents published by European institutions and distinguished research centres. A substantial section of the article is devoted to Member States’ obligations stemming directly from EU primary legislation.

This article is founded upon the belief that, at the European level, the right measures have been proposed to resolve the ongoing crisis. The lack of understanding of the fundamental principles governing the European integration process has resulted in the current difficulties. The negative reaction of different countries to the migration crisis in the EU is likely to lead to new scenarios in the integration process. A highly probable consequence is the transformation of the EU into “the EU of two speeds”. This may pose a serious threat to the catching-up countries, as they may become only supporting actors of the European integration process. The discussion between EU Member States with respect to fulfilling the resettlement obligation is entirely unjustified, as the legal mandate of the European Commission stems directly from the Treaties.

KEYWORDS: European Union, international migration, migration crisis, migration policy.
The migration crisis in the European Union has demonstrated the differences in the understanding of the notion of solidarity among the Member States. Since 2014 the EU has been facing an ongoing debate on the scenarios to resolve the problem of migrants. The EU is in a unique position with sufficient capabilities and resources to handle this social and economic phenomenon. However, the measures undertaken by individual Member States are certain to carry political consequences, with the EU greatly divided on this sensitive issue.

It should be noted that there is nothing new about the migration process. The EU has dealt with it for many decades; in fact, it is the migration process that forms the foundations of the European Community. Nonetheless, the current wave of migration has proved exceptionally dramatic and dynamic. In general terms, the key underlying factor turned out to be the so-called Arab Spring of 2011, which resulted in a rising number of asylum applications in the EU. In 2014 alone the EU Member States received approximately 563,000 asylum applications, of which 30% involved Syrian citizens (Martin, 2016).

At the same time the European societies realise that they are ageing fast and many Member States have noted shrinking population and labour force. The inflow of migrants and asylum seekers used to be considered helpful in alleviating this problem. The openness of some European leaders, mainly German, is now viewed as key element in the context of the migration crisis. Chancellor Angela Merkel could not foresee the sheer number of migrants entering the EU, which had been vastly underestimated. No Member State would be able to handle and resettle 1 million or more economic migrants and asylum seekers. The emotional reaction of the German Chancellor was also broadly discussed in Germany. However, today it is beside the point. Now Germany is a key driver in solving the migration crisis, as it is considered to be largely responsible for the present situation.

The migration crisis in the theoretical dimension touches upon at least 3 areas. The first one focuses on the division of competences as far as migration policy management is concerned. In this respect, Articles 67-80 of Treaty on the Functioning of the EU (TFEU) can be invoked. It needs to be stressed that these articles directly point to solidarity as the key principle in this policy area. What is more, the Treaty defines specific areas, in which measures may be undertaken on the European level (Art. 78 and 79 of the Treaty). It means that the European Union considers the migration policy to form a crucial aspect of the external actions, as emphasised in the TFEU. In turn, the Treaty on the European Union states that those competences which are not directly listed in TFEU within the shared competences shall remain with the Member States. The migration policy falls under freedom, security and justice, as explicitly described in TFEU (in Title V of Part 3). It has to be underlined that the EU focuses on migration flows, mainly concerning border checks and the asylum process, which cannot be considered to constitute an immigration policy. An analysis of the Treaties reveals a very clear division of competences. The European Union manages the external issues of the migration process, but the immigration policy itself remains within the competences of the Member States.

Secondly, the process of migration is not unusual. It is a stable occurrence in the context of international economic relations. Migrations fall within the scope of interest of economists, sociologists, historians and researchers of many other disciplines. Depending on the discipline, the migration process is analysed from a different perspective. In the context of the migration crisis faced by the EU, the crucial aspects are connected with causes of the migration. The reasons for migration (temporary or permanent) differ widely, starting with employment opportunities through to persecution in the land of origin. The fundamentals of migration theories are rooted in the work of Ravenstein, who, in 1880s, presented his “Laws of Migration”. The following decades brought new empirical data and a lot of research. Until the 1980s migration research focused on
macro aspects, concerning the labour market, analyses of demand and supply in rural and urban areas (Lewis, 1954; Harris&Todaro, 1970). Then there was a shift in the interest of researchers and they focused on the micro-level, taking into depth consideration the motives underlying the migration process, such as structural factors influencing the level of poverty (Hagen-Zanker, 2008). This article is founded upon the theories outlining the motives behind migration. In this context the most important are micro-level theories of migration, starting with Lee’s (1966) push-pull framework that analysed the supply and demand side of migration. Another crucial trend in the development of migration theories involved the behavioural theories developed by Wolpert (1965) and Crawford (1973) (in Hagen-Zanker, 2008) which stress other aspects of migration, besides economic ones, for instance security or self-fulfilment. One of the latest models, i.e. New Economics of Labour Migration (NELM), offers a comprehensive approach, combining the economic reasons for migrations with the influence of migration on the family (Hagen-Zanker, 2008). It is very difficult to find theories which may be applied directly to the migration crisis in EU, as most models focus chiefly on economics and economic issues. The author believes it is important to mention them in the context of the current crisis, feeling, however, that the work of Wallerstein (1974), who described the world systems theory, should also be emphasised. Migration to a specific part of the world is the consequence of the market development in the global economy. As the European Union is considered one of the most developed markets founded upon tolerance and respect for human rights, it is a natural direction for people seeking a safe haven and a secure life.

