Information package:
Integration of refugees in Europe as a joint municipal development

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About the project

The project *Integration of refugees in Europe as a joint municipal development* aims at reforming EU refugee policy by providing the municipalities, who already take on the main task of integration, new leeway and resources through additional funding. Municipalities that voluntarily take in and integrate refugees should not just be refunded the costs of receiving the refugees but also be given resources that they can use to improve the municipal infrastructure (schools, administration, promotion of trades and crafts). That kind of asylum and refugee policy could also inject greater human and economic vitality into the EU, which is in its interest. The text also includes a current pragmatic proposal of how the project could be implemented.

The HUMBOLDT-VIADRINA Governance Platform gGmbH

The HUMBOLDT-VIADRINA Governance Platform gGmbH is a non-profit organization. It promotes transparency and participation to solve societal challenges. To this end, it supports an improved exchange between politics, businesses and civil society and develops governance concepts and projects for sustainable and welfare-oriented solutions with the participation of as many perspectives as possible.
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1 Integration of refugees in Europe as a joint municipal development

1.1 The current situation

The Brexit vote, growing Eurosceticism and the large number of migrants dying while trying to cross the Mediterranean Sea\(^1\) shows the urgent need for the EU to pursue a common asylum and refugee policy. This policy should be based on a real understanding that refugee movements are neither an unforeseeable natural disaster nor a new phenomenon; they will continue for as long as the countries of origin are not able to get back on their feet economically and politically and follow the rule of law. A re-organization of asylum and refugee policy could help the EU to make a positive new start by regarding the admission of refugees not as a burden but as an opportunity for human enrichment and economic recovery, and showing its citizens that the EU can offer solutions in the field of refugee and migration policy.

Recently, the EU Commission put forward new proposals for a common policy (European border control, common European asylum procedure, national quotas in Europe), but whether the Member States will accept and implement these proposals remains an open question. Furthermore, it is also unclear whether they will have a positive and sustained impact. The attempt of the European Council to achieve solidarity between member states by relocating refugees based on top-down decisions has failed. At the same time the EU is facing increasing pressure

- to prevent the unmanaged entry of refugees into Europe,
- but not just to focus on deterrence (fortress Europe), which runs counter to EU values and is also ineffective in the long term,
- to avoid tragedies on refugee routes in the Mediterranean or elsewhere,
- no longer to let refugee policy be dependent on Turkish President Erdoğan,
- to achieve solidarity with Greece, Italy and now also Spain again (of the 160 000 refugees from Italy and Greece to be relocated to other member states, as decided by the European Council in September 2015, only a small fraction was actually able to relocate to another European country).

1.2 Proposal for a new approach

The EU should reform its asylum and refugee policy and enable its cities and municipalities to apply for a voluntary, decentralized resettlement of refugees. Cities and municipalities that voluntarily accept and integrate refugees should be reimbursed for the costs of integration from a European fund and - as an incentive - receive the same amount for investments into their own development (infrastructure, education, housing, trade promotion, investment for the creation of new jobs etc.).\(^2\)

Decisions to receive and integrate refugees are prepared at the local level by a multi-stakeholder advisory board (policy, business and organized civil society, and refugee councils). In these boards citizens can deliberate and give advise on the number of refugees the municipality should integrate as well as on which community development measures they deem fit. Then they submit their results to the municipality. They

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\(^1\) According to UNHCR in 2017 3139 migrants died or went missing in the Mediterranean: https://data2.unhcr.org/en/situations/mediterranean.

thus create a solid basis for the acceptance and the success of integration and development in their municipality.

- This requires the courage of the national governments in the European Council to set up a European fund, via the European Commission, for which communities that want to take in refugees can apply across Europe. In return, the EU waives the anyways unsuccessful enforcement of refugee relocation between member states, as already proposed by the President of the European Council, Donald Tusk. It would also be helpful to set up a secretariat, which, at least once a year, brings together representatives of the municipalities, so that they can share their experiences and help each other.

