

Inspire policy making by territorial evidence



MIGRARE – Impacts of refugee flows to territorial development in Europe

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Authors

Pierre Hausemer, Laura Todaro, Matteo Bocci, Iva Plasilova, Lison Rabuel, Richard Williams, Valdani Vicari & Associati (Italy)

Manuela Samek, Erica Melloni, Flavia Pesce, Serena Dufuca, Paolo Maranzano, Monica Patrizio, Cristina Vasilescu, Istituto per la Ricerca Sociale (Italy)

Albert Kraler, Martin Wagner, Paul Baumgartner, Sanda Üllen, Veronika Bilger, Martin Hofmann, Patricia Ama Miah, Teresa Gil Ricol, International Centre for Migration Policy Development (Austria)

Dragiša Mijačić, Jasna Žarković, Institute for Territorial Economic Development (Republic of Serbia)

Martin Kahanec, Magda Ulceluse, Jenna Althoff, Central European University (Hungary)

Therese Steenberghen, Katholieke Universiteit Leuven (Belgium)

Carthography

Wesley Gruijthuisen, Antonio Pietropolli, Katholieke Universiteit Leuven (Belgium)

Country Researchers

Madalena Bozzetti, Ruben Carrandi Cortina, Josie Christodopolou, Chiara Crepaldi, Shoshana Fine, Lucija Kilić, Magdalena Klebba, Neža Kogovšek, Viktor Koska, Liliya Levandovska, Marija Milenkovic, Tatjana Potezica, Richard Procee, Francesco Romano, Tim Schreiber, Noemi Szokol

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Abbreviations

AIDA	Asylum Information Database
AIDROM	Association of Jesuit Refugee Services in Romania
ALMP	Active Labour Market Policies
AMIF	Asylum, Migration and Integration Fund
ANOFM	<i>Agentia Nationala Pentru Ocuparea Fortei de Munca</i> (National Agency for Employment)
AP	Autonomous Province
APC	<i>Centra za zaštitu i pomoć tražiocima azila</i> (Asylum Protection Center)
ARPCPS	<i>Asociația Română pentru Promovarea Calității și Practicilor de Succes</i> (Romanian Association for the Promotion of Quality and Good Practices)
AS	Asylum Seeker
ASAM	Association for Solidarity with Asylum Seekers and Migrants
AT	Austria
BAMF	<i>Bundesamt für Migration und Flüchtlinge</i> (Federal Office for Migration and Refugees)
BE	Belgium
BG	Bulgaria
BiH	Bosnia and Herzegovina
BMEIA	<i>Bundesministerium für Europa, Integration und Äußeres</i> (Ministry for Europe, Integration and Foreign Affairs of Austria)
CAS	<i>Centri di Accoglienza Straordinaria</i> (Emergency Reception Centres)
CEAR	<i>Comisión Española de Ayuda al Refugiado</i> (Spanish Commission for Refugees)
CELAV	<i>Centro di Mediazione al Lavoro</i> (job mediation centre)
CEPS	Centre for European Policy Studies
CESEDA	<i>Code de l'entrée et du séjour des étrangers et du droit d'asile</i> (the Aliens Code)
CGRS	Office of the Commissioner General for Refugees and Stateless Persons
CH	Switzerland
CIR	<i>Contrat d'Intégration Républicaine</i> (Republican Integration Contract)
CNDA	<i>Cour nationale du droit d'asile</i> (National Court for the Right of Asylum)
CNDA	<i>Commissione nazionale per il diritto di asilo</i> (National Commission for the Right of Asylum)
CNRED	<i>Centrul Național de Recunoaștere și Echivalare a Diplomelor</i> (National Centre for Recognition and Equivalence of Diplomas)
CPIA	<i>Centro per l'istruzione degli adulti</i> (public adult education centre)
CPR	<i>Centri di Permanenza per il Rimpatrio</i> (Repatriation Centres)
CV	Curriculum vitae
CY	Cyprus
CZ	Czechia
DE	Germany
DGMM	Directorate General of Migration Management
DK	Denmark
DOY	Greek local tax service
E.K.K.A.	National Center for Social Solidarity
EASO	European Asylum Support Office
EBCGA	European Border and Coast Guard Agency - Frontex
EC	European Commission
ECHO	DG European Civil Protection and Humanitarian Aid Operation – European Commission
ECIYC	Every Child Is Your Child
EE	Estonia
EFTA	European Free Trade Association
EGTC	European Grouping on Territorial Cooperation
EL	Greece
EMN	European Migration Network
EP	European Parliament
ERDF	European Regional Development Fund

ES	Spain
ESF	European Social Fund
ESIF	European Structural and Investments Funds
ESN	European Social Network
ESOL	English for Speakers of Other Languages
ESPON	European Territorial Observatory Network
EU	European Union
EULFS	European Union Labour Force Survey
eu-LISA	European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice
Eurodac	European Dactyloscopy
Eurostat	Statistical Office of the European Communities
FEAD	Fund for European Aid to the Most Deprived
Fedasil	Federal Agency for the Reception of Asylum Seekers
FI	Finland
FR	France
GDP	Gross Domestic Product
HCIT	<i>Humanitarni centar za integraciju i toleranciju</i> (Humanitarian Center for Integration and Dialogue)
HR	Croatia
HU	Hungary
ICP	<i>Plan d'Investissement dans les Compétences</i> (Skills Investment Plan)
ICMPD	International Centre for Migration Policy Development
IDC	<i>Inicijativa za razvoj i saradnju</i> (Initiative for Development and Cooperation)
IE	Ireland
IGI	<i>Inspectoratului General pentru Imigrări</i> (General Inspectorate for Immigration of Romania)
IMF	International Monetary Fund
IOM	International Organization for Migration
IPEC	International Protection Evaluation Commission
IRC	International Red Cross
IRPP	Irish Refugee Protection Programme
IS	Iceland
İŞKUR	Turkish Employment Agency
IT	Italy
JRC	Joint Research Centre – European Commission
JRC	Jesuit Refugee Service
KAS	<i>Konrad Adenauer Stiftung</i> (Konrad Adenaur Foundation)
KEELPNO	Hellenic Centre for Disease Control and Prevention
KEP	Greek Citizen Service Centres
LI	Liechtenstein
LITP	Law on International and Temporary Protection
LT	Lithuania
LU	Luxembourg
LV	Latvia
MdM	<i>Médecins du monde</i> (Doctors of the World)
MIPEX	Migrant Integration Policy Index
MK	North Macedonia
MLMSS	<i>Ministerio de Trabajo, Migraciones y Seguridad Social</i> (Ministry of Labour, Migrations and Social Security)
MPDL	Movimento por la Paz
MS	Member State
MT	Malta
NA	Network Analysis
NEET	Not in Education , Employment , or Training person
NGO	Non-Governmental Organization
NL	Netherlands
NO	Norway
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Co-operation and Development

OFII	<i>Office Français de l'Immigration et de l'Intégration</i> (French Office for Immigration and Integration)
OFPPRA	<i>Office français de protection des réfugiés et apatrides</i> (French Office for Protection of Refugees and Stateless persons)
ÖIF	<i>Österreichischer Integrationsfonds</i> (Austrian Integration Fund)
PACA	Provence-Alpes-Côte d'Azur
PDMM	Provincial Directorate for Migration Management
PES	<i>Arbetsformedlingen</i> (Swedish Public Employment Service)
PIFF	<i>Projektstelle für Integration und für Flüchtlinge</i> (Project Office for Integration and for Refugees)
PL	Poland
PPS	Purchasing Power Standard
PT	Portugal
REC	Rights, Equality and Citizenship Programme
RIA	Reception and Integration Agency
RIC	Reception and Identification Centres
RO	Romania
RQ	Research Question
RS	Serbia
RSD	Refugee Status Determination
SAR	Search and Rescue
SDC	Swiss Agency for Development and Cooperation
SE	Sweden
SEA	Single European Act
SI	Slovenia
SIP	State Integration Programme
SK	Slovakia
SPRAR	<i>Sistema di Protezione per Richiedenti Asilo e Rifugiati</i> (Protection System for Asylum Seekers and Refugees)
TdH	Terre des Hommes
TR	Turkey
UA-CEMIS	Centre for Migration and Intercultural Studies of University of Antwerp
UAM	Unaccompanied Minors
UASCs	Unaccompanied And Separated Children
UDI	Directorate of Immigration
UIA	Urban Innovative Actions
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund (formerly United Nations Fund for Population Activities)
UNHCR	United Nations High Commissioner for Refugees
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VPRS	Syrian Vulnerable Persons Resettlement Scheme
XK	Kosovo*

1 Introduction: the ‘why’ and ‘what’ of this study

1.1 A conflict between the EU values of solidarity, mobility and safety?

The cyclical nature of asylum seekers and irregular migrant flows over time has been triggered by the persisting socio-economic and political instability in several countries in Sub-Saharan Africa and Central Asia. Due to the relative unpredictability of the peaks in such inflows, policy response at the regional and country level has in the past often been considered as a response to emergency crises. Nevertheless, the persisting and even increasing global political, economic and socio-economic challenges are expected to inflate conflicts and extreme poverty situation in the near and mid-term future. This will most likely result in persisting inflows of asylum seekers in the bordering regions of EU Member States and in the European territories as a whole, although with different scenarios possible in the future (as discussed in Chapter 4 and Chapter 6). There is, therefore, a call for more efficient and effective coordination of efforts at the various institutional levels and across the various sectors involved.

European countries are often struggling to reconcile EU values to ensure prosperity and security for EU citizens, while fostering free movement of individuals and acting in full respect of human rights and the principles of solidarity and respect for human dignity. On the one hand, countries have agreed to act in accordance with UN obligations when it comes to the rights of international migrants and protecting refugees. While on the other hand, they should be able to foster the economic and social inclusion of refugees and asylum seekers (in short- and long-term) in order to avoid exacerbating local tensions and prevent the fuelling of illegal activities carried out by criminal networks (within and outside Europe). In this respect, meeting asylum seekers’ economic as well as humanitarian needs is beneficial for local communities as much as it is for asylum seekers.

The current political debate has mainly focussed on high-level policies at the national and EU levels, while attention to tailored policies is required to support the concrete pressures faced within and across European regions and cities. Regions and cities are currently at the forefront of the policy challenge: they are the places where effective actions are fostered that respect the legitimate needs of refugees and asylum seekers, while maximising the positive and minimising the negative impacts for local communities, businesses and public finances.

This is not the only study addressing migratory challenges at the regional and urban level¹. Nevertheless, its added value lies in the specific focus on the assessment of impacts at the

¹ See for example: OECD (2018). Working Together for Local Integration of Migrants and Refugees; CEPS (2018). (The struggle for) refugee integration into the labour market. Evidence from Europe; Eurocities (2017) Labour market integration of Refugees and Asylum seekers; ESN (2016). The impact of the refugee crisis in local public services in Europe; European Commission (2016). “Labour market integration of refugees” in Employment and Social Development in Europe 2016. European Agency for fundamental Rights (2018). Current migration situation in the EU: impact on local communities. IMF

regional level and the lessons learnt so far – integration in maximising positive impacts while mitigating negative effects of the reception and integration of asylum seekers and refugees in local communities across Europe. By building on available primary and secondary data collected through a number of case studies, this study's ambition is twofold. First, it offers new factual evidence and a better understanding of the current effects and the future impacts of asylum seekers and refugees across Europe. Second, it fosters the EU added value in supporting policy capacity and capability at the regional and local level, by developing practical recommendations and a handbook for policymakers and other relevant actors involved with the aim of maximising the returns of increasingly relevant EU taxpayer investment in this area².

In the next sections, the evidence gathered in favour of this hypothesis is discussed, in order to develop operative policy recommendations for policymakers at the local, regional, national and EU level.

1.2 Scope, objectives and policy questions of this study

This study encompasses all countries in the ESPON 2020 Cooperation Programme (EU28, Iceland, Liechtenstein, Norway and Switzerland), with an additional assessment – to the extent possible – of EU Candidate Countries (i.e. Albania, Montenegro, North Macedonia, Serbia, and Turkey) and potential candidates countries (i.e. Bosnia and Herzegovina, and Kosovo*³)⁴.

This study provides a systematic analysis of the evidence available on the current trends, territorial impacts, and policy responses to the challenges raised by the current refugee and asylum seeker inflows from non-European third countries, and it provides future EU policy recommendations in this relevant area. Definitions and terminology adopted

The scope of analysis of this study are applicants for international protection (i.e. asylum seekers) and beneficiaries of international protection (including refugees) coming from predominantly non-European third countries. A stronger focus is on most recent dynamics and challenges emerging from the inflow peak of 2015 across Europe, but a longer-term view on patterns of inflows and responses. In order to derive a working definition for this study, terms in accordance with the international and EU definitions as set out in the European Migration

(2016). The Refugee Surge in Europe: Economic Challenges. JRC (2017). Long-term Social, Economic and Fiscal Effects of Immigration into the EU: the Role of Integration Policy.

² European Commission (2018). EU budget: Commission proposes major funding increase for stronger borders and migration. Available at: http://europa.eu/rapid/press-release_IP-18-4106_en.htm.

³ *All references to Kosovo, whether the territory, institutions or population, in this study shall be understood in full compliance with United Nation's Security Council Resolution 1244/1999 and ICJ Opinion on the Kosovo Declaration of Independence and without prejudice to the status of Kosovo.

⁴ Note that a more limited review will be provided for these countries, with a greater focus on national dynamics and some selected territorial examples, depending on secondary data availability.

Network (EMN) glossary⁵ will be used, but will adopt a more operational and specific definition in order to align with the specific sources used and to avoid misinterpretations throughout the report.

Asylum seekers are generally taken to be individuals seeking safety from persecution or serious harm in a country other than their own and are awaiting a decision on their application for refugee status under relevant international and national instruments. Asylum seekers clearly differ from other categories of migrants, who migrate for the purpose of employment, family reunification or to study or carry out research. However, it is increasingly recognised that people's motivations are often complex and may change over time.

This study adopts the more operational definition as used by the EMN Glossary of individuals submitting applications for protection under the Geneva Convention and where a final decision has not yet been taken.

Refugees are defined in the EU context⁶ as third-country nationals who, owing to a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership of a particular social group, are outside their country of nationality and are unable or, owing to such fear, unwilling to avail themselves of the protection of that country.

This study adopts the more operational definition of beneficiaries of international protection as people whose application for international protection has been recognised by an EU Member State as eligible for refugee status or subsidiary protection under the Geneva Convention⁷. For the purposes of this study, unless otherwise specified, the term 'refugee' encompasses all beneficiaries of international protection – i.e. both refugees and persons with subsidiary protection.

Migrants are individuals outside the territory of the state of which they are nationals or citizens and who have resided in a foreign country for more than one year irrespective of the causes, voluntary or involuntary, and the means, regular or irregular, used to migrate. In the EU context, a migrant is a person who either: (i) establishes their usual residence in the territory of a Member State for a period that is, or is expected to be, of at least 12 months, having previously been usually resident in another Member State or a third country; or (ii) having previously been

⁵ European Commission (2014), 'Asylum and Migration Glossary 3.0': https://ec.europa.eu/home-affairs/what-we-do/networks/european_migration_network/glossary/index_a_en.

⁶ According to EU Directive 2011/95/EU, see below.

⁷ See Directive 2011/95/EU on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted. According to Article 2.(b) of the Directive 'beneficiary of international protection' means a person who has been granted refugee status or subsidiary protection status as defined in points (e) and (g)'.

usually resident in the territory of a Member State, ceases to have their usual residence in that Member State for a period of at least 12 months.

This study refers to migrants as all third-country nationals establishing their usual residence in the territory of EU Member States or EFTA Countries. As such, they represent a broader range of individuals than those falling directly within the scope of this study.

Irregular migrants are individuals whose transit or permanence in a country takes place outside the regulatory norms of the sending, transit and receiving countries⁸. In the EU context, **irregular migrants are third-country nationals who are present on the territory of a Schengen State but who do not fulfil or no longer fulfil the conditions of entry as set out in the Regulation (EU) 2016/399⁹ or other conditions for entry, stay or residence in that EU Member State.** It is thought that irregular migrants currently form a relevant number of individuals who, for example, apply for the status of asylum seekers after their arrival, but enter an irregular status either as their asylum request is refused, or after leaving without authorisation the centre/house to which they were assigned as part of formal reception procedures. However, the data available are mainly estimates as there are no official statistics including this information.

The study mainly targets asylum seekers and refugees. Nonetheless, to the extent that it will be possible, the research team will try to investigate the impacts of the irregular migrants at local and regional level.

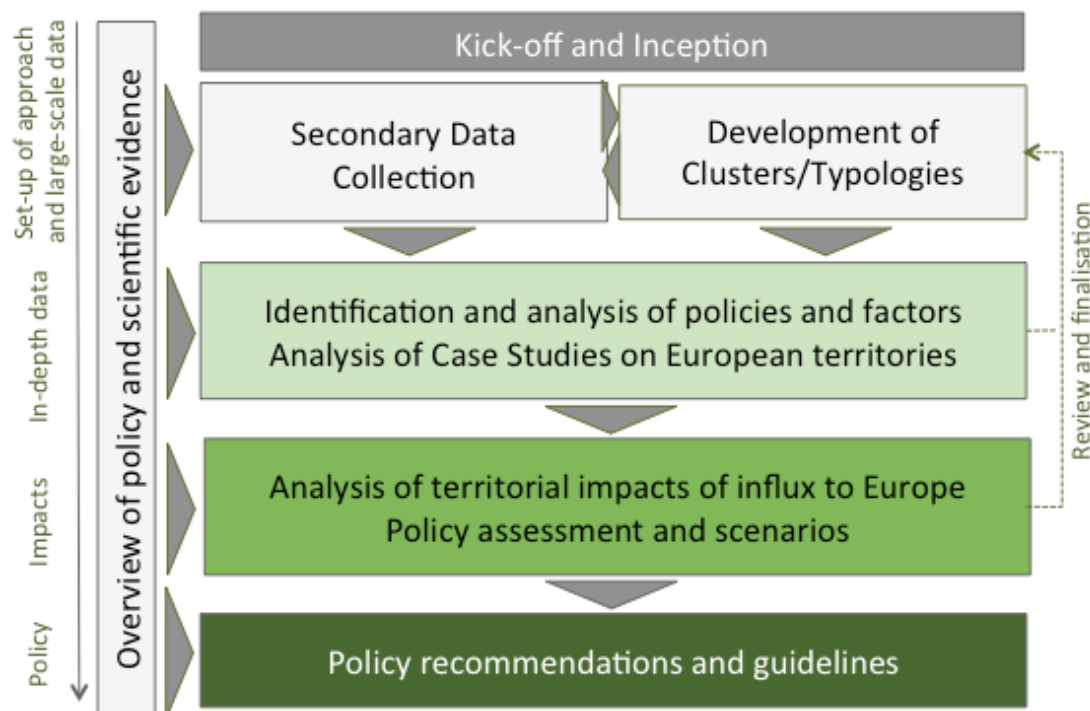
⁸ European Commission. Migration and Home Affairs. irregular migration. Available at: https://ec.europa.eu/home-affairs/content/irregular-migration-0_en

⁹ EUR-Lex. Regulation (EU) 2016/399 of the European Parliament and of the Council of 9 March 2016 on a Union Code on the rules governing the movement of persons across borders (Schengen Borders Code). Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32016R0399>

2 Methodology

The methodology of the study relies on a robust conceptual framework which interlinks data collection and analysis through a number of research tools, thus, creating synergies in the type of stakeholders and databases consulted. The figure below shows the interpretation of the logical flow between the different data collection and analytical tasks. This facilitated the collection of credible sets of primary and secondary data and information in order to provide a sound analysis and reliable set of recommendations.

Figure 2.1 Schematic outline of this proposal's methodological approach



Source: Own elaboration

2.1 Review of scientific literature and available policy analysis

A rigorous analysis of the available scientific literature as well as policy reports and grey evidence has provided an essential backbone for the study. The aim of the scientific and policy context analysis was to provide an overview of the existing research on the topic of refugee flows, as well as of relevant elements in the political debate, including main policies and legislation in this field at the European, national and regional/urban levels. As part of the assessment, the main elements to be further investigated within the study were pinpointed. Furthermore, a preliminary assessment of most relevant issues at different territorial levels and potential data gaps were identified. As such, the analysis has been referred to throughout the study to provide the foundation for the conceptual and methodological framework for the entire study.

The analysis examined evidence on existing data and research and highlighted crucial challenges occurring when addressing refugees and migration reception and integration policies:

- Terminology used and the discourse pertaining to the concept of migration;
- Data availability and data gaps;
- Academic and policy literature and discourse and its evolution in the past decade.

Based on the desk research and assessment of secondary sources, a review has been conducted using a structured methodology through the consultation of the main databases available in English and in national languages for literature research. In order to identify relevant research and policy literature, as well as regulatory provisions and works to be reviewed, a number of keyword combinations have been identified to apply to international/European websites as well as to the academic databases, covering the different topics of interest.

2.2 Collection of secondary data across Europe (at EU and local level)

The analysis of secondary data in a range of countries and regions (at NUTS 2 and 3 levels), has allowed the team to review the specific data indicators to be collected, as well as to identify a range of sources and possible gaps in available data. On this basis, a cross-country collection of primary and secondary data has been possible, as an input for the analysis of the study.

The data collection methodology has combined the following tools and sources (some of which are further detailed and developed in other tasks of this study):

- **Desk research of secondary sources** (mainly general information on asylum seekers, refugees and migrants) at the EU and macro-regional level (studies available on the Mediterranean and the Balkans paths) and across all MS;
- **Interviews** with selected stakeholders (authorities, institutes and universities) to identify local data sources relevant for this study;
- **Estimates and extrapolations** based on collected primary and secondary sources and using the typologies of cities, regions and countries (e.g. population/migrants sizes, economic needs and performances, position in migrants routes, policies in place) as defined in section 2.3.

Local data related to asylum seekers and refugees were most needed in areas where they are currently lacking (i.e. regional and city level), at least in the form of aggregated and comparable time-series at NUTS2 and NUTS3 levels across the EU. EU statistics on asylum seekers are not disaggregated to regional and local levels, but even national and regional datasets were often lacking valuable information and were, in general, difficult to harmonise at European level. For this reason, a mix of methodologies and sources was engaged allowing to make valuable extrapolations and estimations based on a range of secondary and primary data sources.

The mix of tools across the various territorial levels is exemplified in the illustrative table below.

Table 2.1 A mix of tools for data collection at different levels

	EU	Med / Balkans	Member States	Regions (NUTS2)	Cities (NUTS3)
Tools					
Desk research (where available)	X	X	X	X	Main cities
Online survey		X	X	X	X
Interviews	X	X	X	Main regions	Main cities
Estimations		X	X		X
Extrapolations (based on typologies)	X	X	X	X	X

Country research has allowed to estimate flows at NUTS 2 level in a number of countries: Albania, Cyprus, Estonia, France, Germany, Greece, Iceland, Ireland, Italy, Kosovo*, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Montenegro, North Macedonia, Romania, Spain, Switzerland and the Netherlands. Extrapolations on NUTS 2 level data has been provided for Albania, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Portugal, Slovenia, Slovakia, Turkey and the UK. Country data on skills, education level and employment rates of asylum seekers and refugees are generally lacking, based on the international and country-level research – with the exception of some aggregated sources, such as the Labour Force Survey (2014) by Eurostat.

2.3 Cluster analysis for the assessment of regional “absorption” potentials

A cluster analysis has been delivered as a basis for assessing the absorption capacity of European territories through a range of different regional typologies. The main aim of this analysis has been to provide a systematic mapping and classification of European regions and metropolitan areas/cities with respect to the refugee influx, and their potential for a successful reception and integration of asylum seekers and refugees. The analysis has been developed in two steps:

- In the first step, a limited set of regional typologies were identified based on selected socio-economic indicators (demographic, economic, labour market, etc.) to identify specific types of regions according to their attractiveness potentials for immigration and refugees’ inflows.
- In the second step, these regional clusters have been correlated to the main features of refugees’ inflows emerging from the data collection analysis previously described.

The cluster analysis is a data classification methodology used to categorise n objects (in this case European regions) into k ($k > 1$) groups, called clusters, by using p ($p > 0$) clustering variables. In each cluster, observations are mutually replaceable with respect to the variables that are considered in the analysis, even if the entities (regions) assigned to a group do not necessarily have all the same attributes. Within each cluster, entities are, therefore, "homogenous". Since modern statistical literature provides a large number of cluster analysis techniques, it was necessary to compare some of them in order to select the most stable and appropriate.

The most common families of cluster techniques are hierarchical¹⁰ (e.g. single-linkage agglomerative) and non-hierarchical¹¹ algorithms (e.g. K-means). Hierarchical methods are algorithms, which aggregate (or disaggregate) units into a pre-specified number of groups, while in non-hierarchical methods the number of clusters is *a priori* unknown. A common characteristic of these methodologies is the evaluation – at each iteration – of the mathematical distance between units with the aim to obtain groups maximally heterogeneous between themselves and maximally homogeneous within them. The maximum homogeneity within groups is obtained through “Ward’s minimum variance” criterion.

The study team has implemented alternative versions of both and has used their results with a complementary approach. As a first step, agglomerative non-hierarchical algorithms were used to find out a reliable range of number of clusters for European regions and then a K-means algorithm based on Euclidean distance was used to identify which regions belong to each cluster. An appropriate preliminary strategy for clustering consisted in defining a set of variables that covers the largest spectrum possible of key aspects concerning the grouping criteria and are either not or low correlated. Since data were collected from different official statistic databases¹², a necessary step was to harmonise the datasets, treating missing data in order to derive a homogeneous time series for each variable.

2.4 Case Studies across European territories

An analysis of 12 case studies has been provided to further substantiate the secondary and primary data collected. The case studies have been selected to be representative of all regional clusters derived from the classification typologies identified (as previously discussed in section 2.3), so as to elucidate insights from different typologies of European regions representative of different socioeconomic conditions, influx of migrants and refugees (e.g. countries of origin, patterns of migration, strategies adopted to face the refugees and migrant inflows).

The case studies have, therefore, provided additional in-depth qualitative evidence on the characteristics of asylum seeker and refugee influxes in the 12 specific territories, thus, providing further additional inputs (mainly qualitative but also quantitative) with respect to those available through the databases and the scientific and policy literature collected. Specifically, the case studies have provided important insights into the policy approaches adopted at the local level to support the reception and integration of asylum seekers and refugees, as well as the factors that affect the acceptance and integration process of asylum seekers and refugees in the assessed territories.

The analysis has relied on extensive fieldwork based on local secondary data analysis as well as semi-structured interviews held with policy makers and stakeholders, including policy

¹⁰ Hierarchical: To run the algorithm, the number of clusters has to be pre-specified before.

¹¹ Non-hierarchical: The number of clusters is not *a priori* specified.

¹² Eurostat regional database, Eurostat Regional Competitiveness (RCI) database and WDI database.

makers and local public institutions, civil society organisations, experts, NGOs representatives, migrant associations and social partners. As mentioned, interviews were complemented by targeted desk research based on available local data, research and policy documents, where available, to provide further insights on costs and effects of integration policies for asylum seekers and refugees.

2.5 Analysis of inflows in Europe and resulting territorial impacts

On the basis of the secondary and primary data collected, mainly quantitative but also qualitative where no quantitative information was available, a rigorous and impartial analysis has been provided to gather knowledge and develop understanding of the effects of refugee inflow/intake from a territorial perspective. The analysis has, therefore, taken into account the specific territorial characteristics, and socioeconomic profiles of regions and cities in arrival, transit and destination countries.

A number of key quantitative indicators have been identified for this purpose, such as:

- Flows and stocks of asylum seekers and refugees (based on existing statistics of arrivals, asylum requests, etc.);
- Share of the total/working age population, foreign (working) and foreign born (working) population;
- Gender, age, educational attainment and skill composition (if available) from national surveys or estimated composition (using data from existing surveys in AT, DE and elsewhere that provided informed guesses on skill structure by broad categories).
- Inactivity/unemployment rates, by broad skills categories, gender, broad age groups, citizenship/ country of birth;
- Employment rates disaggregated by the same variables as above.

The above-mentioned indicators were selected based on their general availability and their reliability for making comparative assessments of regional/local level impacts on the labour market. On such basis, an assessment of the influx of asylum seekers and refugees across European territories (i.e. the regional clusters previously defined) has been possible, including an estimate of the skillsets (education levels) and characteristics (gender, age, family status) of such inflows and related stocks.

This analysis, coupled with the socioeconomic development of the different types of regions and cities, has allowed the study team to estimate the potentials of European territories with respect to the labour market absorption and social inclusion inflows and stocks of asylum seekers and refugees.

2.6 Assessment of policy challenges, recommendations and guidelines

A full assessment of possible challenges for policymakers across the various “typologies” of regions and cities was provided, resulting in an analysis of strengths and weaknesses for destinations across the migration path (arrival, transition and destination). To address these challenges several policy options were identified based on the outcome of two stakeholder workshops as well as the assessment of good practices and critical situations across the Case

Studies. This led to the development of practical guidelines address possible challenges, present and future, and to increase the potential of positive impacts of legal migration, specifically refugees and asylum seekers.

3 Geographical distribution of asylum seekers and refugees

This chapter provides an assessment of the trends in the inflows and distribution of asylum seekers and refugees across the EU, EFTA countries and the Western Balkans. It also profiles the characteristics of asylum seekers and refugees. This ultimately has an influence on the impact and potential impact of this population at national, regional and local level, as will be shown in Chapter 4.

3.1 Flows and stocks

This section presents an overview of the main inflows and distribution patterns across and within EU and EFTA countries and the Western Balkans, and how such trends have evolved over time. After introducing the main migration routes and arrival points, the main flows are described across countries as well as within countries at regional level.

3.1.1 Inflows and distribution across ‘migration routes’

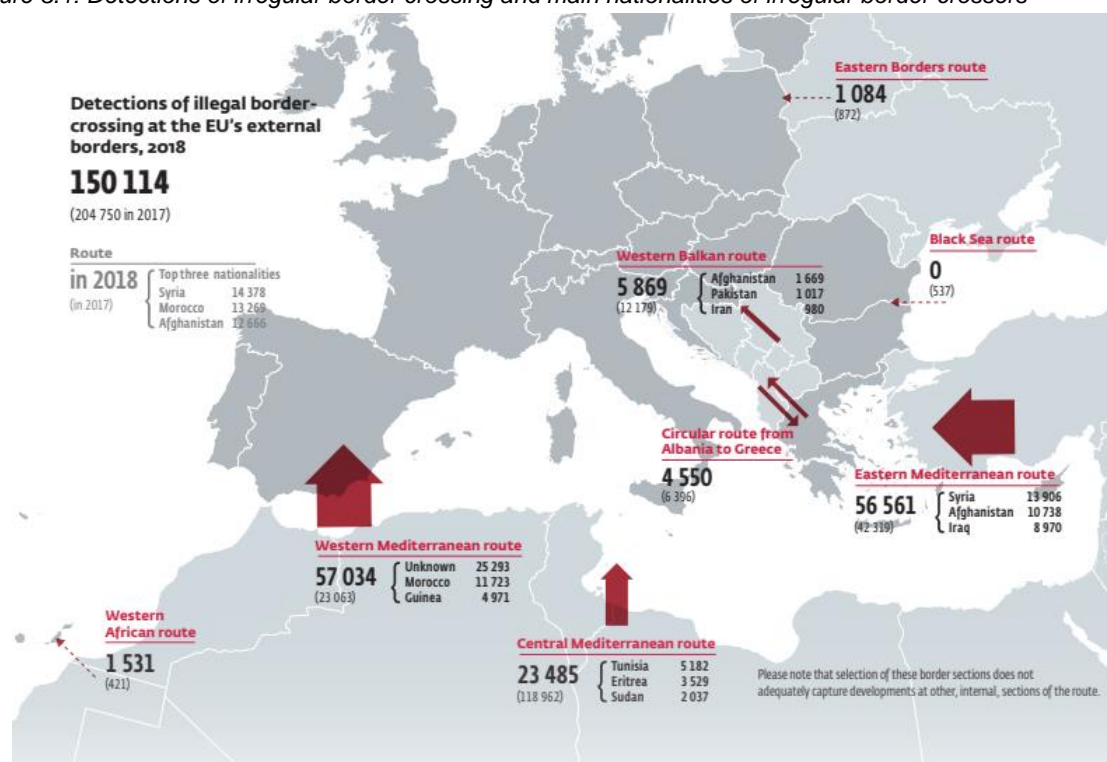
Forced migration has become one of the major factors in global politics since the end of World War II (Castles and Miller, 2003: 104). The right to seek asylum made its appearance in 1948 with the Universal Declaration of Human Rights. Three years later, the 1951 Refugee Convention was adopted, which at first was limited to Europeans, a legacy of World War II, before the geographic limitation was lifted by the 1967 Protocol to obtain a more universal coverage. The 1951 Convention and the 1967 Protocol have been ratified by all EU Member States and are the pillars of the protection of refugees.

In the meantime, the political development for a common area for free mobility of people and goods triggered by the Treaty of Rome in 1957 and the Single European Act (SEA) prompted the establishment of freedom of movement “without internal frontiers” across Europe. Such developments, coupled with the full endorsement of UN Human Rights Declaration and individual and social liberties in the following EU Treaties, have made the EU a highly appealing destination for a global migrant population – including but not restricted to asylum seekers and refugees – seeking basic shelter, greater physical and social security, political asylum and better life conditions.

Strongly dependent on global instability and threats, the inflow of third-country nationals seeking refugee status in the EU has peaked in recent years (2015/2016) based on the interplay of three main border crossing routes. Of the **main routes for border crossings into the EU** by land or sea¹³, the Eastern Mediterranean, the Western Balkans route and the Central Mediterranean have been the most significant as illustrated below.

¹³ Central Mediterranean route, Eastern Mediterranean route, Western Balkan route, circular route from Albania to Greece, Western Mediterranean route, Eastern borders route, Western African route and Black Sea route. Source: Frontex, 2018. Available at: frontex.europa.eu/assets/Publications/Risk_Analysis/Risk_Analysis/Risk_Analysis_for_2018.pdf.

Figure 3.1: Detections of irregular border crossing and main nationalities of irregular border crossers



Source: Frontex, Risk Analysis (2019)

Importantly, the three main routes of inflows of asylum seekers have peaked at different points in time:

- The **Eastern Mediterranean route via Turkey to Greece** was the largest migratory route in 2015, mainly used by asylum seekers from Afghanistan, Iraq and Syria;
- The **Western Balkan route** also reached its highest level of undocumented migration in 2015 from Syria, Afghanistan and other countries outside the Western Balkans;
- The **Central Mediterranean route from Libya to Malta and Italy** has remained an important entry point to the EU, mainly for Eritrea, Niger, Somalia, Gambia and Sudan nationals. This route is the most common entry to the EU since the decline of inflows in the Eastern Mediterranean route in 2016, becoming the route of choice for inflows from Africa. However, the changing environment for rescue at sea operations, changing policies of Italy and the increasing number of departure attempts thwarted by the Libyan coastguards have led to a marked decrease in arrivals over the Central Mediterranean route in 2018, with the lowest number of arrivals detected since 2013, dropping to less than a quarter of arrivals compared to 2017 (118,962 arrivals in 2017 compared to 23,485 arrivals in 2018¹⁴);
- As a corollary, the **Western Mediterranean Route** from Morocco to Spain – which has been close to insignificant during much of the past – has increased in importance (more than doubling between 2017 and 2018, to 57,034 detections). This makes this route the most frequently used route into Europe in 2018, with Spain being the main entry point. While the increasing policing

¹⁴ Frontex, Risk Analysis for 2019, p 16, <https://frontex.europa.eu/publications/risk-analysis-for-2019-RPPmXE>.

of deterrence at the Central Mediterranean Route did also arguably reduce the overall magnitude of irregular arrivals, its main effect has been to displace migrants to other routes.¹⁵

In an historical perspective, routes are thus highly sensitive to policy changes. This section provides an introduction to the assessment of the trends in the distribution of asylum seekers and refugees across the EU and how this has been changing over time as a result of European and national policy decisions in recent decades. After an initial overview of dynamics at aggregated regional and country level, a review of territorial dynamics is depicted on the basis of country data and primary sources collected by the study team.

3.1.2 Distribution of asylum seekers across the EU and EFTA

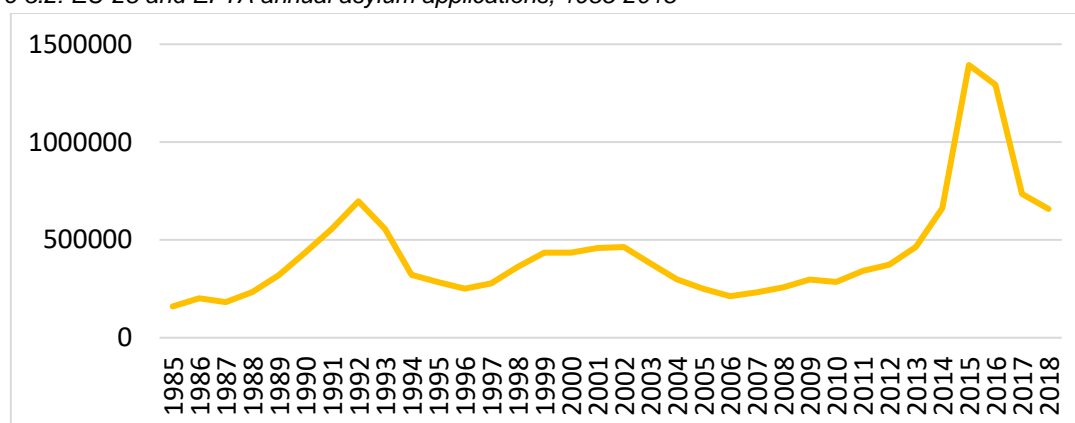
Historically, the number of asylum applications in EU Member States has been subject to large fluctuations. Annual asylum applications in the 32 countries, which currently are part of the EU and the EFTA, grew from 160,000 in 1985 to around 466,000 (465,765) in 2013. In the early 1990s, the outbreak of the war in the former Yugoslavia resulted in large-scale displacements and a peak of 697,085 asylum applications in 1992, when, it must be remembered, the size of the EU population was much smaller than today, given the lower number of countries then belonging to the EU. This number was almost matched in 2014 when 663,000 applications for international protection were filed, but it was easily surpassed in 2015.

According to Eurostat, 1.3 million asylum applications were filed in the EU-28 and the EFTA countries in 2016, mostly from Syria (341,985 applications), Afghanistan (190,250 applications) and Iraq (131,705). This number declined sharply in 2017 (728,900) with Syria, Iraq and Afghanistan remaining the top-three countries of origin. The decrease was largely due to the EU-Turkey Statement of March 2016¹⁶ that contained migration flows through the Eastern Mediterranean and Western Balkan routes as well as other bilateral agreements with states in Africa, for example, Niger or Libya. In 2018, around 660,000 applications were made overall below the level of the 1992 influx of around 700,000 applicants (see Figure 3.2). This is likely to be the result of a range of geopolitical dynamics and policy responses, as discussed later in this report.

¹⁵ Risk Analysis for 2019, p 16, <https://frontex.europa.eu/publications/risk-analysis-for-2019-RPPmXE>.

¹⁶ See: <https://www.consilium.europa.eu/en/press/press-releases/2016/03/18/eu-turkey-statement/>.

Figure 3.2: EU-28 and EFTA annual asylum applications, 1985-2018



Source: Eurostat (2019) (data codes [migr_asyctz] and [migr_asyappctza])¹⁷

Following a decline in 2016, monthly asylum applications in 2017 and 2018 were considerably lower than the peak of applications in 2015 (see Figure 3.2). The trend confirms the fact that the large number of asylum seekers registered in 2015 entered through the Balkans route owing to a number of different factors coming together to create what commentators called a ‘perfect storm’¹⁸. As such, the 2015 peak was an extreme case, a “shock” which repeats itself periodically over time. While more even trends in inflows are expected in the future, shocks can be also periodically expected. Indeed, the 2015 peak shows how unpredictable inflows are and how much they are affected by a number of variables, including response capacity and policy coordination across the EU and neighbouring countries.

Asylum applications have, in fact, dropped considerably after the adoption of the EU measures, notably the the EU-Turkey Statement and the related ‘closure’ of the Balkan route in 2016, which prevented refugees and migrants from entering and transiting irregularly. This went hand in hand with bilateral agreements between the EU and states in Northern and Sub-Saharan Africa, such as Niger, Libya, or the African Union. Subsequent measures of increased border controls in the Mediterranean region, while at the same time reducing Search and Rescue Operations in 2017 and 2018, further reinforced the reduction of irregular arrivals and the related reduction of asylum applications as illustrated in the figure below.

¹⁷ Historical figures refer to all countries currently part of the EU-28.

¹⁸ See: Spijkerboer, T. (2016) Europe’s Refugee Crisis: A Perfect Storm. Available at: <https://www.law.ox.ac.uk/research-subject-groups/centre-criminology/centreborder-criminologies/blog/2016/02/europe’s-refugee>.

Figure 3.3: Monthly asylum applications in the EU-28 and EFTA countries, 2015-2018



Source : Eurostat (2019) (data code [migr_asyappctzm])

In contrast in 2015, Austria, Germany, Hungary and Sweden were the top countries receiving asylum applications, while in 2016 it was France, Greece, Germany and Italy. In 2017 and 2018 the top asylum application receiving countries were France, Germany, Greece, Italy and Spain. The flows show a regular shift from the Balkans towards the Central Mediterranean and the Western Mediterranean route. A range of measures taken in cooperation between the EU Member States and North African states, including increasing the capacity of law enforcement agencies to intercept migrants at sea, the increasing clamp down on private Search and Rescue (SAR) operations, as well as changing policies towards reception of sea arrivals following the change of government in Italy, has led to the steep decline of that route, impacting also on the total number of arrivals, and, therefore, asylum applications.

Overall migration pressure has remained relatively stable after the decline in late 2016, and currently it is at a level higher than the average inflows for the pre-crisis period (1985-2014) but lower than the peaks of 1992 and 2002. Assessing future trends is challenging, projected demographic developments in Europe and regions of origin of major migrant groups, entrenched state fragility and the related incidence of often protracted violent conflict especially in Europe's neighbourhood, as well as broader factors – such as environmental degradation, economic advancement in lower and middle income countries in a context defined by persistent inequality and rising expectations – suggest that the EU will continue to be exposed to significant migration pressure in the future, even if 2015 levels can be seen as exceptional (See Annex 1 Scientific overview).¹⁹

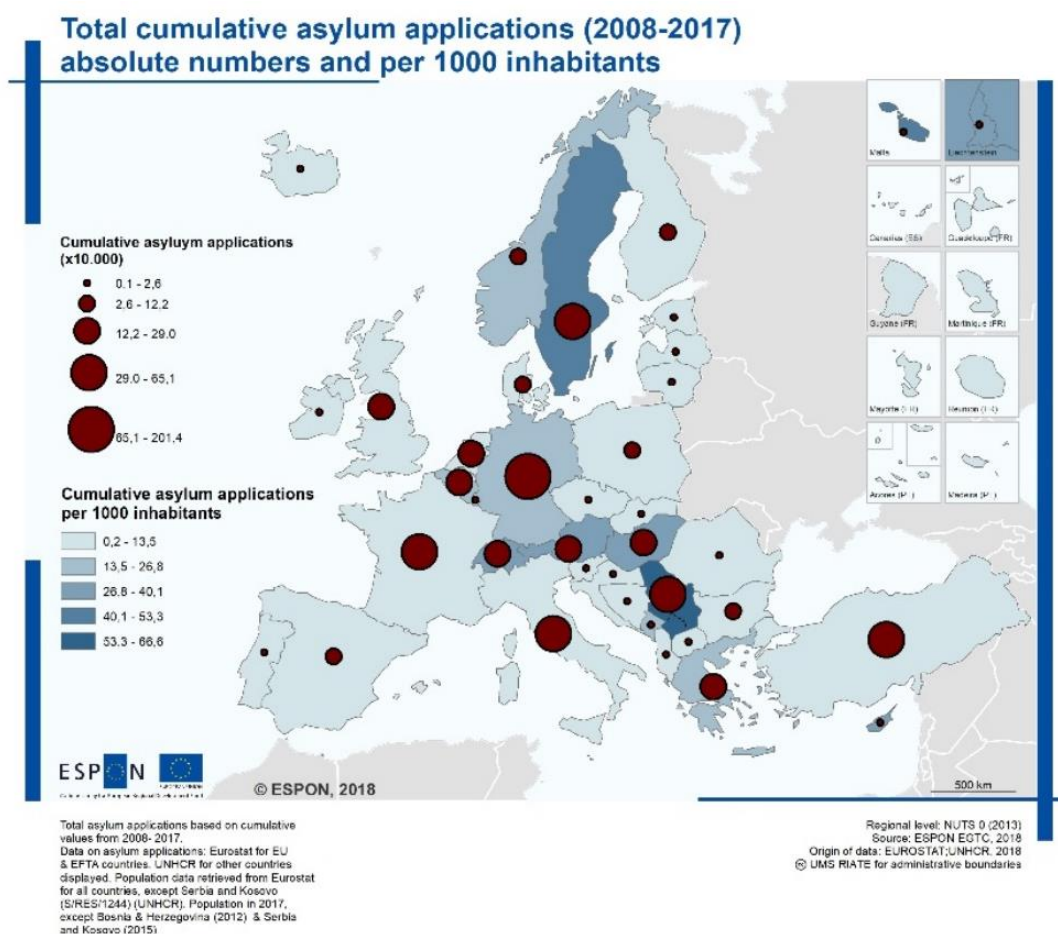
Patterns of flows across the EU and EFTA countries

Despite significant differences of arrivals of asylum seekers in European countries in absolute terms, major variations between countries have to be taken into account such as i) the total numbers of asylum applications and ii) their proportion with respect to the total national populations. These two factors are illustrated in the figure below. The map combines two data sources: inside the EU, the asylum applications represent the sum (2008-2017) of asylum and first-time asylum applicants by citizenship

¹⁹ It should be noted that environmental migration will affect Europe only in the coming decades. Most environmental migrants remain in their countries and do not cross borders yet. See for instance Missirian, A. (2017) Asylum applications respond to temperature fluctuations. Available at: <https://science.sciencemag.org/content/358/6370/1610>.