Last, but not least, the author will briefly mention the theory of integration, focusing on its crucial component, namely the freedom of movement. Since the 1990s the EU has enjoyed free movement of people and workers, strengthened further by the Schengen Agreement. The free movement of people has become the core focus of the Member States in the context of the migration crisis. Non-EU citizens, upon receiving the right to stay at the territory of the EU, gain the right to travel freely between the Member States and enter the labour market, becoming part of the European society. The consequences of the free movement of the labour force for labour market and for the society was broadly analysed by Lindert (1991) and Molle (1997). The broad scope of rights granted to the migrants and their entering the labour system have been the subject of animated debate between Member States and become the reasons for the backlash against the measures introduced by the European Commission.

Behind the dramatic manifestations of the migration crisis, such as people on inflatable dinghies trying to reach the coast of Greek islands, there are numbers and money. One of the first actions undertaken by the European Union was tripling the budget for its Triton and Poseidon sea operations to EUR 9 m monthly. Until April 2015 the amount allocated towards those operations stood at EUR 2.9 m monthly (more: Pachocka, 2016).

The cost of managing the migration crisis has two dimensions: the European and the national one. The measures are financed from the general EU budget and the national budgets of the Member States. The general budget includes a “Security and citizenship” category, which accounts for 1.6% of the EU budget for 2014-2020. Furthermore, a special Asylum, Migration and Integration Fund (AMIF) has been created for 2014-2020, with a total allocation of EUR 3.1 bn for seven years. The Union Resettlement Programme is financed through the Specific Actions and AMIF, amounting jointly to EUR 360 m.

As mentioned above, the economic aspect of the migration crisis has a very strong national dimension. In the EU different types of actions are undertaken in this context:
1) Protection of borders in the Member States
2) Managing the visa system in the Member States
3) Managing the influx of migrants and asylum seekers
4) Police support
5) Support for countries within the resettlement programme, which are financed from two sources: AMIF and International Security Fund (ISF). ISF amounts to EUR 3.8 bn for 2014-2020.

Within the short term the Member States will observe the increase of public spending with respect to managing the migration crisis. In the long term, the financial burden will depend on the age structure, the level of assimilation of the migrants and asylum seekers and their integration in the labour market.

The International Monetary Fund (2016) prepared a summary of the fiscal costs of the migration crisis in different European countries. It was estimated that the average budgetary expenses for asylum seekers in EU Member States could increase by 0.05 and 0.1 percent of GDP in 2015 and 2016, respectively, compared to 2014 (see table below). Austria, Finland, Sweden and Germany are most likely to note the largest increase in spending over the coming years; this assumption takes into consideration their actions since 2014. What is more, it is proportional to their engagement in solving the problem of migrants and asylum seekers. In turn, in 2015 the EU increased its spending on the migration crisis in the general budget from 0.01 EU GDP to 0.07 EU GDP (IMF, 2016).

The financial implications of the migration crisis can be divided into short- term and long-term. In the short term the focus is set firmly on the day-to-day financing of crisis management and the allocation of migrants and asylum seekers. There is a debate on the involvement of the EU and national-level financing in this context. Countries like Italy, which have been directly affected

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Source: International Monetary Fund, The Refugee Surge in Europe: Economic Challenges, January 2016, SDN: 16/02.
by the problem, are even considering interference into the multiannual budget, a consequence of which would be decreased payments from the Cohesion Fund to those countries that oppose the solutions developed at the EU level, including the protection of an external border, reallocation systems or the resettlement programme. Another Italian proposal is to issue the “EU migration bond”, whereas the Germany’s finance minister suggested a common tax on fuels (Wolf, 2016).