EU funding for municipalities should be as simple as possible. Nevertheless, the application should include the following minimum standards:

- In order to reach a broad support within the cities the application should be prepared by a multi-stakeholder governance including politics, business and organized civil society;
- it should include an integration strategy for the whole municipality;
- it should include an anti-corruption strategy;
- it should include a macro-economic idea for creating jobs and sustainable growth

1.3 The necessity and benefits of a new approach

It is obvious, that a legal and sustainable way for asylum seekers and refugees to arrive to Europe and voluntary resettled to various member states requires additional funding. The previous funding proposals have failed because the European Council has rejected European loans as a solution for the costs of integration and resettlement. Meanwhile the EU continues to hope the issue of unregulated displacement can be resolved by its deal with Turkey, by further, similar agreements with North African countries (e.g. Libya) and by declaring them safe third states. The aim here is to put a stop to the migration of refugees to Europe in general or to deter the refugees and – if necessary – to create possibilities of legal access to Europe only outside the EU.

With respect to international law and human rights the proposals to date are very problematic. They take away the EU’s moral credibility, i.e., the human rights basis of its political system, provide no answer to the evident lack of solidarity within Europe and the erosion of Europe’s internal cohesion by the erection of new internal European borders, and do nothing to combat the enduring social and economic crisis of unemployment, rampant poverty and growing social discrepancies in the EU. That means they are gambling with the future of the European Union and its nation states. Moreover, they do not draw on the large willingness to help and the innovative energy that we observe throughout Europe at the municipal level, in civil society and the economic sector. This societal potential could benefit the EU but is left unused.

The most sustainable chance of pursuing a humane and at the same time managed and controlled refugee policy that complies with EU values lies in opening up legal access to Europe in Europe itself (and not in Turkey or Africa) and, on the basis of voluntary participation by the European host countries as well as the refugees, finding ways of decentralised resettlement in Europe that does not overtax any of those countries.

3 The former Prime Minister of Italy, Matteo Renzi, has suggested an EU bond fund for refugees and stabilizing North Africa. Maria Joao Rodrigues has proposed a transformation of the refugee crisis into a growth initiative designed to Europeanise and finance European refugee reception and external borders.
This principle of voluntary participation is difficult to implement but is the only sustainable and promising option.

- Voluntary participation increases the quality and reliability of integration and defuses conflicts between European member states.
- Municipalities whose inhabitants are moving away could once again attract citizens who revive the community, work there and increase tax revenues.
- Existing infrastructure that is in danger of being closed down (kindergartens, schools, medical care, existing housing, mobility, trade e.t.c.) could be reused and, if necessary, be developed further.
- New projects, e.g. in culture or sports, in which (new) citizens cooperate with each other could increase social cohesion and revive the communities, improve the mood and counteract the widespread diffuse fear of the future.
- A new coherence between the proclaimed European values and the EU’s actions could emerge, which increases the self-esteem, the reputation and the authority of EU.
- The voluntary participation of the municipalities and its citizens, makes it difficult for right-wing populists and right-wing extremists to argue that refugee reception and integration takes place against the alleged will of the majority.
- The integration of refugees is transformed from an alleged burden into an opportunity for communal participatory development and much needed investment.
- Directly financing integration and municipal development by involving citizens in welcoming refugees strengthens the cohesion and identification with the European Union.

2 Necessary conditions at the national and European level

2.1 Creation of a European Fund

We propose to create a „European integration and municipal development fund“. In favor of such a fund, the European Parliament, in particular the Committee of Budgets, has made an important preliminary decision. It reads as follows: The following amendment has been introduced in paragraph 86 of the own-initiative report of the European Parliament and has been approved by the Committee of Budgets by a large majority:

"[The European Parliament] asks the Commission to assess whether the role of European cities within the European asylum policy could be strengthened by introducing an incentive scheme that offers financial support for refugee accommodation and economic development directly to cities in return for receiving refugees and asylum seekers;"

The report was voted on March 13th in the plenary session of the EU Parliament.

The current French president, Emmanuel Macron, also welcomed a European direct financing of the municipalities volunteering to accommodate refugees in his speech to the European Parliament on 17.04.2018. The European Commission has also published several ideas to help fund refugee reception and integration. Already existing programs have been increased, in part by significant sums (including ESF, ERDF, AMIF, EFSI in the EIB and non-EU funds). Many of these programs have been explicitly developed together with new initiatives to strengthen cities and municipalities. In this respect, the EU’s Urban Agenda within the Amsterdam Pact, which was developed during the Dutch EU council presidency, deserves particular mention. Hence our proposal is in line with a recent trend within the EU giving greater weight to cities and municipalities.
So far, the EU’s existing financing programs have, however, always been channeled through the national governments of the member states. In order to design a direct financing from EU to the municipality, the LEADER program could serve as an example. The program has been in existence since 1980 and aims to encourage the development of communities in rural areas, taking into account the participation and involvement of the local population. The LEADER program could serve as a blueprint for the support of European municipalities through a European integration and municipal development fund.