(asy-app, migr_asyappctza) from Eurostats migration statistics. For Albania, Bosnia-Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo* (combined because of the disputed border), and Turkey, UNHCR statistics are used. In these statistics, asylum seekers (with 'pending cases') are individuals who have sought international protection and whose claims for refugee status have not yet been determined. Those covered in the annual report refer to claimants whose individual applications were pending as of 30 June 2017, irrespective of when those claims may have been lodged. Considering this difference in compilation of the statistics, the figures for countries outside the EU should not be compared with those of the EU countries. They are intended to show the trans-external border dimension of patterns and flows.

Figure 3.4: Total asylum seeker applications and proportion of inhabitants



Source: own elaboration based on Eurostat migration statistics and UNHCR (2018)

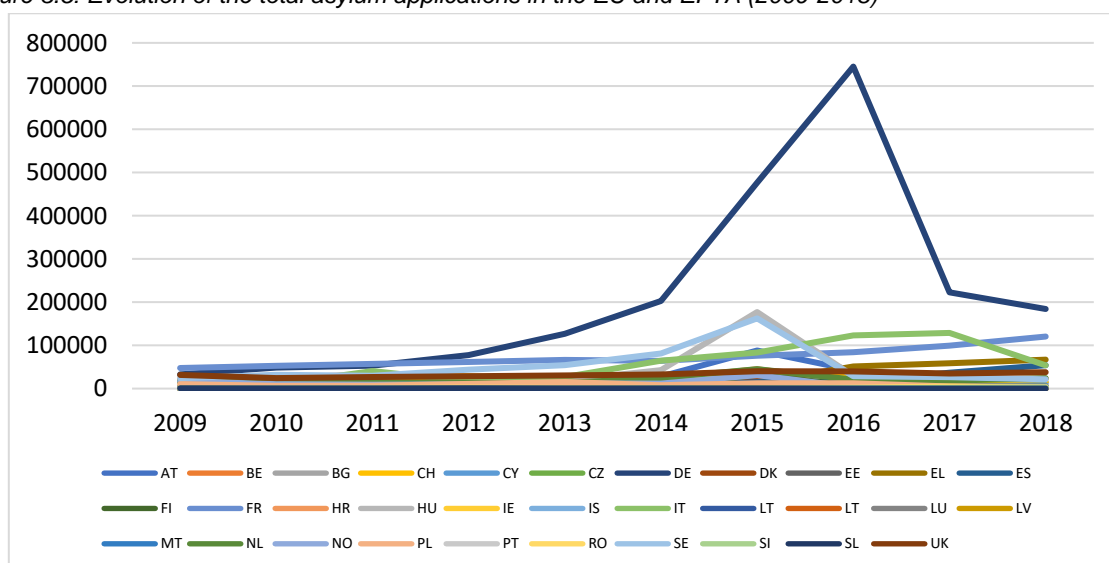
Looking at the cumulative number of asylum applications in the period 2008-2017 in Europe, Germany stands out with more than 2 million applications, followed by France with over 600,000, Italy with over 500,000 and Sweden at around 500,000. The other EU countries remain below 300,000 (Central Europe) or below 20,000 (Baltics and Balkans). Outside the EU borders, large numbers of asylum seekers are in Turkey, on both the Western Balkan and the Eastern Mediterranean route. In addition, Turkey provides temporary protection as an individual procedure without prior application to around 3.6

million Syrians. The UNHCR statistics used outside the EU and EFTA countries do not reflect the entire picture of asylum seeker and refugee flows in these countries.

When looking at the proportion of applications compared to the total population in countries, the patterns are diverse. Around 50% in Sweden, followed by around 30% in Austria, Hungary and Switzerland and in some smaller countries such as Cyprus and Liechtenstein, and around 20% in Belgium, Germany, Greece and Norway. From some of these countries, such as Hungary and Cyprus, these reflect applications upon arrival of people who immediately moved on and have been double counted in their destination country. Applications in other countries are below 20% (Denmark, Finland, the Netherlands, Romania) or even below 10% of the national population (all the other countries). In the Western Balkans, Serbia and Kosovo* are prominent, even if the more than 66 asylum applications per 1,000 inhabitants in the period 2008-2017 may be an overrepresentation due to the different data source.

The changes in inflows over time have affected differently the countries analysed in this report, depending on a number of factors. From 2008 to 2012 the number of applications gradually increased in most countries, but there were no major differences among the trends in different countries. There is a significant increase in volume in 2014, lasting until 2016, with Germany accounting for more than a third of the total EU applications, as the next figure shows.

Figure 3.5: Evolution of the total asylum applications in the EU and EFTA (2009-2018)

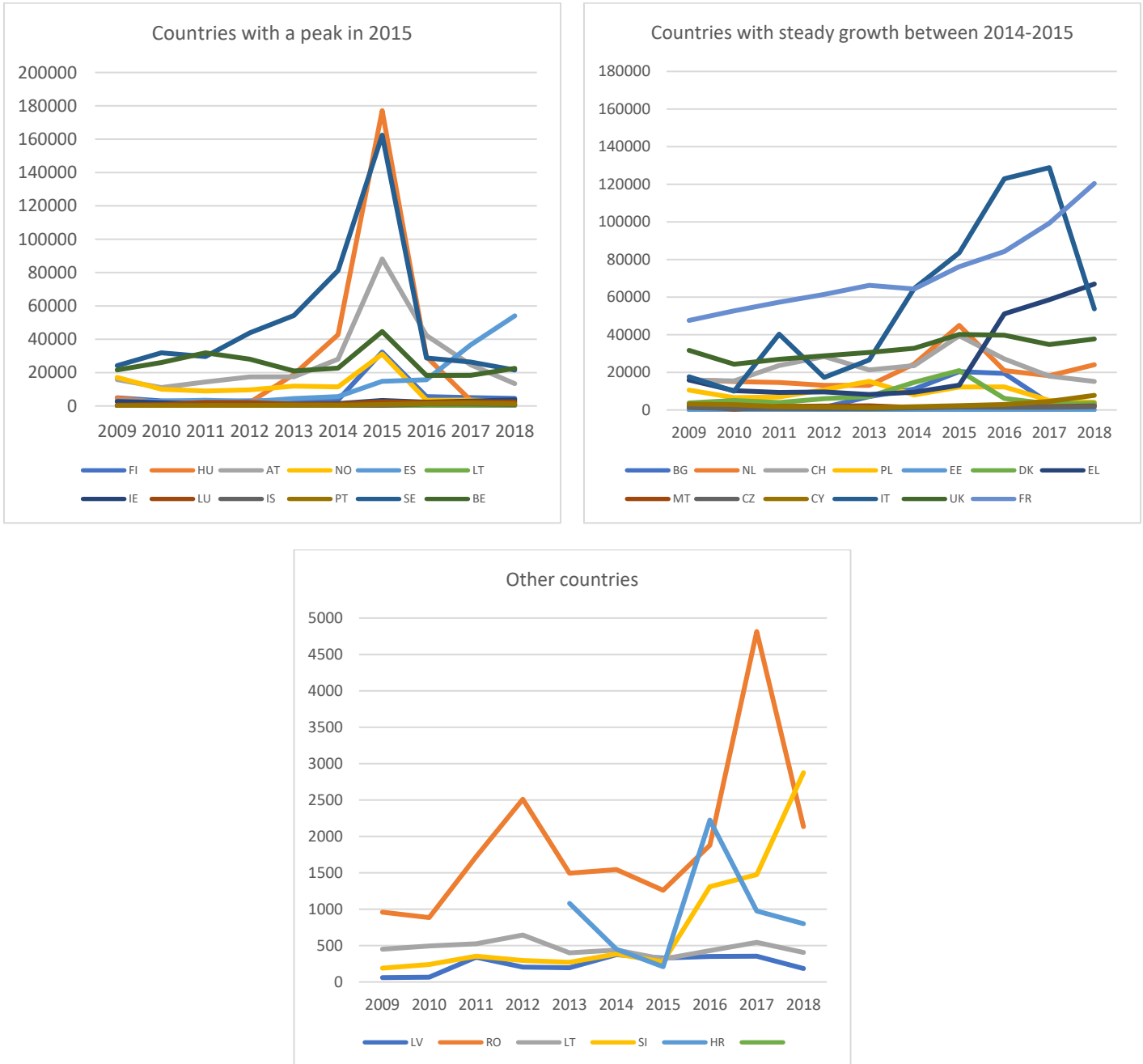


Source: Eurostat (2019) (data code [migr_asyappctza])

The Arab Spring generated a first peak in Italy and to a lesser extent in France in 2011. Apart from Germany, 2015 accounted for a strong peak for Hungary and Sweden – as well as Austria, where numbers were lower in absolute terms but tripled between 2014 and 2015. For some other countries, e.g. in Italy, France and Greece, the number of applications have increased more gradually since 2016, as a consequence of a growing number of refugees and migrants crossing the Mediterranean via the Central Mediterranean route after the EU-Turkey agreements, although it declined in 2018 after agreements with Libya and Northern African and Sub-Saharan countries. In Greece, and to some extent in Italy, this increase in numbers is also partly due to the hotspot initiatives which have encouraged registrations, while before registrations were not systematically carried out. Other countries, such as

the Baltic States and Eastern EU Member States, have low volumes of applications and a limited interest to be chosen by asylum seekers as destination countries to date. The following graphs show these evolutions.

Figure 3.6: Evolution of the total asylum applications in the EU and EFTA (2009-2018) – countries with a peak in 2015 v. countries with steadier growth



Source: Eurostat (2019) (data code [migr_asyappctza])

Certain countries are more attractive than others. After rejection, asylum seekers are known to apply again in these highly attractive destinations.

The Dublin Regulation aims to determine the Member State responsible for an asylum claim and provides for the transfer of an asylum seeker to that Member State. Asylum applicants and irregular

border-crossers over the age of 14 have their fingerprints taken. These are sent in digitally to the European Dactyloscopy (Eurodac) fingerprint database, a central unit at the European Commission, and automatically checked against other prints on the database. This enables authorities to determine whether asylum seekers have already applied for asylum in another EU Member State or have illegally transited through another EU Member State.

In operation since 2003, Eurodac is the EU asylum fingerprint database. The system provides the fingerprint evidence, by comparing fingerprint datasets, to determine the Member State responsible for examining an asylum application made in the EU. The year 2016 was the first full year of operations for the system. The fingerprints remain in the database for ten years. During the early years of the system, Germany was the only country making use of it. Consequently, there is an overrepresentation of Germany in the data. This bias will decrease and completely disappear by 2026 as more countries are using the system. The origin/destination matrix of category 1 data, which represents applicants for international protection aged 14 or older, was used to represent flows between countries (Figure 3.7).

Box 3.1: Eurodac regulation and asylum seekers' movements in brief

Movements of asylum seekers and irregular migrants within the EU are difficult to be monitored since there are no systematic controls between the Schengen countries and these movements are mostly outside the EU legal framework. In this sense the Eurodac system could be a powerful tool to trace and analyse the movements of asylum seekers and irregular migrants since it is able to match through the fingerprint data the movement of asylum seekers and associate separate asylum requests lodged in different countries to the same individual.

Category 1 data are, as specified in Article 9(1) of the Eurodac Regulation, the fingerprint sets of every applicant for international protection, aged 14 or older, who lodges an application in a Member State. These biometric data are stored in the Eurodac, centrally managed by eu-LISA, and are searched against the records of Category 1 and Category 2. This measure is mandatory, but still it is acknowledged that many countries fail to meet this legal obligation.

Category 2 data, as specified in Article 14(1) of the Eurodac Regulation, are the fingerprint sets of every third-country national or stateless person, aged 14 or older, who is apprehended by competent control authorities in connection with irregularly crossing by land, sea or air of the external border of a Member State, having come from a third country, and who is not turned back. These biometric data are stored in the Eurodac, centrally managed by eu-LISA, but are not searched against other records. This measure is mandatory, but still it is acknowledged that many countries failed to meet this legal obligation.

Category 3 data, as specified in Article 17(1) of the Eurodac Regulation, are the fingerprint sets that a Member State may transmit to Eurodac to check whether a third-country national or a stateless person, aged 14 or older, found illegally staying within its territory has previously lodged an application for international protection. These biometric data are not stored in the Eurodac, centrally managed by eu-LISA, but are only searched exclusively against records of Category 1. This check is not mandatory, and it may be done if the individual declares to having lodged previously an asylum requests and some other cases. The regulation leaves a high level of discretion to the law enforcement authority, hence fingerprints for illegal stay from Eurodac data cannot be used as a reliable proxy for illegal stays of asylum seekers.

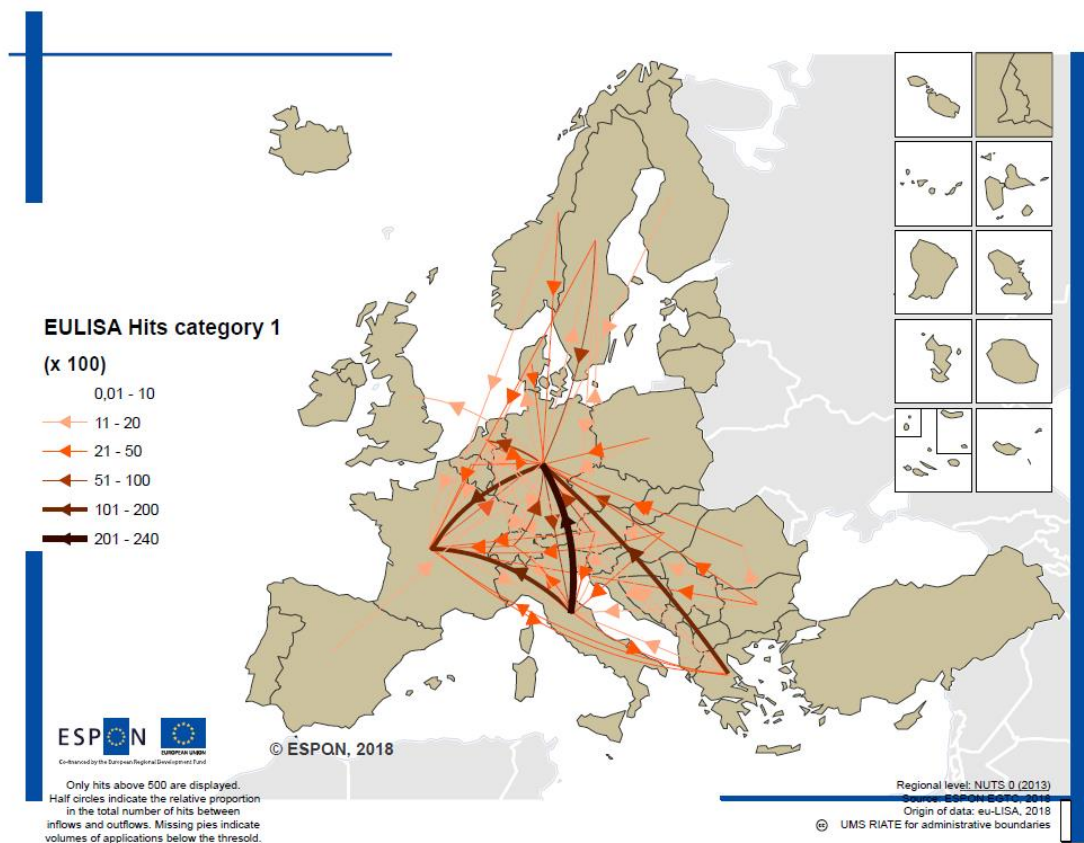
Germany received a high number of asylum seekers who had previously lodged an application in Italy (24,067) and Greece (12,189). France received a high number of international protection seekers who previously lodged an application in Germany (15,198) and in Italy (13,782). This indicates that certain countries (Germany, France and the UK) are used as fall-back options in case of rejection.

There is a pattern in the direction of asylum seekers who lodged an application on arrival in an EU Member State such as Italy, Greece, Poland and Hungary, and then moved to a destination country such as Germany where they lodged a new application. The implementation of the Dublin Regulation generates considerable relocation flows in the opposite direction of the subsequent applications: from

destination countries to countries of entry in the EU, that are already confronted with new arrivals. With the progressively better performance of the Eurodac system, the relocation to these arrival countries is becoming increasingly efficient and thus more likely to further exacerbate the situation in the arrival countries.

The more general use of the Eurodac system and the higher efficiency of fingerprint screening, along with the increased relocation flows towards the arrival countries, are likely to continue in the future. Over the years the Eurodac regulation has not been applied systematically in all the European countries and only a part of the fingerprints related to irregular border crossings and asylum applications have been stored. While the chance of success remains, asylum seekers will continue to take a chance with multiple applications.

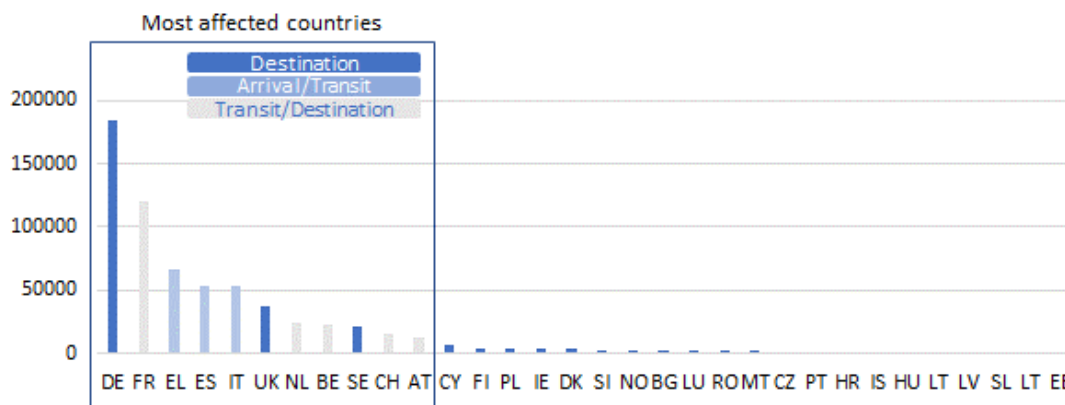
Figure 3.7: Relation between EU countries of first and second application (based on eu-LISA category 1 foreign hits), 2017



Source: own elaboration based on Eurodac eu-LISA statistics (2017)

Differences also exist among countries in terms of their position in the expected pathway of asylum seekers and refugees. Figure 3.8 below illustrates how the top EU Member States in receiving asylum requests in 2018 differ with respect to the intentions of the applicants. Some countries are main destinations for refugees, while others serve mainly as arrival and transit countries, although for a range of reasons they might also end up as unintended final destinations.

Figure 3.8: Differences in characteristics of inflows across main countries (2018)

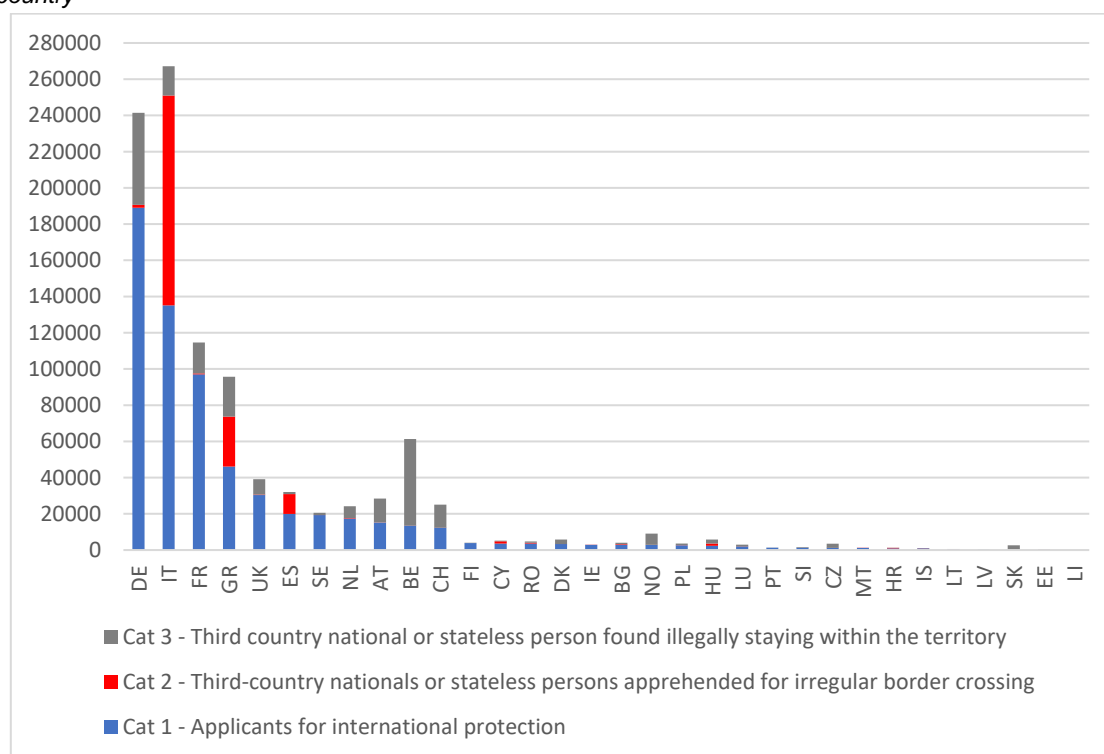


Source: Eurostat (data code [migr_asyappctza] (2019)

It should be noted that the distinction operated among countries/regions of arrival, transit and destination may be relatively fluid as, due to a number of circumstances, the actual paths of mobility of asylum seekers across and within countries may be different from their initial ambitions and expectations. Although certain countries, regions and cities are undoubtedly viewed as final destinations for asylum seekers, in fact, it should be therefore noted that any city, region or country of arrival may potentially become *de facto* a destination, at least in the short- to medium-term, given that asylum seekers are expected to remain in arriving countries for a certain period of time prior to receiving formal refugee status. Asylum seekers could also attempt to move to other countries than those of arrival, even if they are not legally allowed to do so, and in this case they may attain an irregular status in countries (of arrival or transit) that may not be their preferred choice of destination.

This said, it is clear that Germany, Sweden and the UK are generally considered countries of destination for asylum seekers, as they are expected to offer good support services, access to the job market and social security measures (see Annex 1). Italy, Spain and Greece are instead countries where a high number of asylum seekers enter after crossing irregularly an external border – as indicated by Eurodac eu-LISA statistics (see the figure below). The same countries are also the ones through which asylum seekers move to other destinations (e.g. UK through France and Spain, and Germany through Italy and Greece).

Figure 3.9: Number of fingerprints records created, modified or searched in the Eurodac Central System in 2017 by country



Source: Own elaboration based on Eurodac eu-LISA statistics (2017). “Applying after irregular cross-bording” refers to Category 2 data as per Article 14(1) of Eurodac Regulation.²⁰ “Other applicants” refer to Category 1 data as per Article 9(1) of Eurodac Regulation.²¹

Patterns within countries and across regions (NUTS2)

The distribution of asylum seekers across European territories reflects their relation with countries of arrival, transit and destination. This section provides an overview of such territorial distribution both in relative and absolute terms based on data from 2016²² (a year with regional data available across a significant sample of European countries), as well as a preliminary explanation of such distribution based on the case study findings.

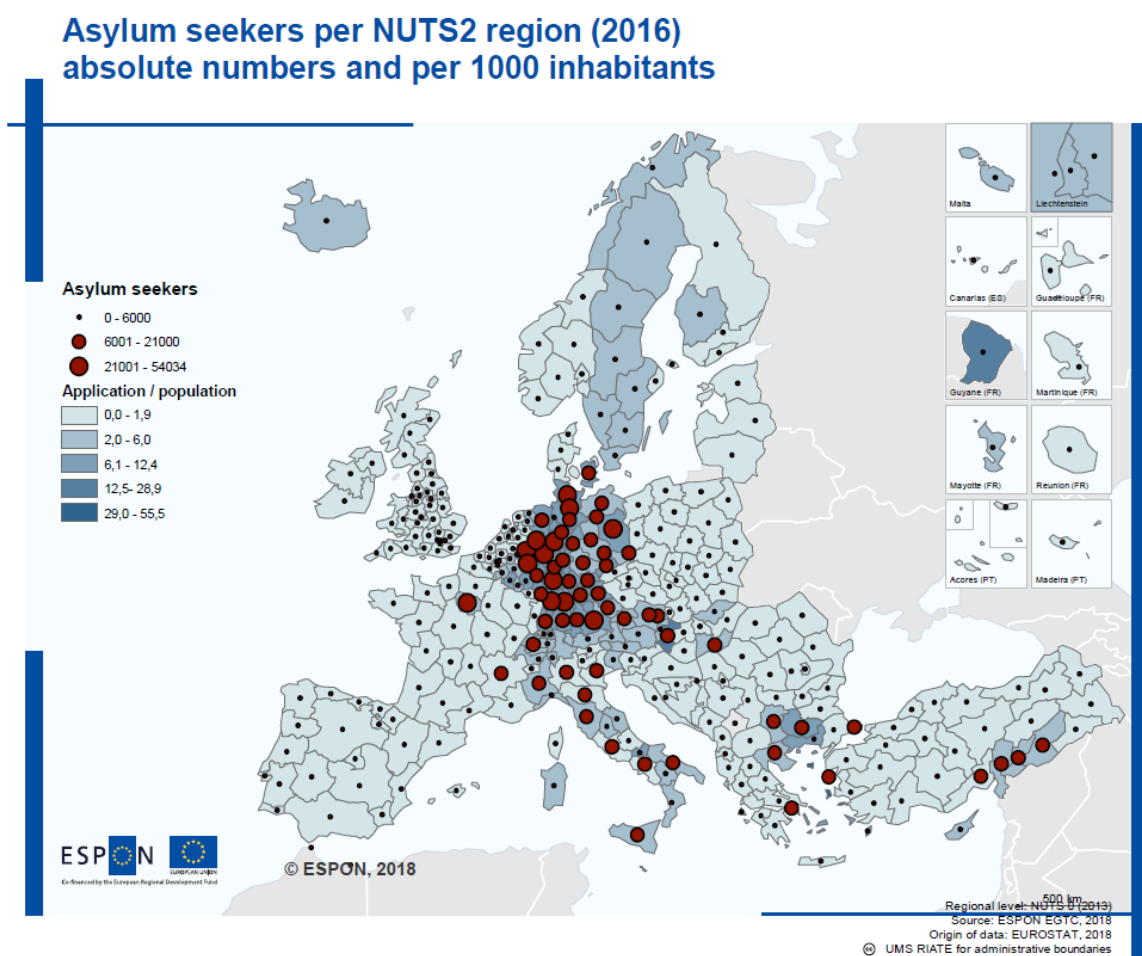
Figure 10 represents the distribution within countries, and is useful for identifying regions with high numbers of asylum seekers and/or regions with high proportion of asylum seekers per inhabitant.

²⁰ Third country national or stateless person of at least 14 years of age who is apprehended by the competent control authorities in connection with the irregular crossing by land, sea, or air of the border of that MS having come from a third country and who is not turned back.

²¹ Applicants for international protection of at least 14 years of age.

²² The data were obtained from estimates and extrapolations based on multiple primary and secondary sources as described in Annex of the Interim Report.

Figure 3.10: Asylum applications across NUTS2 regions in selected countries, absolute numbers and per 1,000 inhabitants 2016



Source: own elaboration based on country-level data from country research

In 224 of the 330 NUTS 2 (67%) regions represented on the map, the proportion of asylum seekers is less than 2 per 1000 inhabitants, and 86% less than 6 per 1,000. In Voreio Aigaio (55.5), Ciudad Autónoma de Melilla (29), Guyane (20.6) the higher numbers seem to be mostly related to their specific location as transit areas. One region in Hungary (Nyugat-Dunantul) is the fourth in terms of densities (17.7 per 1,000), followed by 20 regions in Germany and the province of Luxembourg in Belgium (due to a large reception centre) around 10 per 1,000 inhabitants. The regions around the Aegean Sea (Bulgaria and Greece) also show higher densities due to their position of entry point. Most Italian and Swedish regions are in the category of 2-6 refugees per 1,000 inhabitants.

In terms of absolute numbers, highest numbers are in destination countries, especially in Germany with Düsseldorf, Cologne, Arnsberg, Oberbayern, Darmstadt, Berlin and Stuttgart each accounting for more than 35,000 asylum applicants. France follows, with the regions accounting for the highest number of asylum seekers being the capital region of Île de France (26,400 applicants) and Rhône-Alpes (8,300 applicants). In Sweden, the asylum applicants are more widely distributed, with higher numbers in the regions of West Sweden (region of Gothenburg), East Middle Sweden (region of Uppsala) and Stockholm accounting, respectively, for around 5,200, 4,700 and 3,800 applicants.

An observation that emerged from the case studies is that many asylum seekers move to industrial areas with a large job market, where there are large companies, providing low-skilled jobs. The majority of immigrants in Baden-Württemberg, the subject of the German case study, for instance, lives in the industrial conurbations of the Bundesland. In Sweden, there is a high concentration of asylum seekers in the area that has been analysed in the case study city, Södertälje. This city of around 70,000 inhabitants accepted more Iraqi and Syrian refugees than the US and UK combined in 2015. At the same time, this city is a major industrial centre, home to Swedish truck maker Scania and British multinational pharmaceutical company AstraZeneca; the city is also close to the country's capital, Stockholm.

This is in line with the idea that **socio-economic situation in countries of destination** create a strong pull factor. Not accidentally, it is Germany and other wealthy countries that receive higher number of applicants than less wealthy European countries. In Sweden, for example, asylum seekers seem to be more densely located in Southern regions (which also correspond to the most dynamic part, comprising a younger population and more employment opportunities). In France, asylum seekers are concentrated in the capital region (Île de France), regions with dynamic economic growth (Rhône-Alpes and Pays de la Loire) and the border regions with Italy and Spain (Provence-Alpes-Cote d'Azur and Aquitaine). For the region of Provence-Alpes-Côte d'Azur (PACA), which was the subject of the case study, this means that asylum seekers concentrate in the big cities of Marseille and Nice. In Spain, asylum seekers are concentrated in the capital region of Madrid. In general, asylum seekers tend to move towards more economically dynamic regions (as shown in France, Spain, Germany, and to some extent Italy with the Lombardy, Lazio and Piedmont regions), and large urban areas. As shown in the Spanish case study, during the five years prior to the economic crisis that began in 2007, the Basque Country (which was the subject of the case study) experienced an unprecedented wave of international immigration, including asylum seekers. They were attracted by the vigorous growth of the Basque economy based to a large extent on the high demand for flexible and low-skilled labour.

However, there are a number of additional factors which make some Member States more attractive to asylum seekers than others. Ultimately, **family and other social ties, language skills, existing past relations with a country** are essential reasons to choose one country (or region within a country) over another.²³ The **presence of diasporas** also plays a role. In France, for instance, the case study shows

²³ There is a broad literature on pull factors and why one country is preferred as a destination country over another. See for example: Neumayer, Eric (2004): Asylum Destination Choice: What Makes Some West European Countries More Attractive Than Others?; Koser, Khalid / Pinkerton, Charles (2002): The social networks of asylum seekers and the dissemination of information about countries of asylum at: Online unter: <http://www.homeoffice.gov.uk/rds/pdfs2/socialnetwork.pdf>; Robinson, Vaughan / Segrott, Jeremy (2002). Understanding the decision-making of asylum seekers at: <http://www.homeoffice.gov.uk/rds/pdfs2/hors243.pdf> ; Crawley, Heaven: Chance or Choice? Understanding why asylum seekers come to the UK, at: <http://stillhumanstillhere.files.wordpress.com/2009/01/rc-chance-or-choice-january-2010.pdf> ; see also the list of literature on pull and push factors collected by EASO at: <https://www.easo.europa.eu/push-and-pull-factors->

that Paris and its suburbs, as well as the PACA region, are the areas where refugees and asylum seekers tend to stay, not only because of social opportunities but also because of the social network. It should also be noted that there is some circularity that reinforces this phenomenon. Diaspora can be an attracting factor, but this mainly occurs in the bigger migration countries that host already diasporas while other countries such as EU countries in the east have less migration and thus not so active diaporas.

Another factor is the area's **position on the migration route**. In Greece, for instance, there is a strong difference between distributions of asylum seekers across the territory. In 2018, asylum seekers were mainly registered in four regions: the Northern Aegean/Voreio Aigaio region (42%), the Attika region (22.3%), the East Macedonia and Thrace region (11.6%) and the region of Central Macedonia (11%). The area of Central Macedonia, in particular the region of Kilkis, which formed the subject of the case study and which is located along the border of Greece with North Macedonia, was heavily affected by a large influx of refugees transiting through Greece on the way to other EU countries.

Similarly, both Hungary and Serbia were severely affected by the migrant crisis due to their geographical position on the Balkan route. One of the measures taken by the governments of these countries in response is that since 2016, asylum applications can only be made in Röszke or Tompa (two villages on the South-Hungarian border and the subject of the case study) transit zone, and only a very small number of asylum seekers can apply during office opening hours (around two applications per day are currently being processed). The highest numbers in Turkey are near the Syrian border, and in the regions near the EU border, and this is clearly due to the geographical location of the place on a popular route taken by asylum seekers.

In Flanders, the subject of the Belgian case study, there are two typical destinations for asylum seekers: the large cities and the border regions receiving mostly immigrants from neighbouring countries. Similarly, the proportion of foreign nationals is highest in Graz, the capital of the province Styria, at the border with Hungary, where over 20% of the population is foreign-born.

This can result in large differences among cities and regions, e.g. in Greece or Italy. In other countries, the distribution is more balanced. In Romania, Bucharest was the subject of the case study. This capital city has traditionally dominated migration flows for a long time. However, other regional centres (e.g. Cluj-Napoca and Iasi) have become more prominent when these regions experienced economic growth. As a result, areas of immigration seem to have become more evenly spread in Romania.

The regional distribution also reflects the effect of **national redistribution policies** (e.g. Italy, Germany, Ireland, United Kingdom) as further discussed in Chapter 3.2. Ireland has a specific distribution policy in place known as Direct Provision: once an application has been lodged, asylum applicants are dispersed across 37 different accommodation centres in the country until a decision on their status has been taken. Evidence shows that the majority of refugees tend to settle in the location where they have

database; A summary of the literature and different factors also can be found at: Poppy James and Lucy Mayblin (2016): Factors influencing asylum destination choice: A review of the evidence.

resided in Direct Provision. The subject of the case study, Limerick, is an important recipient of asylum seekers under the Direct Provision system, accounting for 7.6% of the total Direct Provision population in the country (450 people living in three Direct Provision centres, including about 50 children). In Italy, the regular resident population tends to concentrate in some regions (such as Lombardy, especially its capital Milan, which was the subject of one of the case studies), while newly arrived people who participate in the SPRAR reception system tend to be dispersed across the national territory with eight regions hosting at least 7% of the total migrants in reception centres (Lombardy, Campania, Latium, Emilia-Romagna, Piedmont, Veneto, Sicily and Apulia). On the other hand, Sicily (the subject of another case study) is an arrival region and migrants landing on Italian shores rarely decide to settle there. Usually they prefer to reunite with their families in other EU countries, to move towards more economically dynamic regions (Lombardy, Lazio, Piedmont) and large urban areas, or to reach a country where at least they are familiar with the spoken language.

The findings from the case studies largely confirm what has been discussed in this section, namely that the distribution of asylum seekers across European territories reflects the status of the different regions as arrival, transit or destination areas and that, in general, asylum seekers tend to move towards more economically dynamic and economically developed regions, often the capital and other metropolitan regions. At first, asylum seekers live in arrival areas, after which they tend to move to destination areas, which are more economically dynamic and economically developed, providing jobs on the local labour market.

These patterns suggest more clearly the routes of asylum seekers, and the extent to which flows across countries may put pressure on respective border regions, potentially resulting in political tensions. Also, they point out that some regions and countries are performing better and are attracting a higher density of asylum seekers. The interplay between the volumes of asylum seekers (and refugees) and the absorption capacity of the local destination (in terms of social inclusion and labour opportunities) results in different outcomes and possible tensions within and across countries. Before focusing on the details, it is important to assess the type of policy – reception and social inclusion – available across European countries. The features of such policies are a key factor in mitigating negative impacts and fostering positive results (Chapter 5).

3.2 Asylum seekers: characteristics and differences

This section reflects on the main characteristics of asylum seekers and refugees regarding their socio-demographic features. This profiling is the first essential step to go beyond numbers of stocks and flows and look at the complex interplays between individual features, characteristics of different territories (Chapter 4), as well as policies and practices at national and local level which may or may not be conducive to integration (Chapter 5).

3.2.1 Asylum seekers and refugees socio-demographic features

Asylum seekers first of all are not a coherent group. They come from very distinct socio-cultural backgrounds and a wide range of countries of origin. Generalisations are, therefore, not possible. The composition of such groups in terms of age, gender, and even skills and abilities change from country to country depending on a number of parameters, e.g. whether they come from one route or another,

or even simply on the basis of their social status and nationality. In this respect, a clear difference across countries emerges if looking at the composition of asylum seekers in each country, in terms of age, gender, skills and capabilities, as well as the intention they have with respect to remaining in one country or moving on elsewhere before or after the asylum request has been processed.

Unfortunately, after the study's in-depth review of existing secondary data sources across European countries, it can be confirmed that specific data on the characteristics of asylum seekers and refugees within individual countries – besides age, gender and country of origins – are largely lacking (particularly for skills, education and employability). The findings from the performed case studies confirm this. Some studies have been conducted on the profile of refugees and asylum seekers but they usually rely on a small sample of this population. In the area of Limerick for instance, a 2008 study conducted by a local NGO²⁴ found a **high engagement in education and higher education by refugees in Limerick, as well as a good knowledge of English**. While many of the participants of that study were currently, or had previously completed further education in Limerick, a number of them (33% or 20 people) had also been engaged in the labour market and 13% of them (eight people) were in full-time employment – six in manufacturing industries and two employed in a customer service call centre. More recent figures have shown that employment had not much evolved, with only six families out of 20 from the 2017 resettlement cohort having found employment a year and a half after arriving in the city.

It is, therefore, essential to rely on certain proxies and make a number of assumptions in order to extrapolate from existing information. This chapter provides an overview of the type of data available and possible proxies to be used when making assumptions on different characteristics of asylum seekers and refugees across migration routes in Europe.

To illustrate how characteristics of asylum seekers groups may vary across countries, the age and gender composition of five among the top EU countries in terms of applications received are briefly reviewed below. Countries are grouped by whether they are mainly used as a destination (Germany and Sweden), a place of arrival/transit (Italy and Greece) or a mixture of the two (France).

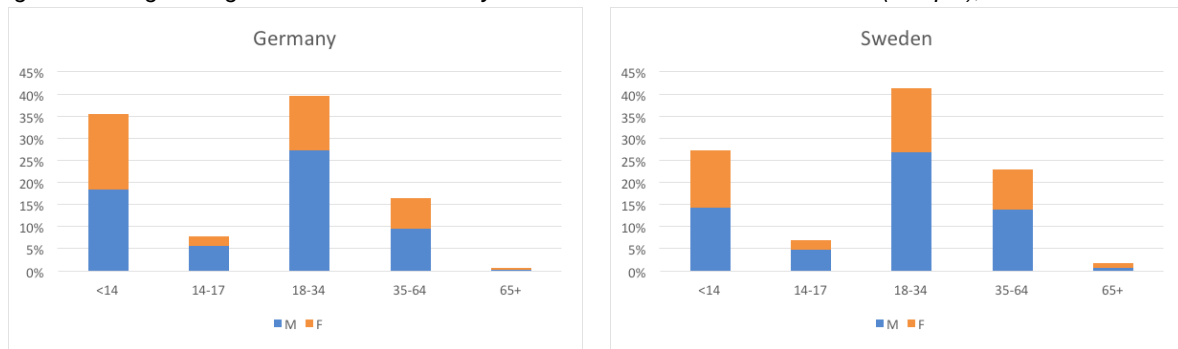
In **Germany** the age and gender distribution of asylum seeker is fairly balanced in comparison to other EU and EFTA Member States. The two largest age groups are the 18-34 year olds (almost 40%) and the minors aged below 14 (35%). Women represent almost 39% of the asylum seeker population. The high percentage of women and children suggests that asylum seekers arriving in Germany are often accompanied by their families including children.

In **Sweden**, the largest age group is also the 18-34 year olds (41%), followed by children aged below 14 (27%) and the population aged between 35 and 64 (23%). As for Germany, Sweden has a relatively balanced number of children and women – and with a slightly higher proportion of older people than

²⁴ Helen O' Grady (Doras Luimni) (2008). Barriers to the Labour Market for Refugees and Persons with leave to remain in Limerick. Available at: <http://dorasluimni.org/wp-content/uploads/pdf/publications/barrierstolabour.pdf>.

Germany – that suggests that asylum seekers arriving in Sweden are often composed of families, including children.

Figure 3.11: Age and gender distribution of asylum seekers in destination countries (sample), 2017²⁵



Source: Eurostat (2018)

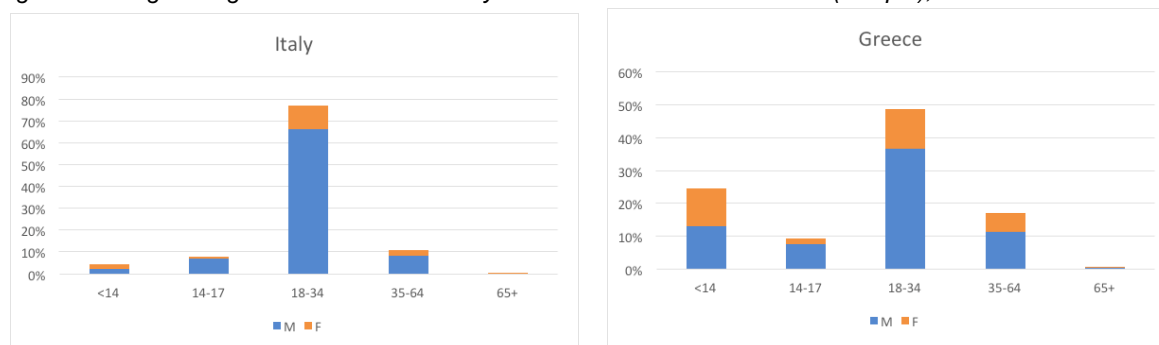
Looking at countries of arrival, each country has a specific distribution of individual asylum seekers across gender and age, depending on the type of nationalities they receive.

Asylum seekers arriving in **Greece**, for example, are not substantially different from those in Germany and Sweden. They are mostly aged 18-34 (49%) with a relatively significant proportion being children aged below 14 (25%). This trend can be explained by the fact that Syrian citizens constitute the largest group of migrants arriving in Greece and that this population is often whole families, including children, as mentioned above. As in the rest of the EU and EFTA countries, asylum seekers are more likely to be men (68%) than women (32%).

