



## Investing in a safe and inclusive European society: A European response to the refugee challenge

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Europe faces several acute and inter-related challenges: large-scale arrivals of asylum-seekers, fragmentation of the Schengen area, wars and instability in neighbouring countries and a modest recovery which has not yet eased the insecurity created by the long economic crisis. Thousands of people have died on Europe's borders in the past years and hundreds of thousands have suffered while trying to reach safety and a possibility to build normal lives in Europe. Many citizens are actively helping asylum-seekers, but racism and xenophobia are unfortunately gaining ground too.

**Most European citizens understand the need for unity and cohesion when dealing with these challenges and they expect swift and effective European solutions.** Managing migration in a humane way and ensuring security at the same time is a vital common European interest. The **control of Europe's external border** and **humanitarian treatment of asylum-seekers**, respecting European values and their fundamental rights, are genuine **European public goods**. The current

stress test of the Schengen system has discredited the idea that such European public goods can be funded and delivered nationally. Therefore we call for a **new European border system and asylum policy** where these European public goods are both funded and organised at the European level, enhancing their reliable provision. The Dublin regulation needs to be thoroughly revised and provide for clear sharing of responsibility between Member States, including mandatory relocation.

To meet this challenge, we need to be clear on **three main priorities**:

- Stronger engagement with asylum-seekers' **countries of origin and transit**, including systematic mandatory resettlement programmes;
- Well-managed **reception of asylum-seekers** inside Europe and **socio-economic integration** of people authorised to stay;
- Creating a **safe external European border**, ensuring respect for fundamental rights and enabling better management of asylum-seekers' flows.

Implementation of the EU-Turkey action plan from November 2015 is important and efforts to crack down on the human smuggling business must be significantly stepped up. However, wholesale returns regardless of individual circumstances would clearly violate human rights. Instead, smuggling must be prevented by putting in place safe legal routes and direct resettlement mechanisms. In any case, people will attempt coming Europe as long as violence and poverty keep pushing people to flee their countries.

An intense effort is needed to work out concrete **European solutions** on the above priorities. In brief, these could include:

- Stabilisation and (re-)development of asylum-seekers' countries of origin; greater humanitarian assistance ensuring liveable conditions in refugee camps; implementation of **direct resettlement schemes**;
- **Respectful and controlled reception of all asylum-seekers** by well-trained staff, addressing also the particular needs of children and women, based on a gender-sensitive approach; tailor-made education and training, labour market and social inclusion programmes for persons authorised to stay in the EU, enabling them to regain self-esteem and economic independence and develop a European identity; policies upholding existing social standards such as minimum wages or availability of education, training and healthcare as well as ensuring indiscriminate application of fair and just working conditions for all workers, regardless their country of origin or legal status;
- **Development of a European external border system**, safeguarding the EU and Schengen area and ensuring humane treatment and safety for asylum-seekers; this border system should not be a barbed-wire wall or naval fortress, but a set of advanced infrastructure providing useful public services, including registration and identification; it should support legal migration routes based on a network of well-functioning connections with relevant liaison offices and refugee camps outside Europe as well as reception centres in EU Member States, enabling effective implementation of a post-Dublin common asylum system and decisively reducing space for human trafficking and smuggling; the border system should

have adequate capacity to provide security as well as necessary humanitarian assistance, with particular attention to the needs of vulnerable groups such as women and children.

Action on these three priorities could be part of a larger initiative for a safe, prosperous and welcoming Europe, based on increased investment in growth and cohesion. **Delivering on the above three priorities would create many jobs for European citizens.** Special support will need to be provided notably for Greece and Italy, but much of the work to be undertaken could be organised with a European dimension, involving multinational teams, and civil society should be strongly involved in its implementation.

In order to enable the EU and national governments to act adequately, a **new financial and fiscal strategy is needed**. To mobilise adequate resources swiftly, **temporarily increased public borrowing is justified**. Public sector action now will generate positive economic, social and political effects, while the effects of non-action can be devastating. The EU should also be very careful about the risk of undercutting its still weak domestic demand, which would arise if increased expenditure were immediately offset by increased tax revenue. Europe still has a major investment gap overall; therefore **more investment**, not reallocations of existing investment resources, should be the answer to new challenges.

**Existing European instruments are reaching their limits**, notably in budget headings 3 (Security and citizenship) and 4 (Global Europe), as evidenced also by the need to resort to trust funds in order to provide increased support to Syria and African countries. Negotiations on the 2016 EU budget have **already exhausted almost all the flexibility available** within the current Multi-annual Financial Framework to address the additional measures already agreed by the Council. The Union's existing Civil Protection Mechanism is not suitably equipped to address the wide-ranging structural and humanitarian needs resulting from a large-scale arrival of asylum-seekers. Existing financial allocations of European Structural and Investment Funds can be used to address some integration-related challenges while remaining consistent with their original objectives (e.g. energy efficiency, smart cities, development of social infrastructure, investment in people) but not for border management and humanitarian aid.

**Major redeployments of resources within the MFF 2014-20 are not an option** as they would imply shelving many already planned investments while not providing any additional economic impulse. The Commission's proposal for provision of emergency support within the Union is a welcome step, but funding volumes discussed so far are not sufficient to meet the scale of the challenge. The development of a European Border and Coast Guard and implementation of a post-Dublin mandatory relocation scheme will also need to be underpinned by adequate financing.

The upcoming compulsory review of the MFF 2014-20 therefore has to be seized as an opportunity to put together additional resources necessary for responding to the challenge of asylum-seekers' arrival. **The ceilings of the Multi-annual Financial Framework should be revised upward and its flexibility expanded** in order to respond to circumstances which were not foreseen when the MFF was being agreed in 2013.

**Finding solutions through additional resources within the EU budget is clearly the most preferable option**, respecting the principle of universality, **and it is probably also the most feasible one**. Without **revising MFF ceilings upward**, any additional demands on the EU budget during the upcoming years will inevitably face financial shortages. Efforts to strengthen genuine own resources of the EU budget and the on-going fight against tax avoidance also need to be urgently stepped up.

At the same time, Europe needs to **use fully the flexibility of the Stability and Growth Pact**, including “exceptional circumstances” and to apply the exemption of one-off expenditures from SGP deficit and debt calculations, introduced with the European Fund for Strategic Investments, for contributions to the EU-Turkey refugee facility.

An **investment-based approach** to the arrival of asylum-seekers and related challenges will address European citizens’ common vital interest and is the only way to deliver the necessary European public goods. European institutions have a major responsibility to articulate a European solution. The European Parliament, as a body directly connected to citizens, has the most special responsibility in this sense. It must engage with people and find European solutions effectively addressing their concerns, overcoming narrow national perspectives. Europe cannot allow itself to fail. We have to find a common progressive response to the current overlapping crises.