Moreover, the existing funding programs do not suffice to mobilize the necessary quick and dynamic momentum of a new refugee policy: they are very complicated, distributed across many different sources with different timelines, confusing, and associated with a very complicated application process. For smaller municipalities, these requirements are unmanageable. Furthermore, almost all require co-financing, which most of the municipalities, potentially eligible to apply, cannot afford. Also, the duration of these programs is often not long enough. Besides, they are all handled by national agencies. This means that the municipalities lose sight of the fact that they are financed by the EU and the identification with the EU suffers.

The following core principles should serve as general funding guidelines to help broaden a voluntary, decentralized refugee policy in strategic terms:

- To ensure that the maximum number of municipalities can apply, a clear initial incentive to provide additional financial support would be needed; but this would only succeed if the municipalities satisfy the requirements set out in the application and are accepted as funding beneficiaries.
- (Smaller) municipalities would also need to be given assistance in applying for funds.
- The bulk of financial assistance should take the form of a grant.
- If the own-contribution principle is to remain, it could be pre-financed by the European Investment Bank (EIB) as an (interest-free) loan with favourable repayment terms, so as not to put the pursued objective of economic growth at risk again.
- Financing should run for at least five-years, a shorter duration does not lead to economic growth and good integration.

The creation and implementation of a demonstration project could lead quickly to a visible milestone. It could aim to attract a critical group of European cities and municipalities that wish to participate in the refugee reception and integration framework under the above specified conditions. For example, the still not relocated approx. 140,000 refugees (out of 160,000), who had been deemed ready for relocation by the European Council in September 2015, could find a settlement within the framework of this demonstration project. The participating municipalities would be financially supported by the above mentioned European fund. They would be reimbursed for the integration costs and additionally receive the same amount for their municipal development projects. Such a demonstration project could thus help to operationalize the proposed new approach in refugee and asylum policy. It should therefore be launched as early as possible to gain the relevant experience with this new approach. Moreover, it could be evaluated for implementation within the new EU financial framework from 2021 onwards. To prepare for such a demonstration project, European municipalities should be specifically invited so that as many of them as possible would be prepared to receive refugees.

2.2 National governments’ permit municipalities to accept refugees

Legally, the permission to accept refugees remains with the nation states. Therefore, a close cooperation of nation states and municipalities, to their mutual benefit, is needed. Member States could decide to give access to refugees for whom municipalities within their jurisdiction are applying. As there are major reservations about receiving refugees in some of the 27 European member states, a group of countries
could agree to form an alliance for "enhanced cooperation" for a "voluntary relocation and resettlement" procedure (e.g. states such as France, Germany, Austria, the Netherlands, Spain, Portugal or Belgium). The Alliance could build on the existing EU framework with deeper cooperation, much as it does in the Schengen area or the euro area. It should, however, later be open to other member states joining.

For the decision to accept refugees by the municipalities national committees could be formed, which decide on the application of the municipalities.\(^4\) They should be assigned to multi-stakeholder advisory boards (from politics, the business sector and organized civil society, including unions and churches) for pre-selection so that the selection does not simply follow “bureaucratic” or economic efficiency criteria. Such Multi-Stakeholder Advisory Councils could also, if appropriate, conduct the evaluation of the entire program.

Refugees very often want to move to big cities because they have social ties with relatives and friends there or hope for better job prospects. In order to strengthen the attractiveness of smaller communities, the possibility of initially hosting a larger contiguous group of refugees should be offered. But smaller communities are not per se less attractive if the municipalities offer a strategy of integration.\(^5\) This includes not only financial resources, but also good offers for the infrastructure in terms of housing, education, jobs. It is also important to offer refugees the possibility of ownership.\(^6\) These incentives are also important, so that refugees, who have initially gone to a municipality, do not already leave again after a short time.