Unlike all other countries mentioned, Italy has a very unequal age and gender distribution. The dominant age category is the one between 18 and 34, representing 68% of the asylum applicants. Males represent 84% of the asylum seekers, implying that Italy receives predominantly single young males rather than families.

²⁵ Full data set for 2018 is not available.

Figure 3.12: Age and gender distribution of asylum seekers in arrival countries (sample), 2017

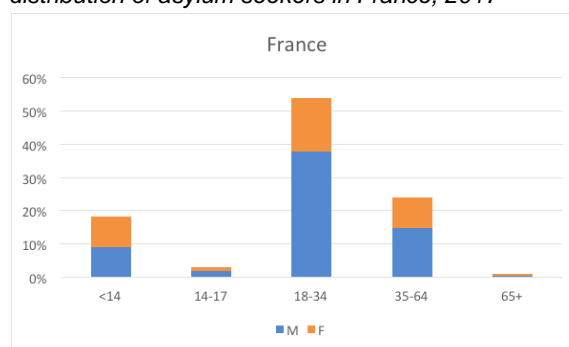


Source: *Ibid.*

Other countries that are both places of transit and destination show a range of patterns, depending also on the route in which they are positioned. Asylum seekers arriving in **France**, for example, are mostly aged between 18 and 34 (54%), or children below 14 (18%)²⁶. It should be noted that the number of children aged below 14 has considerably increased between 2015 and 2017. This may indicate an increase in the number of families after 2015, although the current percentage is still much lower than those of other countries discussed above (with the exception of Italy). This aspect might suggest that the Mediterranean route is less favourable to families than the Eastern Mediterranean route, probably because it is more dangerous. As emphasised by Galos et al. (2017), migrants travelling along the Central Mediterranean route are reportedly more vulnerable to exploitation and human trafficking than migrants travelling on the Eastern Mediterranean route.²⁷ Further, the profiles of migrants and the characteristics of the journey on each route explain some of the difference in vulnerability.

The gender balance of asylum seekers is then in accordance with the general trend in the EU and EFTA countries, with a larger share of men (63%) than women (37%).

Figure 3.13: Age and gender distribution of asylum seekers in France, 2017



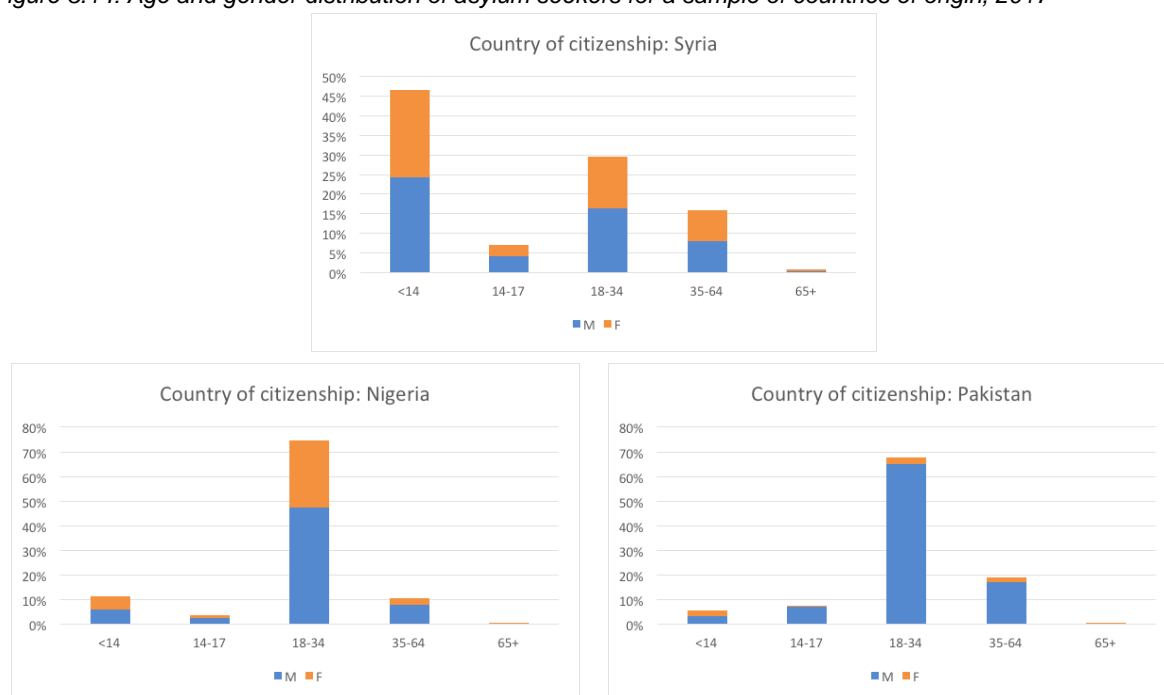
Source: *Ibid.*

²⁶ UASCs. UASCs are treated separately in a different dataset.

²⁷ Galos, E., L. Bartolini, H. Cook and N. Grant (2017) *Migrant Vulnerability to Human Trafficking and Exploitation: Evidence from the Central and Eastern Mediterranean Migration Routes*. International Organization for Migration (IOM): Geneva.

The composition of the 'stock' of asylum seekers (and refugees) within each country is an essential variable for the challenges and opportunities in the integration of such individuals within the local communities. To give a very brief overview, the social groups range from balanced distribution among age and gender for Syrian asylum seekers and refugees to predominantly young male communities of Nigerians or Pakistanis. Importantly for further analysis, as gender/age/skill composition is strongly related to the country of origin of certain communities, the origins of asylum seekers and refugees could be considered a reliable proxy for the gender/age/skill composition of inflows and stocks across European territories.

Figure 3.14: Age and gender distribution of asylum seekers for a sample of countries of origin, 2017



Source: *Ibid.*

The spatial distribution of the origins of asylum seekers across European territories shows major differences among the EU countries. All the countries attract asylum seekers from many different countries. In order to visualise the differences in spatial distribution, only the top 10 countries of origin and the top 10 application countries were selected (see the table below). The inflow to Germany is the highest from most countries of origin, except Nigerians and Pakistani, who are more numerous in Italy. Sweden has a very large inflow of Syrians, and a large inflow of Afghans. This is also the case in Austria and Hungary, with Hungary also having a large inflow from Kosovo*. Some other countries, such as France, the United Kingdom, Belgium and Switzerland do not have dominant asylum seeker country of origin.

Looking from the perspective of countries of origin, the largest numbers of Syrian refugees are in Germany, Sweden, and to some extent also Hungary, Austria and Greece. Afghan inflow is similar to Syrians, except for Greece, where they are less numerous. Iraqi, Serbians, Russians, Albanians, Iranians and Eritreans are mainly in Germany, while Nigerians are the dominant refugee group in Italy.

The reasons for these differences are mainly connected with the geographical locations, travel routes and other reasons to choose one country over the other (see above the referral to the literature on 'pull factors'). It may also reflect that some countries are more attractive to asylum seekers from different regions, due to a common language and/or a shared history, usually along with a large diaspora (Haitians in France, Bangladeshis in the United Kingdom, etc.).

Table 3.1: Countries of origin of asylum seekers in the top 10 destination countries, 2017

Origin → Destination ↓	Syria	Afghanistan	Iraq	Pakistan	Russia	Eritrea	Nigeria	Kosovo*	Serbia	Somalia	Albania	Iran
DE	551,120	222,110	199,100	44,930	54,515	60,205	36,380	67,850	117,000	37,850	87,995	64,725
FR	19,285	19,535	11,170	14,965	40,930		12,990	35,730	10,860		35,920	
IT		19,150		52,675		22,295	104,540			17,330		
SE	119,645	66,000	43,195			33,975		10,450	19,195	41,450		14,845
UK	11,740	20,165	13,770	32,720		14,860	12,945				11,340	28,395
HU	78,270	73,370	14,420	23,445				54,860				
AT	52,860	61,300	21,600	12,075	24,330							10,430
BE	22,340	28,075	22,220		20,450			13,300	10,020			
CH	17,940	18,235				42,230	14,920					
EL	50,430	22,135	17,270	36,455								

Legend:

> 200,000
100,000 – 199,999
50,000 – 99,999
10,000 – 49,999

Source: own elaboration based on Eurostat migration statistics (2018)

3.2.2 Asylum request rejections and irregular status

A particular challenge is posed in some countries by those asylum seekers whose request has been rejected but they were not returned (because it proved impossible or the person absconded). Such individuals have often no legal access to employment opportunities and, at the same time, may not be supported by any sort of welfare policy, making their living conditions extremely precarious. When they remain in Europe, many of them irregularly, they disappear from the statistics unless they are apprehended by the police or apply for asylum in the same country or in another one and are identified through their fingerprints (eu-LISA).

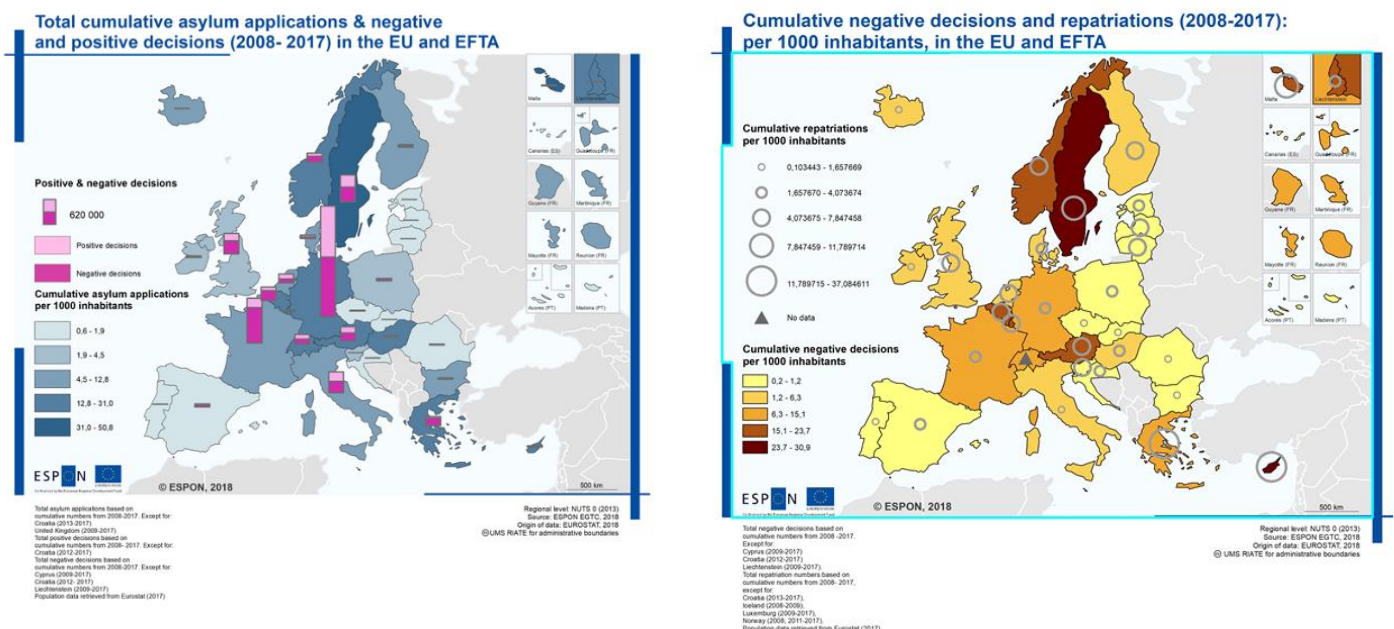
Box 3.2: Illegal stays in Eurodac system

In 2017, Belgium (10th country for number of asylum application according to Eurodac) sent to the eu-LISA 47,819 fingerprints records in order to be checked against the records related to asylum application. In the same year, Germany sent a slightly higher number of fingerprints records, 50,814. France (3rd country for number of asylum application: Eurodac) sent just 17,041 fingerprints records related to individuals apprehended while staying illegally. The differences in the data among Member States suggests that the figures related to fingerprints sent for illegal stays cannot be taken as a reliable proxy for the number of illegal residents in a given country. In fact, this data is influenced by a number of factors related to the practices of the local law enforcement forces.

Figure 3.15 illustrates that the EU countries differ greatly in terms of positive and negative decisions. Of the countries with most applications, Germany, Italy and Sweden rejected around a half of the applications. France, the UK, Belgium and Greece had a higher proportion of negative decisions. Assuming that the likelihood of exacerbating negative perception from the local population increases when (proportional to the local population) large numbers of individuals stay irregularly in the country, the negative decisions per thousand inhabitants were compared with the number of repatriations per thousand inhabitants. In the Baltic countries (Estonia, Latvia and Lithuania), the proportion of repatriations is of the same magnitude to the proportion of negative decisions.

In this case, the assumption is that the refugee policy is not contributing to a problem of people living irregularly. In Greece, a large number of negative decisions is accompanied by even larger number of repatriations. It is assumed that the large number of people living irregularly – and the negative perception that goes with it – is not mainly due to the asylum policy, but rather to irregular migration.

Figure 3.15: Applications, negative decisions and repatriation across EU and EFTA, 2008-2017



Source: own elaboration based on Eurostat migration statistics (2018)

The case studies show indeed that irregular migration had brought many challenges in the areas considered. In Serbia, the strategy for combating irregular migration for the period 2018-2020²⁸ underpins challenges related to migrants and their flow – i.e. to the number and structure of migrants in terms of status (share of irregular in the total number of migrants) and related risks (smuggling, trafficking in human beings and other criminal offences), origin and destination (countries they come from and move towards) and vulnerabilities (children, unaccompanied minor children, women, victims of trafficking in human beings, etc.). The second group of challenges is related to requirements to adapt

²⁸ Ministry of Interior (2018). Strategy for combating irregular migration of the Republic of Serbia 2018-2022. Available at: <http://bit.ly/2GyZtSz>.

the legal and political frameworks to the variable characteristics of migration on the one hand, as well as to the change in the political situation in the region and further afield on the other. The strategy emphasises deterring migrants from illegal entry into the territory of Serbia, reception and protection of refugees, increased health and social support to vulnerable migrant categories, and combating migrant smuggling requires a reorganisation of competent services, additional training of employees, an increased number of implementers, procurement of advanced technologies to uncover the attempts of illegal border crossings, increased cooperation between the police and prosecutor's offices in the region, etc. All of these require significant financial, human and technical resources, and represent a significant challenge for Serbia, especially the city of Subotica.

In the French region of PACA, the case study highlighted a growing concern over the impact of the increasing presence of illegal asylum seekers in the area, due to increasing difficulties in obtaining legal status. This situation impacts on several issues, and in particular it increases the number of women who are at risk of exploitation or trafficking, each of them bearing specific and significant needs that are still insufficiently analysed and taken into account. The presence of irregular migrants without access to the regular labour market also reduces the impact of their potential to support the economy by enhancing expenditure on goods and consumption, for instance.

In Sicily, concern is raised by the possible involvement of organised crime in the management of irregular immigrants (533,000 in 2018). More specifically, the systematic increase of an available illegal workforce – due to migrants inflows irregularly entering Europe via the Mediterranean – has boosted criminal interests, especially those tied to agricultural crime gangs known as the 'agromafia'.

As Meuleman *et al.* (see Annex 1) point out, attitudes towards immigrants (including refugees and asylum seekers) are not fixed but may change over time. An improved management of reception and social inclusion support – for example, by reducing waiting times for decisions and/or allowing asylum seekers to participate in employment programmes – might be effective in shifting perceptions and improving understanding of the challenges faced by asylum seekers and refugees, both prior and after entering European countries, as shown in Chapter 5.

4 Socio-economic challenges and opportunities

4.1 A complex interplay: inflows characteristics, local performances and policy factors

As discussed in Chapter 3, the significant asylum seeker inflows of the 2014-2017 period generated a heated debate in the Member States about the impacts that refugees will have on host societies and on the appropriate policies to deal with the inflows. One crucial aspect of this debate is the extent to which countries can effectively facilitate the integration of asylum seekers and refugees into their labour markets as well as smooth their interactions with local communities.²⁹

It is worth remembering that on one hand, states have a legal obligation to grant refugees (and asylum seekers) certain rights (under the 1951 Convention Relating to the Status of Refugees³⁰, which all EU Member States have ratified, as well as the Charter of Fundamental Rights and the EU asylum aquis). On the other hand, inflows of people forced to flee from their countries of origin will continue in the future, although not very likely at the level seen in the recent years³¹ (see Chapter 3 and Chapter 6 for an analysis of future inflow scenarios). It thus becomes vital for local and regional policymakers to understand the needs and potential contributions of asylum seekers and refugees as well as local communities to turn the challenges into positive local effects. With political leadership, this may increase citizens' predisposition to accept future refugees inflows (including through the maximisation of their potential economic contribution³²) and potentially mitigate social and political tensions.

The socio-economic integration of refugees can be a source of economic, social, political and institutional stress in arrival, transit and destination territories (i.e. regions and cities). At the same time, (if well managed) it may provide an opportunity for improving the overall inclusion capacity in such areas, with indirect benefits for the broader population. Although the social tensions resulting from the asylum seekers on local communities is acknowledged in the analysis (Chapter 4.3), a well-managed, effective integration policy has nevertheless the potential to not only benefit asylum seekers and refugees, but also the regions themselves. For the former, it prevents poverty, skills attrition and can contribute to ameliorating the psychological distress often associated with the refugee experience.³³ For the latter, it implies potential contributions through taxes and skills, providing opportunities for indirect employment of local residents in public and private social care, and may allow for the

²⁹ Fasani F, Frattini T, Minale L (2017). (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe. CREAM CDP 16/17

³⁰ <https://www.unhcr.org/3b66c2aa10>

³¹ https://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_statistics

³² Bansak, Kirk, Hainmueller, Jens, Hangartner, Dominik, 2016. How economic, humanitarian, and religious concerns shape European attitudes toward asylum seekers. *Science*, 354(6309), 217–222.

³³ Porter, Matthew, Haslam, Nick, 2005. Predisplacement and postdisplacement factors associated with mental health of refugees and internally displaced persons: a meta-analysis. *J. Am. Med. Assoc.*, 294(5), 602–612.

repopulation and relaunching of more marginal areas experiencing demographic decline and acute need for labour³⁴.

The extent to which this win-win situation can take place depends in equal measures on the profiles of asylum seekers and refugees and the surrounding socio-economic and institutional context that shapes their opportunities and economic outcomes. In this chapter, these aspects of integration are analysed, using elaborations on the primary data on inflows presented in Chapter 3 and the disaggregation of secondary data sources based on the different socio-economic performances of the receiving regions.

The chapter is structured as follows: Section 4.2 assesses the absorption capacity (for a definition applied, see below in the following chapter) of European regions across different cohorts of refugees over time. It does so by regrouping European regions based on their socio-economic performances (clustering analysis) and specifically using EU NUTS 2 regions as a proxy for the broader diversity of European regions. The section also depicts the factors that have affected this absorption capacity, distinguishing between specific refugees' features and socio-economic (as well as institutional/policy) characteristics of European regions (aggregated across different types, or "clusters"). Section 4.2.1 builds on this analysis to estimate the potential returns of investments in the integration of asylum seekers and refugees in the short, mid and longer-terms. Section 4.3 further elaborates in a more qualitative manner on other relevant areas of challenges faced by local territories, communities and institutions when dealing with the inclusion of asylum seekers and refugees. Finally, Section 4.4 summarises the main elements and findings discussed in the chapter.

4.2 An economic viewpoint: performances in absorption capacity across regions

The absorption capacity of a territory – defined as the ability of a city, region or country to integrate asylum seekers and/or refugees in their labour markets and local communities – is a complex process and depends on a great number of factors (see Annex 1). If an economic point of view is considered, for example, at least three (independent) variables can be identified that affect this absorption capacity:

- Socio-economic performance of receiving territories, which shapes the quality and quantity of demands on the local labour markets;
- Mix of skills and qualifications of the incoming asylum seekers and refugees, which defines the extent to which they match the local demands;
- Policies (reception and active inclusion)³⁵ and systems (formal and informal institutions and role of local stakeholders)³⁶ effectively in place to maximise the 'matching' of the two previous factors (local demand and incoming supply of labour).³⁷

This section provides an insight into the extent to which absorption capacity varies across the different regions in Europe by building on the interplay of these three factors and the sources of data collected

³⁴ See https://static.nzz.ch/files/9/7/1/RefugeesSDN_1.18679971.pdf

³⁵ https://www.un.org/development/desa/family/wp-content/uploads/sites/23/2018/05/Robila_EGM_2018.pdf.

³⁶ https://sustainabledevelopment.un.org/content/documents/10792Chapter4_GSDR2016.pdf.

³⁷ https://www.eurodiaconia.org/wordpress/wp-content/uploads/2017/10/AI-1-2017_Building-up-Skills-for-social-inclusion.pdf.

throughout this study. It should be noted that the analysis builds on the most recently available datasets at the international and local level, as collected throughout the study activities. Further analysis of these patterns would benefit from additional disaggregated and multifaceted (comparable) local data, which is currently not available and should be promoted in order to allow for a strong analysis of those patterns in the future.

What is proposed in this chapter is, therefore, an indication based on the most reliable datasets collected at aggregated (EU) and specific (single region) levels, assuming that the resulting analysis can still provide valuable insights to policymakers and practitioners. The research team opted for a regional cluster analysis instead of a national-level study, as employment rates for refugees vary significantly across regions and even across municipalities within a country.³⁸

Importantly, a step taken in the analysis is the recognition that territories (regions, cities) and local communities are not the same across Europe – such differences still persist, but as a result of the recent global financial crisis the similarities among regions in the same country have increased as illustrated in Figure 4.1 below (i.e. socio-economic patterns of regions within a country have become more homogeneous than across countries)³⁹. In order to reflect such differences, in this chapter performance of such regions grouped by types is assessed. Such typologies have been identified by ‘clustering’ regions according to the most common socio-economic performance indicators⁴⁰, hence reflecting the dynamism of local economies and labour markets. As a result, six regional clusters have been identified⁴¹ as most representative of the different economies and resulting local labour markets across European regions.

Specifically, the following characteristics across the various clusters were identified:

- **Cluster 1** represents strong economically-performing metropolitan areas and financial poles, including Amsterdam, Dublin, Hamburg, London, Luxembourg, Oslo, Paris and Stockholm, along with the whole of Switzerland;
- **Cluster 2** represents highly innovative and growing regions, including some Scandinavian regions, southern Germany, Austria, Flanders (Belgium), the band of regions around London and the region of Helsinki;
- **Cluster 3** represents attractive (mainly) manufacturing regions, including central Scandinavia and Denmark, eastern Germany, the Netherlands and northern Italy;

³⁸ Bevelander, Pieter and Lundh, Christer, *Employment Integration of Refugees: The Influence of Local Factors on Refugee Job Opportunities in Sweden* (January 2007). IZA Discussion Paper No. 2551. Available here: SSRN: <https://ssrn.com/abstract=958714>.

³⁹ Papatheodorou, Pavlopoulos, (2014) "Income inequality in the EU: how do Member States contribute?", *International Journal of Social Economics*, Vol. 41 Issue: 6, pp.450-466, <https://doi.org/10.1108/IJSE-02-2013-0030>.

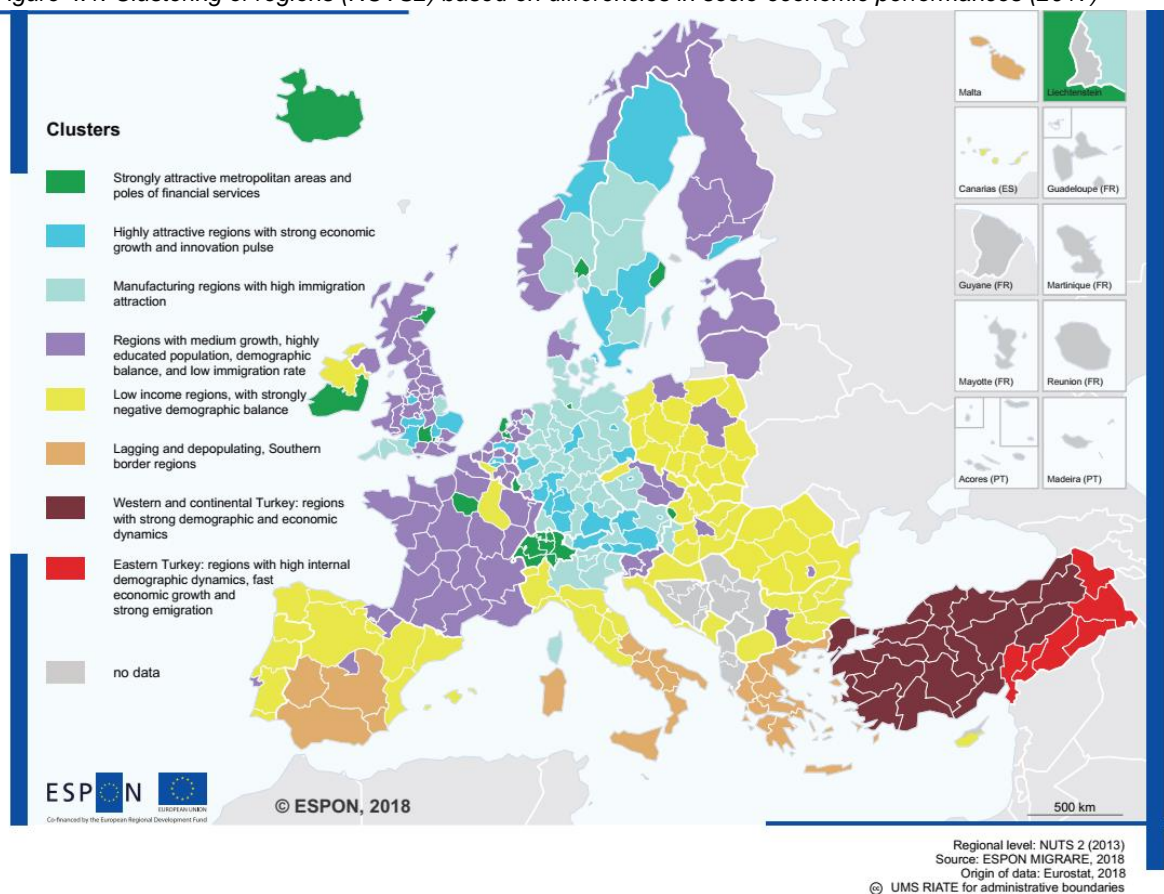
⁴⁰ The indicators are: total fertility rate, old dependency ratio, crude rate of natural population change, crude rate of net migration change, total unemployment rate, total employment rate, female employment rate, female unemployment rate, NEET rate, self-employment rate, total intramural R&D expenditure, population aged 30-34 with tertiary education, GDP growth rate, merged GDP (PPS/hab.). Please refer to Annex in the Interim Report for a more detailed analysis. Clusters 7 and 8 – regions in Turkey, are not selected since the 2014EULFS does not provide information on the country.

⁴¹ Annexes in the Interim Report provide further details on these clusters and the methodology adopted.

- **Cluster 4** represents EU average-growing, demographically balanced regions, including northern and central United Kingdom, France, Finland, Baltic countries and medium-sized capital areas, such as Brussels, Bucharest and Madrid;
- **Cluster 5** represents EU average-growing but increasingly depopulating regions, including northern Spain, central and western Italy, as well as Poland, Romania, Bulgaria (except for capital cities and large manufacturing poles);
- **Cluster 6** represents other relatively less-performing and depopulating regions, which include the southern borders of Europe facing the Mediterranean Sea.

The distribution of European regions across the various socio-economic clusters is visualised in the figure below. The hypothesis tested is that socio-economic performance is a strong predictor for the ‘absorption potentials’ of the different regions – i.e. the ability to ensure social inclusion of asylum seekers and refugees through access to local labour markets and employment over time.

Figure 4.1: Clustering of regions (NUTS2) based on differences in socio-economic performances (2017)



Source: Elaboration based on EUROSTAT

In line with the analysis, as shown by the figure above, the different clusters also coincide with different stages in the transit of asylum seekers and refugees across Europe:

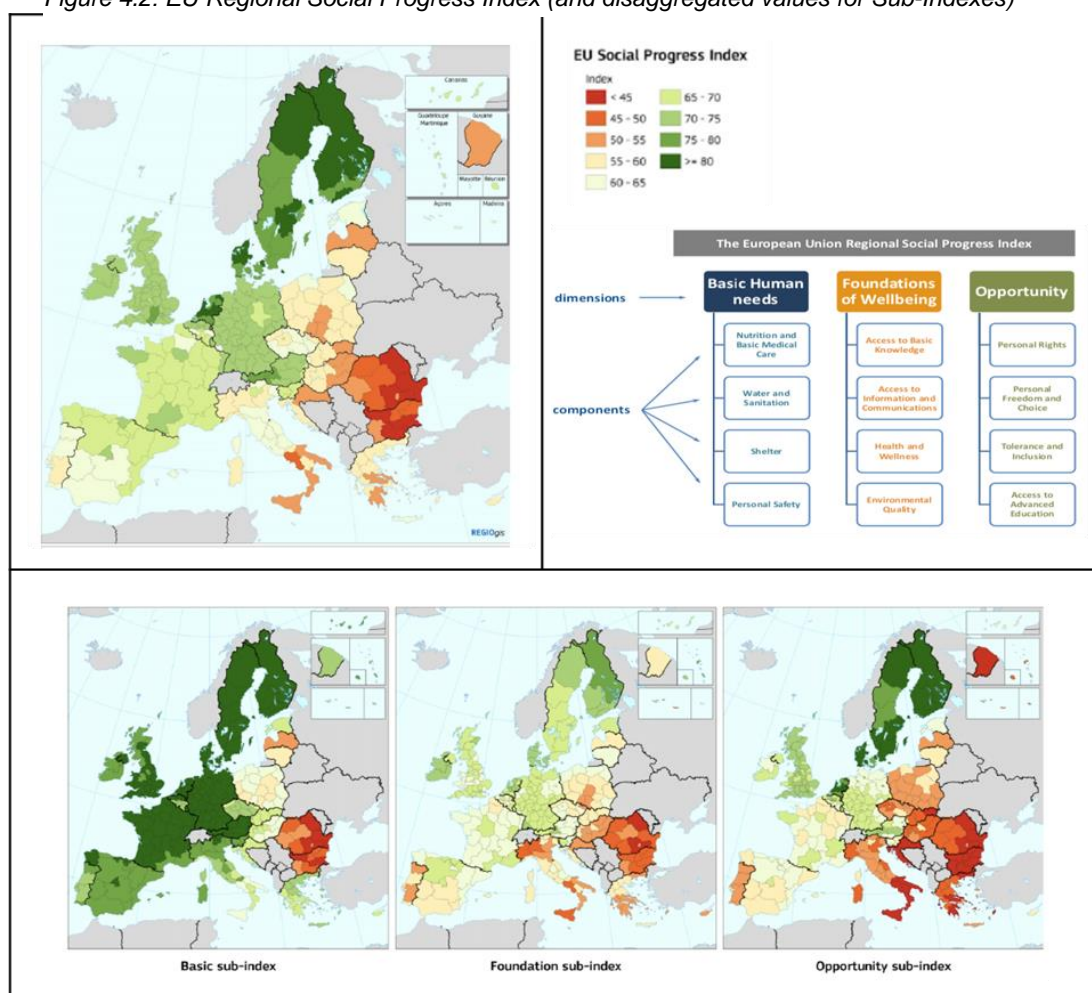
- Regions with potentially lower absorption potential (cluster 6) coincide with EU southern regions in Spain, Italy and Greece. These southern regions are the main entry points of asylum seekers and refugees from the Mediterranean and Balkan routes (Chapter 3).
- Socio-economic (and labour market absorption) potentials increase exponentially for regions of transit (regions in the north of Italy and Spain belonging to cluster 5), as well as transit/arrival

regions in France (cluster 4), arrival regions in Central and Northern Europe (clusters 3 and 2) and big metropolitan areas (cluster 1) which are the final destination for many asylum seekers and refugees.

Additionally, and equally importantly for the analysis, the variation in socio-economic conditions across regional clusters relates to their overall inclusion policy capacity – as measured by the European Union’s Regional Social Progress Index (SPI⁴²) illustrated in Figure 4.2⁴³:

- Clusters 1 to 4 score very positively in the overall SPI index and across the three disaggregated dimensions (sub-indexes) of (i) basic human needs, (ii) foundations of wellbeing and (iii) opportunity.
- Clusters 5 and 6 fare the worse across all indexes, although cluster 6 seems to fare slightly better in the Basic Human Needs dimension – therefore, suggesting that arrival regions are also less well-suited to accommodate asylum seekers in their local labour markets and have limited capacity to support their active inclusion.

Figure 4.2: EU Regional Social Progress Index (and disaggregated values for Sub-Indexes)



Source: EU Regional Social Progress Index (European Commission, 2016)

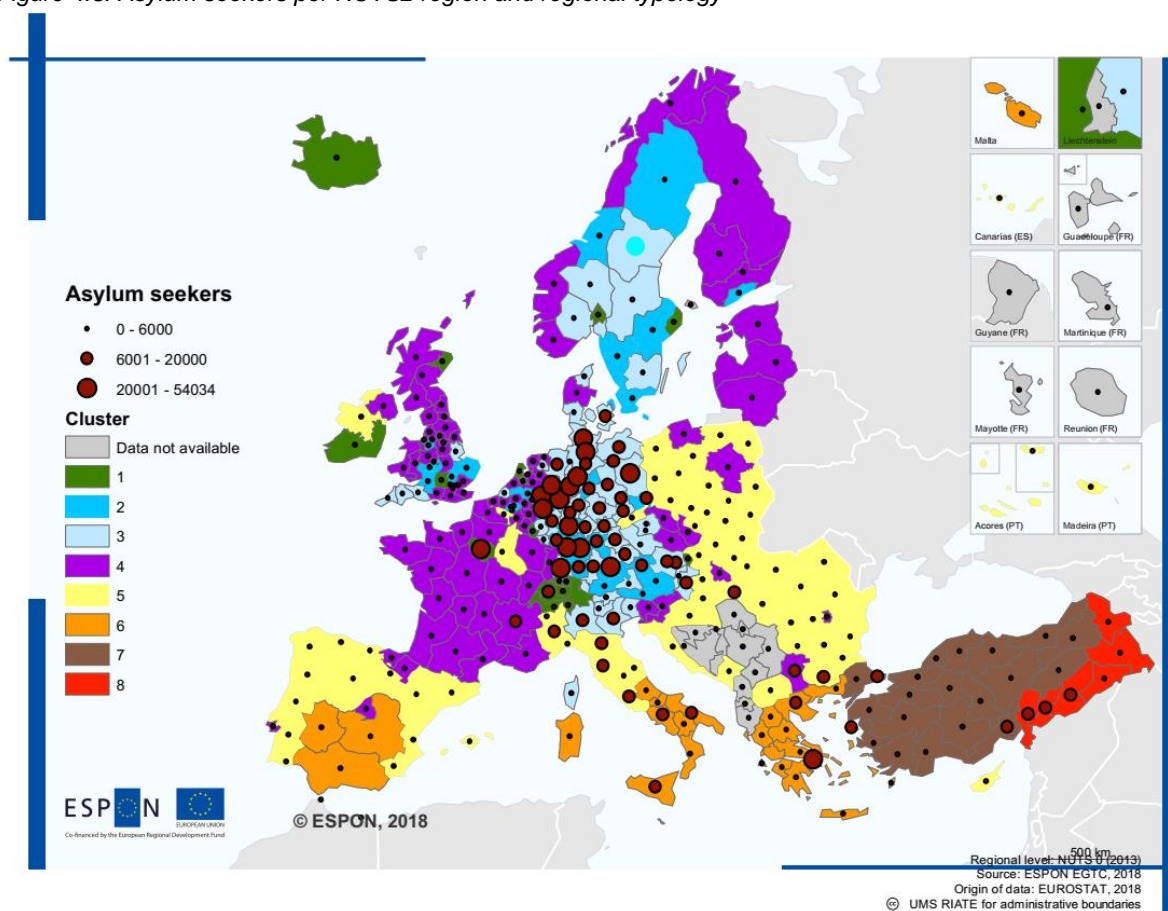
⁴² More information available here: https://ec.europa.eu/regional_policy/en/information/maps/social_progress.

⁴³ Note that the performance is also consistent with the Mipex integration index (<http://www.mipex.eu/>).

In synthesis, the strong correlation existing between the regional cluster analysis (Figure 4.1) and the Social Progress Index (Figure 4.2) suggests that **destination and transit regions have a greater absorption capacity than arrival regions** – resulting from the positive interplay of higher labour demand and effective policy support⁴⁴.

Note that the clusters with a higher number of asylum requests are those in arrival regions (Cluster 6) and destination regions (Clusters 3, 2 and 1). This is an obvious but important factor, as pressure from asylum seekers occurs in very different types of territories, resulting in different degrees of social inclusion and absorption in local labour markets.

Figure 4.3: Asylum seekers per NUTS2 region and regional typology



Source: Elaboration based on Eurostat and country-level data from country research

By using the EU Labour Force Survey at EU level (EU-LFS, 201445), an analysis of the employment status of respondents⁴⁶ across different regional clusters can be carried out, illustrated in Figure 4.4,

⁴⁴ Including language and labour market training.

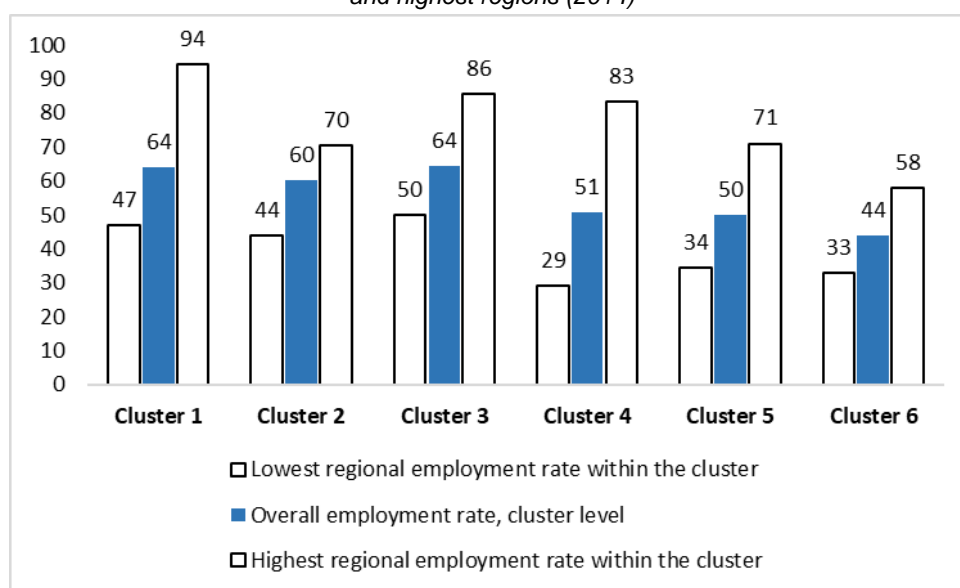
⁴⁵ <https://ec.europa.eu/eurostat/documents/42577/761078/ESTAT+labour+force+stat+EU+EFTA+2014/0d556508-9214-4a1e-ad8c-f387ac3e398e>.

⁴⁶ Based on those respondents to the survey who claim to have arrived in the EU as refugees.

showing a strong correlation between refugees' employment rates across various cohorts and the type of regional clusters. The absorption capacity is the ability of territories to employ arriving refugees and asylum seekers. Based on the employment rates of various refugee cohorts, it is possible to infer that clusters 1-3 have a higher absorption capacity and potential for integration than clusters 4-6. It is clear that actual instances vary within each cluster – for example, the average employment rate for cluster 1 as a whole is 64% but ranges from low-performing regions (47%) to high-performing ones (94%)⁴⁷ – but generally the better the economic performance of a region (and the regional clusters overall) the higher number of job opportunities and thus the higher the chance of a refugee finding employment.

Arrival regions score lowest over time in their absorption capacity, while destination regions score highest – as illustrated in Figure 4.4 below.

Figure 4.4: Absorption capacity: employment rates of refugees across regional clusters, cluster overall, lowest and highest regions (2014)



Source: Own calculations using EU-LFS 2014

Note: Concerns all refugees/asylum seekers aged 17-62.

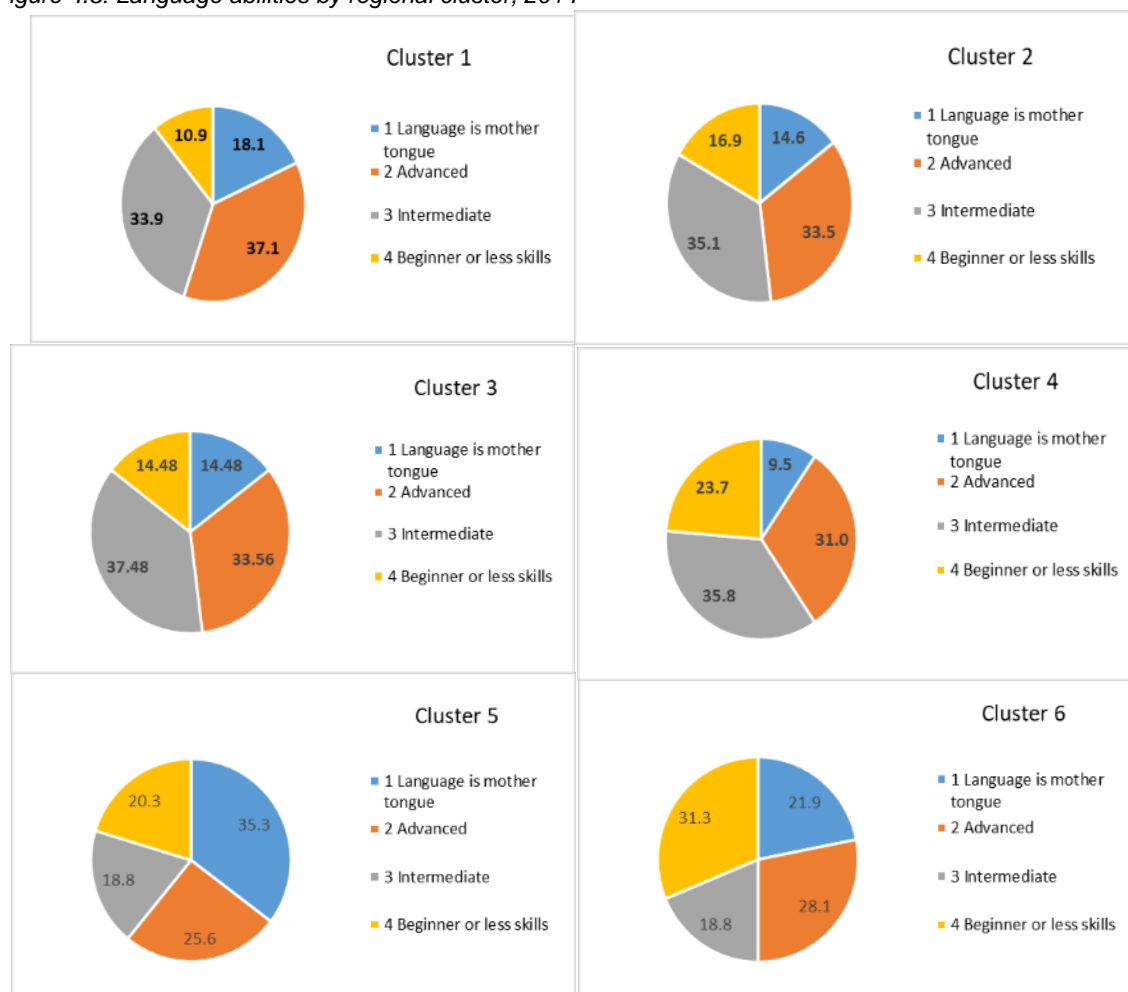
Local characteristics (labour and policy) only partly determine the absorption performance of European regions. Another factor is the linguistic skills and overall capabilities of incoming asylum seekers and refugees. Language skill is a main element of the supply-side in the inclusion market (incoming individuals) as highlighted in the literature (Annex 1).

⁴⁷ A note should be made here. While at cluster level, a sizeable sample of refugees is obtained, when disaggregated at regional levels, the sample can become extremely low – in the single digits. For the purposes of this graph, only regions with at least five employed individuals (the number of total observations >5) have been selected. Nevertheless, the interpretation of the graph should bear in mind these data limitations.