In the long run the EU may observe the integration of migrants with the European labor market and filling the generation gap. If the EU takes the responsibility for the assimilation process and makes it effective, in the long term this will result in increased tax revenues in the national budgets. Such long-term thinking in the EU should prevail over the short-term perspective. Sadly, political changes in some of the EU Member States are posing a great threat to such long-term measures. The neoclassical theory assumes that migration accelerates the process of convergence between countries or regions (Duszczyk, Lesińska, 2009). A lot of studies confirm limited impact on the national economy in the long-term (Barro, Sala-i-Martin, 2004; Ostbye and Westerland, 2006). In their findings the researchers emphasize that it is the human capital that is fundamental for the success of the convergence process. Card (2005) in his research for the U.S. proved that migrants exert positive influence on the labor market, especially in low-skilled jobs. Card pays a lot of attention to the assimilation of migrants within the local community, which increases the chance of them becoming active on the labor market.

The political aspects of the migration crisis vary widely. Firstly, it needs to be underlined that the European Union is acting in line with the fundamental rule of integration, namely “global responsibility”, which imposes upon the Member States joint responsibility as part of the international community. The EU as one of the key political and economic leaders proposed two new mechanisms of dealing with the huge influx of migrants: the Union Resettlement Programme and the Relocation System. Both mechanisms are aimed at solving the problem of disproportionate inflow of migrants into selected EU Member States. What is more, hoping to decrease the threat of illegal immigration, the EU signed a bilateral agreement with Turkey to implement the resettlement programme. Questioning the right of the European Commission to impose common solutions upon Member States is unjustified, as the TFEU in Art. 67 underlines solidarity as the basic principle of the asylum, immigration and external border control policy.

As of October 2015 we have observed increased efforts to relocate migrants from Italy and Greece. The ambitious plan to resettle 22,000 people in cooperation with Turkey is highly unlikely to become a success. In its 10th Report on Relocation and Resettlement the European Commission announced that 14,422 people have been resettled to 21 Member States. Of this number 3,565 have been resettled within the scheme developed with Turkey. The countries that have not made any progress in this area for several months include Bulgaria, Cyprus, the Czech Republic, Denmark, Greece, Croatia, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

The progress in the relocation system has been much lower. In September 2015 the Council proposed to relocate the total of 160,000 asylum seekers. So far it has been reported that only 13,546 people were relocated from Italy and Greece. The leaders in this respect are France, Germany and the Netherlands, while only Malta and Finland are on track to fully meet their obligations resulting from the Council decision. Some of the Member States have demonstrated a very disapponting attitude. These include Poland, Hungary and Austria. They keep refusing to become actively involved in this mechanism. The Czech Republic, Bulgaria and Slovakia have been largely limited in their enagagement.

Secondly, the political aspects of responding to the European migration crisis is deeply rooted in the solidarity clause under Art. 222 TFEU:
The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilize all the instruments at its disposal, including the military resources made available by the Member States, to:

(a) prevent the terrorist threat in the territory of the Member States;
(b) assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;

Should a Member State be the object of a terrorist attack or the victim of a natural or man-made disaster, the other Member States shall assist it at the request of its political authorities. To that end, the Member States shall coordinate between themselves in the Council.

The arrangements for the implementation by the Union of the solidarity clause shall be defined by a decision […]

The European Council shall regularly assess the threats facing the Union in order to enable the Union and its Member States to take effective action.

The aim of this clause is to secure the mutual support among the Member States and give the EU the right to mobilise all instruments at its disposal (Parkes, 2015). The solidarity clause as defined above gives all the answers to those politicians and experts who debate the legal endowment of the EU with respect to resolving the migration crisis. Not only does it touch upon the issue of natural disasters, it also includes the latest and global threat, i.e. terrorism. As Europe is experiencing the highest inflow of asylum seekers and migrants since the fall of the Berlin Wall and each month is marred by terrorist violence, solidarity is the only path forward.

The division of competences introduced in the Lisbon Treaty gave the EU the full right to implement laws on behalf of its Member States in the area of migration. The process of co-decision and qualified majority voting are the legal basis for regular immigration and integration. The share of competences between the Member States and the EU shows the subsidiarity rule is respected.

At the same time the share of competences in this area shows that it is ineffective in implementation, as underlined by many experts (Vision Europe Summit, 2016). The possibility of rejecting EU law and rules, as exemplified by what happened in Hungary and Slovakia, sends a very bad message to European citizens. It shows that managing the migration crisis has divided the EU in terms of respecting the European law. It is likely to result in reinforcing anti-European sentiment among the citizens of the Member States.