Because voluntary choice by both refugees and municipalities is the most important principle on which the here proposed new approach rests, it is important to find a way to “match” the interests, needs and preferences of the refugees with those of the municipalities. This matching system should not be overly complicated and could be a platform on a website or a mobile app. In this way refugees could find out which municipalities are willing to receive refugees and what they offer to the newcomers. The municipalities also state their preferences for whom to receive and based on these needs and interests present themselves on the platform. The challenge faced is to find good matches for everyone involved (i.e. not only the highest skilled refugees and the most attractive municipalities). To achieve ‘good matches’ the municipalities and refugees need to be involved early in the process to incorporate their interests and needs. If possible, at the end of the matching process each refugee receives a list with more than one match and can then choose between one of the offers.

### 2.3 Reorganization of European asylum procedures

In order for municipalities to be able to apply for the voluntary settlement of refugees, a reorganization of European asylum procedures is required. This is particularly necessary because the southern European countries of arrival Greece, Italy and Spain need solidarity and support. Gerald Knaus has made a proposal for this, which will be summarized here shortly (for a more detailed presentation, see Annex 1):

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\(^4\) Overall, it should be clarified from experience, who can apply. The answer should not be too narrow. Proposal: All institutional bodies willing to accept a minimum number of refugees (30?).

\(^5\) Incidentally, the proposed integration strategy is also very important. Here, the priority is to offer the refugees space and opportunities for their own designs. Thereby, the extensive experience in integration, e.g. the so-called "intercultural cities" or other initiatives.

\(^6\) For example, by home ownership or important municipal functions can be adopted.
The asylum procedures are to run in Greek, Italian and possibly Spanish hotspots, inspired by the Dutch / Swiss model, which combines quality with speed. (This is possible in accordance with existing national law in these countries). Immediate assignment of paid lawyers to asylum seekers and non-governmental organizations to the procedures will ensure speed and solidity of procedures. Including legal expertise and transparency, they require not more than two weeks to reach a first instance decision and a maximum of six weeks to appeal. Staff from other European countries should help with the competent examination of asylum applications. In turn, individual Member States of the "enhanced cooperation" group could cooperate. The asylum commitment would then apply to all member countries of the "enhanced cooperation".

2.4 A pragmatic proposal

The new approach described above leads to a pragmatic proposal that could be implemented immediately. For this, we propose that the EU, together with its member states and municipalities, takes the following steps:

The following "double-track decision" is taken in the European Council:

1. National governments are being released from the ineffective compulsion to solidarity. For this, they agree to establish a European "Integration and Municipal Development Fund" (as explained in section 2.1).

2. National governments accept to grant entry to those refugees who have been welcomed by their communities. Governments that refuse permission for their communities to receive refugees will not be sanctioned, but will not benefit from the Development Fund (see point 1).

Since not all national governments in the EU member states agree to the reception of refugees by their communities (see point 2 and section 2.2), for the time being some states are joining forces for an "enhanced cooperation" that protects the right to asylum and promote their municipalities development.

In this format of "enhanced cooperation", for example, France and Germany agree, in conjunction with the Netherlands, Switzerland and Sweden, and in solidarity with the southern European countries of origin Greece, Italy and Spain to implement quick high-quality asylum procedures and the decentralized settlement of recognized asylum seekers, as well as the return of unrecognized refugees (see in detail section 2.3 and annex 1).

The countries mentioned offer immediate voluntary admission (as, for example, Germany did for recognized refugees from Greece in the autumn of 2017) for the recognized refugees to the municipalities and cities. The municipalities and cities voluntarily decide whether and in what number they want to receive refugees as part of their own further development. Their offers are sent to the "hotspots", where the recognized refugees can apply for cities/municipalities (see matching procedure in section 2.2). Municipalities will be reimbursed for the costs of integration and receive additional funds for investment in their own infrastructure through the European "Integration and Municipal Development Fund" (see point 1 above and section 2.1).

This proposal could contribute to integrating and including refugees in municipal communities and strengthening democratic political participation and the associated identification with both the local community and the financing EU. The EU could be a motor of innovation and bring its policies in line with its
human rights commitments. In view of the 2019 upcoming election to the European Parliament, this would also deprive the anti-European right of a crucial mobilization argument.

3 Appendix

Appendix I: Gerald Knaus proposal for asylum procedures in the ‘hotspots’

A new concept and practice for Hotspots

Leaders across the EU are looking for a fast, effective and humane asylum system; a system which determines quickly, but thoroughly, who needs protection; creates disincentives for people to get into boats; and manages to return those who are found not to need protection within a short period of time.