A breakdown of linguistic abilities of refugees across the various clusters (Figure 4.5⁴⁸) shows significant differences between the clusters with higher employment performances (clusters 1 to 3) and those with lower (clusters 4 to 6). It would seem that language abilities can be a good predictor of the probability of finding employment across the different clusters. Basic linguistic skills, therefore, remain a precondition for employment, and understandably so, while an advanced level of linguistic competence does not seem to offer a significant boost to the employability of asylum seekers and refugees.

⁴⁸ Hungary and Croatia are excluded from the sample comprising cluster 5. Hungary is excluded because of the very small sample size, while Croatia is excluded because 89% of the refugees in the sample selected Croatian as their native language. Some 84% have been living in the country for more than 20 years, which makes them likely to have arrived in the country in the aftermath of the Croatian War of Independence from former Yugoslavia. The high share of native speakers in this country would have driven the share of native speakers in cluster 5 to over 60%, misrepresenting all the other regions. The remaining 35% of native language speakers in cluster 5 is driven by regions in Portugal, where over 80% of humanitarian migrants speak Portuguese as their native language. Almost 80% of the sample size have been living in the country for more than 30 years and come from African countries.

Figure 4.5: Language abilities by regional cluster, 2014



Source: Own calculations using EU-LFS.

Note: Concerns all refugees/asylum seekers aged 17-62.

An overview of some 'real-case' evidence on the role of linguistic skills in supporting social inclusion at the local level is provided in the box below, extracted from the Case Studies developed for local practices across the various cluster typologies.

Box 4.1: Selected examples on the role of linguistic skills in supporting integration at local level

Local language proficiency is key to successful integration, enabling refugees to take part in social life, to take up studies or find employment, and to generally interact within the host society. While its importance is a common thread throughout the qualitative information collected from local and national sources, there are significant differences in how this issue is approached across regions and clusters. For instance, the city of Kapfenberg in the region of Styria, Austria (cluster 2) has made language proficiency a cornerstone of its broader integration policy for refugees, with a particular focus on youth. Examples of measures include the introduction of a two-year language programme in kindergarten for children, and the use of a 'rights and responsibilities' approach, whereby access to certain social services and residency is tied to a compulsory language course for at least 12 months ('integration pact').

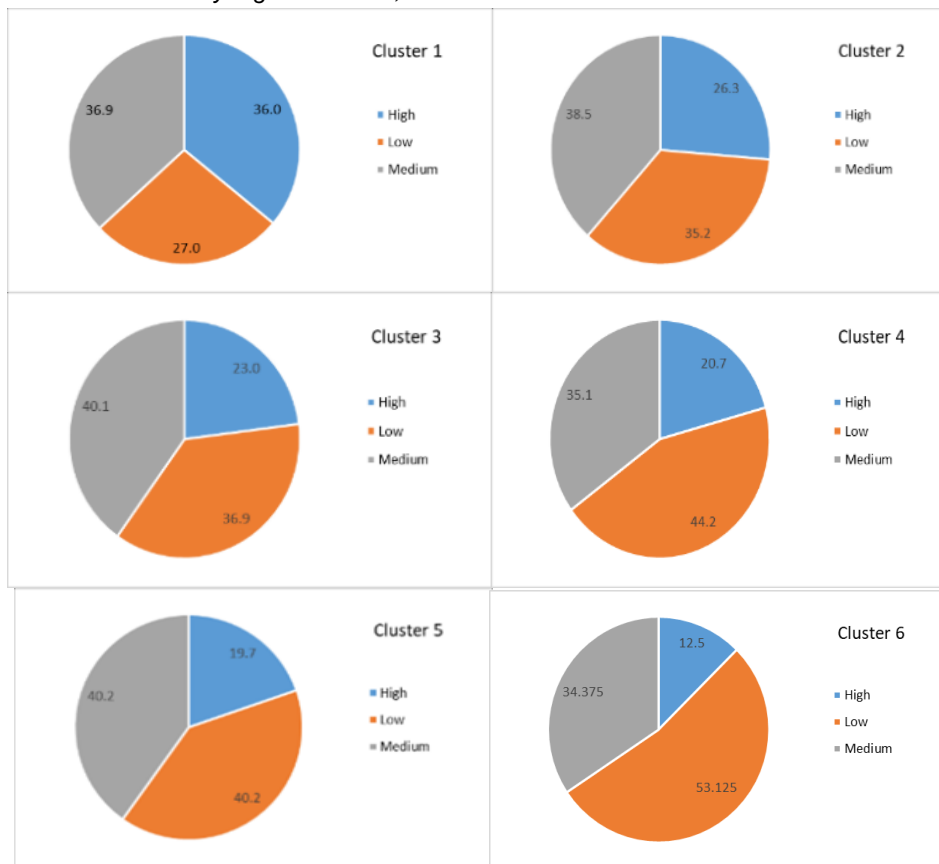
The city of Antwerp, Belgium (cluster 4), has taken a rather different, more personal approach, by providing young, unaccompanied refugees with affordable housing and a cohabitating Flemish buddy for at least a year. The constant interaction with the buddy is seen as playing an important role in helping the refugee learn Flemish, and with providing broader integration support.

In some cases, although language courses are provided (for free), there are various barriers that in practice might impede refugees from accessing them. In the city of Limerick, Ireland (cluster 1), a number of organisations which provide free language courses have considered potential obstacles and have found ways to remove them. For instance, the University of Limerick, one of several language

providers in the city, organises twice-daily transport to the language centres, while the University of Sanctuary provides refugees with meals *in situ*.

A similarly strong – and interesting – correlation with employment performances across clusters can be found in respect to the skill-sets and capabilities of asylum seekers and refugees (expressed in the EU-LFS in terms of ‘educational level’). Figure 4.6 suggests a decreasing number of refugees with ‘high education’ across clusters, from those with higher employment (cluster 1) to those with lower employment (cluster 6) levels. Conversely, the share of low education among respondents in each cluster sharply increases from cluster 1 to 6. Educational level seems to be therefore strongly correlated with the probability of finding employment across clusters, and another essential predictor jointly with basic language skills.

Figure 4.6: Educational levels by regional cluster, 2014



Source: Own calculations using EU-LFS

Note: Concerns all refugees/asylum seekers aged 17-62

An overview of some real-case evidence on the role of education and competencies in supporting social inclusion at the local level is provided in the box below. It has been extracted from the Case Studies developed for local practices across the various cluster typologies.

Box 4.2: Selected examples on the role of education/competencies in supporting integration at local level

Education, training and re-skilling are essential for refugees’ labour market integration, particularly since refugees tend to be less well educated than the general population and lack work experience in the host

country⁴⁹. Even when their formal qualifications match the ones required for the job, their practice might differ between the origin and destination areas, requiring retraining or upskilling (e.g. a doctor in Mali v Germany).

The approach to labour market integration courses for refugees varies from region to region and cluster to cluster. For instance, in the city of Sodertalje, Sweden (cluster 1), a public-private partnership project (Telge) offers refugees six months of training, including four weeks of introductory course, 2-3 months of employment experience in the community and 2-3 months of employment experience with the participatory companies. This project builds on extensive research that has shown that on-the-job training is the most effective measure for the labour market integration of refugees⁵⁰.

In the city of Kilkis, Greece (cluster 6), a local NGO (OMNES) has founded a Social Inclusion Centre, which provides IT courses at beginner and intermediate level, as well as non-formal educational and training courses. In Milan, Italy (cluster 3), the municipality centre for the inclusion in the labour market (CELAV) provides asylum seekers and refugees with a job grant, acting as a pathway to labour market integration and growth of personal autonomy. The salary of the employed refugee is covered by the Municipality of Milan, which grants the company a contribution to the training commitment and supports it in accompanying the work through specialised operators.

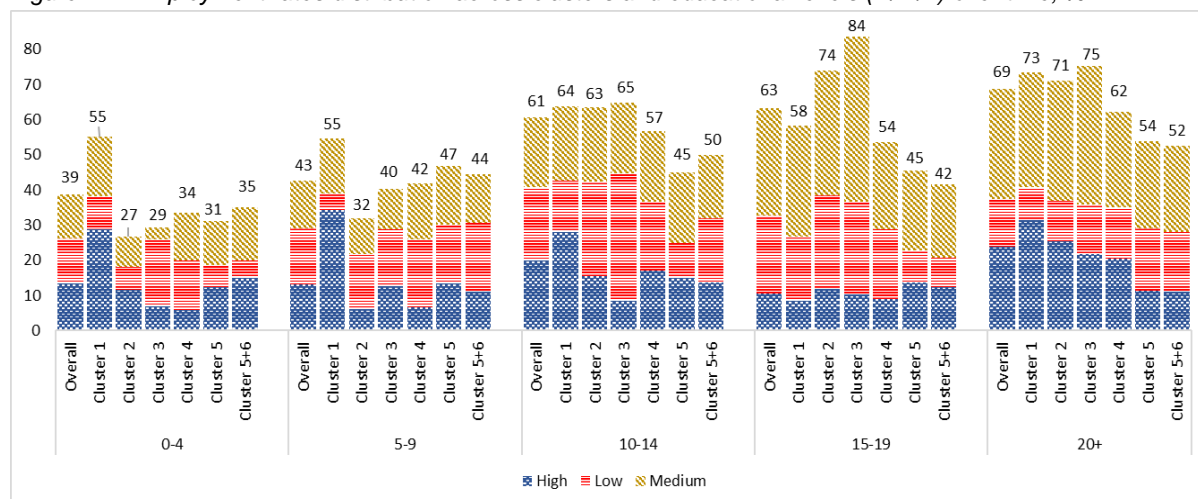
Finally – and indeed importantly – the absorption performance of regions also varies according to the time of arrival of the refugees. Such variation is due to a number of factors (see Annex 1), including (i) the extent to which individuals adjust to local market needs over time (including as a result of the effectiveness of existing policies), as well as (ii) the extent to which the distribution of asylum seekers and refugees through the various regions (spontaneous or mediated by policies) maximises the matching of supply (individuals) and demand (local territories and markets). An overview of the variation of employment rates and educational level across various clusters and different time cohorts is provided in Figure 4.7, again building on analyses based on EU-LFS data⁵¹. The figure illustrates the different patterns of employment based on the level of education attained by refugees on years since arrival (below 5, 5 to 9, etc).

⁴⁹ http://cadmus.eui.eu/bitstream/handle/1814/43505/Study_fromRefugeesToWorkers_2016_Vol_2.pdf?sequence=1&isAllowed=y.

⁵⁰ <https://www.econstor.eu/bitstream/10419/181241/1/dice-report-2017-3-5000000000044.pdf>

⁵¹ Due to the relatively small size of individual cluster observations, an analysis of the distribution of language skills that considers the years of residence in the country is not possible. This means the share of individuals that speak the local language in each year of their residence, and how the acquisition of local language evolves over time cannot be precisely estimated.

Figure 4.7: Employment rates distribution across clusters and educational levels (H/M/L) over time, %



Note: Concerns all refugees/asylum seekers aged 17-62. Source: Own calculations using EU-LFS 2014.

The fact that **higher employment rates emerge from those refugees with a longer stay in European countries** (Figure 4.7) is due to a number of factors, including, as discussed, greater linguistic knowledge acquired over time, as well as better understanding of local cultures, labour market structures and characteristics. It is nevertheless challenging to identify the single (or most most relevant) reason(s) for that (regression analysis provided in Annex 2). The stronger employment performance of refugees over time may also be the consequence of distribution policy and mobility patterns of migrants across regions (i.e. mobility of more skilled asylum seekers and refugees towards ‘arrival’ regions).

And yet, on further examination, it is clear that the **employment rate is more dynamic (progressing across time-cohorts) in certain clusters than in others**. Employment rates for clusters 2 and 3 (arrival regions) start similarly to most of the other regions and strongly (and positively) increase depending on the years of stay of those individuals since their initial arrival in Europe – specifically, it scores among the lowest in the 0 to 9 year cohorts and the highest in the other time cohorts. This performance suggests the ability of such regions to either capture more skilled and capable asylum seekers and refugees over time (medium-level educated) and to support a better match of labour demand and supply over time due to active inclusion policy support (strong in these regions).

On the contrary, employment rates in clusters 1, 5 and 6 remain relatively stable across cohorts, with the notable difference that the values for cluster 1 (large metropolitan arrival regions) tend to score consistently above average while those of clusters 5 and 6 (arrival and transit regions) tend to score generally below the cluster average in each time cohort (although it is interesting to note that clusters 5 and 6 score higher than average in the 0-4 time period). The factor that clusters 5 and 6 coincide with arrival points for many asylum seekers (many of whom arrive irregularly, as discussed in Chapter 3) raises a concern about the pressures to which local communities and asylum seekers in these regions are exposed, with greater social tensions potentially arising from a relatively high proportion of incoming individuals and limited opportunities for their inclusion in local job markets (Section 4.3).

An overview of some 'real-case evidence on the inclusion of refugees and asylum seekers in the labour market of more dynamic destination regions (cluster 1) is provided in the box below, extracted from the Case Studies developed for local practices across the various cluster typologies.

Box 4.3: Selected examples on the local practices in inclusion of asylum seekers and refugees in local labour market for more dynamic destination regions (cluster 1)

Qualitative information from cluster 1 case studies suggests that regions in this cluster take a multidimensional approach to refugees' labour market and broader socio-economic integration. For instance, the city of Limerick, Ireland (cluster 1) created the Limerick Integration Working Group, comprising 19 statutory, community and migrant representative groups that collaborate on measures ranging from providing free education, free language courses and labour market courses to initiatives aiming to achieve better tolerance and integration among the local society, and fundraising events. This holistic approach to integration ensures different barriers to labour market access for refugees and asylum seekers are tackled, from language, lack of information on education and training opportunities to poverty and psychological issues. The University of Limerick has been particularly active in promoting refugee integration through education. In addition to language courses, the university offers grants for refugees through the Sanctuary Programme, which has generated positive economic and social impacts. The grants have not only contributed to skills improvement for all participants, but they have also increased their self-confidence and motivation. A similarly innovative approach is taken in the city of Sodertalje, Sweden (cluster 1), where public institutions have partnered with private companies to offer refugees access to employment and training. The programme, Telge, which offers up to six months of employment for refugees with a partner company, is one of the local government's initiatives to find business-led solutions to societal problems. An estimated 84% of participants have gone on to find employment or to pursue further education after participating in the project.

Another relevant pattern in this respect is the **limited short-term employability for asylum seekers and refugees** (0-4 years cohort). This is the case for all clusters, with the exception of cluster 1⁵², where refugees are facing fewer difficulties in finding a job-position on arrival – possibly due to a relatively dynamic and diversified labour market. It should also be noted that the longer asylum seekers have to wait for a decision on their status, the less likely they are to find (suitable) employment⁵³, creating a further challenge for those regions with particularly restrictive national policies⁵⁴ on the employability of asylum seekers (Chapter 5).

An overview of some real-case evidence on the role of employment restrictions due to existing asylum seeker regulations is provided in the box below. It has been extracted from the analysis of policy regulations at country level (which in turn impacts local practices across the various cluster typologies).

Box 4.4: Selected examples on the employment restriction in national asylum procedures

Fast-track access to the labour market for both asylum seekers and refugees contributes to smoother socio-economic integration down the line. The right to work and access to employment may not only result in a lower financial cost for the state, but it could lead to an actual revenue in taxes and social security contributions. Moreover, it contributes to the individuals' motivation, self-esteem and general

⁵² In cluster 1 more than half of refugees who have been in the EU for less than five years are employed.

⁵³ Jens Hainmueller, Dominik Hangartner, and Duncan Lawrence. (2016). When lives are put on hold: Lengthy asylum processes decrease employment among refugees. *Science Advances*. Vol 2, no 8. DOI: 10.1126/sciadv.1600432.

⁵⁴ Within the framework set by the EU Reception Conditions Directive.

well-being. It may also reduce hostile public attitudes arising from misconceptions that that asylum seekers and refugees are motivated by access to welfare benefits.

Qualitative information suggests that access to labour market varies significantly across the EU. For instance, in France asylum seekers can apply for a work permit nine months after applying for asylum and are generally not allowed to work during the examination of their application. Access to the labour market is allowed only if OFPRA has not ruled on the asylum application within nine months after the registration of the application and only if this delay cannot be attributed to the applicant.

In Romania, access to the labour market is granted after three months on condition that no decision has been taken in this period, a change from before 2016, when asylum seekers had to wait a year. In Spain, on the other hand, asylum seekers are legally entitled to start working only after six months after their application for asylum has been officially accepted, significantly delaying their labour market participation.⁵⁵

When assessing the distribution of skills across clusters and time-cohorts, **highly-skilled individuals seem to have a higher chance of finding employment in the first 4-5 years after arrival** across most clusters, regardless of the share of high-skilled refugees in the total refugee population. A clear exception in this respect is cluster 3, where low-skilled refugees have a disproportionately higher employment rate. This is consistent with cluster 3's profile, consisting of manufacturing regions with a great demand for low-skilled labour. At the same time, low- and medium-skilled refugees seem to be employed in most regional clusters only after more than 10 years of residence, pointing to the importance of considering skill levels and appropriate training and education needs when designing integration measures for refugees.

The share of high-skilled refugees in the total refugee population decreases the further one moves from cluster 1, dropping to as low as 12% in cluster 6. Moreover, more than half of all refugees in this cluster possess a low level of education. This has important consequences both for the labour market integration of refugees and for the broader development of the regions in the cluster. Economic growth largely depends on labour, capital and innovation. The higher the educational level of the labour force, the higher the productivity of the capital and the more innovation-driven the economy, which further creates jobs. A virtuous cycle is thus created in which economic growth attracts skilled individuals which in turn contributes to further growth.

It would seem that the regional clusters with the highest absorption capacity are also those attracting more educated individuals. This is the case for cluster 1, 2 and 3 – all emerging as key destination regions for asylum seekers and refugees, which can benefit from the incoming workers (as it is well-supported by existing policies at the national regional level – as further discussed in Chapter 5) as well as for cluster 4 to a larger extent.

Importantly, since it is not possible to observe how the skills of each refugee evolve over time, there is no possibility to differentiate between the skills that refugees arrive with and the ones they acquire in the region. Thus, it might be that clusters 1-3 attract more educated refugees, but the regions might

⁵⁵ For an overview see EMN (2016) at:

http://www.emnsweden.se/download/18.2d998ffc151ac3871591873b/1484748712507/Access+of+international+protection+applicants+to+the+labour+market_Luxembourg.pdf.

also be effective in providing specific and tailored labour market training, upskilling and assistance, so that refugees' skills can meet local labour demand.

The potential challenge for these regions, paradoxically, is the fact that an over-attractivity of these regions may create tensions with local communities due to excess of inflows – such 'congestion' effects are, for example, suggested in some regions analysed in the Case Studies (Chapter 5). This, in turn, may result in substitution and crowding-out effects⁵⁶ on local labour markets – namely a negative unexpected effect in excluding local individuals from labour opportunities⁵⁷ – with some potentially negative effects on local, low-skilled workers. An overview of some real-case evidence on the mismatch of market needs and refugees' characteristics, and the extent to which local policy could support local inclusion in destination regions (clusters 1 to 3) is provided in the box below, extracted from the Case Studies of local practices across the various cluster typologies.

Box 4.5: Selected examples on the local challenge resulting in the mismatch of territorial needs and asylum seekers and refugees' characteristics in destination regions (clusters 1 to 3)

Matching the skills of refugees with the skills in demand in the host region is not straightforward even in high-absorption capacity regions, and often the process requires additional integration measures. For instance, the region of Baden-Württemberg, Germany (cluster 2), and the country more broadly, finds itself in the peculiar situation of experiencing a strong demand for labour coupled with a significant influx of asylum seekers and refugees. Nevertheless, the mere existence of a labour force does not necessarily translate into a match between the demand and supply of skills. The strong manufacturing and service sectors of Baden-Württemberg need technical skills and a level of language proficiency that made it imperative for the region to invest in language courses and the re-skilling of refugees. This is a long-term process of which the region is aware. The refugee unemployment rates are expected to increase in the short- to medium-term while individuals are engaged in language and training courses, but current trends point to high employment rates for refugees in 10 years' time⁵⁸.

The case study on Milan, Italy (cluster 3), finds that migrants are generally more mobile than the native population, allowing and contributing to the better matching between the supply and demand for skills. In Limerick, Ireland (cluster 1), the city emphasises education as a pathway to labour market integration. Around 10% of the refugees living in reception centres have received scholarships to study at the the University of Limerick under the University of Sanctuary programme. Nevertheless, earlier research pointed out a number of barriers to education for most refugees, including a rule requiring refugees to pay international student fees until they have been resident in the country for three years, access to information, and a lack of English language skills.

Conversely, clusters 5 and 6 will be caught in a vicious cycle in which slow economic growth will not attract highly educated refugees. These clusters include the arrival points for incoming asylum seekers, many of whom arrive irregularly, as discussed in Chapter 3 and these inflows present challenges. These regions are left with the challenge and burden of the reception of this population in the short-term and with very little benefits since the most skilled refugees are likely to move to more advanced regions in the medium to long term.

⁵⁶http://www.emnsweden.se/download/18.2d998ffc151ac3871591873b/1484748712507/Access+of+international+protection+applicants+to+the+labour+market_Luxembourg.pdf.

⁵⁷ https://www.jstor.org/stable/1344671?seq=1#page_scan_tab_contents.

⁵⁸<https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokumente-Fokus-Volkswirtschaft/Fokus-englische-Dateien/Fokus-2018-EN/Fokus-No.-216-July-2018-Jobs-boom.pdf> (p. 7).

Therefore, greater support is needed in the area of policy capacity and sharing of good practices across the various types of European regions, including reception and active inclusion support, as well as more efficient distribution within and across regions. Such support will help better match regional needs to the characteristics of the individuals seeking refuge in Europe (see Chapter 6).

An overview of some real-case evidence on the mismatch of marked needs and refugee characteristics, and the extent to which local policy could support local inclusion in arrival and transit regions (clusters 5 and 6) is provided in the box below. It has been extracted from the Case Studies developed for local practices across the various cluster typologies.

Box 4.6: Selected examples on the local challenge resulting in the mismatch of territorial needs and asylum seekers and refugees characteristics in arrival/transit regions (clusters 5 and 6)

In Kilkis, Greece (cluster 6), improving refugees and asylum seekers' access to the labour market is particularly difficult, as Central Macedonia is lagging behind, with an unemployment rate above the national average. It was heavily affected by the 2008 economic crisis. A local NGO (OMNES) aims to correct this trend and has recently implemented a pilot project with the aim of providing dignified housing to vulnerable groups and of supporting income- and skills-generating activities to promote the social and economic inclusion of the asylum seekers as well as the development of the local area.

Similarly, in Sicily, Italy (cluster 6), the Ragazzi Harraga project promotes social inclusion for unaccompanied minors. The project is built on several pillars. The first pillar includes the creation of a digital folder with information on demographic characteristics and professional and transferable skills, serving as the basis for tailor-made integration measures. The second pillar consists of workshops to enhance the refugees' formal and informal skills and aptitudes, as well contribute to the development of a portfolio of skills for each unaccompanied minor. A third pillar provides pathways for integration into the local labour market through the provision of internships, grants and on-the-job training. The project also aims to facilitate the interaction between local enterprises and the young re-skilled workforce.

The analysis highlights the **strong relationship between language abilities, skills, socio-economic context and refugee employment rates across clusters**. However, to what extent do skills and language abilities actually affect the probability of finding employment? What is the effect of the socio-economic context? How do policies affect employment outcomes?

These questions are explored in a probit analysis in which refugee characteristics such as gender, country of birth and age, and context characteristics proxied through the EU Regional Social Progress Index (see Annex 2) are accounted for. The results seem to confirm much of the existing knowledge on refugee labour market integration and the factors affecting it. The probability of having a job increases with the length of residence after arrival in the country. This is true across all clusters. A limited knowledge of the local language greatly reduces a refugee's likelihood of finding employment and is the strongest among all factors analysed, pointing to the importance of investing in language lessons early in the integration process. Similarly, the probability of finding a job decreases the lower the level of education, where highly skilled refugees seem to find employment⁵⁹ faster across most clusters – although the jobs may not be commensurate with their specific capabilities. Given the gender roles adhered to in many of the countries of origins, **females are less likely to find a job. Similarly, the**

⁵⁹ After the Flight: The Dynamics of Refugee Settlement and Integration (M. Poteet, S. Nourpanah).

probability of having a job decreases with age. Both factors must be taken into account when developing effective inclusion policies.

At this point, it is important to mention the limitations inherent to any econometric analysis, to which this analysis is no exception. Firstly, the refugees' labour market trajectory cannot be followed across time, in a longitudinal analysis, as the dataset employed is cross-sectional. Moreover, the results reflect the characteristics of asylum seekers and refugees that have arrived in the EU at different points in time. In this respect, for instance, higher employment rates in certain cohorts could reflect certain skill-sets of individuals in that specific cohort, rather than the result of policy support received in a country or even acquired on the job over time, and vice-versa. Secondly, the change in the composition of skill-sets in each cluster over time (as in Figure 4.6), and thus changes in the likelihood of being employed, across all clusters may be the result of (regular or irregular) movements of asylum-seekers and refugees over time and space, these being patterns of mobility which cannot be tracked in the EU-LFS dataset. Nevertheless, the analysis is helpful for shedding light on some of the most important factors affecting the refugees' chances of finding employment.

4.3 Social, political and institutional effects

This section reflects on the social, political and other results of the inflow of asylum seekers and refugees. It is based on the data gathered through the literature review and the interviews carried out at national and regional level to analyse the national and the local situation in relation to the refugee crisis. It should be mentioned that the section focuses on asylum seekers and refugees, although the existing literature does not always allow for a clear cut distinction between asylum seekers, refugees and migrants.

4.3.1 Sociodemographic impacts

Based on the data gathered, one potentially positive impact of inflows could be to alleviate the challenge of an ageing society across Europe. However, the data collected for this study indicate that the impact of refugee arrivals on demographics is negligible in many countries. This can be attributed to the fact that countries where net migration flows are negative are not seen as destination points by refugees currently arriving, and only a few asylum seekers and refugees remain in these countries.

For a considerable number of years, the EU has been facing the challenges of decreasing fertility rates, ageing populations and movements from rural to urban areas. Therefore, with the onset of the patterns on asylum requests that followed the escalation of the conflict in Syria, a number of studies on long-term impacts of these inflows on Europe also looked into how the incoming flows could contribute to the repopulation of European countries.

Primary and secondary data collected indicate that in many countries the impact of the asylum seekers and refugees on population decline is negligible (BG, BiH, CZ, IS, LT, LV, MK, PL, RO, RS, XK)⁶⁰. This is mostly attributed to the fact that these countries are not seen as destination points by asylum

⁶⁰ Based on country analysis and data/surveys collected during this study.

seekers and, therefore, very few stay. A similar situation is identified in Sicily, Italy, where, despite the region suffering from emigration and a low fertility rate, the inflow of refugees and asylum seekers does not contribute to repopulation because they leave the region after being granted international protection. In this respect, this is a missed opportunity for the region, which bears the cost of the initial reception and does not gain the benefits of refugees and asylum seekers staying in the long term.

A number of countries view newcomers as a positive influence on repopulation (BE, EL, ES, FI, IE, LI, SI)⁶¹. For example, in Spain incoming migrants (including economic immigrants, as well as asylum seekers and refugees) had a direct impact on population growth between 2000 and 2008. This positive trend accelerated again in 2016 due to the increase in immigration flows. Similarly, Finland and Latvia view immigration as a partial solution to tackling population decline. In Belgium, the high birth rate of incoming asylum seekers and refugees has had a positive demographic impact. However, the care of the infants born to asylum seekers and refugees is insufficiently addressed, especially regarding opportunities to integrate integration. Young mothers are a very vulnerable and hard-to-reach group.

Looking at long-term impacts, a few countries (BG, CH, LI, LV, LT, SI)⁶² indicate that the current inflows have the potential to reverse population declines. The German Federal Statistical Office came to the conclusion that the high inflow of asylum seekers in 2015 will have very little impact by 2040 on long-term demographic development in Germany. It will not reverse but only slow down the speed that society is ageing. Conversely according to current forecasts, immigration will continue to be the dominant driver behind population growth in Austria in the future. If similar levels of migration and birth rates continue, the population of Austria could reach 9 million by 2022 and 9.7 million by 2050. Without migration gains, the forecasts predict a decline in population of around 37,000 to 8.74 million by 2030 and a further decline to around 8.11 million by 2050 (Statistik Austria, 2018). In this context, based on the long-term experience of Austrian institutions with migration, an interesting trend emerges from the case study: a specific policy focus on minor and young refugees that represents the future generation of the country.

4.3.2 Impact on available workforce

The support of current inflows in filling gaps in the job market is assessed to be either positive or neutral. Some countries (AT, CH, CZ, ES, , IE, MK, SI, TR and XK)⁶³ reported that current inflows have positive impacts on their workforce today. One reason for that is the successful experience of the integration of immigrants into the labour market (CH). In other countries, the positive effect on additional employment of locals is highlighted (ES, MK). In the Czech Republic, there are significant labour and skill shortages, which might be filled by inflowing asylum seekers and refugees. In other countries, there does not seem to be an impact of current inflows on the workforce composition due to two main reasons: in one group

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

of countries (IS, LI, LT, LV, RO)⁶⁴ the number of arrivals is considered too low to have an impact on the overall workforce. In the Netherlands and Norway, the lack of impact is due to the low participation of asylum seekers and refugees in the labour market. Transition countries, such as Romania (including Bucharest), do not seem able to capitalise on refugee flows to fill open positions on the local labour market.

The long-term impact of current arrivals on the workforce is expected to be positive for some countries (AT, CZ, DE, EE, ES, SI)⁶⁵. This assessment is based on the expected results of integration policies that are in place (AT, DE)⁶⁶, labour and skill shortages (CZ, EE, SI)⁶⁷ and increased employment rates of asylum seekers and refugees (DE)⁶⁸. In only one case (BiH)⁶⁹, the assessment is negative because of the high rate of unemployment: the increased number of jobseekers is expected to lead to increased competition among them.

While the overall impact of current inflows on the workforce is positive, there seems to be a mismatch between the skills of the asylum seekers and refugees on the one hand and the skills required by the labour market on the other hand.

Only for two countries (CH, IE)⁷⁰ have current arrivals been successful in filling the gaps on the local labour market – based on the judgments of local informed stakeholders. In six countries (AT, BiH, DE, EL, SI, TR)⁷¹ skills matching has been unsuccessful. This finding is explained by problems with the recognition of graduation certificates from other countries (AT)⁷², the fact that asylum seekers and refugees often work in unskilled jobs despite a shortage of highly qualified workers (DE)⁷³, insufficient labour market access and integration policies (SI)⁷⁴, and overlaps with the skill levels of locals that are unemployed (TR)⁷⁵. Some countries report no impact on skills gaps, mainly due to the low number of

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

arrivals (IS, LI, RO, RS)⁷⁶ or the mismatch between the skills of asylum seekers and refugees and those required in sectors that need specialisits and highly educated workers (NO)⁷⁷.

The **future impact of current arrivals on skills gaps is expected to be positive in two countries** (AT, EE)⁷⁸ due to better recognition of foreign diplomas (AT)⁷⁹ and labour market shortages, including jobs requiring only a medium level of qualification (EE)⁸⁰. At the same time, the impact on Slovenia is expected to be negative due to restricted labour market access and integration policies.

4.3.3 Social tensions

Regarding the **impacts of asylum seekers and refugees on the increase or decrease of social tensions the findings are quite clear**. In the majority of those countries where social tensions were registred (BG, BiH, CH, CZ, DE, EL, HU, LV, MK, PL, RO, RS, SE, SI, SK, TR)⁸¹ **current flows had a strong influence on increasing them**.

This view has often been fuelled by the **negative portrayal of asylum seekers and refugees in the media and the political discourse** (BG, CZ, HU, FI, SK).⁸² For example, in the Czech Republic, negative portrayals have given rise to fears ranging from national and public security threats to claims of socio-economic benefit-seeking (both in terms of welfare programmes and of ‘stealing’ jobs from locals, lowering wages, etc.). They have also led to a sense of cultural incompatibility (especially regarding ethnic Muslims) that threatens Czech values and way of life.

In Hungary, the political discourse and refusal to accept refugees through the EU’s resettlement scheme contributed to an increase in anti-immigrant attitudes, xenophobic rhetoric and prejudice against asylum seekers and refugees. In a number of other countries, this has also given rise to nationalism (e.g. LT)⁸³, prejudice and xenophobia (e.g. MK)⁸⁴ and the emergence/rise of anti-immigration movements and political parties (e.g. DE, SE)⁸⁵. In Austria, the major inflow of 2015 has been disproportionately male to a degree that it has skewed the gender-balance in certain age groups leading to some social tensions. As a result of a backlash from the local population, some municipalities in Bulgaria are reluctant to

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

welcome and integrate refugees fearing that it would create more protests and civil unrest. In Bosnia and Herzegovina, the national diversity and different nationalities are often used as a political weapon to fuel further unrests. In Greece, an increase in social tensions is due to overcrowding of the reception centres on the Aegean islands and welcome centres on the mainland.

On the other hand, **asylum seekers and refugees did not create visible social tensions in a number of countries** (ES, IE, IS, LI, LT, XK)⁸⁶. However, this might be connected to the low number of arrivals these countries experienced, and this is likely to change in the future. In the case of Turkey, it first reacted positively to the mass influx of refugees, but now social tensions are increasing and locals are advocating more loudly for the return of Syrian refugees to Syria.

4.3.4 Illegal activities

Since the start of the migrant crisis, there have been regular media reports of an alleged correlation between the influx of asylum seekers and refugees and an increase in crime rates, illegal activities and threats to safety and national security.

Given that data is limited, more sophisticated approaches are needed to determine whether migration causes either higher or lower crime rates – a full analysis of these aspects goes beyond the scope of this study, but has been attempted recently⁸⁷.

Limited evidence has emerged for these claims in the study's analysis⁸⁸, but existing secondary sources suggest that, although an increase in immigration generally does not affect crime levels⁸⁹, it does often lead to increased public anxiety and anti-immigration stances⁹⁰. In Sweden, the Ministry of Justice published crime statistics that debunked myths about asylum seekers and refugees committing crimes *en masse*.⁹¹ Similarly in Germany, crime statistics for 2017 show that asylum seekers do not commit more crimes than Germans or other migrants, if one excludes violations of the residence law.⁹² In other countries (BG, IE, IS, IT, LI, LT)⁹³ **arrivals of refugees and asylum seekers have not led to**

⁸⁶ Ibid.

⁸⁷ <https://migrationobservatory.ox.ac.uk/resources/briefings/immigration-and-crime-evidence-for-the-uk-and-other-countries/>.

⁸⁸ Based on country analysis and data/surveys collected during this study.

⁸⁹ <https://migrationobservatory.ox.ac.uk/resources/briefings/immigration-and-crime-evidence-for-the-uk-and-other-countries/>

⁹⁰ Nunziata, Luca, (2015), Immigration and crime: evidence from victimisation data, *Journal of Population Economics*, 28, issue 3, p. 697-736.

⁹¹ • Government Offices of Sweden (2017). Facts about migration, integration and crime in Sweden. Available at: <https://www.government.se/articles/2017/02/facts-about-migration-and-crime-in-sweden/>

⁹² Based on country analysis and data/surveys collected during this study.

⁹³ Ibid.

an increase in illegal activities. However, with the exception of Italy and perhaps Bulgaria, these countries have not seen large-scale arrivals. Although in countries of first arrival some criminal activities have been detected, associated with the smuggling and speculation on the initial reception of asylum seekers, refugees and migrants.⁹⁴

A correlation between people committing crime and illegal activities and their refugee status has been observed in some countries (NL, NO, SI)⁹⁵. In the Netherlands, asylum seekers and refugees are overrepresented in criminal activities. The percentage of asylum seekers in Central Agency for the Reception of Asylum Seekers' facilities suspected of criminal activity is 2.5% to 3.7% (2015), 5.3% (2010) and 6.6% (2005) compared to 1.1%, 1.7% and 1.9% among the general population. This is largely because young males, who commit most crime in the general population, are overrepresented in the group of refugees and asylum seekers. Similarly in Norway, both immigrants and Norwegian-born persons with two immigrant parents are overrepresented as registered offenders in police records; the rate of overrepresentation is the highest in the latter group. Among immigrants, the overrepresentation is most substantial among family migrants and refugees, as well as for individuals from African countries. Asian immigrants are also overrepresented, although immigrants from certain Asian countries are underrepresented. The pattern is, with some minor exceptions, relatively similar for Norwegian-born persons with two immigrant parents. In 2017, Finnish police estimated that 4,000 to 5,000 people were staying irregularly in Finland, mainly due to receiving a negative immigration decision. This situation caused an evident risk of serious marginalisation of these people who have to try to survive by legal and illegal means. In the Western Balkan countries (BiH, RS, XK)⁹⁶, the influx has led to an increase in illegal activities not by asylum seekers and refugees but within the native population. They may, for example, facilitate irregular border crossings or be involved in human trafficking cases.

4.3.5 Political tension

As mentioned in the previous section, **social tension is often aggravated by political discourses adopted by politicians.** Similarly, this negative discourse has resulted in local political tensions. While there are some countries (ES, IE, IS, LI, RO, RS, XK)⁹⁷ where the current inflows seem not to contribute to political tensions, presumably due to low numbers of incoming asylum seekers and refugees who remain in the country often also due to highly restrictive national policies. Future clashes cannot be ruled out even in those countries (IE, IS) where anti-migrant views and parties are not commonplace.⁹⁸

⁹⁴ Clingendael Institute (2018). Organised crime and migration in Sicily. Available at: <https://www.clingendael.org/publication/organised-crime-and-migration-sicily>.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid.

In Austria and Hungary, police forces were strengthened and their competences expanded as a preventative step against illegal activities increasing substantially as a consequence of the influx of asylum seekers and refugees into the countries⁹⁹.

Migration ‘threats’ are used to sway votes and gain support in many other countries (BG, BiH, CZ, DE, FI, HU, LV, MK, NL, NO, PL, SI, SK, TR)¹⁰⁰. There has been a surge of anti-migration parties in recent election that are employing anti-migration rhetoric, and many of them have won a large proportion of the vote. In Slovenia, the party that is most outspoken against immigrants won the 2018 elections with nearly one third of the vote and the nationalist party re-entered the parliament after a hiatus. In Austria and Bulgaria, extremist parties are currently part of the coalitions forming the government. Similarly in Germany and Sweden, while far-right parties did not receive the most votes, they are the third strongest parties in their respective parliaments and have become the strongest opposition voice. In the Czech Republic, the most outspoken critic of refugee quotas and the overall asylum policy is the president who on more than one occasion criticised NGOs for providing support to asylum seekers and refugees. He has moreover participated in anti-immigrant and anti-muslim public gatherings (though it is disputed whether he did so knowingly). In France, a study conducted by Vertier and Viskanic found evidence suggesting that municipalities hosting refugees are less represented by far-right and extremist parties. No other studies were encountered that would strengthen these findings.

Hand in hand with the increase of political tensions, arrivals of refugees and asylum seekers in many countries are considered by interviewed stakeholders as one of the reasons behind the deterioration of national political dialogue (AT, BG, BiH, CZ, LV, SI)¹⁰¹. The current influx is often used as a platform for political gain through populism and questioning the ethnic composition of the inflows and their comparison with ‘European values’, threats to national security and diversion of funds from more disadvantaged groups of population such as pensioners, the poor and other marginalised groups.

A good example of how to tackle the deterioration of the political dialogue is the case of Iceland.

In the 2018 local elections there was an agreement among all political parties to not speak negatively about refugees, which all respected. In general, the public debate on asylum seekers and refugees in Iceland is rather positive compared to other European countries. In Sweden political parties have also tried this option, however this resulted in a backlash. Left wing parties who used to be very positive in their rhetoric have changed it in order to avoid further surge of right wing parties who go to the other extreme in their rhetoric. While in Liechtenstein, there has been a debate on whether the country should start to take in a larger share of asylum seekers and refugees.. In Turkey, the agreement with EU brought a wave of optimism, but its lack of implementation is starting to have negative consequences and give rise to negative discourse.

⁹⁹ Ibid.

¹⁰⁰ Ibid.

¹⁰¹ Ibid.

4.3.6 Improvement of institutional capacity

For most countries, the institutional impacts were positive (AT, BG, BiH, DE, EE, FI, HU, IS, MK, PL, RO, SI, SK, TR, XK).¹⁰² The trend is noticeable with countries which needed either to build or enhance their institutional capacities in order to accept the increased number of refugees and asylum seekers. As previously mentioned, some countries (AT, EL, HU, SK)¹⁰³ addressed the pressure stemming from the inflows by increasing the number of personnel, strengthening the training of the current staff or by creating specialised coordination bodies, such as the 'Asylum Task Force' in Austria. The competences of national authorities in charge of asylum seekers and refugees as well as the national police were broadened to balance the workload (FI, HU)¹⁰⁴. This in turn makes the countries better prepared should a new increase of inflows occur. A number of countries (BG, BiH, FI, SE)¹⁰⁵ also invested (partially thanks to external funding from AMIF, UNHCR, IOM etc.)¹⁰⁶ in renovating existing reception centres or opening new ones (some of which have since been closed).

Influx of asylum seekers and refugees also facilitated the revision of a number of administrative actions and regulations aiming to accommodate the increase of asylum requests. In many countries, fast-tracked, asylum-decision processes were introduced resulting in an overall improvement of the processing times of asylum claims – although such procedures may also have relevant backlashes, such as not allowing asylum seekers to prepare adequately and get legal advice.¹⁰⁷ Moreover, in some countries (ES), the increase in resources (funding, reception centres etc.) was deemed insufficient to fully address the influx of asylum seekers and refugees.¹⁰⁸

4.3.7 Institutional tension

Impacts on increased institutional tensions are also evident, mainly regarding different levels of government (local versus central) or different governmental actors (AT, BiH, DE, ES, SI)¹⁰⁹. In most cases, the long-term impacts are negligible. For example, in Bosnia in Herzegovina the various institutions keep referring the responsibility for addressing the migrant crisis to each other.¹¹⁰

In Spain, between 2015 and 2017, offers were made by autonomous communities and municipalities to host refugees, but acceptance is the exclusive power of the central government which has not made

¹⁰² Ibid.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ https://www.ecre.org/wp-content/uploads/2017/05/AIDA-Brief_AcceleratedProcedures.pdf.

¹⁰⁸ Based on country analysis and data/surveys collected during this study.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

a great effort in this area. As a result, some additional tension between the various levels of government was generated.

In a number of countries (BG, FI, SE)¹¹¹, some municipalities do not want to take in asylum seekers and refugees and thus be responsible for their integration. Given that the basis for distribution is often voluntary, governments can apply very little pressure to municipalities. In other instances, some municipalities offered inadequate accommodation in order to deter asylum seekers and refugees from settling.

Another institutional impact worth highlighting concerns public infrastructure. In Greece, the public infrastructure and waste management is under heavy pressure to respond to the influx, particularly in the five eastern Aegean islands (Lesvos, Samos, Chios, Leros and Kos).

On the other hand, in Serbia the public infrastructure has greatly improved due to the funding it received to develop better communal, sport and health infrastructure, procurement of vehicles, necessary furniture and equipment in the municipalities affected by the asylum seekers and refugee crisis. In this respect, the **lack of affordable housing is a challenge in many places, triggering possible social and institutional tensions in arrival regions** (Schwäbisch-Gmünd, the Basque Country, Limerick)¹¹².

4.4 Emerging costs and sources of income: returns on investments for local territories?

Financial impacts and public funds spent on asylum seekers and refugees have been and continue to be at the centre of public debate on migration. In this section, the potential expenditure and revenue accruing from refugees arriving in 2016 is estimated. Calculations build on the different employment rates across clusters and time cohorts (Section 4.2), and use those as a baseline for assessing the probability of asylum seekers arriving in 2016 in various European regions of finding a job over time.

On this basis, and using available secondary data (see Annex 2) the following is estimated:

- Initial expenditure per cluster on arrival and in the first years (assuming that it coincides with reception expenditures and initial support to asylum seekers)¹¹³;
- Further expenditure on unemployment benefits in subsequent periods (average costs)¹¹⁴;
- Expected revenue from income tax and social security contributions from employed refugees, and the income taxes and social security contributions of social workers across all clusters (based on average tax rates paid by those employed).

Note that due to limited availability of comparable data the analysis is only based on part of the information. As such, it is intended as a **preliminary assessment for further and more specific**

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ Using expenditures indicated by IMF WP SDN/16/02 (2016, p.12).

