

A Common Refugee Integration Fund

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The refugee crisis will be dominating discussions at the EU Summit. Cooperating with third countries, especially Turkey; border controls, hotspots, relocation and returns will all feature. These discussions reflect that the EU is in crisis response mode, attempting to deal with the sheer scale of the current flows and the rapidly evolving situation, as well as internal divisions.

While action is necessary to better manage refugee flows, the current crisis also demonstrates that effective policy cannot be made in silos. Rather than focusing solely on refugee and asylum policies, the EU needs to use its range of policies to tackle and pre-empt current and future refugee crises, including considering the impact of EU trade, agriculture, climate and development policies. A legal route for economic migrants would also, over time, relieve some of the pressure.

Regardless of the measures taken, as long as conflict persists in the countries of origin, refugees will keep on coming, by more dangerous routes and paying increasing amounts to traffickers if necessary. The need to tackle the fundamental causes of the current crisis should provide momentum to renew discussions on reforming the EU's Neighbourhood Policy and strengthening its Common Foreign and Security Policy (CFSP), especially given the role Russia now plays in the Syrian conflict.

The long term: what level of integration?

But even if the EU's policy responses are somewhat effective, it will take a long time before conditions have improved enough to stop refugees from fleeing, let alone encourage those who have already reached safe havens to return. This implies that the vast majority of refugees are not going back any time soon, making integration the overwhelming priority. For the sake of the refugees themselves, but also from the perspective of host countries, it is best if refugees are integrated quickly, including finding jobs matching their qualifications. While this needs to be explained carefully to host country populations, it would improve sustainability in the long term by reducing public support expenditures; helping to meet labour market needs in ageing societies; generating social security revenue; and reducing the risk of marginalisation and radicalisation.

But integration requires funding, not just legislative provisions. It will put additional pressures on public services: schools and colleges, local health systems, employment services and public housing will have to accommodate far greater numbers, especially in certain countries and cities. This will be challenging in times of tight public budgets, even if taken into account in fiscal governance rules. In addition, it is likely to increase resentments if local populations have the perception that scarce resources are being redistributed to refugees, away from others who also require support.

The creation of a Common Refugee Integration Fund

Creating a Common Refugee Integration Fund (CRIF) at EU level could be an important factor to counteract such perceptions, providing local public services with a monthly lump sum payment for each refugee registered in their locality. Ideally, the fund would more than compensate for additional costs but most likely the amount will be determined by available funding and the eligible number of refugees. In either case, it would provide tangible support, which could even be perceived as supporting public services for local populations. The CRIF would also provide an incentive for local authorities to register and support all refugees present in their locality.

While EU support mechanisms have been in place for a while - the European Fund for the Integration of non-EU immigrants (EIF) (2007-13) & the Refugee Fund (2008-13), followed by the Asylum, Migration and Integration Fund (AMIF) (2014-20) - these aim, in essence, to fund more directly asylum-related infrastructure and activities such as accommodation and reception services, information campaigns in non-EU countries on legal migration channels and language training. In contrast, the CRIF would concentrate on increasing the capacity of mainstream local services, following the logic of the Mobility Fundⁱ (which was already

advocated by the EPC in 2013 in the context of EU labour mobility) to allow local services “to deal with transition costs such as increased demand for housing, the saturation of certain public services, or an increased need for schools.”

While the CRIF would need some checks – with regard to the presence of the refugees and to ensure that refugees actually have access to the supported services – in principle it should be unbureaucratic and quick by being channelled through existing services already provided by public authorities. It would also be a redistributive tool, as the lump sum payment would have higher purchasing power in lower-income countries.

Subsidiarity?

But why should such a fund be installed at EU level? Should this not be an issue which is better dealt with at member state level, in the spirit of subsidiarity? The existence of EU funds in this policy field demonstrates that there already is recognition of a need for EU action. The current refugee crisis also clearly is a cross-border crisis, exactly the kind of challenge the EU is best suited to address.

In addition, there are very practical reasons for such a fund. Unfortunately, not all member states are able to provide the funding needed to support the local level themselves, especially if they are struggling with public finance issues. These member states need EU solidarity, but it is solidarity in the self-interest of everyone: better local support might also translate to reduced incentives to move to the more affluent countries. Such funding could also facilitate the implementation of the relocation goals set at EU level. But even if relocation is not effective and a disproportionate number of refugees end up in a small number of destination countries, the CRIF would automatically provide a level of financial compensation to deal with the additional costs arising, even in countries with higher GDP levels like Germany or Sweden.

How to fund it?

Finding funding for the CRIF is a challenge in the current environment. Unspent funds from the EU Structural & Investment Funds and from the European Social Fund could potentially provide some EU level funding. For the next Multiannual Financial Framework (MFF), such a fund should be a priority, although it might be difficult to convince countries like the UK or Denmark that funding should come out of the general EU pot for a policy area where they have an opt-out.

But the key contribution in the short term would have to come from bundling and redistributing national funding. What would be the incentive for member states to take part in such a scheme? Eligibility for funding could be tied to participation in EU-level agreed asylum and refugee policies, providing a direct incentive for participation and cooperation, or, at the very least, denying access to funding to those unwilling to cooperate.

The CRIF could be an important component to address the long-term impact of the refugee crisis, while incentivising a greater level of EU cooperation. It remains to be seen whether member states recognise that EU-level solutions are the only way forward to deal with this quintessentially transnational challenge.

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Disclaimer: The views expressed in this Commentary are the sole responsibility of the author.

ⁱ Making progress towards the completion of the Single European Labour Market by Claire Dhéret, Alex Lazarowicz, Francesco Nicoli, Yves Pascouau and Fabian Zuleeg, EPC Issue Paper No. 75, May 2013
http://www.epc.eu/documents/uploads/pub_3529_single_european_labour_market.pdf