The question is how to make this happen. One place to look to for concrete inspiration is the Netherlands. There most asylum claims are decided within less than two months including appeals in a procedure fully respecting the rights of refugees. Asylum seekers are supported from the beginning by a lawyer paid for by the state and can state their claim in at least two comprehensive interviews.

A similar system, fully funded by the EU, is needed in Italy, Greece and elsewhere along Europe’s Mediterranean borders. An EU-supported demonstration project in 2018 (“Amsterdam in the Mediterranean”) would, in combination with the 2016 EU-Turkey statement for Greece and take-back agreements to be concluded with countries of origin for Italy, allow for the swift processing of claims and the prompt return of rejected claimants. It could lead to a sharp reduction in irregular arrivals, prevent deaths at sea and restore control. It would also quickly provide refugees and migrants with certainty about their future.

In Greece, such a demonstration project would help address the overcrowding of the Aegean islands. All applicants on the Greek islands would go through a fast and fair process to determine whether they need protection in the EU or can be returned to Turkey. As a result, almost nobody would stay on the Aegean islands longer than two months. Those who get a positive first instance decision would stay less than two weeks. In addition, the establishment of an independent mechanism verifying that reception and asylum conditions in Turkey are ECtHR-compatible could increase the number of those sent back to Turkey. This could reverse the trend of rising numbers of irregular arrivals.

Since 2010 the Netherlands has had an asylum system that achieves a high quality of decisions in fast procedures. It is a combination of quality and speed at both the first instance and the appeals level, which is unique in Europe. In the Netherlands, a refugee can receive the first-instance decision in 17 days (currently it takes 25 days) after entering. A court appeal against a negative first-instance decision extends this period by a maximum of another 35 days (currently around 21-28 days). Nowhere else in the EU are asylum decisions including appeals delivered so fast. And no other system has more focus on the quality of decision making: asylum seekers are provided with free legal aid from the outset and can make their claim in at least two long interviews. A similar system should be built up at the EU’s external borders, beginning with demonstration projects in Italy and Greece, under Italian and Greek law, but fully funded by the EU.

These are the various steps of the procedure in the Netherlands:

Registration – 3 days: Refugees arriving by land are taken to the registration center Ter Apel in northern Netherlands where they are identified, registered, fingerprinted, debriefed, and undergo security and
medical checks (contagious diseases). Here they also express their intention to claim asylum and have a first short interview with the asylum authority, the Immigration and Naturalization Service (IND).

**Rest and preparation – 6 days minimum, currently 14 days**: Asylum seekers rest and prepare for the asylum procedure. Each claimant is briefed and supported by the Dutch Refugee Council, an independent NGO, and has a first meeting with their lawyer who is free of cost to them and who will support them throughout the procedure. The claimants have time to obtain documents they might need (scans are accepted). They undergo a medical check to confirm that they are mentally and physically fit for the asylum procedure. During this time, Dutch police also continue to check the authenticity of the documents they initially submitted.

**General asylum procedure – 5 to 8 days**: The Dutch describe it as an 8-day procedure, but a procedure with a positive outcome takes only 5 days, and one with a negative 7-8 days. During this process, the claimant is interviewed twice. Both times, the IND interviewer types simultaneously a transcript, which the lawyer can amend afterwards (the lawyer usually does not sit in on the interviews, but the Dutch Refugee Council sends somebody at the request of the claimant or in sensitive cases). During the interviews, the interviewer has online access to researchers who can verify/follow up on information provided by the claimant.

The procedure day by day is as follows:

- **Day 1**: Interview on identity, nationality, itinerary; submission of relevant documents; transcript.
- **Day 2**: The lawyer checks and amends the transcript and prepares the claimant for the main interview the next day.
- **Day 3**: Interview on the substance of the asylum claim (1-4 hours); transcript (20-25 pages).
- **Day 4**: The lawyer checks and amends the transcript. On this day, the IND also decides whether it has enough information to make a well-founded decision; if it feels that this is not the case, it sends the case into the “Extended Procedure”.
- **Day 5**: The IND issues either a positive decision in which case the process ends here; or it issues a preliminary negative decision. (The decisions are explained in detail on typically 8-10 pages. The IND decision-maker is usually, but not always, different from the interviewer.)
- **Day 6**: The lawyer provides comments on the preliminary negative decision, explaining why the claimant does deserve protection.
- **Day 7/8**: The IND issues the final decision.