¹¹⁴ Fiscal spending per person obtained from the IMF WP SDN/16/02 (2016, p.12). Expenditure on unemployment benefits 2016 obtained from Eurostat [spr_exp_sum]. Information on asylum applications at NUTS 2 levels obtained through qualitative data collection.

analysis. For example, a number of detailed studies are promoted by the JRC on this matter, and are increasingly available on the dedicated webpage¹¹⁵. Further details on the data used and an overall disclaimer for the analysis are provided in the box below.

Box 4.7 Disclaimer on data limitation for the analysis provided in this section

The focus is primarily on the employment outcomes for refugees, as the existing dataset (i.e. EU LFS Ad-Hoc Module 2014) allows information on the potential employment rates of current refugee inflows to be produced. Based on these estimated employment/unemployment rates, per cluster, information on expenditure and revenue associated with employment can be derived. That is, how much expenditure will the cluster incur for the estimated number of unemployed refugees, and, conversely, how much revenue can be accrued to employed refugees in each cluster.

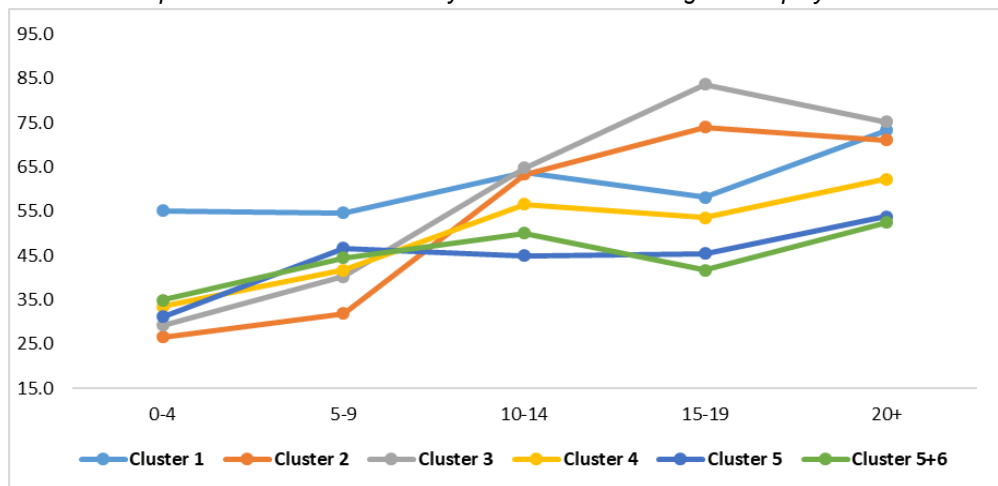
There are numerous other sources of both revenue and expenditure associated with refugees – housing, healthcare, education, labour market training, consumption – to name just a few. However, the information at the cluster level is not available (and mostly not even at the national level) about the magnitude of these effects.

For instance, to compute potential expenditure on housing at the cluster level, one needs to have information on how many refugees still live in houses provided by the state, the costs associated with such housing, and all other information related to living costs for the three time periods at the regional level. Not surprisingly, such information does not exist.

Furthermore, if the expenditure on housing and accommodation incurred by the state is considered, then so too must be the revenue that refugees bring to regional and national budgets by renting accommodation on their own. Yet, this kind of information is also not available.

The overall expectation of employability (rates) across different regions (clusters) is illustrated in Figure 4.8, which as mentioned builds on the different employment rates of time cohorts already discussed in this study (Section 4.2).

Figure 4.8: Main assumption for the evolution of asylum seekers and refugees' employment rates



Source: Own assumption based on EU-LFS elaborations.

Note: Concerns all refugees/asylum seekers aged 17-62 in different time cohorts.

Again, any assumption of the evolution of socio-economic performances of European regions in the longer term would certainly be equally debateable and only raise the complexity in the model proposed. The study opts for simplicity and hence declares its main assumptions.

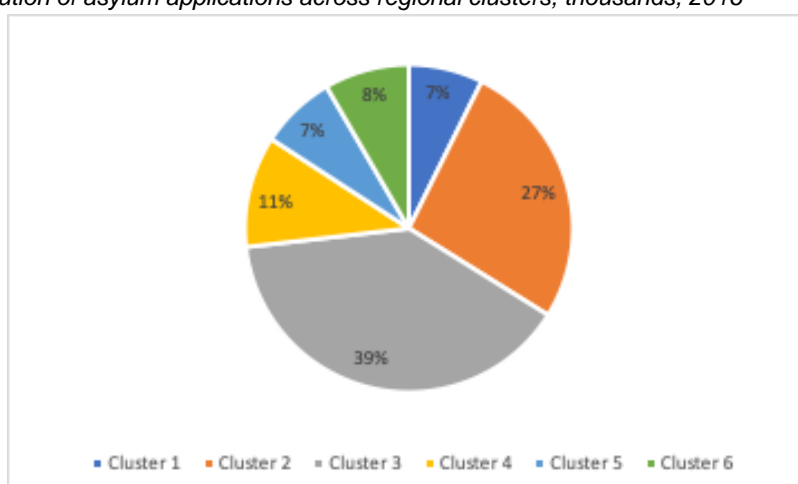
¹¹⁵ https://ec.europa.eu/knowledge4policy/publication/migrants-welfare-dependency-evidence-eu_en

Box 4.8: Assumptions and disclaimers in using these data as inputs for the analysis

At this point, a number of assumptions and potentially critical elements must be clarified. Firstly, by using the EU-LFS it needs to be made clear that the dataset does not indicate time-series, but rather suggests different patterns of employment for respondents identifying themselves as refugees and arriving at different points in time in the EU. In this respect, the usage of these data as a “predictor” of the evolution of employability rates over time is to be used cautiously – more as a possibility than a factual trend. Secondly, a relatively stable performance of the various regions across clusters is assumed, which may be relatively accurate in the short- to medium-term (below 10 years) but may be challenged for the longer term.

The distribution of asylum seekers and refugees across different regions, among those arrived in 2016 as discussed in Chapter 3, is illustrated by Figure 4.9 – showing a significant difference in overall volumes among clusters. By using the 2016 asylum seekers data presented in Chapter 3, a third relevant assumption made for this analysis is that no patterns of mobility of such individuals across different regions over time (and related clusters) occurs. Any estimate of the direction and specificities of such mobility patterns would be equally disputable. Thus, the study opts for a more elegantly simple model rather than a complex and critical one.

Figure 4.9: Distribution of asylum applications across regional clusters, thousands, 2016



Source: Chapter 3

To compute the average revenues for regions, intended as the income tax applied to employed refugees and social security contributions in each cluster, the following steps are used:

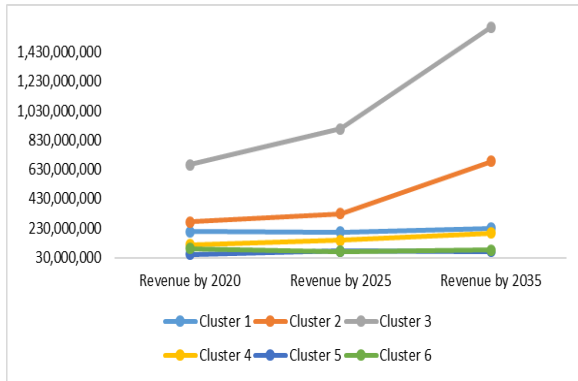
- *Step 1: Determine the **number of employed refugees present per cluster region** by 2020, 2025 and 2035, using the number of asylum applications per region for 2016 and the refugee employment rates computed with the EU LFS2014;*
- *Step 2: Compute the **average regional revenue using the number of employed refugees** by 2020, the average regional salary in 2016 and the tax rate level/social security contribution level (national) in 2016 (similarly for 2025, and 2035); and*
- *Step 3: **Sum-up regional revenues at the cluster level.***

The estimated cumulative revenue accrued from income tax across time periods is presented in Figure 4.10, while revenues from social security contributions are illustrated in Figure 4.11.

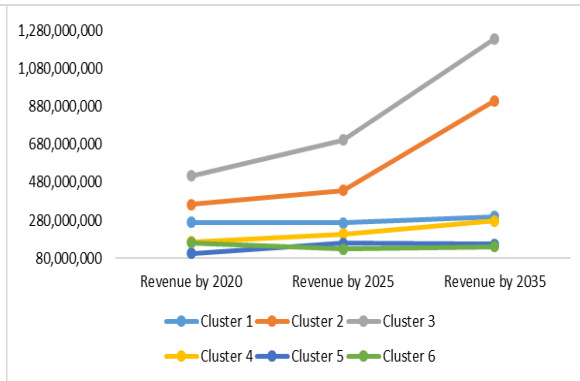
Figure 4.10: Estimated revenue from income

Figure 4.11: Estimated revenue from social

taxes by cluster, PPS,



security contributions, by cluster, PPS



Source: Own calculations based on EULFS 2014, Eurostat 2016, OECD 2016 and Asylum applications per cluster 2016 (see Annex 2 for details on methodology)

These estimates suggest that various clusters benefit from integrating refugees over time to very different degrees. In practice only clusters 2 and 3 – representing transit and destination regions with strong economies, a steady demand for labour and immigration and relatively good quality of inclusion policy (Chapter 4.2) – experience large and increasing returns over time from refugees’ integration, if measured in absolute terms. Among other regions, only those in cluster 4 seem to gain some minor increase over time, but the overall volume of fiscal returns generated over time remains relatively limited across all regions – if compared to the total spending for reception and social support.

Nevertheless, looking at these values in relative terms – as revenue generated by employed refugees over time, divided by the overall number of arrivals in 2016 – the situation changes slightly. In particular, cluster 2 is not the second highest earner anymore, being overtaken by clusters 3 and 4 (in Figure 4.13) and cluster 3 in Figure 4.13. Similarly as in Figure 4.10, cluster 1 is clearly distinguishable in terms of revenue, particularly income tax.

Figure 4.13: Estimated revenue from income taxes, by refugee, by cluster, PPS

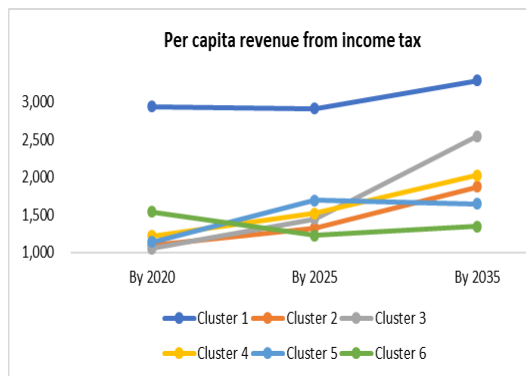
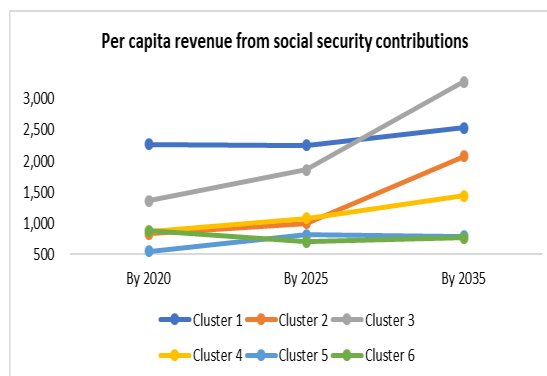


Figure 4.12: Estimated revenue from social security contributions, by cluster



Source: Own calculations based on EULFS 2014, Eurostat 2016, OECD 2016 and Asylum applications per cluster 2016

Evidence collected through countries and regions throughout this study confirms that financial returns associated with the refugee inflows have been so far unevenly distributed across European regions. An overview of examples is illustrated below.

Box 4.9: Overview of anecdotal evidence collected at country and local level across Europe

Qualitative information from the case studies and previous data collection suggest that, apart from countries with relatively low numbers of asylum seekers and refugees (e.g. Slovakia or Poland), the effects have been highly polarised – hence either strongly negative or positive. Spain and Finland, for example, have recorded negative impacts of recent inflows on public revenues. In both countries, the assessment is based on the unstable employment conditions for refugees and the low-income levels for this group. This in turn leads to a lower contribution in terms of direct (lower wages) and indirect taxation (less money available for consumption). In Italy, the costs for reception management are estimated at about 0.14% of the total national public expenditure, with much of it covering salaries, rents and consumption. In Germany, an estimated EUR 3.3 billion has been spent on language courses and training (for refugees arriving in 2015). However, the country estimates that it will more than make up these costs through tax revenues and decreasing social security costs by 2030.

Additional evidence from regional case studies suggests that in France (Provence-Alpes-Côte d'Azur, cluster 4) the net immigrant contribution to the country's economy was generally negative and small, throughout the whole period studied, and particularly after the 2008 crisis. Similarly, in Sweden (Sodertalje, cluster 1), a study found that in 2007, the public revenues generated by refugees was SEK 49.4 billion, while the total public costs of refugees was SEK 81.8 billion. On the other hand, in Serbia (Horgos-Roszke, cluster 5), municipalities where reception/asylum centres are located may have experienced a positive effect on public revenues due to the increase in the number of jobs in the refugee protection sector.

The analysis focussed on direct returns for local territories – notably, in terms of taxes on income and social security contributions. However, as emerging from the literature and by the case studies, it is clear that **refugees can also contribute in many other direct and indirect ways**. Other sources of revenue include income taxes for staff working with refugee in any capacity, unemployment officers or consumption of goods and services within a region. An overview of some evidence is provided in the box below.

Box 4.10: Overview of anecdotal evidence collected at country and local level across Europe

The town of Harmanli hosts the largest accommodation centre in Bulgaria. In 2014, in light of the significant inflow of asylum seekers, the centre expanded its accommodation capacity, which meant an influx of social workers, NGOs and construction workers arriving into the town. This in turn meant that restaurants, hotels and local shops experienced a sudden increase in sales, which boosted the local economy significantly (Harmanli has a population of around 10,000 inhabitants). In Bulgaria, stakeholders estimate that about 40% of the budget of NGOs – which are externally funded – contributed to the state budget in the form of income taxes and social security contributions.

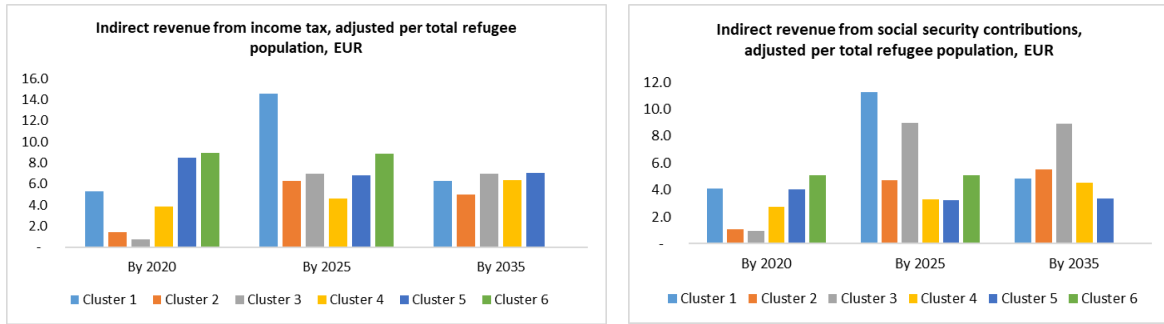
Similarly, in Kilkis, Greece (cluster 6), the arrival of asylum seekers and refugees is believed to have brought benefits to the local community, through the inflow of EU and international funds, investments in the local public hospital, a boost to local businesses, as well as the increase of rental income for local residents.

Source: Case Studies

The other sources of revenues for hosting territories, as a result of indirect jobs generated in the private sector to provide social care and other services, are assessed based on some basic assumptions – and building on local evidence on the matter. Figures 4.14-4.15 present the estimated revenue from income tax and social security contributions accruing to social workers working on unemployed refugee cases.

Figure 4.14: Estimated indirect revenue from income tax accruing to unemployed refugees

Figure 4.15: Estimated indirect revenue from social security contributions accruing to unemployed refugees



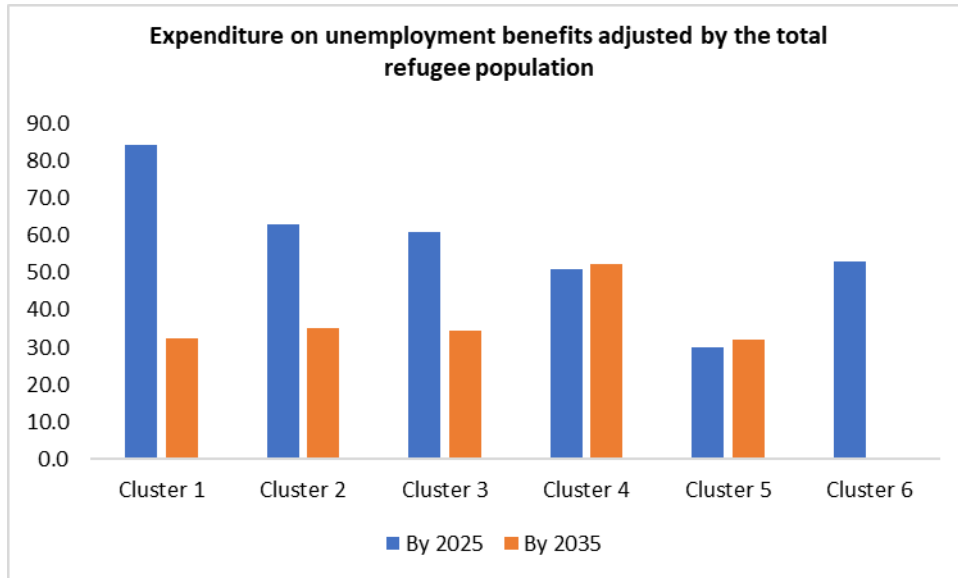
Source: Own calculations based on EULFS 2014, Eurostat 2016, OECD 2016 and Asylum applications per cluster 2016¹¹⁶

It is assumed that one social worker is assigned for every 50 unemployed refugees, and the total indirect revenue per cluster is calculated as the total number of social workers in a cluster multiplied by the relative revenue per cluster, in each time period, as presented in Figures 4.14-4.15. Not surprisingly, cluster 1 receives some of the lowest levels of indirect revenues, as it is the cluster with the lowest unemployment rates – which makes additional returns related to refugee care residual. At the other end of the spectrum, clusters 2 and 3, which have similar unemployment rates as cluster 1, but which result in higher absolute numbers of unemployed refugees and by extension social workers, give rise to some of the highest levels of indirect revenue.

If costs and returns across clusters are considered (Figure 4.16 below), the limited return on investment in supporting immigration over time emerges, although with different and notable variations across clusters. Transit regions (clusters 4 and 5) appear to have an overall ‘break even’ point between public costs and revenues generated.

Figure 4.16: Estimated expenditure on unemployment benefits, adjusted for the total refugee population at cluster level

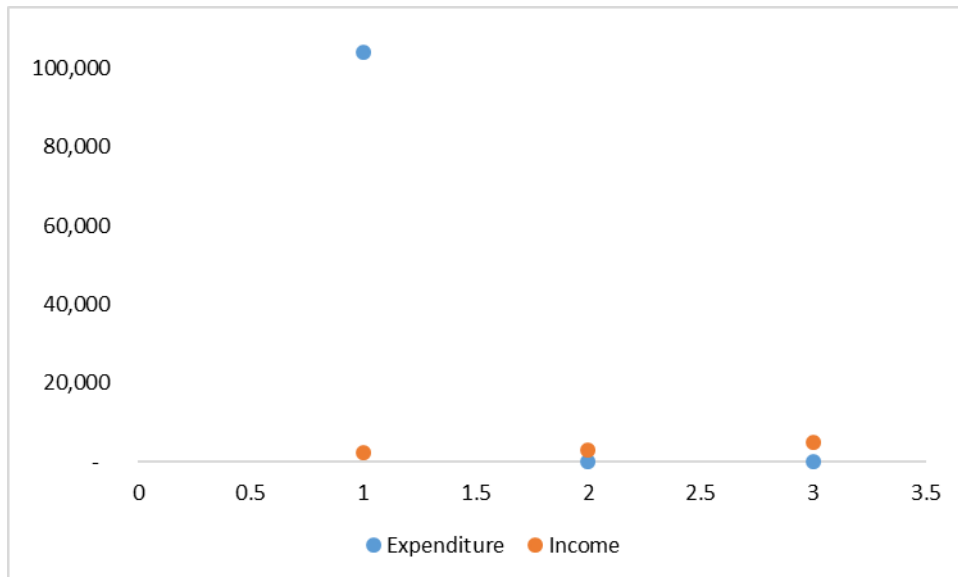
¹¹⁶ Total refugee population at cluster level = total number of asylum applications in 2016 per cluster (assuming that the total refugee population does not change over the three time periods).



Source: Own calculations (see Annex 2 for methodology)

If the costs and revenues are decoupled over time, it is nevertheless clear that besides high initial reception costs – largely covered by EU contributions to EU Member States – the regional support to refugees is relatively self-sustainable over time (Figure 4.17 below). This is a relevant finding in light of current policy debates.

Figure 4.17: Expenditure on unemployment v revenue adjusted by the total refugee population across all clusters



Source: Own computations.

As mentioned, the **estimates provided are largely illustrative. Further and more in-depth analysis is required to come up with reliable figures**, which would include further details of incomes and expenditures and make use of more robust datasets. Moreover, it is important to stress that regional-level effects can vary from country to country depending on the extent to which national support is provided to cover certain initial costs, and maximise the potential effects of policy support through efficient distribution policies (aspects further discussed in Chapter 5 and Chapter 6 in particular).

Some examples are provided in the box below, based on evidence collected across the case studies, while a further qualitative analysis of the practices assessed is provided in the next chapter.

Box 4.11: Overview of evidence on costs items collected at country and local level across Europe

As emerged in the collection of national and local data-sources, the volumes and features of expenditures encountered when supporting asylum seekers and refugees varies substantially across countries. While expenditure on asylum seekers and refugees can refer to first aid and reception, accommodation, income support and subsidy, healthcare and social assistance, language training, labour market training and VEET, and other integrative measures, not all countries provide these services and when they do, not all countries offer the same quantity and quality. For instance, in terms of accommodation, in 2018 the costs ranged from EUR 2,189 per person per month in Switzerland to EUR 1,500 per person per month in Belgium, and EUR 40 per person per month in Cyprus. While some countries provide an income allowance (UK, Romania, Slovenia, Portugal), most do not. Among the ones that do, there is significant variation in terms of the amount, from EUR 104 per person per month in Romania, to EUR 16 per person per month in Portugal and EUR 169.8 per person per month in the UK (all figures for the year 2018). However, a comparison of expenditures on reception and integration measures for asylum seekers in EU MS+ is not possible due to its broad variety of different practices.

Countries set different expenditure levels on healthcare and social assistance too, from EUR 4,204 per person per year in Switzerland, to EUR 813 per person per year in Greece to EUR 513 per person per year in Poland. Not all countries provide language courses, and costs vary among those that do. While the UK spent EUR 1,016 per person per course in 2018, the Netherlands spent EUR 3,257 per person per course in 2016, and Austria spent EUR 800 per person per course in 2015. Even fewer countries offer labour market support, in the form of apprenticeships or re-skilling, for a smoother labour market insertion. Switzerland spent EUR 11,387 per apprenticeship in 2018, Poland spent EUR 1,759 per person per programme in 2017, while Cyprus spent EUR 455 per person per month in employment in agricultural and animal farming. It is not surprising that total estimated public expenditure varies significantly, from EUR 4.85 billion in Sweden in 2016, to EUR 13.59 billion in Germany in 2017.

Differences also emerge at the local and regional levels. In the Basque region of Spain¹¹⁷ (cluster 4), for example, the estimated expenditure on asylum seekers and refugees is offset by increases in tax revenues. On the other hand, in the Swedish city of Sodertalje¹¹⁸ (cluster 1), public expenditure on refugees is significantly higher than public revenues. In Sweden more generally, it is estimated that in 2007 (the year for which the study was conducted), the value of public revenues generated by refugees totalled SEK 49.4 billion, while the value of public expenditure for refugees totalled SEK 81.8 billion. Most of the difference (about 80%) is due to lower per-capita revenues from refugees compared with the total population; second reason is the higher public expenditure per person incurred by refugees.

Source: Data collected during the Case Studies (annexed to this report)

¹¹⁷ Information from the case study on the Auzolana programme in the Basque country in Spain, conducted in the context of the project.

¹¹⁸ Information from the case study on Sodertalje in Sweden, conducted in the context of the project.

5 Integration measures to enhance inclusion and territorial development at the local level: Case study analysis

The case studies provide in-depth qualitative evidence on the measures implemented at the local level for the integration of asylum seekers and refugees in 12 territorial areas representative of different regional typologies, migration challenges and needs, as well as the practices in place. Specifically, the case studies provide important insights on:

- The main demographic and socio-economics features as well as the characteristics of inflows of asylum seekers and migrants and the types of challenges these inflows may bring;
- The approaches adopted at the local level to support the reception and integration of asylum seekers and refugees; and
- The actors and factors that affect the acceptance and integration process of asylum seekers and refugees in the local communities.

5.1 Overview of the selected Case Studies

The 12 case studies have been selected according to the demographic and socio-economic typologies identified in the cluster analysis¹¹⁹ representing regions/cities with very different geographical and socio-economic profiles.

Four out of 12 case studies belong to high growing and highly attractive regions. The municipality of **Södertälje (SE)** and the area of **Limerick (IE)** are located in very attractive metropolitan areas and poles of financial services (cluster 1). The municipalities of **Schwäbisch Gmünd (DE)** and **Kapfenburg (AT)** belong to highly attractive regions characterised by strong economic growth and innovation pulse (cluster 2).

Five case studies belong to medium-growing attractive regions: the **municipality of Milan (IT)** is the strongest financial and economic metropolitan area in Italy, with high immigration inflows both from other regions and from non-EU countries (cluster 3). The **Flanders region of Belgium** belongs to cluster 4 characterised by medium growth, a highly educated population, demographic balance and a low immigration rate. Also, **Bucharest (RO)**, the **Autonomous Community of the Basque Country (ES)** and the **French region of Provence-Alpes-Côte d'Azur (PACA)** belong to this cluster.

Finally, **three case studies are representative of EU border areas characterised by low income compared to the EU average and depopulation:** the Serbian and Hungarian border municipalities of **Horgos (RS)** and **Rösztke (HU)** (cluster 5), and the **Kilkis (EL)** and **Sicily (IT)** southern border regions on the Mediterranean routes (cluster 6).

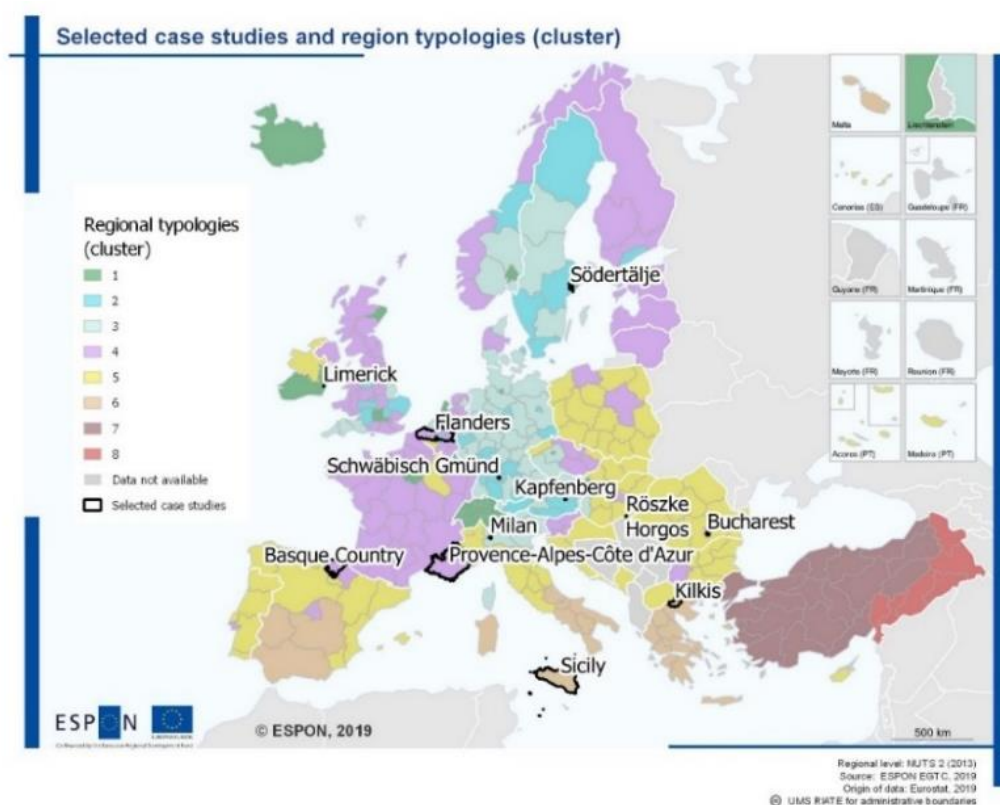
As shown in Figure 5.1 (see also Annex 2), the selected case studies are also representative of the geographical distribution of European regions and proximity to the EU borders. **Half of them are located in Southern Europe**, which is the main area of arrival of refugees and migration inflows together with Eastern Europe. The case studies are also characterised by different **proximities to**

¹¹⁹ Annexes of the Interim Report.

borders, with Kilkis (EL), Sicily (IT), Bucharest (RO), Horgos (RS), Rösztke (HU), and the PACA region (FR) closer to EU borders compared to the other cases.

The selected case studies also **differ in their size and population**. **Flanders**, the Dutch-speaking northern part of Belgium, is the most populated region among those considered, both for number of inhabitants (over 6 million) and population density (487.2 inhabitants per km²), followed by the Italian region of **Sicily**, the French region of **PACA** and the Autonomous Community of the **Basque Country**. The other cases are municipalities: among them, the two most populated are **Bucharest** (population of 1.8 million) and **Milan** (1.3 million, with a metropolitan area of 3.2 million), while **Kilkis is the least populated**.

Figure 5.1: Case studies and region typologies (cluster)

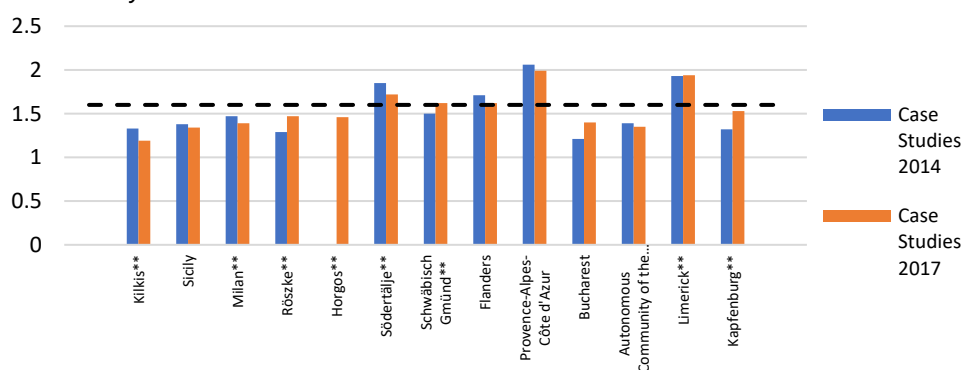


5.1.1 Main demographic and socio-economics features

Demographic features. Figure 5.2 to Figure 5.5 below (see also Annex 2) show the main demographic features of the selected case studies. **The majority of the case studies belong to ageing regions**, with total fertility rates, crude rates of natural population change below the EU28 average and old age dependency rates above the EU28 average.

In seven out of the 12 cases, the **total fertility rate**¹²⁰ (Figure 5.2) is below the already low EU28 average (1.6). **Exceptions are the French, Sweden and Irish cases.** The **French PACA region showed in 2017 the highest total fertility rate among the selected case studies** (1.99), followed by the **mid-west area of Ireland** including Limerick, and the **Stockholm County** (*Stockholms län*) including Södertälje. **Kilkis** showed the lowest fertility rate, although it increased in 2016 above the national average, to fall back to 1.19 in 2017.

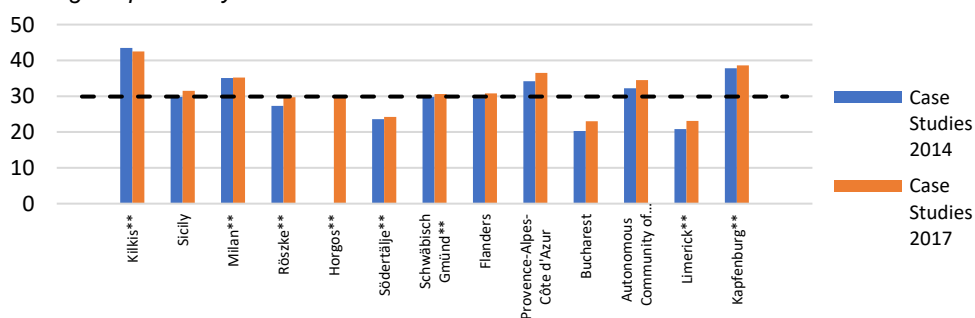
Figure 5.2: Total fertility rates



Source: Eurostat. (**) data available at corresponding NUTS3 level

The old dependency ratio¹²¹ (Figure 5.3) in eight cases is above the EU28 average in 2017. Exceptions are the Irish, Romanian, Swedish and Hungarian case studies, which scored below the EU28 (29.9): the municipality of Bucharest showed in 2017 the lowest ratio among the selected case studies – 23, which means that 100 persons of working age are to provide for 23 retired individuals. Although this figure is well below the EU average, it has increased since 2014 (when it was 20.3). The case study with the highest rate is again Kilkis (42.5), although it is decreasing compared to 2014.

Figure 5.3: Old age dependency ratios



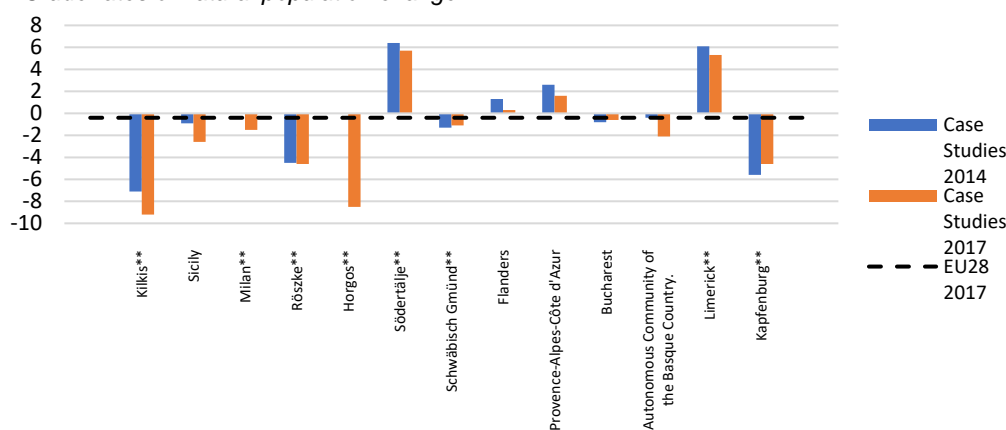
Source: Eurostat. (**) data available at corresponding NUTS3 level

¹²⁰ Total fertility rate: number of children per woman. The mean number of children that would be born alive to a woman during her lifetime if she were to pass through her childbearing years, conforming to the fertility rates by age of a given year.

¹²¹ Old dependency ratio: population 65 and over to population aged 15 to 64.

The crude rates of natural population change¹²² show positive trends in four cases: Södertälje (SE) and Limerick (IE) are located in regions with a highly growing population with positive crude rates of natural population change above five. The PACA region (FR) and the Flanders region (BE) are characterised by medium population growth. The other case studies are instead representative of depopulating areas, all showing negative rates of natural population change. The Austrian Greek and Serbian-Hungarian case studies belong to regions with the most negative demographic balance, as shown in Figure 5.4.

Figure 5.4: Crude rates of natural population change



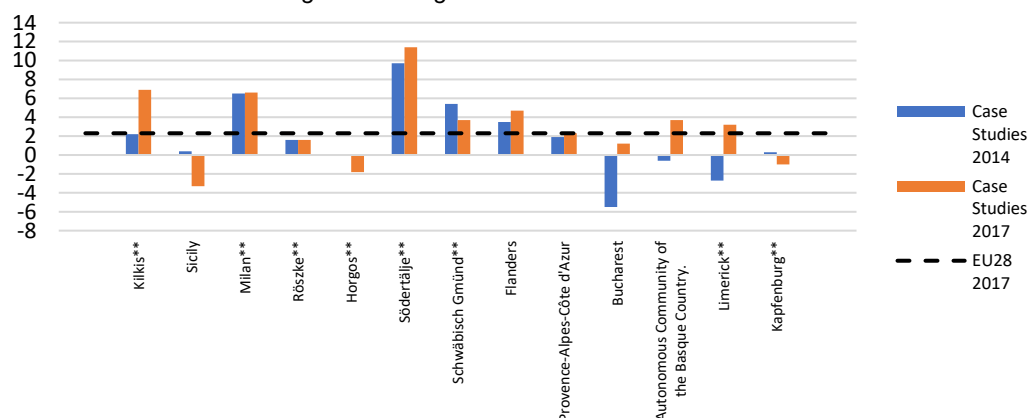
Source: Eurostat. (**) data available at corresponding NUTS3 level

Turning to the **crude rate of net migration**¹²³ presented in Figure 5.5, **seven out of 12 case studies belong to regions that have higher rates than the EU average**. Södertälje (SE) is the most attractive among the considered cases, being located in a highly attractive metropolitan area. However, as indicated in the case study, the Södertälje municipality is also a region of emigration for Swedish-born people. Only **three cases show a negative net migration rate**: Sicily in Italy(-3.3), the Austrian district Östliche Obersteiermark including the city of Kapfenburg (-1), and the Serbian North Banat District including the municipality of Horgos (-1.8).

¹²² Crude rate of natural population change: difference between the number of live births and the number of deaths during the year. A positive natural change (natural increase) occurs when live births outnumber deaths. A negative natural change (natural decrease) occurs when live births are less numerous than deaths.

¹²³ The crude rate of net migration plus adjustment is defined as the ratio of net migration (including statistical adjustment) during the year to the average population in that year.

Figure 5.5: Crude rate of net migration change



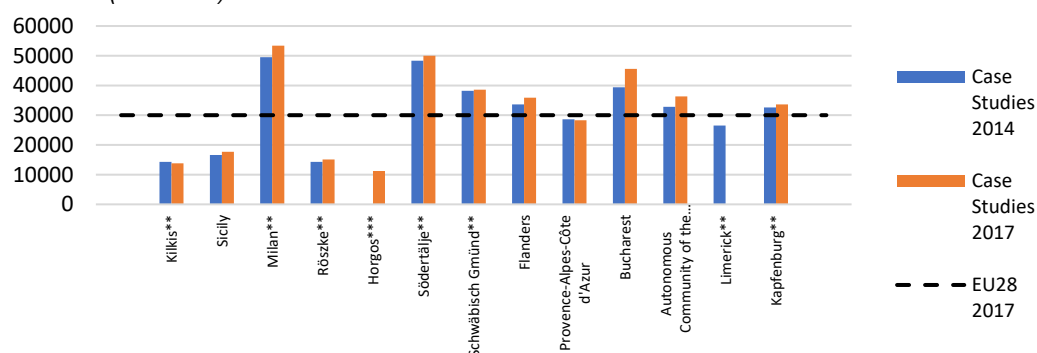
Source: Eurostat. (**) data available at corresponding NUTS3 level

Economic and labour market conditions.

The case studies are representative of the **different economic and labour market conditions of EU regions**. As shown in Figure 5.6 below, in seven out of 12 cases, **GDP (expressed in PPS) per inhabitant** is well above the European average. In particular, the cases with the highest and fastest-growing per capita income are Milan (EUR 53,400), Södertälje (EUR 50,000) and Bucharest (EUR 45,600).¹²⁴

The poorest areas are Horgos in Serbia and Kilkis in Greece. According to the Statistical Office of the Republic of Serbia, the **GDP per capita in the Vojvodina region** was almost the same as the national level in 2017: EUR 5,555 compared to a national average of EUR 5,580, although only around 59% of that of the Belgrade region (EUR 9,387). In **Kilkis** GDP per inhabitant (EUR 13,800) is less than half of the European average. The 2008 financial crisis significantly affected Central Macedonia and the region of Kilkis.

Figure 5.6: GDP (PPS/hab.)



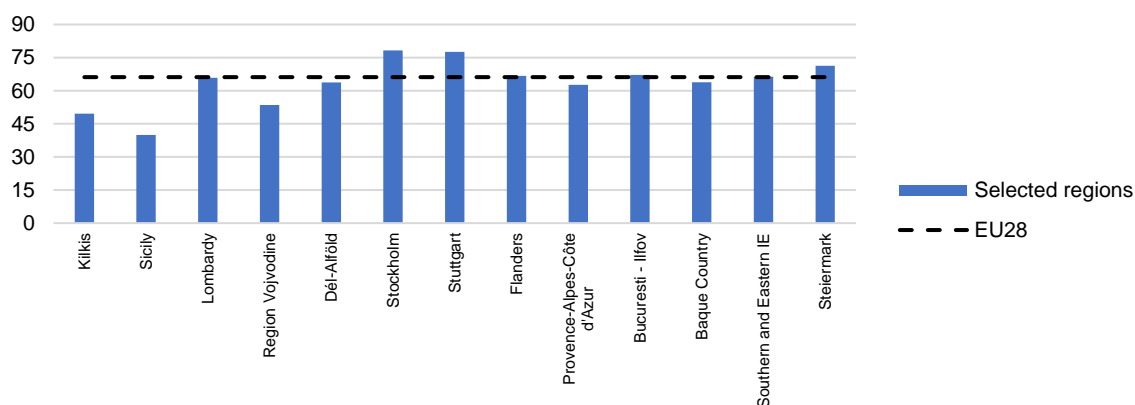
Source: Eurostat. (**) data at NUTS3 level. (***) Data at NUTS2 level. For FR 2015 instead of 2014; For EL, IT-Milan, SE, DE, FR, RO and AT 2016 instead of 2017.

¹²⁴ Due to the absence of data at municipal level, the corresponding NUTS 3 data have been considered.

Turning to **labour market conditions**¹²⁵, presented in Figure 5.7 below (see also Annex 2) the case studies show very diversified conditions, although **more than half belong to regions which on average show worse labour market conditions compared with the EU28 in the period 2014-2017.**

The best performing regions are the region of Stuttgart – including the *Schwäbisch Gmünd* area and the **region of Stockholm** – to which the Swedish case study Södertälje belongs. In the German region of Stuttgart employment rates reach 77.6% and the unemployment rate is the lowest among the considered cases at 3.2% (below the national average of 4.4%), while the Swedish region shows the highest employment rate among the considered cases (78.3% compared to national level of 75.9%).

Figure 5.7: Employment rate (average 2014-2017)



Source: Own calculation on Eurostat data. The level of analysis is at NUTS2 level with the exception of Flanders which are NUT1 level

The Greek region of Central Macedonia, where **Kilkis** is located, and **Sicily** in Italy are the least developed areas among the selected ones. The unemployment rate rises to 25.5% in Central Macedonia, which is among the regions with the highest unemployment rate in Greece and in the EU as a whole. The unemployment rate in **Sicily** averaged 21.8% in the period 2014-2017 compared to 11.9% in Italy. Sicily also showed in the period 2014-2017 the **highest NEET rate** (32.1% compared to the EU average of 11.8%). The 2008 crisis has strongly worsened the labour market conditions in these two regions.

5.1.2 Refugees and migration trends, migration routes and composition of flows

The case studies are representative of: i) different positions in the main migration routes; ii) different dynamics in recent refugees/migration inflows; and iii) differences in the main characteristics of the refugees/migrants arriving in the area by nationality, gender and age.

Position in the main migration routes

Only one case study (**Sicily**) is an arrival region, located on the Central Mediterranean route. As highlighted in the case study, migrants rarely decide to settle in Sicily, as they usually prefer to reunite with their families in other EU countries, or to reach a country where at least they are familiar with the

¹²⁵ Data for labour market condition are available at NUTS 2 level. See Annex 1.

language spoken, or to move towards more economically dynamic Italian regions (Lombardy, Lazio, Piedmont) and large urban areas.

Seven of the selected cases are **'transit areas'** (**Kilkis, Milan, Horgos – Rösztke, PACA, Bucharest, Basque Country and Kapfenburg**), although some of these are also to some extent 'destination areas' (i.e. Milan, the PACA region and Kapfenburg). Three of these transit areas are on the Central Mediterranean route (Milan, PACA and Basque Country), while Kilkis, Bucharest and Kapfenburg are on the Balkan route.