Another issue of importance when discussing the political implications of the migration crisis is its social impact. In the case of countries like Hungary or Poland their attitude towards accepting and adopting European solutions is very populist in nature. The perception of the migration crisis by the Poles is not as conservative as it may seem. The issue of migration has simply been turned into a political weapon to ensure a political advantage at the national level. Visvizi (2017) has outlined the migration-populism nexus model. She stresses there are at least 3 groups of factors connected with ideology, history and culture that determine society’s resilience to populism.
The history of the European Union and European Communities shows that they emerge from each crisis stronger and more integrated. The 1970s brought about eurosclerosis and as a result the EC went into the project of a single market based on four freedoms. Soon after that European politicians suggested implementing a single currency. It was a very difficult time for the Europeans. The increasing growth gap between the EU and the U.S. and the simultaneous divergence between EU Member States (Greece, Spain, Portugal as new Member States) were the key internal issues affecting scenarios for the EU. In parallel, Germany decided to unite and its Chancellor Helmut Kohl significantly influenced the process of deepening the integration process in the EC. In this debate the European Community enjoyed a very strong alliance with France and its president Francois Mitterand in terms of envisioning the future of the EU. Long since the Treaty of Maastricht, the concept of the Eurozone was introduced and then faced one of the biggest crises in some of the Member States. But still the Eurozone remained united and integrated. Step by step it included new countries and now encompasses 19 out of 27 (28) Member States.

Never before have the European citizens been so sceptical about the European Union and its leaders. One may only hope that the presidential elections in France will reinforce France’s pro-European stance. It would send a firm message to other countries that European thinking is crucial for their safety, whereas, restoring internal borders would be a step back. It has now been more than 15 years since the Amsterdam Treaty and Tampere conclusions and today the EU immigration policy and not an asylum policy is being implemented.

The challenge undertaken by the EU in the form of an agreement with Turkey to resettle some of the asylum seekers may be considered a transaction in which the EU is becoming a hostage. Will it result in hard negotiations regarding Turkey’s EU membership? The author believes it is not about the membership as such, but rather a direct financial support for the Turkish government. The EU leaders must ask themselves whether it is worth exposing EU achievements to such a bargain.

What is more, the EU might be seen as a fortress that cannot be breached and is closed to non-EU citizens or migrants. The debate among Member States has demonstrated differences not only in terms of fulfilling the EU obligations but also in the understanding of the value of human rights protection. When faced with the so-called Islamic State’s atrocities, complicated roles of Russia and Turkey and unpredictable behaviour of the U.S. authorities it is crucial for European citizens to stay together and keep a united front. The creation of two-speed EU is one of the most pessimistic scenarios that are mentioned by decision-makers. Until recently it was only a matter of discussion and debate. Today, when the European Commission (2017) has already presented its five scenarios, it seems certain that their adoption would soon lead to the establishment of two clubs in the European Union. The core, with Germany and hopefully France as leaders, would work to deepen their integration. Consequently, the so called “core” would diminish the role of countries which do not follow European obligations and fundamental rules. This poses a great threat to those countries, as this group includes the new Member States that benefit directly from the European integration process in the area of the Cohesion Policy, free movement of goods, services or capital. In the coming years they may become just a gateway to the European Union. Should that occur, the disintegration process will start, as for a Member State to become simply an entryway to the common market would be tantamount to EU’s disintegration.

When faced with the current change of attitude among the Member States and the pressure exerted by the global environment, the European Union needs decision-makers with vision. The EU must remain consistent in implementing its legislation in the Member States. Any search for new solutions must be based on common consensus combined with solidarity.
Conclusions

The migration crisis as a rift in EU unity

Apart from the economic consequences, the political implications of the migration crisis have brought home the realisation that the EU is far from integrated. The position of EU on the global scene stems from its economic strength, coupled with democratic and human values. This fuels the strive of people to migrate to the European Union. It is worth underlining that many researchers studying migration have noted this trend in their work.

The limited implementation of migration solutions sheds new light on the unity of the EU. The Member States have chosen to define the solidarity clause as they deem fit, suiting their own needs and interests. The debate on the future scenarios for the EU has been initiated by the European Commission in its White Paper of 1 March, 2017. The document indicates a very strong turn towards the concept of two-speed Europe, which would be detrimental to new members (those that have joined since 2004).

This debate is influenced by global changes and events, such as the Arab Spring, conflicts in the Ukraine, the conflict in Syria, the future leadership of the U.S., as well as the role of Russia and Turkey on the international political scene. The main fear connected with the influx of migrants into the EU is terrorism and the limited extent of integration of migrants with local communities. The main challenge facing the EU is reminding the Member States of the fundamental principles underlying European integration, namely subsidiarity, global responsibility, solidarity, respect of human rights, free market and democracy. Making these issues part of the European debate may lead to a better understanding of the nature of the integration process. The new generation of Europeans have not had to face the problem of war or post-war destruction of the economy. Most European citizens are not directly affected by such global issues as conflicts in Syria or in Arab countries. These are far removed from Europeans’ day-to-day life. However, making them visualise the consequences of the migration crisis may result in renewed support for European initiatives. Consequently, Europe’s politicians would not feel entitled to disregard and breach European legislation and principles.

References


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