**Court appeal – 3-5 weeks**: A rejected asylum seeker has 1 week to appeal the negative decision before a court. The court has to make a decision within 4 weeks after the appeal was lodged, but often does so already after 2-3 weeks. An appeal has a suspensive effect, except in cases of safe countries of origin, other manifestly unfounded decisions and inadmissibility. In these cases, the claimants can still ask for a court injunction to be allowed to stay. (If an extended procedure results in a negative decision, the deadline for an appeal is 4 weeks and the appeal always has a suspensive effect.)

Imagine a Dutch-style system operating in 2018 for all applicants in Greece as a European demonstration project, starting with the Aegean islands.
All applicants would go through this process to determine whether they are safe in Turkey or need to be offered protection in Greece. In case of the former – and with credible and verifiable guarantees from Turkey - those who are found to be safe in Turkey could be returned within a few weeks. The same would be true for those whose claims are rejected on substance.

Credible appeals panels with qualified (ex-) judges would play the role of the first instance courts in the Netherlands. As a priority the Greek government would need to ensure that there is a sufficient number of these dealing swiftly with all new cases of arrivals. There would still be a possibility of onward appeals to courts. A court appeal would have no suspensive effect, but the claimant would be able to request an injunction to suspend readmission until the court’s decision on substance. However, given that the first and second instance decisions will be well argued and that the claimant will have had legal advice all along, the court should be able to decide on the injunction within a week.

Within two months (almost) all decisions would be made. Only few – those appealing to courts and being granted injunctions against readmission - would stay on the Aegean islands longer than two months. Those who receive a positive first instance decision would stay less than two weeks. This would resolve the problem of overcrowding on the Greek islands. In return for sending more people back to Turkey, the EU should increase the voluntary transfers from Turkey to EU member states as part of the voluntary humanitarian resettlement foreseen in the EU-Turkey statement.

Such a process would help Greece and the Greek islands. It would prevent deaths at sea and quickly resolve the status of refugees and migrants in a thorough and serious process, allowing them to start planning their future. It would stabilise the EU-Turkey statement. In parallel there should be a strategy to establish fully funded pilot EU RICs (Reception and Identification Centres) on the Greek islands that would meet all Greek and EU reception standards. Obtaining verifiable guarantees from Turkey that Syrians, Iraqis and others are treated in accordance with Turkey’s laws would allow more and faster returns, which in turn could reduce arrivals on Greek islands back to the level of early 2017 (and then lower), when only 9,000 people arrived in half a year.

The EU should then try to extend the EU-Turkey statement to its land borders with Turkey. In Bulgaria there would be a similar pilot EU RIC and Dutch-style asylum operation funded by the EU, which would raise reception standards and reduce irregular arrivals. This is an achievable vision for an effective European approach to asylum and border policy.

The same approach should be extended to the Central Mediterranean. Last year 130,000 people applied for asylum in Italy, a majority from West African countries. The same year 12,000 applicants were granted international protection. But almost everybody stays in Europe, regardless of their asylum status. One obvious reason for this is the reluctance of countries of origin to cooperate in the identification and return of their citizens. In 2016 more than 100,000 people arrived in Italy from six West African nations; around 4,300 citizens of these countries were granted international protection. And only 255 returned, voluntarily or by force.

The priority of EU policy should be to secure statements similar to the EU-Turkey statement with key African countries of origin to take back all failed asylum seekers arriving after an agreed date. This would quickly discourage many new arrivals. In return these countries should be offered an annual contingent of regular visas to EU member states for work or study.
Western support to the Libyan coast guard and the Libyan authorities should be linked to a clear condition: that anybody intercepted by its boats and taken back to Libya should be offered immediate evacuation to Niger by the International Organization for Migration (IOM). The numbers involved make this possible: In 2017, the Libyan coast guard intercepted fewer than 1,500 people a month on average. In Niger, those who choose not to apply for asylum should be offered assisted return to their countries of origin via the IOM. Those who do apply for asylum should be resettled to a safe country if found to be in need of protection. The same should happen with the approximately thousands of people currently held in Libyan detention centers. Finally, a stronger common effort is needed to ensure sufficient search-and-rescue capacity beyond Libya’s territorial waters. In the first six months of 2017, more than 2,500 refugees and migrants drowned. Some 600 people still drowned in the second half of the year despite the reduction in departures.