The four remaining case studies (**Södertälje, Schwäbisch-Gmünd, Flanders and Limerick**) are **destinations regions**.

Recent dynamics and main characteristics of inflows

The available data on the **recent dynamics of inflows** reported in the case studies are reported in Annex 2 together with the main features of the inflows of asylum applicants, on the basis of the information collected by the country experts for the case studies. All the areas described in the case studies experienced large inflows of asylum seekers, although in different periods and to a different extent, depending on their positions on migration routes and their socio-economic conditions. Some arrival and transit areas (e.g. Sicily in Italy, Horgos – Rösztke on the Hungarian-Serbian border, Kilkis in Central Macedonia, and the PACA region in France) had to face sudden dramatic inflows of asylum seekers during the refugee crisis, which put a strain on local reception facilities.

The **nationality of the arriving refugees/migrants** also reflects the location of the case studies along the different migration routes and, in destination areas, also the presence of communities of refugees and migrants. As anticipated in chapter 3, **in most of the cases the main countries of origin are Syria (increased in 2017), Afghanistan, Iraq and Pakistan. Exceptions are Milan, the Basque Country and Limerick.** In **Milan**, Nigeria and Bangladesh were the most common countries of the asylum seekers (respectively, 12.5 % and 10.1 %) in 2017. In the **Basque Country** 2016 data show that most of the applicants come from Latin America (48.2%), with increasing arrivals in recent years from Venezuela, Colombia and Honduras. Limerick reflects the main nationalities represented at the national level in Ireland: Albania (12.5%) and Georgia (12.3%) in 2018.

Asylum applicants are mainly **males** and **younger than the native-born** (18–34), although in Germany, Sweden and Greece there is a relatively higher share of women and children. Very little information is available on the **educational profile** of recent asylum seekers and refugees, as data are available at national level only for a few countries (FR, RO, ES, IE). In **France**, over the past five years, a growing number of non-French speaking asylum inflows have low education and a significant share of illiterates. In **Romania**, interviews underline an increase in the education level of asylum seekers for inflows from Iraq. In **Spain**, data on migration show low and medium levels of qualifications. In **Limerick** the immigrant population is very diverse.

5.2 The national policy framework and challenges at local level

In the EU the legal and policy frameworks regulating asylum and subsidiary protection, dispersal policies and refugee and migration policies are introduced on a **national level**, while **local**

governments and stakeholders are usually in charge of the implementation of concrete measures for the reception and integration of asylum seekers and refugees in their territories, within the rules defined at the national level.

5.2.1 Evolution of the national legal and policy framework in the countries of the case studies

As described in the overview of national policies reported in Annex 2, **national differences in policy approaches remain considerable across EU countries**, reflecting the specific characteristics, the density and the composition of the residing immigrants, as well as the legal and institutional framework, and the features of national welfare systems and integration models.

Initial reception, emergency measures, dispersal policies and referrals of asylum seekers and refugees are generally covered by *ad hoc* national regulations. Asylum procedures vary from single asylum request procedures to multiple ones. The possibility to appeal in case of rejection also varies, as well as the the procedures to be followed, the length of the procedure and the type of support offered during the application procedure. The main difference across EU Member States concerns the degree of centralisation of the initial reception procedure, the legal status of applicants and their eligibility to welfare, healthcare, education and training and labour market services, the adoption of internal dispersal policies and the degree of involvement of different actors, such as regions, municipalities and NGOs.

Among the countries of the case studies, Austria, Germany, Italy and Sweden adopt a **dispersal mechanism** based on a **quota system**. In **Germany**, after the initial reception, asylum seekers are allocated among federal states through a quota system (the *Königsteiner Schlüssel*) calculated annually on the basis of the regions' tax revenue and population. According to the 2016 Integration Act, refugee status holders are required to remain in the same state that hosted them during the asylum procedure for three years, unless they find regular employment, or start a traineeship or attend university in another state. In **Italy and Austria**, the quota is based on the population level. In 2016, **Sweden** centralised its dispersal policy requiring municipalities to accommodate refugees and provide housing facilities. The quotas are based on the size of population, labour market conditions and the acceptance of applications in previous years. **Romanian** dispersal policy distributes asylum applicants among six regional reception centres in order to avoid overcrowding. However, due to the low number of asylum seekers the distribution scheme is not mandatory. **Spain, Belgium and Ireland** adopt a dispersal mechanism, based on the applicant's profile (e.g. age, gender, family ties) considering, as much as possible, his or her vulnerability and needs. In the **French** system, the region of arrival receives compensation from the central budget. **Greece** does not foresee a dispersal scheme, but a debate has been opened on the distribution and relocation of asylum seekers and refugees. In some cases, national dispersal policies can be modified at regional level. For example, in the Spanish **Basque country** the Auzolana project (presented in section 5.3) suggests a change in national dispersal policies. In contrast to the usual practice, the regional government and participating municipalities are informed from the beginning of how many asylum seekers and refugees are to be placed in the area. As underlined in Annex 2, dispersal mechanisms target mainly asylum seekers, while refugees can usually settle in an area of

their choice within the state's territory. However, dispersal criteria may apply if the refugee is entitled to accommodation and decides to benefit from lodging arrangements provided by national or local authorities, as in the case of Italy and Sweden.

In many countries reception systems have changed since the refugee crisis of 2014-2015. They have moved towards **greater restrictions on arrivals and stricter eligibility conditions** for the recognition of refugee or humanitarian status.

Among the countries of the case studies Austria, France, Germany, Hungary, Italy and Sweden show a move towards stricter eligibility conditions and a worsening of the reception conditions, although to different degrees.

In **Austria**, with the Freedom Party becoming a coalition partner in December 2017, the government turned towards an anti-immigration policy approach, and in October 2018 Austria chose not to join the United Nations treaty on migration. In addition, a 'rights and responsibility' approach was applied in a 2017 legislative proposal, which introduced an obligatory 'integration year' for people granted the refugee status. Access to certain types of social assistance was made conditional on effective participation in integration measures. Furthermore, the 'integration funds' made available by the federal government in 2015 and 2016 were discontinued.

In **France**, individuals obtaining international protection come under common law (*droit commun*) and are treated equally to French citizens with regards to access to social protection and the labour market. Adopting this approach, requires little need for specific measures for refugees. However, the French reception system presents several drawbacks: push backs, detention, difficulty in registration of asylum applications and reception condition, and poor access to the labour market. Recent legislative developments give a mixed picture. In September 2018, a new controversial immigration asylum law was adopted which aimed to: a) reduce the time taken to examine the asylum application; b) strengthen the fight against irregular immigration; and c) improve the reception of admitted foreigners by increasing the duration of the residence permit to four years (instead of one year) and the benefit of family reunification to the siblings of unaccompanied minors. In addition, the talent passport is extended to employees of innovative companies and searching for a job is made easier for those who have completed their studies in France. An inter-ministerial delegate for refugee integration was created in early 2018 to improve harmonisation between different sectors and promote targeted policies for the integration of refugees. A call for projects for the professional integration of refugees has also been launched recently in the framework of the Skills Investment Plan (PIC) with the dual objective of training one million young people and one million low-skilled jobseekers and accelerating the transformation of vocational training. The initiative has a budget of EUR 15 million.

The **Italian** legal and policy approach to asylum and immigration was hardened in November 2018 by the security decree (*Decreto Sicurezza*, no.113/2018). The decree abrogates one of the protection statuses (and stay permits) available to asylum seekers in Italy replacing the two-year permit granted for humanitarian reasons with a one-year temporary permit, according to stricter eligibility rules (i.e. serious health issues, calamities in countries of origin, acts of civic valour, trafficking victims, domestic violence and severe exploitation). Furthermore, the decree revises part of the Italian reception system

that has been in place since 2015, changing the criteria for access to the second-tier reception centres (SPRAR system) which were managed at the regional and local level and provided to asylum – i.e. cultural and linguistic mediation, accommodation, access to local services, language education and access to schools for minors, vocational training and traineeships, legal advice and healthcare. With *Decreto Sicurezza*, asylum seekers are no longer allowed to enter the SPRAR system until they are officially granted a protection status and are entitled to remain in the country. The decree also doubles the maximum amount of time that foreigners can be held in repatriation centres from 90 to 180 days. In addition, should an application be rejected, the asylum seeker is obliged to leave the country even if the appeal against the decision is pending. Asylum seekers can be placed in centres all over the territory, depending on the availability of places and can be moved from one centre to another by Prefectures.

In **Hungary**, the reception and integration policy has undergone considerable changes since the 2015 refugee crisis, with the declaration of a state of emergency and the reform of the entire asylum and integration system. Currently, at the southern border there are only two entry points (transit zones) and access to asylum is limited to 10 people per week in total for the whole country. There are no specific integration support measures and reception is limited to the time an asylum seeker spends in the transit zone (with limited access to basic services), and after a positive decision to 30 days in a closed reception centre. After those 30 days, no further integration support is provided by the state as, in theory, people with protection status should have access to mainstream social services and assistance. People illegally present on the Hungarian territory are detained in the alien police detention centre until returned to their country of origin.

Sweden was one of the most welcoming asylum systems in Europe. But the situation changed in 2015, and the existing system now provides the minimum European standards. Initial requests for asylum have to be lodged in four specific locations by the migration agency before asylum seekers are then distributed to regional asylum centres. If the asylum request is denied, two levels of appeal are possible. When an application is rejected, the individual usually must leave Sweden within two weeks (voluntary return) or in cases of forced deportation within four weeks. Re-entry bans of up to five years can also be issued.

In **Germany**, the right to asylum has constitutional status, although the policy approach has been tightened after the openness signalled in 2015-2016. In 2017, the German parliament passed a reform of the asylum law, introducing changes on data protection, residence restrictions and the prolongation of detention custody.¹²⁶ The residence permits have different durations according to the status: three years for refugees, and one year (renewable) for persons with subsidiary protection or a national ban on deportation. A permanent residence permit can be granted after five years if the applicant has sufficient language skills and can provide for themselves. Rejected asylum seekers have to leave Germany, usually within 30 days, otherwise they are deported, except in specific cases when a

¹²⁶ <https://www.ecre.org/from-host-country-to-deportation-country-latest-asylum-reform-in-germany/>

temporary suspension of removal is certified. The federal level refunds regions and municipalities for the costs of reception and integration policy, and since September 2015 has significantly increased its financial support for labour market integration.

Greece, Ireland, Romania, the Republic of Serbia and Spain seem instead to have improved their reception policies, also thanks to the capacity building activities implemented by international organisations and NGOs.

In Greece, a recently approved (January 2019) national integration strategy defines national policies for integrating refugees and migrants.¹²⁷ The Reception and Identification Service provides initial reception and identification procedures. In order to manage the large increase in inflows, a EU 'hotspot approach' was adopted in the Eastern Aegean islands with the establishment of five Reception and Identification Centres (RIC), that were designed as detention centres. According to the EU-Turkey agreement, people seeking international protection, who arrived in Greece from Turkey after 20 March 2016, must stay in RIC in the Aegean islands until their case is examined according to a fast-track border procedure. Those who arrived before 20 March 2016 can either seek asylum in Greece or apply for allocation to another EU country.

In Ireland, in recent years, the promotion of migrant and refugee integration has been supported by a range of measures – e.g. the National Action Plan Against Racism (2005-2008), Migration Nation (2008), Migrant Integration Strategy and sector specific integration strategies¹²⁸, Intercultural Education Strategy (2010-2015), Culture 2025 – Eire Ildanach: A Framework Policy to 2025. In particular, the Migrant Integration Strategy (2017) provides the framework for government action on migrant integration from 2017 to 2020 to create an integrated society.

In Romania, immigration policy has been framed according to the commitments assumed at EU level. International organisations (i.e. IOM, UNHCR) have also played a relevant role in the framing of the immigrant integration policy through the continuous interaction with the ministry in charge of reception and integration policies (IGI). While there are no specific policies for asylum seekers in Romania, with the exception of the AMIF strand targeted to asylum seekers, beneficiaries of international protection have access to integration support provided within the integration programme and through the integration services offered by NGOs. They have the same rights as Romanian citizens regarding access to education, social services, the labour market and public healthcare. Romania has also set up a quality management system for international protection, with monthly reviews by the UNHCR of administrative decisions regarding international protection taken by regional centres. This contributed to the adoption of a unitary approach in dealing with international protection requests at regional level, and increased the institutional capacity of integration officers.

¹²⁷ <https://g2red.org/aset-s-observations-on-the-national-integration-strategy/>

¹²⁸ Intercultural Health Strategy 2007-2012, Integrated Workplaces 2008, An Garda Síochána's Diversity Strategy and Implementation Plan 2009-2012.

In order to manage migration more effectively, **Serbia** has adopted several laws in recent years. A law on asylum and temporary protection was adopted on 22 March 2018, which is aligned with international and EU standards and includes an improved refugee definition, the introduction of accelerated procedure, the border procedure and inadmissibility grounds, as well as enhanced provisions for unaccompanied and separated asylum seeking children. Other important legislative acts include: the law on foreigners of 3 April 2018; the law on the employment of foreigners updated in 2018 regulating the asylum seekers' right to labour market access; the law on the protection of state borders (2018) on border control and integrated border management; the law on migration management adopted at the end of 2012 regulating migration management and setting up a unified system of data collection and exchange in the field of migration management; and the law on citizenship of the republic of Serbia regulating citizenship acquisition.

Spain has traditionally combined surveillance and control measures with bilateral agreements with the coastal countries of West Africa and Morocco. Since the increase of available places for reception of refugees in 2015, the Spanish government has reformed the system, involving more NGOs, and has implemented pilot experiments, such as the Auzolana Pilot Programme in the Basque Country.

5.2.2 Policy challenges at the local level

The reception and integration of third country migrants is a **multidimensional – multi actor process** involving legal, social, economic, cultural and political dimensions.

The participation of sub-national actors in reception and integration policies is rather differentiated across EU countries. While in all the considered cases **local governments and stakeholders** are in charge of the implementation of reception and integration measures, within the rules defined at the national level, in some countries regions, provinces and municipalities are also involved in the design and planning of the migration policy. Among the countries of the selected case studies, **Austria, Germany, Greece, Italy, Spain and Sweden** show a greater involvement of regional and local authorities in migration policy compared to other EU countries, while decision making is strongly centralised at the national level in **Hungary and Romania**.

The case studies show the **crucial role of local institutions and non-state actors**, including international organisations and national/local NGOs, in providing humanitarian assistance and shelter for asylum seekers and refugees and in supporting their socio-economic integration in local communities, while often facing many legal, institutional and socio-economic challenges and constraints:

- Legal challenges related to the regulation of the asylum procedures, and the definition of working, residence, citizenship and political rights.
- Institutional challenges relating to the resources (human and financial) available in the receiving community for the implementation of reception and integration policies.
- Socio-economic challenges related to the availability of local services and facilities supporting access to education and training, the labour market, healthcare, housing and other welfare benefits and services necessary for socio-economic integration in the community.

Legal challenges: the length of recognition procedures and the status of asylum seekers

Integration measures are targeted at regular immigrants and/or persons with a refugee status or under humanitarian protection. Asylum seekers, however, in most EU countries have restricted access or no access at all to integration services and benefits and the uncertainty about the outcome of the procedure discourages asylum seekers from undertaking integration measures, such as language training,¹²⁹ and local stakeholders (e.g. employers) from being involved in integration measures. The time needed for the recognition of the refugee status is, therefore, one of the main challenges for both asylum seekers and for local communities, given that during this period asylum seekers usually cannot work, are not eligible for full integration measures and, in most countries, have to stay in reception or detention centres. According to the revised Asylum Procedures Directive, the maximum duration of an asylum procedure should be no longer than six months from the lodging of the application, although derogations are possible. In many countries, the growing number of applications for international protection in recent times has increased the overall duration of the regular asylum process. According to a 2016 Aida Report¹³⁰, in many countries this process exceeds 12 months – e.g. Austria, France, Greece, Italy and Spain. Often, there is also a time lag between pre-registration and full registration that increases the overall duration of the asylum procedure. Asylum seekers waiting to lodge their application often do not have access to the labour market or have difficulties in securing accommodation or access to healthcare.

Another challenge is the situation of asylum seekers who are not recognised as refugees and become **irregular immigrants** after their claim is rejected, without any access to regular employment and socio-economic support. Irregular immigrants are either deported or remain in the arrival country, living at the margins of society and relying on charity for survival. Alternatively, they become employed in the black economy or engage in criminal activity.

Institutional challenges: lack of capacity and funding

The main challenges faced by local stakeholders include: the lack of experience and capacity in the reception and integration of large inflows of asylum seekers and refugees; the lack of funding ensuring the long-term sustainability of programmes and full coverage; the lack of vertical and horizontal coordination both among the different institutional levels and among these and the other relevant actors (NGOs, civil society organisations, etc.); and the increasing negative attitudes towards asylum seekers and refugees both politically and socially.

The case studies show that in many cases local communities (e.g. Kilkis in Greece, Milan and Sicily in Italy, and Subotica on the Hungarian and Serbian border), especially in border areas, have to face large and sudden inflows of asylum seekers with little or no previous experience and limited financial

¹²⁹ European Commission (May 2016), European Employment Policy Observatory Synthesis: Challenges faced by asylum seekers and refugees in successfully integrating into the labour market.

¹³⁰ AIDA (2016) The length of asylum procedures in Europe, October 2016 <https://www.ecre.org/wp-content/uploads/2016/10/AIDA-Brief-DurationProcedures.pdf>.

resources. As shown in the Subotica and Kilkis case studies, the role of **international institutions and of NGOs in providing initial support and capacity building among local institutions** is crucial, especially in those areas less experienced in the integration of asylum seekers and refugees.

Greater vertical and horizontal coordination and the sharing of good practices are also necessary to support effective intervention, as shown in the Spanish Basque case study. In border areas, **coordination is also needed across borders**, as shown by the difficulties experienced by the Serbian municipalities along the border with Hungary.

The **lack of continuous funding** is another challenge. Budget cuts and recruitment freezes have reduced the capacity of local governments to address the inflows of migrants and asylum seekers. Municipalities with a tradition of strong and well-funded public services are better placed to cope with this situation. Some cities are increasing their own spending to recruit additional staff and to improve service provision. The reception and integration of asylum seekers and refugees is considered an investment, as its short-term, high costs may produce positive returns in the medium to long term depending on the effectiveness of the implemented measures¹³¹. However, especially in less developed arrival and transit areas, the investment may not result in future returns, as often refugees tend to leave for richer and more attractive areas that offer better employment opportunities.

In arrival and transit areas effective use of EU and private funding is particularly important. As shown in some of the case studies at the local level, there is a wide use of the Asylum, Migration and Integration Fund (AMIF), the European Structural and Investments Funds (ESIF), and the Fund for European Aid to the Most Deprived (FEAD)¹³², as well as of funding provided by international organisations and private foundations or collected through charities and fundraising events. However, **local actors cannot easily access EU funds**, that are often managed either by national or regional authorities.

Another crucial challenge related to the funding system is the **long-run sustainability of implemented measures**. Often EU and private funding are project based and thus clash with the long duration of integration processes.

Socio-economic challenges: difficult economic and social integration

The main challenge is the long duration and financial resources needed for the **economic and social integration of asylum seekers and refugees**. Often asylum seekers and refugees remain dependent on welfare support for long periods.

¹³¹ According to available evidence from Australia, Canada and Sweden (OECD, 2015), the net direct fiscal impact of receiving refugees can be relatively high in the short term, but it will also decrease rapidly over time as labour market integration improves and they contribute to the production of goods and services, and to tax revenues.

¹³² Additional EU funding schemes are the Rights, Equality and Citizenship (REC) Programme; and research projects under Horizon 2020 in the area of 'Societal challenges'. See the EP Briefing 'Labour Market Integration of Refugees: EU Funding Instruments', by Susanne Kraatz and Magdalena Dimova.

A major obstacle to economic independence and social integration is the **difficult access of asylum seekers and refugees to the labour market**, which is hampered by a number of factors. Asylum seekers usually need a work permit or a residence permit to access the regular labour market and this is usually obtained only once their application has been approved, although in some cases they are allowed to work even if the asylum application has not yet been concluded. The **length of time required for the asylum and work permit procedures** is a major obstacle to integration, as acknowledged by the literature reviewed in Annex 1. According to EU legislation, asylum seekers should have access to the labour market no later than nine months after filing their application for international protection. However, as described in Annex 2, the conditions for granting access to the labour market for asylum applicants are defined by the Member States and are affected by the administrative capacity to handle large numbers of applications. These limitations generate an administrative burden and thus disincentivises employers from hiring them. Among the countries of the case studies, asylum seekers may access the labour market as soon as they submit their application in **Greece and Sweden**. In the other countries, they have to wait a pre-defined period after submitting the application: 60 days in **Italy**, three months in **Austria, Germany, and Romania**, four months in **Belgium**, six months in **Spain** and nine months in **France and Serbia**. In **Hungary** work permits are issued only to recognised refugees.

The **lack of host-country language knowledge** and **recognition and certification of qualifications** are other obstacles to labour market integration. Except for France, all countries grant access to **language training**, but the intensity of the courses and the level offered differ. Formal and informal qualification and educational levels of asylum seekers and refugees are often not recognised in receiving countries and skill assessment is lacking in many countries. Among the 12 countries of the case studies, **skills assessment** is present in a systematic way only in Austria, Germany, Romania, Spain and Sweden.

Undeclared work is also rather widespread, particularly where the welfare support system incentivises welfare dependency among refugees and where the regular jobs available to refugees do not ensure a sufficient income. Asylum seekers waiting for a decision and those not recognised as beneficiaries of protection, and thus illegally staying in the country, are often involved in the black economy. Employed migrants and refugees, particularly **women** and those arriving from Africa, are more likely than native-born workers to be **discriminated against in the labour market and to be employed in low-pay and irregular jobs** that do not ensure economic independence. The financial crisis and the recent terroristic attacks have increased prejudices and reinforced discriminations. Recent policy changes have further penalised immigrants. Quotas and work permits have been reduced, restrictions have been introduced on family reunification, and 'voluntary' return schemes are increasingly supported.

Accommodation is another main challenge at the local level, as the provision of social housing is usually a regional or local competence. Asylum seekers are often accommodated in **reception centres** for the time needed for the application procedures to be completed and are thus limited in their mobility. These centres have often been created in abandoned buildings, are frequently overcrowded and do not ensure decent living conditions. In addition, the increasing length of the asylum procedures results in

asylum seekers staying in reception centres for very long periods, with possible psychological repercussions. Rejected asylum seekers and irregular immigrants are either held in detention centers until returned to their countries, or have to rely on charities. They also often become homeless or live in irregular camps as described in the case studies of **France, Italy, Greece and Serbia**. As reported in the Scientific overview (Annex 1) citing a 2014 European Study on Mobility, Migration and Destitution, two out of three rejected asylum seekers have insufficient means of subsistence.

Recognised refugees usually have to either apply for public social housing or rent an accommodation in the private market (which is often unaffordable due to high rents) and request advance payments and credentials, while sometimes facing discrimination. Providing affordable housing options for refugees is extremely challenging for local authorities, given that **the shortage of social housing and competition** between recognised refugees and the native population increases pressure on the local housing markets. These factors can trigger **segregation and social conflict**, and hinder integration into local society. Finding suitable housing for unaccompanied minors and single women with children has also proved to be a challenge. The organisation and services in reception centres and accommodation services are very different in the countries of the case studies. In some cases, state accommodation is only accessible for asylum seekers whose application is formalised. For example, in **Italy** the SPRAR system accommodates asylum seekers and beneficiaries of international protection in small reception structures where assistance and integration services are provided through specific integration projects. However, the capacity of the SPRAR system is well below demand, and most asylum seekers have to stay in emergency reception centres. In **France**, less than 50% of asylum seekers are placed in dedicated accommodation, while the majority remain for extended periods in emergency accommodation, reception centres for asylum seekers or even in makeshift camps. In **Germany**, initial reception facilities and welcome centres are provided at regional level, and then asylum seekers are distributed among municipalities. As soon as an asylum seeker has finalised the asylum procedure, he/she needs to pay for housing, although it is often difficult for refugees to find affordable accommodation. As a result, some refugees remain in the provided accommodation even after the successful completion of their asylum procedure. In **Romania**, asylum seekers without subsistence means have the right to remain in reception centres or are provided with accommodation and a maintenance allowance. Refugees have the right to social housing or to a 50% reimbursement of their rent expenses for one year if no social housing is available. Vulnerable refugees are hosted free of charge, while others have to pay rent and maintenance costs. In addition, some NGOs are implementing housing projects for asylum and refugees, usually with the support of the EU's AMIF funds. The innovative solutions promoted in **Kilkis, Flanders, Milano and Schwäbisch-Gmünd** described in section 5.3, provide some interesting indications on how local communities can address the housing challenge, although these solutions commonly involve a low number of asylum seekers and refugees.

Difficulties to access social services and benefits

Recognised beneficiaries of international protection are usually entitled to welfare benefits and services as natives. Asylum seekers are instead only entitled to small monetary allowances during their stay in reception centres and in some countries are excluded from access to welfare services. In **Spain**, for

example, subsistence income covers the basic needs for those who do not reside in a migration centre for a period of six months, renewable for another six (and a further six months in cases of special vulnerability). Income is also provided to facilitate autonomy when leaving the centres (through one single payment). At regional/local level, some autonomous communities, such as the **Basque country**, and municipalities include refugees and asylum seekers among beneficiaries of minimum income schemes. In most EU countries, there is a move towards an **'activation' approach**, as access to social services is increasingly made conditional on participation in introduction programmes and language courses, and tests mainly aimed at newly arrived immigrants.

Regarding **healthcare**, among the countries of the case studies it is universal in **France, Ireland, Italy and Spain**, while in **Romania** asylum seekers have free access only to primary and emergency care and can access the national insurance system upon payment of healthcare contributions. Rejected asylum seekers and irregular immigrants have only access to emergency services in **Belgium, Germany and Sweden**. Access to healthcare is also limited by a lack of knowledge of rights, the complexity of administrative procedures and the lack of training among healthcare and social workers. Women, unaccompanied minors, people with health and disability problems, and irregular immigrants are more at risk than others.

Difficulties to access education and training

All the considered countries promote the inclusion of newly arrived children into the education system. However, children of rejected asylum seekers and irregular migrants are at high risk of exclusion. As reported in the Scientific Overview (Annex 1), **Germany, Ireland and Sweden** offer education also for these children, although it largely depends on regional and local authorities. In addition, teachers are often not adequately trained and there is not enough funding for the effective integration of foreign children and young people in the education system. Children and young people of foreign origin tend to have much higher drop-out rates, thus reinforcing social and economic exclusion. Different national strategies have been developed to address refugee children. While in **Sweden** the goal is to give refugee children the same chances as native children, including further education after school, in **Germany** the visions seems to be more limited and short term. Responsibility for children's integration in the education system also differs across countries. For example, in **Germany** the federal states are responsible for the provision of education, while in **France** it is carried out at municipal level. In **Austria**, in some regions/municipalities, as in the case study of **Kapfenberg in Styria**, school teachers are trained and supported by intercultural teams. Only a few Member States offer general adult education for low-educated asylum seekers: **Belgium, Italy, Romania, Spain and Sweden**. **Germany and Greece** offer literacy courses.

5.3 Integration approaches and key factors of success in the selected good practices

The case studies present some interesting examples of how local policy approaches and governance systems have been adapted to deal with the challenges described above. All the case studies show a number of common mechanisms and success factors that provide useful suggestions for inclusive policies in different contexts. As illustrated in the following sub-sections, these mechanisms involve:

- **The adoption of integrated multi-sector and multi-actor approaches** tailored to the needs of asylum seekers and refugees (in all the considered cases);
- The **strong role of international institutions and local NGOs**, not only in concretely implementing reception and integration measures, but also in supporting institutional capacity building where local institutions did not have experience in the management of large inflows of asylum seekers and refugees (as in the cases of Kilkis in Bucharest in Romania, Greece, Sicily in Italy and Subotica in Serbia);
- **The attention given to the direct involvement of local communities** in order to avoid the rise of social conflicts and discrimination (in all the considered cases) and to the **promotion of innovative ways** to support social and economic integration (in all the case studies); and
- The **efficient use of EU, private funding** (e.g. crowdfunding and private donations) and **resource generating interventions**, to ensure the long-term sustainability of integration measures. In some cases economic activities have been set up in order to support the sustainability of integration measures where no national/regional funding is available (as in the case of Kilkis in Greece).

Despite the differences in economic conditions and/or in the demographic trends, all the case studies present innovative measures covering different policy domains. The sections below illustrate the specificities and key success factors of the 12 case studies in relation to the challenges previously mentioned. A detailed description and analysis is provided in the case studies attached to this report, while Annex 3 illustrates the main results of the network analysis of the stakeholders involved in the case studies.

5.3.1 The adoption of an integrated multi-level, multi-sectoral and multi-actor approach

Refugees face multifaceted and interlinked problems that require the collaboration and coordination of various public and private actors at all levels (international, national and local) operating in a wide number of policy domains usually managed by separate departments at different institutional levels. It is now widely acknowledged that a **key success factor is the adoption of an integrated approach based on a strong vertical and horizontal coordination** among public institutions. Coordination between them is also key, as well as with the other key actors involved, on the drawing up of reception and integration policies that address labour market and economic integration, educational integration, housing and healthcare, and social and cultural integration.

Adopting **participatory processes and supporting community building** for the integration of refugees is emerging as a key success factor both for reducing rising tensions among the local population towards asylum seekers and refugees, and for attracting additional capacity and financial resources from the third sector and private organisations. The involvement of local public institutions is crucial for understanding possible bottlenecks in national policies at local level and for building bottom-up targeted solutions. It is also vital for increasing awareness of the needs and rights of refugees. Bottom-up approaches involving the local population, civil society organisations and other relevant stakeholders (e.g. the business sector, credit institutions, the lower and higher education system and the healthcare systems) can provide relevant insights into the problems for refugees and the local community, and how to contribute to the design and implementation of innovative solutions. Participatory processes and community building help to reduce potential tensions among the local

population towards refugees, and to attract additional resources from the third sector and the private sector. To this end, many municipalities have mobilised civil society to support local administrations' efforts and have facilitated open and transparent communication with their populations, through information sessions, the use of the city websites and social media. According to Eurocities (2017), cities have displayed strong leadership and the ability to coordinate different urban services and civil society solidarity actions, sometimes in the absence of a national response. Among the selected case studies, good examples are found in the **Basque region** of Spain and the **municipality of Milan** in Italy.

The case studies offer examples on how this integration/coordination has been carried out at the local level in different legal, institutional and socio-economic contexts. In contexts characterised by a long tradition of regional or local governments in formulating integration plans, as in the case of **Limerick, Milan, Schwäbisch Gmünd, and Södertälje**, or in the **Basque region**, it is the public institutions which takes a leading role in this respect. Conversely, in those contexts where there is less experience among public institutions in managing and integrating large inflows of asylum seekers and refugees, as in the case of **Bucharest, Subotica and Sicily**, this leading role is taken by international organisations or NGOs which have also supported institutional capacity building at the local level. In other cases, as in **Kilkis** and the **PACA region in France**, it is local NGOs that have filled in the gaps in national reception and integration policies.

The **network analysis** described in Annex 2 helps to synthesise and compare the stakeholders involved in the programming and implementing phases of the measures analysed in the case studies. Box Box 5.1 presents a comparison of the 12 case studies according to three main network indicators. The **degree of complexity of the network** measures the interactions between actors of different types (i.e. bureaucratic actors, political actors, experts, special interest actors and general interest actors)¹³³ and different territorial levels (i.e. local, regional, national and international). The complexity index is given by the product of the number of institutional levels in each network and the number of the types of actors (maximum: five) involved.

The **density** of the network represents the number of interactions between the various actors of the network. The density index, ranging from 0 to 1, is equal to the proportion of existing links on the total possible links, and is strongly influenced by the number of actors involved given that networks with more actors tend to have lower densities.

The **centrality** indicator illustrates how much an actor is an 'intermediary', and therefore potentially strategic within a group. Using this index, it is possible to identify the '**core**' potential strategic players –

¹³³ Bureaucratic (institutional) actors (red nodes) base the legitimacy of their intervention in the policy process on the claim that formal rules and procedures confer on them specific responsibility in the process; political actors (green nodes) base their legitimacy on their representing citizens; experts (blue nodes) base their legitimacy on the claim of having the knowledge needed to address the problem; special interest actors (yellow nodes) base their legitimacy on the fact that they are directly affected by the policy decision; general interests actors (black nodes) base their legitimacy on the fact that the interests they represent are general (e.g. environmentalist and NGOs) and on the fact that they represent groups that cannot defend their interests by themselves.

i.e. central actors that usually provide connections (exchange of information/resources) between different sub-networks.

Box 5.1: Programming and implementation networks in the case studies: a comparison

In all the 12 cases, the programming phase is generally less complex than the implementation phase. In the programming phase, Subotica-Serbia, Limerik-IE, Pais Basco-ES, Sicily-IT (Ragazzi Harraga) and Kapfenberg-AT have the most complex networks. In particular, the Pais Basco case involves only bureaucrats (public institutions) but at four different territorial levels. Subotica-Serbia and Limerik-IE present four types of actors at three different territorial levels. Finally, the Ragazzi Harraga (Sicily-IT) and the Kapfenberg-AT cases involve actors belonging to four territorial levels and three types of actors. Conversely, Schwäbisch Gmünd-DE is the least complex network, involving only local public institutions or politicians. Subotica-Serbia, Pais Basco-ES and Limerik-IE present the highest density of relations. Turning to the implementation phase, Limerik-IE displays a very complex network involving all types of actors at all territorial levels while Södertälje-SE presents the lowest degree of complexity, involving only local public or socio-economic institutions.

In this phase, the highest densities refer to Flanders-BE and Pais Basco-ES.

Almost all the cases involve **local actors** both in the programming and in the implementation phase, with the only exception of Bucharest-RO where local actors are not involved in the programming phase.

Most of the cases involve **national and/or international stakeholders**, especially in the design of the intervention and in some cases (Bucharest-RO, Milan-IT, Södertälje-SE and Sicily-IT, Ragazzi Harraga) also in the programming network core. Five international organisations have been involved in the case of Subotica-Serbia.

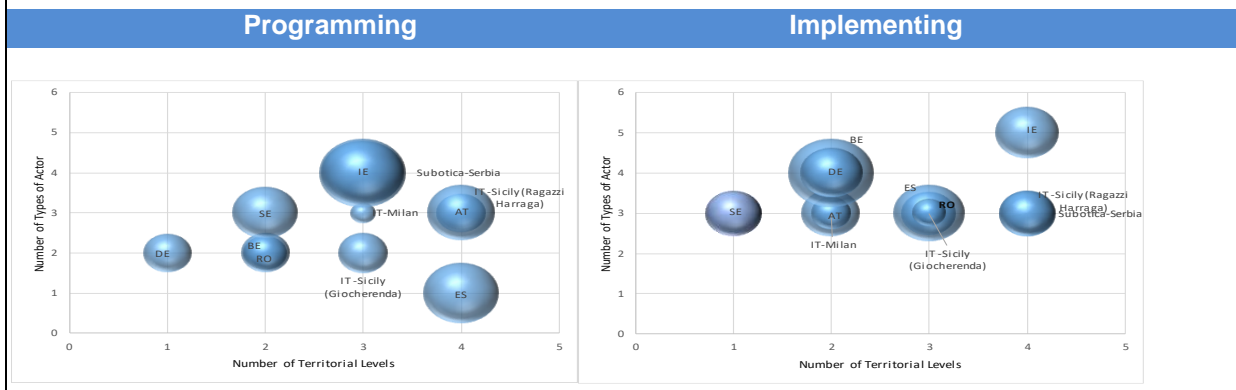
Socio-economic actors are usually involved only in the implementation phase, while **institutional actors** are involved in both the programming and implementation phases, although at different levels of government. The only exception is the Giocherenda (Sicily-IT) project where public institutions are completely absent from the implementation of the measure. Also, in the case of Sicily-IT, Ragazzi Harraga institutional actors remain on the network’s fringes and are not part of the network’s core.

Experts are included in the programming phase only in a few cases (Milan-IT, Limerik-IE and Subotica-Serbia), while in other cases they are involved only in the implementing phase (Flanders-BE, Sicily-IT, Ragazzi Harraga and Pais Basco-ES).

Political actors are involved only in a few cases and usually not represented in the network core.

The following figure summarises the indicators calculated on the programming and implementation network of the case studies.

Network indicators: a comparison across the case studies



Local integration strategies headed by regional or local public administrations

The integrated bottom-up approach of the Basque Country Auzolana Pilot Programme

The pilot *Auzolana Programme* was launched in 2017 in the Basque Country with the aim to improve the Spanish National System for Reception and Integration of Applicants and Beneficiaries of International Protection. **The case study is a good example of the capacity of a regional authority to implement a formalised vertical and horizontal partnership** for the effective territorial distribution and integration of asylum seekers and refugees. The regional administration mobilised a large number

also currently analysing the possibility of reducing the residence requirement for access to the Basque minimum income scheme from three years to one year in order to improve access for refugees.

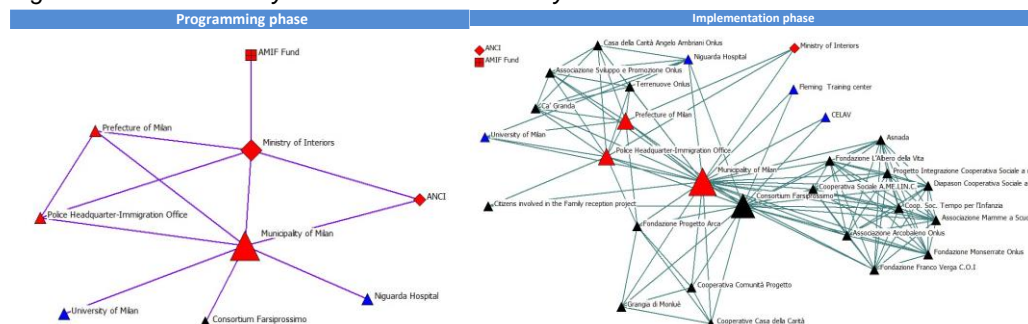
The **commitment of the regional and local authorities and the availability of financial resources** represent the main drivers for the success of the programme. The main **shortcomings**, however, relate to the insufficient availability of affordable housing in the open market for refugees. Coordination and mutual learning among municipalities could also be further improved as well as labour market integration measures.

Milan's integrated approach to the management of the local asylum reception system

The municipality of Milan signed an agreement with the prefecture of Milan to directly manage the city's first-line emergency reception centres (CAS) and second-line reception system (SPRAR), with the aim **of moving from an emergency approach to a more structured system providing personalised integration pathways**. The adopted approach is focused on integrating first reception and assistance measures with the **involvement of civil society and third sector organisations**, with **the municipality playing a strong coordination role** (as shown in the network representation in Figure 5.9). This is ensured by the establishment of formalised protocols of intervention and a well-established coordination system. The network was formalised with a memorandum of understanding: the main NGOs and private organisations present in the territory were involved, as well as training centres, the University of Milan and one of the city's main hospitals. Connections have also been created with other municipalities present in the Milan metropolitan area with the aim of exchanging practice and pooling existing resources.

As shown in the network graph below, while programming actors are mainly public institutions (although a NGO, Farsi Prossimo, and a hospital are involved in this phase), the implementation phase is more complex involving a large number of NGOs, coordinated by the NGO (Farsi Prossimo), and local experts.

Figure 5.9: Network analysis of the Milan case study



Besides the provision of language courses, education and training, healthcare and psychological support, employment and legal services, a **widespread hospitality** approach has been adopted to accommodate refugees, based on the use of apartments (in contrast with large CAS structures) and on a new project, **'A refugee in your family'**, described in section 5.3.3 below. Labour market integration is supported through the municipality's **job mediation centre** for the employment of vulnerable adults providing job grants (mainly to young men), of which 27.5% resulted in employment contracts. However,

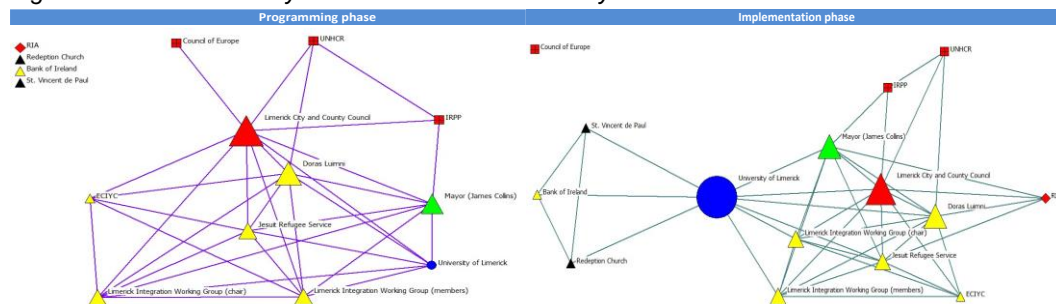
the increasing presence of vulnerable people among the asylum seekers and refugees makes labour market integration increasingly challenging. To this end, a **vulnerable network** was created in 2017 to support the early identification of vulnerability and the provision of multi-disciplinary support for the integration of the most vulnerable. In 2017 the **network for ethno-psychiatric services and legal medicine** supported 477 asylum seekers.

The Limerick Integration Working Group and its Integration Plan 2017-2020

The main strength of the Limerick case is the setting up of a **Limerick Integration Working Group** creating strong connections among different actors, policymakers, NGOs, the University of Limerick, different community members and volunteers. The working group was responsible for writing and implementing the Limerick Integration Plan 2017-2020 which provides for a set of initiatives to complement and fill in the gaps of the national direct provision system, which offers only a year’s support to asylum seekers, while refugees face problems in finding decent housing, employment, etc. The plan foresees the **activation of public and private local partnerships** in order to provide for: i) *integration and information services* in the advice and information centre; ii) *language courses*; iii) *access to higher education* through 30 scholarships offered to refugees and asylum seekers by the University of Limerick (asylum seekers and refugees also have access to a one year, full-time, pre-degree course designed for mature students); and iv) *social integration, community awareness raising* involving, for example, the campaign carried out between 2014 and 2016 to contrast misconceptions around migration, and other musical and sports campaigns. Each priority theme is co-chaired by an organisation of the Limerick Integration Working Group, which is responsible for implementing and monitoring the Integration Plan.

The **strong connection between different actors involved in the implementation of the plan** (Figure 5.10) is considered by interviewees a significant factor in the success of the interventions.

Figure 5.10: Network analysis of the Limerick case study



Local Integration strategies headed by international organisations and NGOs

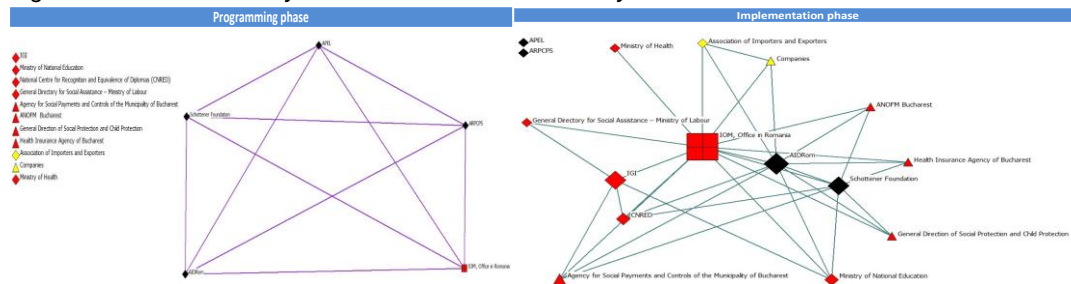
The one-stop-shop and case-manager approach of the IOM’s INTERACT&Plus project in Bucharest (RO)

The project supports the social and labour market inclusion of beneficiaries of international protection and third-country immigrants through a **one-stop-shop and case-manager approach integrating different services into one centre** (the migration centre, located in an easy-to-reach area of

Bucharest). The centre offers information, guidance and individual support in access to the education, social, labour market and healthcare public system, as well as direct financial assistance, language classes, cultural orientation, leisure activities and after-school services for children. In addition, it implements awareness-raising activities. The project has been implemented since May 2016 with funds of the 2014-2020 AMIF. It is managed by an international organisation (**IOM Romania**) and **implemented by a network of partners with previous experience in the field**, as well as a network of volunteers and cultural mediators. The role of local institutions is very limited.

As shown in Figure 5.11, in the programming phase the complexity of the network of actors is quite limited, as it includes only the project partners: international organisations and NGOs. By contrast, in the implementation phase the network is much more complex involving also other actors: national and local public institutions and economic actors (i.e. employers). While there is no core actor in the programming phase, as all partners have contributed to the project design, IOM is the core actor in the implementation phase, leading the project.

Figure 5.11: Network analysis of the Bucharest case study



The main drawback of the case is the absence of an evaluation system. However, interviewees suggest that the project has contributed to the social integration of beneficiaries and to prevent school dropouts. The provision of integrated services in one location and the identification of a case manager has proved helpful in engaging beneficiaries in an integration path and in keeping them committed. In addition, financial assistance has contributed to reducing the risk of poverty among beneficiaries of international protection, although only for the project duration. The partnership and the collaboration among project partners is also deemed effective, thanks to previous collaborations between partners, the complementarity of competences, the definition of specific coordination tools (e.g. weekly meetings) and the continuous communication among partners also favoured by the location of partners' teams in the same building. However, limited results have been achieved on labour market integration, due to administrative and legal barriers, and the beneficiaries' tendency to work illegally in order to maintain access to welfare benefits.

The role of International organisations and NGOs in supporting the cities of Subotica and Kanjiza (RS)

Due to the vicinity of the main border crossing points with Hungary, Subotica faced a large number of migrants transiting through the city on their way to EU countries. With the closure of the Hungarian border in March 2016, a significant number of migrants were stranded in the city and in abandoned facilities near the border. The Serbian Commissariat for Refugees and Migration and local authorities, provided support to asylum seekers and refugees in Subotica and Kanjiza, with the **key support of**

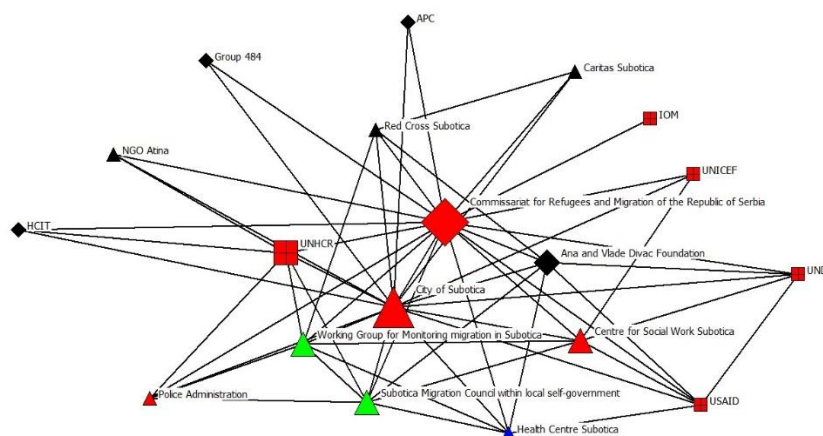
many international and non-governmental organisations. To coordinate all these actors and activities a **working group for migration monitoring** was set up, involving representatives of the city council and local public institutions as well the main international and national/local NGOs involved in reception activities.

According to the case study report, the City of Subotica was well organised and several public institutions were involved in dealing with the migration crisis. International organisations and NGOs have been particularly active in providing assistance, protection services, emergency aid, interpretation and cultural mediation, etc., including the creation of local infrastructures and support to capacity building.

With the **support of international and national organisations local institutions improved their capacity to deal with migration crises, and the implemented activities contributed to some extent to local economic development.** International funding supported investments in local infrastructure, the hiring of the local population to deal with migration issues and the local businesses. Local institutions also participated in many capacity-building activities organised by international and non-governmental organisations.

The network (Figure 5.12) puts together the programming and implementation phases, because the emergency situation does not allow a proper programming phase. The network is among the more dense and complex of the considered case studies, due to the strong involvement of many types of actors at different levels (local, national and international), with the core actors being the National Commissariat for Refugees and Migration of the Republic of Serbia, the city of Subotica and the UNHCR.

Figure 5.12: Network analysis of the Subotica case study



Local integration strategies headed by local NGOs

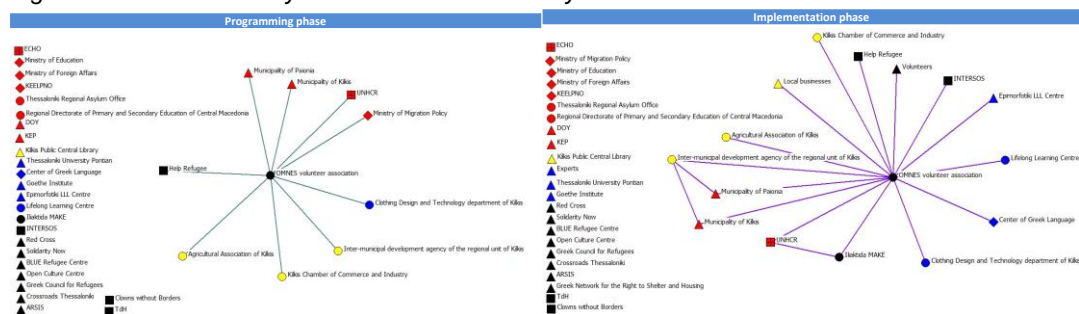
Kilkis (EL): the role of the OMNES voluntary association combining refugees' integration and local development

OMNES is a grassroots association created in 2016 by a group of volunteers to support and improve the emergency response to the refugee crisis in the Kilkis municipality. The adopted approach is meant to **support sustainable, locally based solutions addressing both the needs of asylum seekers**

and refugees and of the local population. To this end, OMNES is implementing a three-step pilot project focussed on: **the provision of dignified housing for vulnerable groups; facilitation of trust-building between residents and the newcomers;** and support to **income and skills generating activities** for the socio-economic development of the area. Local vulnerable groups benefit from the services provided by its Social Inclusive Centre, while local business and workers benefit from the implemented economic activities (see section 5.3.3) In addition, OMNES developed a **digitalised monitoring mechanism to support accommodation planning** according to the local absorption capacity. Several municipalities and regional development agencies applied for this tool to support the accommodation of asylum seekers and refugees. OMNES also implements various advocacy and communication activities with national, international and local public institutions and non-governmental organisations.

As emerges from the network analysis, both the programming and implementation phases (Figure 5.13) are rather complex, as they involve different types of actors (public institutions, experts, special and diffused interest) at international, national, regional and local level. In the programming phase, international, national and local public institutions are involved, together with experts, special-interest and diffused-interest actors working at regional level. The implementation phase involves a higher number of actors, mainly NGOs acting at different territorial levels, regional experts and special-interest actors. OMNES is the core actor in both phases.

Figure 5.13: Network analysis of the Kilkis case study



The role of NGOs and local associations in filling the gaps in state intervention and supporting capacity building in the PACA Region (France)

As anticipated in section 5.2.1, in France individuals obtaining international protection are treated in the same way as French citizens with regards to access to social protection and the labour market, with few specific measures tailored to the needs of refugees. However, the French reception system presents several drawbacks which often have to be addressed by local stakeholders, particularly NGOs. In order to overcome the reception and integration problems faced by asylum seekers and refugees in the PACA region, a network of organisations (CAFFIM) has been recently created with the aim to help, support and denounce human rights violations on the PACA territory. The network includes the international and national/local associations involved in the reception and integration of asylum seekers and refugees. An interesting feature of the case study is the **articulated and innovative role played by three NGOs operating in the region**. Besides providing reception and integration services (e.g.

reception and accommodation facilities and platforms; support to detained asylum seekers; support and accommodation for unaccompanied minors, young adults, and victims of human trafficking), they also **support capacity building** through the **creation of resource centres providing intervention tools** (including a documentation centre) **and training services to relevant stakeholders** in order to facilitate cooperation and to build capacity. They also promote **political and awareness-raising actions**, and **support to civil society organisations in the countries of origin** of asylum seekers.

5.3.2 Targeting both refugees and local communities to support socio-economic integration and community building

All the intervention examples presented in the case studies support innovative solutions targeted not only at refugees but also to the local community in order to exploit the potentially positive spillover effects that refugee integration measures may have on local socio-economic conditions and to support social cohesion in local communities. The four cases illustrated below are those where this approach is particularly strong and effective.

Cohabitation as a vehicle to social integration for unaccompanied young refugees in Flanders

The CURANT project proposes a set of measures meant to provide both a **safe living environment as well as a one-on-one integration approach** based on a **'buddy' system that matches young refugees with young locals cohabiting in a number of apartments** distributed throughout Flanders. In this way, besides providing accommodation and supporting the social inclusion of young refugees, the project also offers affordable housing facilities to young individuals in the local community, promotes a more welcoming attitude in the local population and avoids segregation. A total of 75 co-housing units have been set up through purchase, renovation and private renting. In these units, between 75 and 135 unaccompanied young refugees cohabit with Flemish buddies for at least a year. The refugees are also closely guided during the whole project in such areas as education, independent living, language learning, leisure time, psychological counselling and professional activation.

The project was evaluated by the University of Antwerp, which found that the immediate impact of the co-housing and the combined support services was faster learning of the language and greater confidence in using it. The buddy helps the refugee look for a job, build up a network and learn Dutch, while translating documents when needed. Some buddies are former refugees and provide an important role model for the young newcomers. Living together also makes the local young people more aware of the needs of young refugees.

The project, however, faced some challenges in its implementation mainly related to the diversity of cultural backgrounds. Other questions relate to the young refugees' need to connect with people from their culture; the underestimation of the costs and the time needed to put together young refugees and local buddies as well as the time to change administrative rules and procedures for financing these new types of programmes; and the alignment and management of the different services needed by young refugees, especially when provided in different locations.

Young refugees supporting community building in Sicily

Giocherenda¹³⁴ is a **social enterprise run by a group of 10 young African refugees** in the Municipality of Palermo to support unaccompanied minors and young asylum seekers along their integration path. The main objective is to **promote intercultural education and resilience** by providing cooperative and community-based workshops, games and social activities. It is targeted to newcomers as well as natives and marginalised individuals. Its activities include the organisation of public events, workshops for children, workshops in private companies, and the production and sale of narrative and self-produced games.

The promoter of the initiative was C.P.I.A. Palermo 1 – a public adult education centre providing education to Italian citizens and foreigners, who hold a regular residence permit and are aged 16 and over. The centre is increasingly involved in providing language and education to unaccompanied minors. Financial support comes from donations from private foundations, while laboratories and classrooms are provided by a local university and a co-working space. Recently the social enterprise has established contacts with local and national companies as well as with European institutions. European Agency for Education named two members of the group “Erasmus+” as “Role models in resilience”.

The integration of unaccompanied minors and young refugees is also addressed by another Sicilian project (*Ragazzi Harraga*) described in section 5.3.3.

The OMNES Social Inclusive Centre and economic activities for local development in Kilgis

In order to support the socio-economic inclusion of refugees in a context characterised by high unemployment and poverty, the already cited OMNES Association is currently implementing two main projects: a) the **creation of local business activities** producing a 100% compostable wheat straw; b) the **creation of a social inclusion centre open to all in Kilgis**.

The first initiative builds on the Kilgis’s production of wheat. In collaboration with the Kilgis Agricultural Association, local businesses, the chamber of commerce, and local research institutions, OMNES is developing a project for the production of natural wheat straw and other product lines based on wheat for export. The aim is to **boost local economic development and create new jobs for the local population, refugees and immigrants**. Profits from these business activities will also **finance the OMNES housing programme**, ensuring its sustainability without depending on external funding and donations (as discussed in section 5.3.4).

The second initiative is based on the creation of a **social inclusion centre** in the municipality of Kilgis, **offering to the local community well-equipped functional spaces** (classrooms, computer lab, free Wi-Fi area, library, kitchen, children’s area) as well as **legal and healthcare services, educational and vocational courses, language and IT courses, and recreational activities open to everyone**.

¹³⁴ <https://www.facebook.com/pages/category/Artist/Giocherenda-1735135426783981/>.

The centre is run by a multi-sectoral team consisting of 20 local professionals and brings together asylum seekers, refugees and the local population by organising cultural events.

5.3.3 Innovative approaches in housing, employment and education policies

Housing support

As discussed in section 5.2.2, providing decent accommodation for asylum seekers and affordable housing options for refugees is extremely challenging for local authorities, due to a shortage of housing and the conflicts that may arise in the competition for social housing between refugees and the native population. Finding suitable housing for unaccompanied minors and single women with children also proves to be a challenge. The case studies provide some examples of innovative solutions. One example is the Flemish co-housing buddy policy for young refugees presented in section 5.3.2, while others include the OMNES housing programme in Kilikis and the Milan and Schwäbisch Gmünd experiences presented below.

The OMNES 'Housing programme' in Kilikis

OMNES supports the provision of dignified housing for asylum seekers and refugees, mostly families and vulnerable groups, in two municipalities of the region of Kilikis. Individuals and families have been accommodated in **apartments located throughout the municipality in order to avoid segregation and isolation**. To manage this service, OMNES developed a **monitoring platform**, the House Capacity and Occupancy platform, that gives up-to-date information on individuals hosted in each housing unit, to support the management of accommodation and housing services. Several municipalities and regional development agencies contacted OMNES in order to apply the approach to housing asylum seekers and refugees, which takes into account the local absorption capacity.

The Milan project 'A refugee in your family'

In this project, the Municipality of Milan, in partnership with a local NGO, promotes a new integration model based on local families hosting refugees in their homes for six months. A dedicated multidisciplinary team (including an educator, a psychologist and a social worker) supports the family through regular monitoring meetings over the entire duration, helping refugees in their individual integration pathway. A contribution of EUR 350 per month and an insurance coverage is allocated to the hosting family. The project is innovative, although only a few families have participated. Since 2016, just 24 refugees have been hosted by 21 families.

Housing support for asylum seekers in Schwäbisch Gmünd (DE) to accelerate the integration process

The Gmünder Weg model **combines (social) housing and (refugee) integration** in a way that yields positive outcomes and is considered a good practice in Germany. The *Gmünder Weg* is a cooperation model between local actors involved in the three-tiered system for asylum seekers (*Bundesland, Kreis, Gemeinde* – state, district, local community) operating in the region of Baden-Württemberg. The aim of this model is to support the accommodation of asylum seekers during the application procedure outside reception centres (second stage of the process) with the objective of anticipating and facilitating their integration. Asylum seekers, who are likely to be accepted and to remain in the region, are allocated private accommodation. Once their asylum application has received a positive decision, they will be

able to remain in that accommodation. In contrast, the 'normal' procedure is based on changing housing facilities depending on the status: living in large reception facilities while lodging the asylum application, moving to a district while waiting for a decision to be made, and being allowed to choose the accommodation after a positive decision – although high rents and discrimination affect choice. Moving to another accommodation breaks up those social bonds forged in the previous accommodation, but also hinders contacts with the local population and integration into the local community.

Labour market support

Labour market integration proves very difficult for asylum seekers and refugees. The measures implemented in the case studies, although rather innovative as in the cases illustrated below, have not had the same success as other integration measures. This is due to legal constraints, lack of language skills, a mismatch between the skill offered and demanded at the local level, and discrimination. In most cases local authorities and NGOs support labour market integration with targeted employment services and training measures, often combined with job grants or traineeships opportunities, as in those presented below. In other cases, local stakeholders support business creation and start-ups often involving the local community, as in the Kilkis and Sicily cases presented in section 5.3.2.

Private-public partnership to find business-led solutions in Södertälje (SE)

The Södertälje municipality has activated two programmes to support the labour market integration of refugees: the Telge model based on a private-public partnership where the municipality cooperates with the private sector to find business-led solutions to social problems; and a programme targeted to refugees.

The **Telge model involves private companies** in its managing board and **targets both refugees and long-term unemployed Swedish youths** in an integration pathway comprising a series of steps. During the first four weeks participants take part in an introduction course on practical skills for the labour market. For the next two to three months, they receive work experience in community jobs. During this period participants are followed by the employment services and receive further training and help in writing their CV, cover letters and interview skills. Afterwards, participants receive a short-term contract with one of the five companies participating in the programme or with other local companies. During this period, participants gain relevant work experience and good references. At the end of six months, there is an option to extend the programme for another six months. Participants are intended to find a permanent job, either with the same employer or with another company, within 12 months.

In addition to the Telge programme, the municipality is implementing a specific programme for refugees, involving a network of several relevant government officials from different organisations to plan targeted labour market integration measures. The first step usually involves the assessment and certification of educational and skills levels, as well as language training and an introduction to Swedish society. Labour market integration measures are then implemented including traineeships or temporary employment. The programme requires full-time participation (40 hours per week) and runs for a maximum of 24 months. During this period, the applicant receives an introduction benefit.

The Milan Municipality Centre for the inclusion in the labour market (CELAV)

The Municipality of Milan supports the labour market integration of refugees in the SPRAR System through its centre for the inclusion in the labour market (CELAV), a job mediation centre founded in 2000 for the labour market integration of disadvantaged and long-term unemployed people. The goal, to **provide asylum seekers and refugees with work experience, is supported by a job grant** for the employer as a contribution to the training expenses. Workers are also accompanied during the work experience by specialised operators. In 2017, CELAV services were requested for 179 refugees, beneficiaries of job grants for 120 (an increase of 17 compared to 2016) and for a total of 170 grants (up 27 on 2016).

Measures to support effective access to education and integration of children of foreign background

A number of projects in the case studies support access to education and contrast early school leaving for asylum seeking and refugee children and those with a foreign background.

In **Limerick**, Ireland, the multiannual integration plan includes the initiative Every Child is Your Child, raising funds through charity dinners. A total of 60 children were supported in the first year, and 80 in the second year. In addition, the Backpack Drive has provided school supplies for 600 children across Ireland. Furthermore, the University of Limerick offers 30 scholarships to support access to higher education for young refugees and asylum seekers, who also have access to a one-year, full-time, pre-degree course designed for mature students.

In **Kapfenberg** in Styria, Austria, support for immigrant children and youth in the education system has become the main focus of integration measures in recent years. The municipality has offered **training to all its kindergarten employees** on diversity and multilingualism for many years. Implemented measures include: **reading mentors** – volunteers supporting school children in improving their reading proficiency; **homework support**; **extra language classes for kindergarten children** – both for those with German as a first and second language; **tailored support to educational and socially disadvantaged families** with a migration background to strengthen parent-child relations; immersion of kindergarten children in books, libraries and reading; **multilingual fairy tales**; and the creation of a **pool of translators and intercultural mediators**. Little information is available on outcomes, as no monitoring and evaluation is carried out and EU data protection regulation does not allow the sharing of personal data between public offices and NGOs involved in implementation. The citizens' service office estimates that around 30 refugees in Kapfenberg are currently receiving the basic state provision.

In **Palermo, Italy**, the "Ragazzi Harraga" project, launched in 2017, aims to overcome some challenges affecting the integration of unaccompanied minors and young refugees – e.g. the difficulty of accessing the reception facilities for adults, the lack of targeted individual projects and the lack of pedagogical monitoring of the consistency and coherence of their learning paths. The project is developed along five pillars: i) the creation of a personal **digital social folder** for each asylum seeker containing information about her/his identity, reception history, inclusion process, and the basic, professional, and transversal skills acquired – the data is uploaded on a **platform constantly updated** by the municipality social

assistants. The social folder aims to overcome the current fragmented nature of integration practices, in order to tailor them to the needs of the single beneficiary; ii) the creation of **workshops to enhance refugees formal and informal skills** and attitudes in order to develop a **portfolio of skills** and strengthen self-determination and self-esteem among beneficiaries; iii) measures for the integration of unaccompanied minors in the labour market, through **internships, grants and training on the job in local companies**; iv) the accommodation of unaccompanied minors turning 18 (and no longer beneficiaries of housing policies tailored for minors), through a **temporary self-sustaining housing solution or community accommodation**; and v) the creation of a **youth hostel managed by unaccompanied minors**. The individual social folder anticipated a national legislative initiative (Law 47/2017) for the collection of detailed information on the minor's biography for administrative purposes and supporting her/his integration process. The social folder helps overcome the fragmented nature of interventions to integrate unaccompanied minors and helps take into account the specificity of each intervention.

5.3.4 Funding and sustainability critical issues

Most of the interventions illustrated in the case studies have been funded by European Funds (AMIF, ESF and ERDF, UIA) or by international/national organisations, foundations, charities and crowdfunding.

The critical element is that EU or private funds are usually **project based and raise sustainability problems about the programme** once the projects are concluded. As underlined by the stakeholders interviewed in all the case studies, the **integration of refugees is a long-term process** not always reconcilable with the timing of EU and private-funded projects.

Stakeholders interviewed in the **Irish Limerick case** highlight the lack of institutionalised financial and human resources as a main drawback of the programme, which endangers the sustainability of the different initiatives.

The interviewees in the **Romanian case** suggest the need to reduce the time interval between the closing of one call and the opening of another in order to ensure a continuity of support. In addition, they suggest that calls for proposals be more flexible to allow refugees to be able to choose from a range of services among those most suitable to their specific needs.

Also stakeholders interviewed in the **Flanders case** emphasise among the main shortcomings of the co-housing programme the short (unextendible) project duration with the EU UIA programme. More than one or two years are needed to resolve the integration problem of young newcomers.

Besides using external public and private funding, in some cases the sustainability of integration measures in the long term is supported by the setting up of economic activities. The **Kilkis case** is particularly interesting in this respect. The main aim is that profit from 'Staramaki' and other production lines goes towards financing the OMNES housing programme, ensuring its sustainability without depending on external funding and donations. Although it is too early to evaluate the effective capacity of this economic initiative to support integration measures in the long run, this approach is innovative and could be considered in other contexts.

6 Policy options and possible scenarios: maximise the return of investments

The objective of this section is to set out scenarios for the assessment of the effectiveness of various policy options in maximising future positive impacts of the inflows of refugees and asylum seeker across territories in Europe, and minimise possible negative impacts emerging in the analysis of the current costs and benefits (economic, fiscal, societal, political and institutional) across the various European regions (Chapter **Error! Reference source not found.**). To do so, the different costs and positive returns with respect to the possible evolution of current trends (scenarios) are assessed and the potential impacts of policy options are compared.

According to Peterson et al. (2003: 360) a scenario can be defined as a “structured account of a possible future. Scenarios describe futures that could be rather than futures that will be”. As Paellotti et al. (2010: 8) similarly argue while pointing to the need of a well-reasoned and systematic identification of scenarios, intended as “stories that describe different futures that are developed using methods that systematically gather perceptions and data about certainties and uncertainties” (2010: 8).

As discussed in Chapter 4, the economic, societal and political impacts of asylum seekers and refugees across European territories in fact depend on a number of variables. Such variables should be further acknowledged (at least to some extent) so to have a reliable assessment of future effects of certain policies at the EU and the territorial levels. In this initial section, the main potential variables to be considered are reviewed and the various assumptions in the approach are defined – again building on the discussion in Chapter 4 and the overall analysis of local policy features in Chapter 5.

6.1 Alternative scenarios: the framework for assessing future impacts

The previous chapters (3 to 5) discussed a number of variables to be considered when assessing the potential impacts of inflows of asylum seekers and refugees across countries, regions and local communities. These variables are described in the table below, starting from the volumes and characteristics in the inflows of asylum seekers and refugees (Chapter 3), up to the different features of regions and cities and their different level of capacities in “absorbing” such inflows (Chapter 4), and finally the diverse types of policy response available at local/regional (micro-level)¹³⁵ and more macro-regional level (Country and overall EU-level policies)¹³⁶, and the more or less effective interplay existing across all policy response levels (Chapter 5). The main features and challenges of all these variables are briefly depicted in the table below, to provide a general overview of how these variables interact.

¹³⁵ Reception and active social inclusion policies.

¹³⁶ Dispersion policies within and/or across European countries and regions.

Table 6.1: Different variables to be possibly considered to assess future impacts across regions

1st level variable Inflows	2nd level variable Absorption	3rd level variable Micro-policy	4th level variable Macro-policy
Features Changes in inflows and main properties of individual migrants Effects Higher/lower external pressure from asylum seekers	Features Evolution of territorial performance/needs Effects Higher/lower absorption capacity of territories	Features Performance of policy in terms of reception and social inclusion Effects Higher/lower effects of reception/inclusion	Features Redistribution across or within countries Effects Higher/lower ability to match individuals and territorial needs

Given the various levels indicated in the table above, it is immediately clear that assessing the full interplay of all these variables will result in a far too complex and possibly unfruitful analysis. It is, therefore, essential to limit the work on certain subsets, possibly by grouping certain scenarios and/or reducing the levels considered at times – for example, some aspects might be assessed only qualitatively on the basis of the quantitative estimates of the results of other scenarios.

The proposal is then articulated as following:

- Focus on few “contextual” scenarios with respect to inflows and absorption – **“baseline scenario” for the variables on levels 1 and 2** without changes assumed in the (near) future;
- Provide a **quantitative assessment of micro-policy scenarios (level 3)** and discuss other **macro-level scenarios (level 4) in a more qualitative manner**¹³⁷.

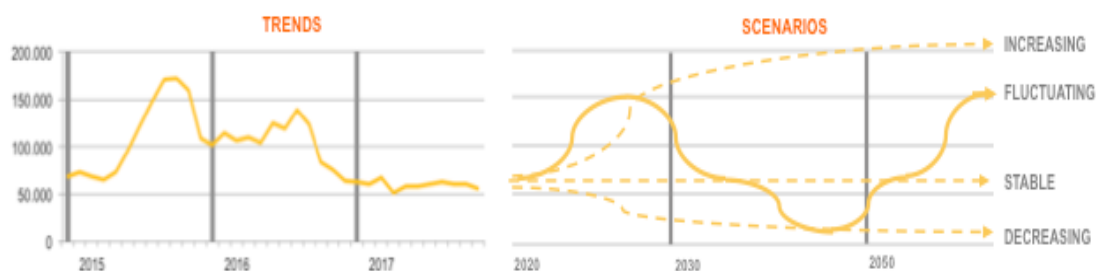
Such approach will allow to reduce the complexity of the model adopted while focussing on a number of relevant “stress tests” regarding the relevant scenarios to be adopted, namely the extent to which improved policies at micro- and macro-level may result in greater positive effects for local territories – as well as for incoming asylum seekers and refugees.

6.1.1 Discussing the possible evolution of inflows (1st Level Scenario)

Looking at the patterns of inflows over time and the 2018 level after the 2015 peaks (Figure Figure 6.1below), it is clearly noted how inflows are currently stabilised at a level which is equal to the highest peaks in the period between 1985 and 2015.

¹³⁷ This proposal differs from the initial scope of the study as indicated in the ToR. Due to the current political scenario the research team in agreement with ESPON has decided (project meeting 29 August 2018) to limit the scope of the policy options with specific regard to the EU quota system.

Figure 6.1: Overview of trends in inflows emerging so far and possible scenarios of flows in the future



Source: Elaboration based on trends discussed in Chapter 3

Based on the analysis of the pattern of inflows emerged so far (Chapter 3), therefore, the following inflow scenarios can be assumed for the future:

- **Stable flows** with a continuation of current volumes without notable changes over time – continuation of the baseline scenario, assuming no major change will emerge in the future;
- **Decreasing flows** in the future with a growing acceleration towards “near zero” inflows – based on the assumption that increasing neighbouring agreements can prevent or deter inflows; and
- **Increasing flows** in the future with a constant high volume in the longer-term – based on the assumption of an increasingly conflictual neighbouring regions without effective deterrence.

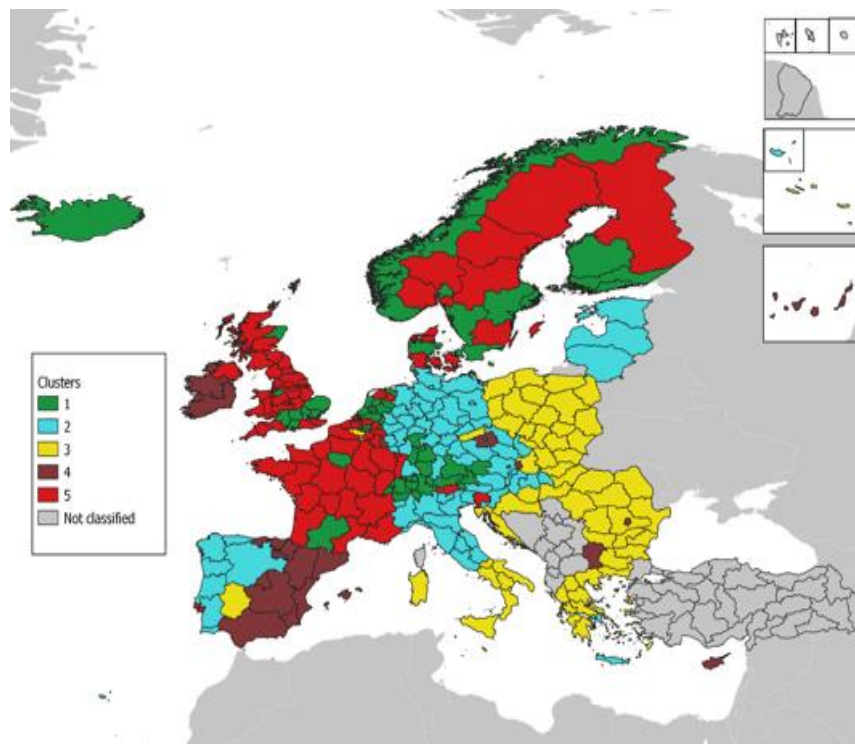
Fluctuating patterns of high and low peaks recurring over time, a mix of the three scenarios, is possibly the most plausible scenario based on a mix of peaks of global pressures and following *ad hoc* disincentive measures. As anticipated, the analysis assumes an average stable volume of inflows based on today’s figures (baseline) that are expected to persist in time.

6.1.2 Discussing possible change in local absorption capacity (2nd Level Scenario)

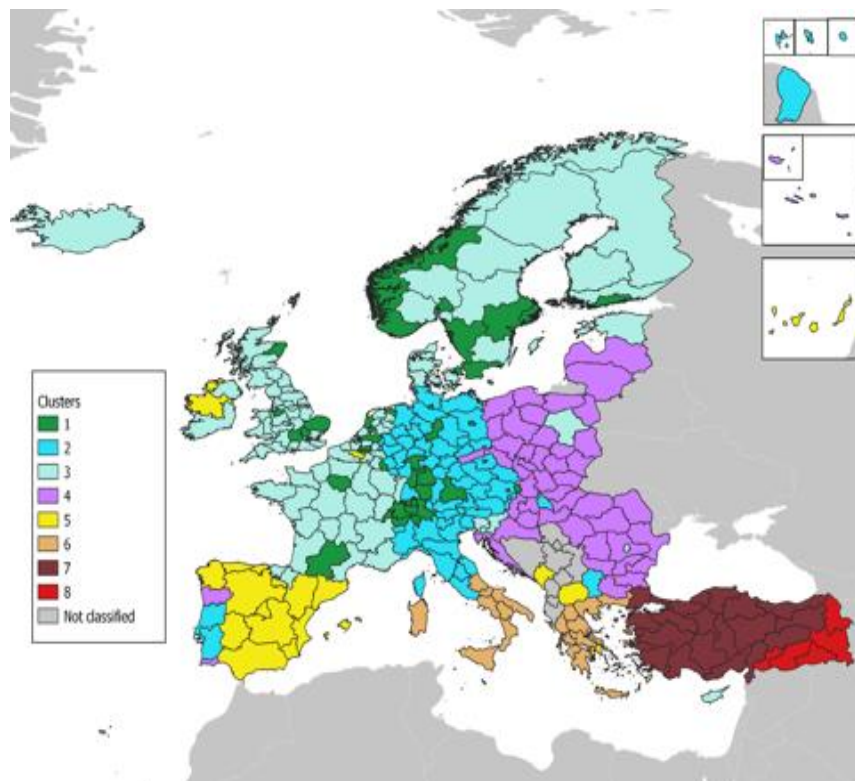
As already discussed in Chapter 4, the absorption capacity of hosting territories are themselves depending on a number of factors, and particularly the dynamism of local economies and the resulting local labour markets – besides the capability of institutions and actors involved (Chapter 5).

A reference for the definition of such scenarios could be the change shown over time in the past 10 years, prior and after the financial and economic global crisis of 2008. The figure below visualises the process of polarisation and increasing divides across European territories before, during and after the 2008 crisis, with high-performing metropolitan areas increasing the gap with other less-performing clusters. Also, if the pre-crisis years were characterised by a strong homogeneity within clusters, the crisis accentuated fragmentations of socio-economic performances, resulting in a greater divide across and within countries.

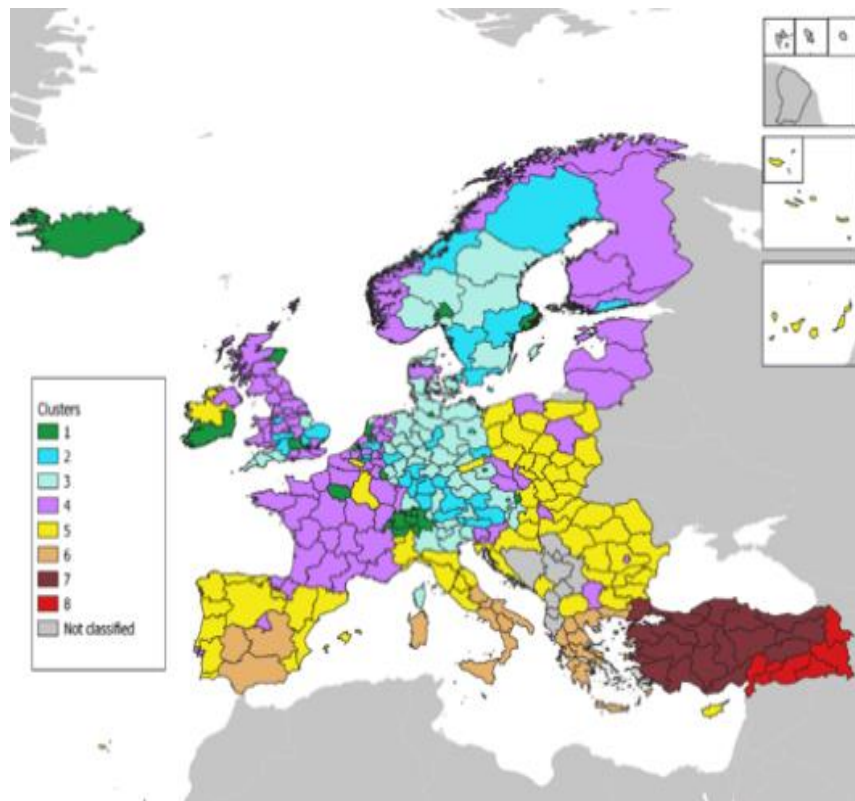
Figure 6.2: Overview of changes in regional socio-economic patterns and resulting clusters, 2005-2013
2005-2007



2008-2013



2014-2018



Source: Own elaboration on Eurostat

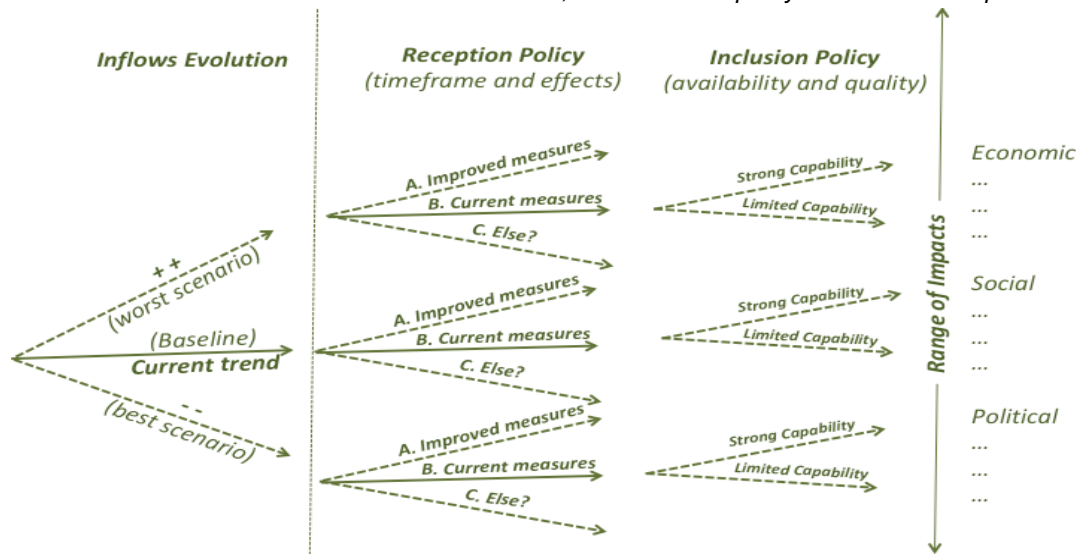
As such, it is unlikely that the current patterns described in Chapter 4 will remain constant over time. Absorption capacity, needs and challenges across European regions are expected to change in the future. This will result in a new landscape of challenges and opportunities for the inclusions of asylum seekers and refugees across Europe. And nevertheless, a clear and reliable understanding of how local absorption capacity will change is highly problematic, as the conditions, timeframes and patterns of such change are clearly complex and impossible to predict. For this reason, in the analysis, at least for the quantitative assessment of returns of investments in support to asylum seekers and refugees, **the assumption is that the local absorption capacity will remain stable.**

6.1.3 Discussing possible evolution of micro-level policy (3rd Level Scenario)

An important element to be addressed in the analysis of future impacts is the extent to which micro-policy interventions may improve over time. As discussed in Chapter 4, in fact, reception and integration policies are two essential variables in the extent to which the inclusion of asylum seekers and refugees has positive or negative effects for local communities.

- Impacts on the labour market are in fact highly dependent on the quality and length of initial decisions on the asylum requests and the health and working conditions of asylum seekers during this important period of time; and
- Availability and quality of integration policies is essential for a fast and effective inclusion of asylum seekers and refugees in local communities across European territories.
- The interplay between policy variables and resulting impacts is visually illustrated below.

Figure 6.3: Visual illustration of the chain between inflows, different micro-policy scenarios and impacts



Source: Adapted from the Inception Report

A general improvement in the quality and effectiveness of both reception and inclusion policy – based on the evidence discussed in Chapter 5 – is, therefore, expected to substantially improve the conditions of life of asylum seekers and refugees, but also, and importantly, maximise the matching of asylum seekers and refugees profiles (skills, family status, etc.) and the need of local hosting communities across European territories. These are certainly important policy elements to be factored into the full impact assessment, as they may help draw relevant insights and recommendations to be considered by ESPON and the EU.

As mentioned, insights from the general understanding of length and work permits collected, additional findings emerging from case studies, as well as other proxies such as the Social Progress Index (SPI) – and the Migrant Integration Policy Index¹³⁸ – are used to make assumptions with respect to such policy scenarios (analysis provided for the “baseline” costs and returns in Chapter 4). These elements provide the basis for assuming certain improvements on the “baseline” performance of different regions (clusters), as further discussed in this chapter

6.1.4 Discussing the possible evolution of macro-policy (4th Level)

On the basis of current policy developments and taking into account proposals tabled or actual state practices in relation to the distribution of asylum seekers and refugees, the macro-policy scenario is being organised along two extreme poles: i) no distribution and ii) fully EU coordinated distribution. This way, the scenario signals both the presence/absence of EU policy coordination regarding distribution and the focus of policy (coordination in view of distributing asylum seekers and refugees). Policy coordination to prevent inflows at EU level is only considered in the absence of a distribution policy.

138 <https://bluehub.jrc.ec.europa.eu/catalogues/data/dataset/ds00052>

The table below introduces four possible macro-policy scenarios, which are briefly discussed under the condition of high/stable/low inflows, building on an ICMPD study commissioned by DG Home in 2017 on these aspects (DG Home, 2017).

Table 6.2: Different macro-policy scenarios and qualitative assessment of effects across possible inflows

No EU distribution policy	Status quo: Dublin + voluntary resettlement scheme	Voluntary distribution scheme	Fully centralised distribution scheme
Main features of each macro-policy scenario			
<p>Unilateral national actions as well as multilateral coordination aimed at deterrence and border control, limited resettlement by some individual countries.</p>	<p>Determination of principle responsibility through Dublin; ad hoc emergency measures and ad hoc negotiations regarding specific case-loads) [Bulgarian presidency proposal is a variation of this]</p>	<p>Distribution MS and community driven (city initiatives, private sponsors, skills-based matching) + voluntary resettlement scheme</p>	<p>EP proposal foreseeing an automatic distribution according to a quota without a recognition threshold; such a centralised scheme may be complemented by skills-based matching and other voluntary arrangements modifying the automatic distribution. Ambitious resettlement scheme will complement centralised distribution scheme; implies further consolidation of EU asylum policies (EASO eventually becoming the European asylum authority abjudicating claims).</p>
Stable flows			
<p>Modest flows are likely to put pressure mainly on frontline states and put a further focus on externalised control and prevention of migration. Irregular secondary migration will be important too, but only few states would re-introduce border controls or adopt additional deterrent measures or not process asylum claims.</p>	<p>Modest (stable) flows will allow some degree of functioning of the Dublin system, but without significantly shaping the distribution of asylum seekers. A stable level of flows will keep political pressure up to reinforce Dublin returns in northern states, while exacerbating tensions with southern receiving states, which may not be fully cooperative in implementing Dublin, as a result of which Dublin will remain questioned. Political developments may create pressure on Schengen (e.g. Germany, this summer) and keep up pressure to restrict asylum policies, including reception policies more as a measure of deterrence. Resettlement will continue as a</p>	<p>Under the condition of modest flows, there will be more scope to implement mobility schemes going beyond capacity/ emergency-oriented relocation schemes, such as skills-based matching. Relocation schemes driven by cities or private/ civil society initiatives – will have more scope to be established with a long-term view. Voluntary resettlement will be an important additional component of admission of refugees.</p>	<p>Under conditions of modest (stable) inflows and automatic distribution, there will be more scope for experimenting with complementary matching-based mechanisms/ incorporating a matching mechanism in the main distribution mechanism. In addition, experiments with quota trading could open up alternative ways to physical relocation, while ensuring a higher degree of solidarity. Resettlement and complementary pathways would be important complementary paths. Incentives to externalise migration control, however,</p>

	voluntary scheme, but very modest in relation to spontaneous arrivals.		would remain high and the automatic redistribution scheme vulnerable to political dynamics.
Increasing flows			
<p>Increasing migration pressure without a distribution scheme is likely to put pressure on Schengen and lead to a concentration of asylum seekers in transit zones and detention centres, while involving substantial irregular onward movements within the EU. Asylum applicants may not be admitted into the procedure based on safe country of asylum principles (whether or not in the form of Dublin) in an increasing number of states to reduce their attractiveness as a destination. Resettlement will be limited or suspended in such a context. As return capacities will remain limited and in practice a declining share of rejected asylum seekers will be returned, there will be a growing stock of non-removed migrants.</p>	<p>Increasing migration pressure will mean that Dublin returns to some countries will stop; an ad hoc mandatory emergency mechanism as the one adopted in 2015 or are unlikely to be adopted; but a several-step, quasi-voluntary mechanism as foreseen in the Bulgarian presidency conclusions may be put in place. Ad hoc-negotiations regarding specific case-loads will not be possible given the scale of arrivals. Reception centres will be overburdened and emergency reception facilities established. Dispersal schemes within countries will be necessary, with decisions on locations mainly being based on availability of accommodation.</p>	<p>While Dublin may still be in place, recognition that it does not function and a growing divide between different groups of Member States implies that groups of countries will operate voluntary schemes to relieve countries under stress, while others will not engage in relocation at all. Initiatives of regional authorities or cities as well as private sponsorship may offer additional capacities in those countries where relocation is not rejected as a matter of principle. As relocation will be very selective, the approach overall will reduce pressure on frontline states only minimally. Under the condition of high migration pressure, most initiatives will be emergency focused and deal with the initial reception of arrivals.</p>	<p>As the European Parliament proposal argues, only an automatic distribution system ensures that high inflows can be addressed by diffusing the challenge to individual countries' reception capacities across the EU. Nevertheless, a period of sustained high inflows could put the system under considerable political pressure, especially from countries that have received few asylum seekers in the current context. Complementary voluntary schemes (e.g. initiatives of cities, flexible solidarity arrangements, etc.) could counter this. Spontaneous secondary movements may still be substantial and may imply temporary suspension of Schengen and stricter control and enforcement measures. Willingness to resettle is likely to be reduced, as is the acceptance of refugees through complementary pathways, not least also since administrative capacities will be challenged by high inflows.</p>
Decreasing flows			
<p>Low or decreasing flows will seem to legitimise the adopted restrictive policies and reinforce refusal to participate in coordinated distribution of asylum seekers.</p>	<p>Low or decreasing flows will take pressure out to reform Dublin, some frontline states might be more open to "buy out" solutions (improving the implementation of Dublin in exchange for financial support or other package deals). Willingness to engage in resettlement</p>	<p>Low and declining flows will provide the greatest scope to increase matching-based relocation schemes, including on the basis of skills, languages or simply preferences and a related supply (e.g. reception offers by cities, job or training</p>	<p>Same as above, only with an increasing room for action and less political pressure to restrict inflows and externalise controls. Low pressure would in principle also provide the broadest room for developing more refined ways of matching</p>

	will be more substantial in such a context.	opportunities, etc.). Resettlement and other complementary pathways will be important.	supply/demand in terms of different criteria and linking distribution mechanisms at the national level with EU level distribution.
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Source: Project team building on DG Home (2017)

6.2 Assessment of impacts across policy options (micro/macro-levels)

As discussed in this chapter, there are numerous indicators and levels of analysis which, if tweaked, result in different degrees of integration of refugees and different impact outcomes on the receiving territories. Considering all these variables, however, would make the exercise of building future scenarios rather futile. The complexity of each scenario and their underlying assumptions would mean that any attempts at policy options based on them would have to account for too many factors to make them feasible in practice. In light of these aspects, the selected focus is instead on one single factor affecting the refugees' probability of integrating into the host society and an essential factor that determines their impact – employment (Chapter 4). Research suggests that early and effective labour market participation is a key aspect of the integration process and a determining factor for long-term economic impact.