Discouraging irregular economic migration requires a quick, but fair, asylum process that should seek to award a protection status or move to deport those found to have no claim within two months at most. As a joint European effort, it is doable. Any political party that fails to promise to control borders renders itself unelectable. At the same time, there are a lot of European citizens who care about the right to asylum, who do not want to see thousands drown or anyone who reaches the EU treated badly. What is needed is a progressive policy that combines empathy and control.

Appendix II: Challenges

How can the EU Member States be convinced that it is also in their interest for the municipalities voluntarily to take in refugees?

Generally, it is worth appealing to the nation states’ potential interest in taking in refugees. This is more likely to succeed if states can expect that taking in refugees will also give them access to, for example, public financial support for their infrastructure. For the nation states, it is also a question of their power to act as the European Commission’s sole first contact. That is why it will be difficult to establish any direct communication between the cities and municipalities and the European Commission.

National governments that would be prepared in principle to take in refugees but will not agree to do so for fear of their far-right parties or because of financial constraints would then have an opportunity, alongside the funding and the attractive prospect of growth, to point to the interests of their citizens in the municipalities. That will save them from being branded by the far-right as ‘those up there’. Under the possible pilot project mentioned above to resettle the 160,000 refugees that it has already been decided to admit, the national governments would not immediately have to expose themselves politically by approving new refugee quotas. They would no longer have to worry that they will strengthen populist parties by saying they are willing to accept the promised refugee quotas for which the municipalities are applying.

In the case of ideologically motivated national governments, this strategy offers an opportunity because it is more difficult for them to refuse to accept refugees in general if the municipalities say they want to take them in, because it is in their own interest to do so. That would change the situation in terms of legitimacy and create a political impetus in the nation states that would stem the renewed tide of national prejudice (the central and eastern European states are not showing solidarity).

If national governments want to maintain a credible EU that actually implements its decisions, this strategy can make a decisive contribution.
Would a resettlement programme of this kind lead to a rise in the number of refugees then wanting to come to Europe?

This question calls for a fundamental ethical EU debate on the asylum and refugee issue. The EU Treaties make no provision for the EU to evade its responsibility for refugees, which is prescribed by international law. Experience shows, however, that by far the majority refugees stay close to their place of origin so that they can return as soon as possible. Many of those who seek the right to reside in Europe want to return to their own country once they can survive there in peace. We should reinforce that desire by helping to combat the causes of displacement and giving assistance to the staging posts situated in the neighbourhood. In that respect, it is also up to us whether the migration of refugees increases or not. Conversely, experience shows that countless refugees are not deterred from trying new, dangerous ways of getting to Europe by the hostile conditions with which we face them.

The ‘fortress Europe’ policy is self-destructive for the EU because it destroys its democratic foundations, and it will not succeed.

Appendix III: Municipal growth strategy

The conditions for the success of this third aim need to be specified in view of a large municipal investment backlog, which the German Reconstruction Loan Corporation (Kreditanstalt für Wiederaufbau) estimates at c. 136 billion for Germany, for example (KfW Panel 2016), and attributes to the financial weakness of the municipalities.

The following conditions can be identified for the success of local employment initiatives:

- Leadership is central (that is why it is important to appeal to the mayors);
- The cooperation of local/regional key players and their involvement in a binding employment or development pact; some call these ‘purpose coalitions’; the Netherlands refer to ‘covenants’; the USA to Local Workforce Investment Boards (WIBs);
- Cluster formation, e.g., energy sector or medical sector.

We know from theory that the following are promising municipal investment areas:

- Import substitution (historical model: cheap Delft stoneware affordable to all or many instead of expensive Chinese porcelain for the elite); there could be great local investment and growth opportunities in the field of energy here – which ultimately could also be exported – such as environmentally self-sufficient housing, green show-houses and organic farms; there is also great potential in the field of tourism (present-day example in Brandenburg: Tropical Island; so, instead of taking an expensive trip abroad, people can build cheap substitutes at home); here there are no limits to the imagination, all that is needed is to find ‘mad’ and courageous investors; the Chinese, for instance, are building models of romantic German towns as a tourist attraction.