Harnessing the full economic potential of refugees and asylum seekers and ensuring a win-win situation for refugees, employers and host territories implies the existence of sound policies and actions, particularly at the local level. Measures for improving employment prospects for refugees may include i) clear administrative procedures for granting status and certainty over legal status; ii) an initial assessment of the refugees' skills and work experience; iii) an assessment of the skills required on the labour market through vacancy analyses and optimal matching of demand and supply of skills; iv) access to vocational training and education for skills in demand; v) streamlining of administrative procedures concerning the hiring of refugees.

The evolution of the refugee employment rate is simulated under two potential policy scenarios (for simplicity, the current levels of inflows and territorial absorption capacity are used).

Micro-policy (Option 1): improved reception and active inclusion policy

The option starts from the premise that refugee employment is highly dependent on reception policies, on the quality of the conditions and the length of the decision-making process during this time¹³⁹, as well as on the availability of labour market inclusion policies. The scenario assumes a significant improvement in the quality of reception and labour market inclusion policies, within each regional cluster. The evolution of refugees' employment rates are simulated across the six different clusters, on the premise of significant improvements in terms of reception and labour market inclusion policies. The baseline model represents refugee employment rates computed using the EU-LFS 2014, across three

¹³⁹ Skills atrophy, as a result of lengthy decision-making processes can become a significant barrier for refugees.

time periods. In this estimation, qualitative and quantitative improvements in reception and labour market inclusion policies would lead to an increase in employment rates of up to 20% from the baseline model. Cluster 6 present too few observations to be able to meaningfully perform this exercise in this case.

Macro-policy (Option 2): improved dispersal policy

The option assumes – alongside an improvement in reception policies – a better performance of dispersal policies within each territory, a practice that many EU countries still apply or have started to apply post-2015. The dispersal policy is meant to maximise the matching between the skills of asylum seekers and the skills in demand in the local labour market, as well as to minimise the existence of ethnic enclaves. In addition to improvements in reception and labour market inclusion policies, a second dimension is added, namely improvements in territorial dispersal policies. While the first dimension (Scenario 1) concerns supply-side aspects¹⁴⁰, the dimension added in this scenario concerns aspects relating to the matching between the demand and supply sides. Dispersal policies imply the settlement of refugees/humanitarian immigrants in specific locations throughout the receiving territory. The aim is typically to place asylum seekers away from larger cities that already host large foreign-born populations. In order for dispersal policies to have a positive impact, there should be a good match between an asylum seeker's skills and the demand for those skills in the area where they are relocated. Oftentimes, however, dispersal decisions are based on other determinant factors, such as housing availability. This can sometimes represent an issue, since available and affordable housing can be found where demand for accommodation is low, which is generally in areas that are economically disadvantaged, experiencing depopulation and offering poor employment opportunities. Optimal dispersion policies, thus, would have a significant impact on employment, as it would contribute to the optimal allocation of resources, specifically labour supply of refugees to the labour demand of the difference regions and cities within regions. An improvement in dispersal policies – for instance, re-allocating based on labour demand and supply of skills – is estimated to contribute up to 40% increase in the employment rate of refugees, in each cluster.

Figure 6.4 below presents the evolution of income in relation to expenditure, for both scenarios, per cluster. All clusters present high initial levels of expenditure in the first time period, followed by higher income levels over time.

¹⁴⁰ Improving the employability of refugees through labour market programs and their wellbeing and health during reception and processing.

Figure 6.4. Scenario building, estimating income v costs over time



Source: Own computations (see Annex 2 for more information on methodology).¹⁴¹

¹⁴¹ Due to data fragmentation on expenditures on education, housing, integration only expenditures on unemployment are considered.

7 Key findings and preliminary conclusions

This chapter offers a summary of the main findings emerging from the various chapters of this study and offers, on this basis, the overall conclusions and policy recommendations.

7.1 Geographical distribution of asylum seekers and refugees

A number of patterns have been discussed in Chapter 3 with respect to the trends and characteristics of inflows and stocks of asylum seekers and refugees. The analysis has highlighted some key messages which can be resumed as follows.

- ***Inflows of asylum seekers in Europe have been growing over the past decade with large fluctuations***

Historically, the number of asylum applicants in Europe has been subject to large fluctuations over a growing trend, triggered by the persisting socio-economic and political instability in several countries in Africa and Asia. Annual asylum applications in the 31 EU and EFTA countries grew from 160,000 in 1985 to around 727,805 in 2017 and then stabilised following EU international agreements and stricter policies adopted by many European countries. In the early 1990s, the war in the former Yugoslavia resulted in large-scale displacements and a peak of almost 700,000 (697,085) asylum applications in 1992. This peak was largely surpassed in 2015, when 1.3 million asylum applications were filed in the EU-28 and the EFTA countries, mostly from Syria, Afghanistan and Iraq. This number declined sharply in 2017 to levels similar to the 1990s' peak, largely due to the EU-Turkey agreement of March 2016 that contained migration flows through the Eastern Mediterranean and Western Balkan routes, and due to the stricter asylum measures adopted in EU countries since 2017.

Although recurring peaks are identified over time – depending on a variety of coinciding factors including global geopolitical dynamics¹⁴² – their durations tend to be limited to a short period of time, while a relatively slow but steady increase of inflows of asylum seekers and refugees is recorded over time in Europe. Volume in such peaks (in absolute terms) as well as the increasing number of arrivals, is shared by arrival and destination countries, as well as relevant pressure faced by transit countries – percentage of arrivals with respect to the local resident population. Although peaks remain somewhat unpredictable, and as such they may emerge again over time, it is expected that the volume of inflows will remain relatively high in the future due to the persisting and even increasing political, socio-economic, environmental and demographic challenges.

- ***Migration inflows tend to vary over time depending on geo-political dynamics and specific asylum policies of European arrival and destinations countries***

Volume and patterns of flows of asylum seekers across European countries and territories vary over time, according to their position along the various migration routes, which are highly sensitive to policy changes and tend to adapt and react to emerging 'challenges'. For example,

¹⁴² War, hunger and famine, climate and environmental disaster, etc.

the Western Balkan route has been the main route for asylum seekers from Syria, Afghanistan and Iraq, involving EU states (Greece, Bulgaria) and neighbouring countries, mainly North Macedonia and Serbia. Conversely, southern European regions on the Central and Western Mediterranean routes are entry points for asylum seekers from African countries. And yet, the use of these routes is relatively fluid, as asylum seekers may change their route to Europe based on the 'entry condition' in arrival and transit countries (i.e. the policies in place at entry level).

In this respect, the closure of certain routes over time (e.g. EU-Turkey agreements in 2015 and the closure of the Hungarian border, or the recent agreements with African countries in the Central Mediterranean path (e.g. Libya)), led to a reorientation of inflows towards other routes and regions. These have resulted in a redirection of inflows: first a shift towards the Balkan route to the Central Mediterranean (e.g. Italy) and then towards the Western Mediterranean (e.g. Spain). Similarly, decisions in reception policy taken by arrival countries (e.g. Germany) have had a direct influence on the pressure faced by other arrival and transit regions that have to deal with a large number of stranded asylum seekers (e.g. the case of the Serbian regions on the border with Hungary).

- ***The pathways and distribution of refugees and asylum seekers across European territories varies depending on a number of factors, with different tactics adopted by incomers to reach their 'preferred destination' over time***

The distribution of asylum seekers across European territories reflects their position along the migration route, as well as their socio-economic conditions (labour availability and social support policy) and the presence of diasporas, among other factors. It should be noted that such distribution tends to vary rapidly through time. To maximise their success, in fact, asylum seekers tend to lodge their asylum request in more than one country over time: they commonly apply in an arrival country (e.g. a country of entry in the EU such as Italy, Greece, Poland, Hungary, etc.) and then apply to other preferred destinations (e.g. Germany, Austria, the Netherlands, the UK and the Scandinavian countries) where they lodge new applications. Some also opt for fall-backs option in case they are rejected from their preferred countries (Eurodac EU-LISA).

These patterns have strong implications for local communities at city and regional levels, as the pathways of asylum seekers and refugees across Europe are affected by the extent to which, on the one hand, incomers are obliged to remain to arrival territories once entering Europe, while on the other hand the extent to which reception policies in place in each country allow for effective inclusion in local communities in the longer-terms. Areas of arrival, in fact, often become *de facto* destinations, at least in the short to medium term, given that asylum seekers are expected to remain in arrival countries at least until they are recognised as refugees. The length of this process varies based on existing rules, congestions due to peaks of inflows across arrival destinations and the administrative capacity at local level. In the mid to long term, instead, – i.e. once they receive the refugee status or even once they manage to

leave their reception centres regularly or irregularly – asylum seekers and refugees tend to move towards destination areas, which are more economically dynamic and socially inclusive (i.e. are perceived as a more reliable source of employment and social support).

- ***European territories are exposed to different challenges and opportunities, depending on whether they are arrival or destination areas***

As discussed, refugees and asylum seekers tend to concentrate in different territories at different points in time since their arrival in Europe: they are initially obliged to remain in reception centres set-up on arriving regions, while they later on move in areas where they perceive to have greater chance for social inclusions. These are either territories with a large absorption capacity and job market (e.g. Düsseldorf, Cologne, Arnsberg, Oberbayern, Darmstadt and Stuttgart in Germany; Rhône-Alpes in France; regions of Gothenburg, Uppsala and Stockholm in Sweden; and Lombardy, Lazio and Piedmont in Italy) and/or capital regions/large urban centres (e.g. Île de France, Madrid, Berlin), where they can find job opportunities and rely on pre-existing communities providing social connections and support.

As a result, European territories are exposed to very different and complementary challenges through time since the initial arrival of asylum seekers in Europe. While arrival territories (regions and cities) struggle to adjust to high peaks of arrival in the short term, transit and destination territories face issues of congestions over time – namely an over-loading of inflows which may exceed the available jobs in the market and the capacity for policy support aimed at active inclusion (Chapter 4). In this respect, the asylum and dispersal policy approach adopted by European countries, as well as social and integration policies and the inclusion capacity of receiving territories at arrival, transit and destination stage), also tend to affect the distribution of refugees across territories and countries.

- ***Individual characteristics of asylum seekers and refugees also tend to vary according to the different communities of origins***

Although asylum seekers are in general likely to be young males, clear differences in the gender and sex composition emerge according to the country of origin and the different migration routes to access to Europe. While asylum seekers from Syria and Iraq are characterised by a well-balanced composition of age and gender, for example, suggesting entire families seeking asylum in European territories, asylum seekers from African countries and Afghanistan tend instead to be young single males. Similarly, differences may arise in terms of skills and employability across individuals depending on their country of origin, with asylum seekers from Syria and Iraq showing on average higher educational and skill levels compared to other asylum seekers.

These differences are reflected in the different individual characteristics of stocks of asylum seekers across European countries and regions – for example, Germany and Greece register a large number of applications from generally highly educated and family based groups of Syrians (entering via the Balkans route), while Italy receive applications from largely single and poorly educated Nigerians (entering via the Mediterranean route). These differences in skills

and social patterns reflect in difficulties for the integration of certain communities rather than others, which are in turn reinforced by different socio-economic conditions across European regions and countries.

In brief, the interplay of individual characteristics and local dynamics makes it easier to include refugees in certain European areas (typically destination territories) than others (typically arrival territories). The interplay of incoming individuals and territorial characteristics and its implications for social inclusion and local returns is discussed in the following chapter.

7.1.1 Overall socio-economic challenges and opportunities

Given the complex patterns and dynamics of inflows of asylum seekers and refugees across Europe, a number of challenges and potential opportunities have also emerged in the study.

- ***'It takes two to tango': integration is a complex outcome with different challenges faced by European territories (arrival, transit and destination)***

The extent to which asylum seekers and refugees can be integrated into local communities across Europe depends in equal measures on the profiles of asylum seekers and refugees; and the socio-economic and institutional context that shapes their opportunities and economic outcomes. These two elements – individual characteristics and local socio-economic dynamics – are so much interrelated, that it is impossible to address the challenges posed to European territories by the inflow of asylum seekers and refugees only by looking at one of these two sides.

Given the different patterns of inflows and different level of capacity across various territories, European regions at arrival, transit and destination stages in the inflow path are confronted with very different challenges.

- ***Greater potentials emerged in the absorption capacity¹⁴³ of destination and transit regions compared to arrival regions, but not without counter-effects***

Southern European arrival territories, at the forefront of reception activities, have to face variable and unexpected inflows requiring first aid and initial support. Nevertheless, these regions are characterised by socio-economic and labour market conditions that are not sufficiently dynamic and receptive to absorb more skilled asylum seekers or refugees, and local institutions that do not always have the capacity and experience to ensure full inclusion support. By contrast, destination regions are less concerned by the challenge of responding to unexpected peaks of (often irregular) inflows, as they do not face irregular or unexpected inflow of direct arrivals at their borders. They can therefore better draw up reception and inclusion policies to effectively respond to the needs of incoming asylum seekers and refugees over time. In this way these regions can maximise in the mid to long term the returns of their initial investments for inclusion.

¹⁴³ Defined as the ability of local communities and economies to integrate asylum seekers and refugees.

Paradoxically, however, even if well planned, highly attractive transit and destination regions can suffer from congestion. This leads to substitution and crowding-out effects¹⁴⁴, with some potentially negative effects on local low-skilled workers¹⁴⁵ and social tensions that could be exploited politically. It should be noted though that case study interviews suggest that refugees can play a role in the workforce, willing to accept lower pay than a local worker would consider. Thus, displacement effects seem not to take place in practice.

- ***Characteristics of asylum seekers make a difference in their potential for integration and pose different challenges to the receiving local communities***

Local characteristics (socio-economic and labour market conditions and policy framework) are only one side of the coin in explaining absorption performance of European regions. The other side is the linguistic skills and overall capabilities of incoming asylum seekers and refugees. In this respect, as reported by literature¹⁴⁶, new analysis provided in this study confirms that basic linguistic skills are a pre-condition for employment, although an advanced level of linguistic competences does not seem to be particularly important in respect of the employability of asylum seekers and refugees. Importantly, our study finds that educational level strongly correlates with the probability of finding employment in all the regional clusters, while women and the elderly have greater difficulty in finding employment – requiring policy caution.

- ***Inclusion capacity also increases depending on the length of stay***

Refugees who have stayed longer in European countries have higher employment rates compared to the newly arrived. Such a pattern is due to a number of factors, including: (i) ability to adapt to local market needs (i.e. the extent to which individuals adjust to local market needs over time, including as a result of existing integration policies); and (ii) the effect of regional mobility over time (i.e. the ability of incomers to reach the most effective region to maximise their skills and competencies across time, including as the result of effective dispersal policy). The general increase in employment rates across all regional clusters over time suggests a positive factor of social inclusion depending possibly on the cultural and social familiarisation over time – hence, resulting in the fast growing rate of mid-skilled refugees finding a job over time. As emerging from the analysis provided in this study, restrictive national/local policies¹⁴⁷ for asylum seekers at arrival stage are a significant impediment to the employability of asylum seekers in the short term across almost all regions.

- ***Complex interplay of factors makes certain regions better performing than others over time***

¹⁴⁴

[http://www.europarl.europa.eu/RegData/etudes/STUD/2016/578956/IPOL_STU\(2016\)578956_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/578956/IPOL_STU(2016)578956_EN.pdf)

¹⁴⁵ Namely a negative unexpected effect in excluding local individuals from labour opportunities.

¹⁴⁶ See references in the literature review for this study (Annex).

¹⁴⁷ For EU Member States within the framework set by the EU Reception Conditions Directive.

Based on the on the above factors, different typologies of regions in Europe – based on their socio-economic characteristics – show very different absorption patterns. Arrival regions that have large metropolitan areas¹⁴⁸, for example, seem to be better at employing asylum seekers and refugees in the short term (i.e. within five years since arrival), while all other type of regions show a very limited employment rate in that time period. Other arrival regions, less populated and characterised by relatively traditional, though dynamic economic sectors¹⁴⁹, tend to be the best performing with respect to the employment of refugees over time (i.e. between 5 to 20 years of arrival of asylum seekers). This is possibly due to the interplay of local dynamics, adaptation of incoming individuals through policy support, and increasing inflows over time of better skilled refugees. Finally, a third group of regions is that of arrival regions already facing economic and demographic challenges¹⁵⁰, and those transit regions in southern and eastern European countries¹⁵¹, which have a relatively good economic performance but are suffering some demographic challenges associated with their short history of inclusive social policy – hence, they have a limited ability to manage incoming flows. These regions show the worst performance over time in the employment of asylum seekers and refugees.

7.1.2 Social, political and institutional effects

A number of specific effects have also emerged from the Case Studies, these are resumed in this section to provide further details on the different impacts expected by local communities.

- ***Direct demographic effects on mitigating an ageing society are still limited***

Based on the data gathered one potentially positive impact of inflows could be to alleviate the challenge of an ageing society across Europe. However, data collected for this study indicate that the impact of refugee arrivals on demographics is negligible in many countries. Such regions tend to coincide with less economically performing areas, and they are therefore not perceived as destination points by refugees. As a consequence, only a few asylum seekers and refugees remain in these countries.

- ***Potential of refugees in fulfilling job market gaps is assessed to be either positive or neutral***

Potentials offered by new incoming job seekers seem valuable, as confirmed by practitioners and experts consulted for the study, though they are not always fully captured by European regions for very different reasons. Arrival regions tend to coincide with low-performing economies and have limited jobs to offer to the incoming asylum seekers, which therefore move to other transit and destination regions as soon as possible – as already discussed. Transition

¹⁴⁸ Grouped under Cluster “1” in the analysis.

¹⁴⁹ Grouped under Clusters “2 and 3” in the analysis.

¹⁵⁰ Grouped under Cluster “6” in the analysis.

¹⁵¹ Grouped under Cluster “5” in the analysis.

regions tend to be characterised by dynamic economies, facing significant labour and skill shortages which might be filled by inflowing asylum seekers and refugees.

Nevertheless, they do not seem able to take the opportunity offered by skilled refugee inflows, as asylum seekers tend to move to destination countries as soon as they achieve a refugee status. A regular influx of skilled can help fulfilling employment needs in destination regions with a positive rate of employment and a shortage of skilled worked. However, even there the volume of inflows remains limited with respect to the range of skills and expertise required locally, and its impact is consequently reduced. Nevertheless, as refugees tend to increase their employability over time, the long-term impact of arrivals on the local workforce is expected to be positive – provided that the negative short-term social and political dynamics are managed. This can be done by increasing the capacity to address short-term needs of incomers as well as by introducing optimal redistribution policy within and across countries, so to allow for a better matching of individual and regional needs.

- ***Current inflows had a strong influence on increasing social tensions, but there is little evidence that such inflows has led to illegal activities***

A negative view of the social consequences of reception of asylum seekers has often been fuelled by the negative portrayal of asylum seekers and refugees in the media and in political discourse. A tense political arena has been created across many European countries. Although the literature and available evidence suggests that an increase in immigration does not generally affect crime levels¹⁵², it does often lead to increased anti-immigration stances¹⁵³. As a consequence, a surge of anti-migration parties has become significant political players. In many countries of arrival, refugees and asylum seekers are considered by interviewed stakeholders as one of the reasons behind the deterioration of national political dialogue. An opportunity has been missed to highlight how positive policies could help maximise the return that incoming individuals have on local communities. A good example of how to tackle the deterioration of the political dialogue is the case of Iceland, where in the 2018 local elections there was an agreement respected by all political parties not to speak negatively about refugees.

- ***Institutional impacts at the local level were largely deemed positive***

Effects were particularly noticeable in those arrival and transit regions which needed either to build or enhance their institutional capacities in order to receive and integrate the increased number of refugees and asylum seekers. Due to increased financial support – including through EU and national financial sources – the competences of national authorities in charge of asylum seekers and refugees, as well as the national police, were strengthened in recent years, as

¹⁵² <https://migrationobservatory.ox.ac.uk/resources/briefings/immigration-and-crime-evidence-for-the-uk-and-other-countries/>

¹⁵³ Nunziata, Luca, (2015), Immigration and crime: evidence from victimization data, Journal of Population Economics, 28, issue 3, p. 697-736.

reported by practitioners and experts. Such improvements, although still largely suboptimal, are making territories better prepared should a new increase of inflows occur. Influx of asylum seekers and refugees also facilitated the revision of a number of administrative actions and regulations aiming to accommodate the increase of asylum requests. In many countries, fast-tracked asylum decision processes were introduced resulting in an overall improvement in the processing times of asylum claims – although with relevant backlashes which require further scrutiny and assessments¹⁵⁴.

- ***Notably, institutional tensions have also emerged over time***

Tensions mainly relate to the increasing preponderance of clashes among different levels of governments (i.e. local versus central) and among different actors (authorities, civil society associations, private sector involved in social services, etc.), due to differing political views on how best to address the challenges described.

7.1.3 Returns on the investments for inclusions made by European territories

The study assessed the potential returns on the investment made by European territories and local communities in supporting the legitimate requests of asylum seekers and refugees. Although data availability remains limited in this respect, and estimations made reflected a limited range of EU-based sources, some main findings have emerged and are presented.

- ***The estimates suggest that integrating refugees generates limited fiscal returns over time***

The overall volume of fiscal returns generated over time remains relatively limited across all regions in comparison to the total spending for reception and social support. Financial impacts and public funds spent on asylum seekers and refugees have been and are at the centre of the public debate on migration. Sources of fiscal revenue include both the direct taxes paid by employed refugees, and also income taxes paid by staff working with refugees in any capacity.

- ***Other returns in the long term are generated by increased consumption of goods and services and indirect jobs generated in the private sector to provide reception and integration services***

As indicated by the literature reviewed and the feedback received from experts and practitioners across selected case studies, refugees also contribute through a range of other direct and indirect means. Amongst those, taxes for staff working with refugees in any capacity, both public and private, and consumption of goods and services within a region. It was nevertheless impossible to assess such a variety of financing streams through this study.

- ***Overall regional support to refugees appears to be financially self-sustainable over time – if not considering the high initial investment on reception stage***

¹⁵⁴ https://www.ecre.org/wp-content/uploads/2017/05/AIDA-Brief_AcceleratedProcedures.pdf

When the costs and revenues occurred at a regional level are decoupled – i.e. if initial investments on reception are not considered in the overall calculation – the running costs for supporting refugees over time are possibly covered by the direct returns of those employed among others. In fact, besides high initial reception costs – which are largely spent at national level and to some extent ensured through EU contributions (for Member States) – the financial efforts held at the local level seem to be potentially rewarded through the streams of taxes and social support ensured by those refugees finding a job in the mid-to-long term. Although this finding should be further tested and enriched by additional valuable data analysis, this appears to be a relevant insight in light of current policy debates on the sustainability of humanitarian support across Europe. In any case, further in-depth and systematic assessments are required at local level across all European territories in order to provide a solid database on which basis provide more grounded and reliable estimates.

7.1.4 Policy approaches at national and local level: challenges and success factors

In the EU, the legal and policy framework regulating asylum and subsidiary protection, dispersal policies, and migration policies are a **national** competence, while **local institutions and stakeholders** are usually in charge of the implementation of measures for the reception and integration of asylum seekers and refugees in their territories, within the rules defined at the national level. The study has shown some challenges that relate to the national level.

The restrictions and bureaucratic complexity of the **asylum procedures** increase with the number of renewed applications, thus lengthening the overall duration of the asylum procedure. During this time asylum seekers are often in a sort of legal limbo, which makes the implementation of early integration measures and access to employment and social support particularly difficult. In addition, the higher the rejection rate, the greater the risk of increasing the number of irregular immigrants surviving on illegal expedients, especially when rejected asylum seekers cannot return to their home country. Long asylum procedures may also lead to mental health issues among asylum seekers, though little attention has been paid to supporting asylum seekers in this area. The restrictions on arrivals introduced by many countries are also creating actual and perceived inequalities, alienation and discrimination among asylum seekers and refugees, which leads to difficulties in integrating into society.

Restrictions on access to welfare systems and the lack of focus on labour market integration are other challenges, which particularly penalise the most vulnerable among asylum seekers and refugees – e.g. women, unaccompanied young people, the less skilled and those with disabilities, who have more difficulties in accessing the labour market. Effective housing and labour market integration are still particularly difficult to implement, notwithstanding the innovative measures adopted in some cases to avoid housing segregation and activate the private housing market and to support labour market integration by involving employers, providing job grants and supporting social entrepreneurship. The difficulty of accessing 'good'

jobs increases welfare dependency, while in some cases perverse incentive mechanisms operate, leading asylum seekers and refugees to work in the black economy.

Local integration policies are also strongly affected by conflicting policy approaches emerging at national and neighbouring country levels, especially when restrictions on arrivals and on the recognition of refugee status leave large numbers of stranded asylum seekers living off expedients in border (transnational and/or transregional) areas. This highlights the need to address conflicting policy approaches emerging at national and local level – e.g. addressing countries or territories that do not want to accept refugees or cities or other local authorities that want to take a more or less open approach than the national policy.

The dramatic increase of **anti-immigrant attitudes** is another challenge that needs to be addressed. Among migrants, women, children (particularly unaccompanied minors), persons with disabilities and all those with distinctly different racial, ethnic and cultural backgrounds are particularly at risk of abuse, hostility and violence.

A further issue is the **lack of monitoring and evaluation systems on the effectiveness of implemented measures**. Although several initiatives have been adopted at local level to better integrate asylum seekers and refugees, these are often not evaluated and it is not possible to assess to what degree the interventions implemented contributed to the observed results.

The **long-term sustainability of integration measures** is another crucial issue. Most of the integration measures are funded with EU and international programmes, which are largely project based. Project-based funding does not allow for long-term planning and activities, limiting the development of more comprehensive practices and the scaling up of the expertise into long-term strategies and policies, thus undermining the overall effectiveness of integration policies.

Local **policy capacity is growing but remains limited**, particularly in arrival regions. There is a persisting need to strengthen the interplay between reception and inclusion policy in order to maximise the effect of investments to improve the local resilience beyond that of support to asylum seekers to that of support for all local communities struggling to find a decent job and social care. Such limited capacity also prevents greater financial returns through taxes by employed asylum seekers and refugees over time. Improved capacity may allow the mobilisation of greater endogenous financial resources.

Despite the challenges listed above, the practices assessed show a number of common mechanisms and success factors that provide useful suggestions for the replicability of inclusive policies in other local contexts, despite differences in socio-economic and/or in demographic conditions:

- Adoption of ***individualised approaches integrating measures covering different policy domains and the capacity to explore innovative ways*** in policy design and implementation tailored to the needs of asylum seekers and refugees. The creation of one-

stop shops providing all the main administrative and support services in one place and the adoption of a case-manager approach appear effective to this end.

- Creation of **multi-level, multi-sector and multi-actor partnerships** involving multi-level public authorities in the relevant policy domains, international institutions, NGOs and other relevant stakeholders (e.g. schools and universities, health care institutions, chambers of commerce, employers and employers' associations, etc.) providing additional human and financial capacity. Effective partnerships are based on **well-defined roles and coordination mechanisms**, the sharing of information, the creation of coordination bodies, and strong political and administrative leadership, either taken by a public local institution or by a non-state organisation, depending on the capacity and experience of local institutions in defining and managing integration plans.
- Strong attention to **awareness raising and to the design of interventions combining support to refugees with support to local socio-economic conditions and to the activation of local actors** (e.g. the business sector, families, young people, schools and training providers, healthcare institutions, etc.) through the adoption of **participatory processes and support to community building** to prevent social conflicts and discrimination and to activate innovative approaches and attract additional human and financial resources.
- Investment in the **capacity building** of local public and private actors in order to support the implementation of effective and evidence-based integration strategies combining short-term emergency measures with measures supporting the integration of refugees and immigrants in a regional socio-economic development perspective. Where local institutions do not have experience and capacity in the management of large inflows of asylum seekers and refugees (as in the cases of Kilkis in Greece, Subotica in Serbia, Sicily in Italy, Bucharest in Romania), **international organisations and NGOs have an important role in supporting institutional capacity building at the local level providing training and expertise**. Capacity building in refugees' integration policies has also important spill-over effects on social integration policies targeted at other marginalised groups in local communities: e.g. the long-term unemployed, the low skilled, the disabled, etc.
- **Efficient pooling and use of available resources**. The capacity to activate long-term funding from international financial institutions, donations, business sector contributions, and other sources through incentives and fundraising programmes is another positive feature of many of the experiences presented. In some cases, economic activities have been set up in order to support the sustainability of integration measures.

7.2 Future scenarios

- **Inflows volumes will remain high, although at lower levels than the 2015 peak**

Looking at the 2018 level of inflows, it is clearly observed how inflows have currently stabilised at a level that is much lower than the 2015 peaks, though it reaches the highest peaks in the period between 1985 and 2015. Fluctuating patterns of high and low peaks are therefore possible over time, but a relatively high level of inflows is still expected when looking at today's volumes – other scenarios are possible although unlikely, including a slow decrease of inflow or rapid increase again over time.

- **Mismatch between skills and local labour market remain high today and is expected to continue, with the investments needed remaining substantial**

This is particularly the case for assisting asylum seekers in the short term, while returns generated by employed refugees may vary in the longer term and allow the investments made in the mid- to longer terms to be recovered. High costs in the short term are not expected to be recovered over time. Adequate financial support by competent institutions is still required, but an overall financial sustainability emerges if those initial costs are discounted (i.e. as partially supported by EU policy).

- ***Economic, social and political challenges will persist over time***

These are in part difficult to fully quantify but if well managed could alleviate social tensions and improve overall positive impacts (e.g. demographic issues, social care, access to resources for relaunching marginalised areas, etc.). Especially limited socio-economic returns seem to emerge for those regions that have a lower absorption capacity, which tend to coincide with arrival and (often) transit regions. Regions with lower absorption capacity also seem to have a lower ability to provide effective inclusion policy support, which generates overall greater social and political positive impacts.

- ***Optimisation of policy intervention will be essential to improve the effectiveness and sustainability of actions – including better integration of reception, inclusion and dispersion policy***

Given the trends highlighted so far, an effective and efficient policy response will remain a substantial factor (and challenge) for successful integration of asylum seekers and refugees across European countries and regions. If short-term effects are not properly managed, they are expected to counter the potential positive returns in the longer term, offered by a more resilient and capable inclusion system across European regions. It is therefore essential to accelerate coherence between short (reception) and longer (inclusion) term policies, while acting to increase inclusion through greater flexibility of asylum conditions and cooperation across regions.

7.3 Recommendations for local policymakers

- ***Asylum remains a human rights obligation to be fulfilled by European countries and this is a central element to be constantly acknowledged and restated***

Well-managed integration measures are increasingly considered in the debate as an investment that will pay off in the long run. Migrants and refugees often belong to economically active age groups and can provide diversified skills that in the long run could support the economy and reduce labour shortages, particularly in many of Europe's ageing societies. According to the socio-economic literature (OECD, 2014, IMF, 2016), migrants may have positive effects on the public budget and the economic growth of receiving countries and regions. OECD data show that migrants accounted for 70% of the increase in the workforce in Europe over the past 10 years, thus countering the negative effects of ageing on the labour supply. They tend to be complementary to the native workforce, as they work in important niches both in fast-growing and declining sectors of the economy not considered by the native workers, and contribute to the flexibility of the labour market. Regarding the public budget, while

in the short run additional public spending is likely for the provision of first reception and support services, in the medium and long run the contribution of refugees and immigrants to the host country depends on the speed and quality of their integration into the labour market. However, if not well managed large inflows of migrants and asylum seekers can also increase social problems and costs.

- ***Promote a comprehensive multi-dimensional approach to integration (employment, housing, language, education, social rights, etc.) as early as possible***

A comprehensive approach should be developed to address as early as possible all the dimensions of integration. The integration process should start immediately after arrival, already supporting and promoting the asylum seekers' active engagement when they are in the reception centres.

- Ensure access to adequate and sustainable accommodation, as housing is a necessary step to regularise their status.
- Support immediate access to education for children and young asylum seekers and counteract early school leaving.
- Support early labour market integration, since this represents an essential component of the integration process, while at the same time incentivise self-supporting behaviours.
- Adapt social services and reduce the administrative burden to address the barriers that asylum seekers and refugees experience.
- Plan a comprehensive strategy with adequate resources so as not to rely solely on project funding in order to achieve consistency and long-term effects.

- ***Strengthen the focus of policy intervention at the local level on employment and skills development***

The lack of the specific human capital and skills needed in the host country (e.g. language, recognised skills and diploma) together with other factors (e.g. skills mismatch, lack of social capital, discrimination) prevent specific migrant groups, including refugees, from realising their full potential on the labour market. Employment is an important driver for integration. The difficulties in finding employment trigger a vicious cycle of exclusion. To ensure labour market integration it is necessary to:

- Involve employers in integration policies and support guidance and training;
- Remove current legal obstacles to the employment of asylum seekers;
- Assess and recognise the skills and educational level of asylum seekers as soon as possible.
- Invest in language courses and vocational training programmes both at the reception level to better support the integration of asylum seekers and at later stages in order to support the integration of refugees into the labour market; and
- Address the labour market integration of women, especially those with family responsibilities.

- ***Quicker and fairer asylum procedures.***

Restrictions in asylum procedures may have a number of negative effects, increasing the number of irregular immigrants living of expedients and reducing the effectiveness of integration policies, as well as increasing social tensions in reception areas. In order to avoid these potential shortcomings, it is necessary to improve and fasten the asylum procedure, supporting

asylum seekers with all the necessary information and legal aid. The dignity and fundamental rights of all asylum seekers should be guaranteed as well as effective access to protection and to a fair procedure. Moreover, a fair balance between responsibility and solidarity among all Member States should be ensured while respecting the family unity of asylum applicants.

- ***Increase the involvement of local institutions and civil society organisations in reception and integration policies.***

Public-private partnerships, involving NGOs and the civil society and employers leaves room for local differences and at the same time secures a minimum level of quality standards. Vertical and horizontal coordination and a close dialogue between national and local authorities could support effective dispersal policies, allowing for a better match between territorial needs and asylum seekers and refugees capabilities, and improve the capacity of local authorities to maximise the potential impacts for local development. The resources and strengths of civil society may play a crucial role in integration policies. Strategies for the involvement of and support to NGOs and the local community should be implemented, as well as the set-up of formal agreements between authorities and civil organisations to avoid uncertainty over roles and responsibilities and enhance flexible and effective interventions. This would strengthen trust and activate local economies and communities in innovative ways, targeting both refugees/asylum seekers and the local population, and supporting local development. The active involvement of refugee communities already established in the area may also allow for greater integration, including through better understanding of local culture and structures.

- ***Learn from the experience of others to improve monitoring and evaluation systems, as well as related data collection.***

There is a need to evaluate and learn from positive experiences to improve the approach both towards new arrivals and those already settled in European countries with modest progress in terms of integration. To this end more evidence-based knowledge is needed to move beyond small-scale evaluations of projects. Currently, little data is collected on the impact of different public policies on the various aspects of the integration of foreigners (professional integration, access to rights, etc.). The collection of data disaggregated by personal characteristics (e.g. age, gender, educational level) would increase knowledge about differences in integration patterns and about the effects of integration policies on different groups of refugees and migrants.

- ***Improve EU support towards the specific challenges and needs faced by arrival, transit and destination regions across Europe***

Greater EU support is needed to foster effective coordination and cooperation between European institutions, Member States and local institutions and stakeholders, including civil society organisations, employers, local communities, and others. This implies a greater EU role in supporting a fairer distribution of asylum seekers across Member States, and more effective reception and integration measures through:

- Revision of the reception and distribution mechanisms and of the multi-level governance of reception and integration systems across and within countries, taking into sufficient account where individuals wish to apply for asylum in the selection of the country that will be responsible for their claim. Until and unless a non-coercive system of responsibility allocation is in place, irregular secondary flows and human rights violations will continue, as people will find ways to reunite with family and friends;
- Stronger focus on integration in the European Agenda for Migration;
- Improvement of data collection and establishing an EU coordinated information system, also for the monitoring and evaluation of reception and integration measures;
- Support for capacity building through the exchange of experiences and good practices within each territory and across different migration pathways (central/west Mediterranean, east Mediterranean and Balkans, etc.) in the EU – including as a basis for revamping cross-border dialogue among Member States;
- Support community building and awareness raising on the benefits of immigration;
- Foster better networking among local stakeholders and between stakeholders across the EU arrival, transition and destination regions – and support more structured cooperation across authorities and stakeholders across regions throughout migration paths; and
- Increase EU funding and support to the planning and implementation of long-term comprehensive reception and integration strategies, especially at the local level, making access easier for local authorities and NGOs, reducing administrative complexity in their use and promoting vertical and horizontal coordination and public-private partnerships.

7.4 Recommendations for national and EU policymakers: (implications for European Territorial Cohesion and dispersion policy)

The analysis presented also allows for some reflections with respect to the current debate on the future Cohesion Policy of Europe, as well as the policy discussion on how to improve the dispersion of asylum seekers and refugees across European territories.

- ***Improve EU support for multiple integration across: i) sectoral policies, ii) places through migration paths, and iii) communities in need (locals and newcomers)***

Considering the analysis provided for the inflows, paths and effects of new arrivals of asylum seekers and refugees, European regions are defined by three main factors.

Firstly, European territories are strongly interdependent, as the decisions taken in one European territory affect all the others, even the most remote ones, sooner or later:

- Inflows of asylum seekers are in fact very dynamic and volatile and adjust their paths through the changing circumstances (political, socio-economic, institutional);
- Political decisions of one country affect the (re)direction of inflows within and across the various paths of arrival and can reshape the pressures on other territories;
- European territories are affected by decisions taken in other continental ‘corners’.

Secondly, European territories still show great disparities in terms of policy capacity as well as socio-economic performance. These disparities result in differences in social inclusion and the labour market absorption potential of asylum seekers and refugees across the various regions and cities:

- Destinations and (some) transit areas have long(er)-term history of inclusion policy;
- Arrival and (other) transit areas have a more recent and less developed history;
- Southern arrival areas, in particular, require greater support to reinforce inclusion policy capacity.

Thirdly, and importantly, European territories can mutually benefit from greater, ongoing and better-structured cooperation in order to fully address migratory challenges, in respect of local needs and specificities:

- Central and northern European areas are in fact the preferred 'destinations' for asylum seekers and refugees, and as a result they suffer from increasing congestion of arrivals;
- Such 'congestion' can only be addressed by supporting southern capacity and ability to provide greater support to newcomers, while addressing the need and challenges of the local population;
- In return, Southern regions could be able to increase local integration and potentials for tax returns, which are currently limited by the persistence of systems that is unable to ensure inclusion.

As a result, greater cooperation among European territories is essential in addressing the challenges posed by the arrival and stay of asylum seekers and refugees. Importantly, longer term coordinated responses and cooperation in supporting mutual capacity across European regions would also favour greater policy response for local communities, as it allows innovative policy measures to be identified that enable the employability and social inclusion of less privileged communities. It also allows greater socio-economic returns at the local levels. To maximise impacts, in fact, not only is integration required between territorial responses, and across different sectoral policy, but an integrated approach should also be adopted towards newcomers and the local population.

- ***Enrich the EU policy dialogue on support to physical dispersion of asylum seekers and refugees towards the empowerment of territories in increasing their policy performance***

Dispersion policy is often intended as the *physical dispersion* of individuals, but it ultimately remains a challenge due to the *free individual mobility* of refugees (at least within a country). Findings suggest that effective dispersion across European territories is a function of fostered integration and increased policy capacity for local stakeholders to maximise local inclusion. Greater dispersion therefore implies improving local attractiveness, especially of those areas with limited socio-economic performance, and where innovative approaches are needed to foster effective local policy responses.

7.5 Recommendations for further research

Data availability has been a crucial aspect of the research. Data about the characteristics of asylum seekers and refugees is lacking, in particular regarding their skills, education and employability. Furthermore, few regional/local authorities consistently gather data on the presence of asylum seekers and refugees in their territory, unless there is some regional distribution policy in place at national level which requires them to monitor this aspect.

Finally, irregular migration remains challenging to estimate. Asylum seekers who have had their application rejected disappear from the statistics unless they are apprehended by the police or border controls. The EURODAC system does not allow the continuous tracking of the number of persons entering irregularly in one country for different reasons, while there is a lack of information gathering by the local law enforcement forces.

Consistent and comprehensive data is vital when seeking to assess the impacts of the asylum seeker and refugee population. Further than distinguishing asylum seekers and refugees from the overall migrant population, future research should focus on gathering statistics beyond socio-demographic characteristics (age, gender, citizenship) that also cover education, basic and higher level skills, employment/employability and health. It is also important to ensure that the right conditions are in place to facilitate data collection at all levels, e.g. making sure that data gathering and monitoring actually takes place when it is required by law.

It is therefore essential to foster shared protocols and metrics for data collection, sharing and assessment across European territories (if possible including financial spending and returns, etc.). Such common protocols could be piloted in certain regions across the EU for example, based on EUROSTAT data etc. and then gradually expanded throughout various regions and cities across Europe, so to provide for a shared and comparable set of information with details on individual characteristics (education, skills etc), as well as the extent to which these (mis)match with local employment needs.

A relevant challenge is the mismatch existing between the fluidity and variability of flows - i.e. secondary movements - and stocks of asylum seekers and refugees across European territories, on the one hand, and the administrative data collected and made available by local, regional, national and EU institutions on the other. In this respect, there is need for a greater reflection on how to use Big Data and information available through Social Media in a safe and protected way. This could allow for a dynamic and (quasi) real-time assessment of data available, and the potential development of interactive services to be offered (e.g. for the intermediation of regular asylum seekers and refugees with local employers and other stakeholders interested in their active inclusion).

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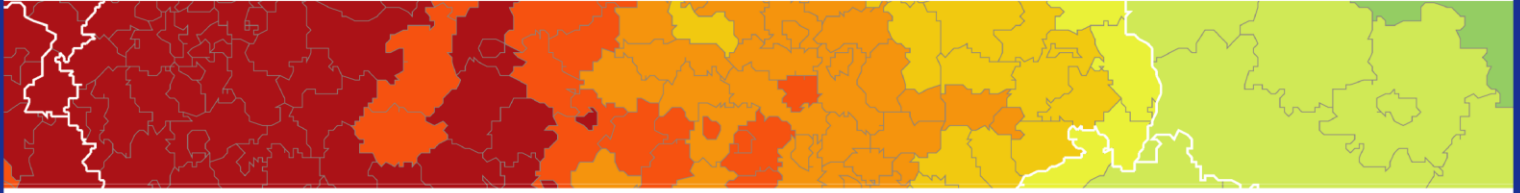
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List of Annexes

Annex 1: Scientific overview (separate document)

Annex 2: Annexes to Chapter 4 and 5 (separate document)

Annex 3: Case Studies (separate document)



ESPON 2020 – More information

ESPON EGTC

4 rue Erasme, L-1468 Luxembourg - Grand Duchy of Luxembourg

Phone: +352 20 600 280

Email: info@espon.eu

www.espon.eu, [Twitter](#), [LinkedIn](#), [YouTube](#)

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