- New products or services (here education and training exports could offer a big opportunity, including in the following areas: German craftsmanship and engineering skills); waste recycling; education and training, health, cultural and care services in the context of active ageing; the whole area of decentralised energy products and services, etc.

- Infrastructure, especially roads, cycle paths, waste, building and renovating schools, broadband for rapid Internet, building social housing (a central issue, for this shortage is the main reason why the less well-off feel that refugees are being given priority or are taking up housing that should by rights be theirs) – these are all investments that are as a rule labour intensive and match many
refugees’ educational and training levels; in any case, a sound infrastructure can also act as an incentive for business relocations or start-ups.

- **Creative global sector**, e.g., supporting and developing local ethnic economies and the organisation of events (exhibitions, festivals, meetings) with a view to intercultural exchanges, etc.

The integration of refugees also has a favourable long-term economic impact (while also promoting cultural enrichment and mutual understanding). If successful, it also builds up an invaluable ‘cultural capital’. This also encourages, e.g., exports to the refugees’ countries of origin because ethnic diaspora reduce the transaction costs of trade in the broadest sense (verbal communication, trust, sensitivity to others’ needs, compliance with contracts, etc.). One example is the ‘natural experiment’ for the Vietnamese boat people. Between 1975 and 1994 the USA integrated 1.4 million Vietnamese; the federal states or cities that integrated the highest number of Vietnamese recorded significantly higher export rates to Vietnam than those who had integrated fewer or none (C. Parsons, P. L. Vézina 2016, Migrant Networks and Trade: The Vietnamese Boat People as a Natural Experiment, IZA DP No. 10112). Other points to be noted, in terms of making it more likely that taking in refugees will contribute to an investment and growth strategy, are as follows:

- The refugees’ legal status must be resolved as quickly as possible; the longer it remains uncertain, the less willing refugees will be to integrate; the initial (generally high) motivation can rapidly melt away.
- Secure medium-term prospects (e.g., at least two-year guaranteed residence after completing a training course) are central to ensuring the necessary training or further training. A primary concern of many refugees is to send money to their families back home. The financial incentives for training and further training should, therefore, be generous in scale.
- Institutions with integration experience complain that the actual costs of measures are underestimated while it is also not clear who is responsible for which costs, and when. In one case, apparently 46% of the total costs of a project were not refinanced via the regulatory institutions but covered from ESF funds. No account is taken of, for example, unbureaucratic emergency aid, cross-jurisdictional advice (German Social Code: SGB II, SGB III, SGB VIII) regarding clearing and assistance planning, various application and approval procedures, after-care or follow-on support, etc.
- Local authority proposals relating to the refugee initiative would, therefore, have to be examined particularly on the basis of how they intend to achieve this coordination. The short-term nature of the measures is also an obstacle to achieving sustainable integration. Interim objectives need to be set out and provision must also be made for corrective follow-up projects (no completion without follow-up). Given that this aspect already poses difficulties for Germany, it will do so even more for problem countries such as Greece, Italy and many of the new Member States and will have to be taken into account when it comes to estimating procedural costs as well as ensuring transparent monitoring.
- The education and training component plays a crucial role in the success of integration with a view to contributing to a sustainable ‘investment and growth strategy’. The IAB (German Institute for Employment Research) reckons that 70% of young people over the age of 18 who came to Germany last year and this year did not achieve any vocational training certificate. By contrast, it found that the employment rate of refugees who obtained a vocational training certificate or a higher education degree in Germany is about 20% higher than that of the group that did not do so while their wages are about 23% higher. That shows that the initial level of education and training and investment in education and further education or training are quite crucial to the success of integration, an aspect that needs to be emphasised as an argument for increasing the intended European funding share.
In the end this also determines whether the initial financial costs are offset by long-term economic and fiscal benefits – as rightly expected of any good ‘investment’ – for the pro-integration municipalities, their citizens, the national EU Member States and the EU as a whole. One reason why Europe is or should be generous in funding a large proportion of these costs is that the long-term benefits cannot be clearly determined either at human resources or at local level. (For those interested in the complex question of the fiscal impact of immigration, see: H. Brücker: Fiskalische Wirkungen der Zuwanderung, IAB current reports 6/2015, http://doku.iab.de/aktuell/2015/aktueller_bericht_1506.pdf).