

4 Implementing flexible solidarity

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International cooperation and solidarity are key ingredients in managing migration to and from EU member states and contributing to refugee protection world-wide. A number of policy tools are available that enable the EU and its member states to meet their humanitarian responsibility towards non-EU countries that host refugees. These include resettlement of UNHCR-recognized refugees to the EU, the provision of humanitarian visas in countries of origin or transit, and financial support to non-EU host countries and international organizations that assist refugees. Moreover, legal pathways for labor migration may provide alternative options for some individuals who would otherwise contemplate irregular migration, serve as an instrument for economic development, and become part of a more effective migration management framework in cooperation with countries of origin and transit (section 3).

This section details how the external dimension of asylum and migration policy should be complemented by reforms to internal policies under the EU's Common European Asylum System (CEAS) (section 4.1), and how further centralization and support are needed to enhance solidarity among member states.¹³ We build upon the core arguments put forward in MEDAM (2017, 2018) to focus on two key elements: more financial support from the EU budget for member states as well as the international community (section 4.2), and an EU mechanism to monitor member states' contributions to border management and refugee protection (section 4.3). The monitoring mechanism would support a peer review by member states of how common and inter-connected tasks in asylum and migration policy are shared by individual member states in line with the principle of flexible solidarity.

4.1 Moving forward on the Common European Asylum System

Since the number of asylum applications multiplied in 2015, following the war in Syria, reform of the EU's asylum and migration policy has been one of the main policy challenges for the EU. Central to the efforts to reform the CEAS is a package of seven proposals—some of which update existing legislation—initially tabled by the European Commission in 2016.¹⁴

The seven legislative proposals aim at increasing harmonization of asylum procedures and reception conditions, responsibility sharing among member states, and EU technical capacity. The first part of

the package includes a proposal for the reform of the Dublin Regulation (the 'first country of arrival' principle); amendment of the Eurodac Regulation in order to increase, harmonize, and better share information among member states; and establishment of an EU asylum agency, to replace the European Asylum Support Office (EASO) with a fully-fledged EU agency. The second part of the package includes a proposal for reforming the Reception Conditions Directive, to harmonize reception conditions across member states with the aim of limiting secondary movement; a new qualification regulation and a new asylum procedure

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¹³ The interdependent nature of internal and external migration policies is laid out in MEDAM (2017, 2018). An effective EU asylum and migration policy requires both dimensions to be well functioning.

¹⁴ See European Commission, "Proposal for a Regulation of the European Parliament and of the Council establishing a Union Resettlement Framework and amending Regulation (EU) No 516/2014 of the European Parliament and the Council," COM(2016) 468 final, Brussels (July 13, 2016), https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160713/resettlement_system_en.pdf; see also MEDAM (2017, 2018) and European Commission, "Managing Migration in all its aspects: progress under the European agenda on migration," COM(2018) 798 final, Brussels (4 December 2018), https://ec.europa.eu/commission/sites/beta-political/files/eu-communication-migration-euco-04122018_en_1.pdf, and other references herein.

regulation, to set common standards for granting international protection and define the relevant procedures; and, finally, an EU resettlement framework to complement the national programs.

Making progress on the legislative agenda

Insight #10: The start of the new European Commission's mandate provides an opportunity to reconsider the approach taken towards the reform of the Common European Asylum System. The current package approach—whereby agreement is sought on all legislative files simultaneously—means that the contentious proposal for reforming the Dublin Regulation is blocking any further progress. Pursuing a file-by-file approach and moving forward on those individual legislative proposals where there is broad agreement among member states can break the present deadlock.

There is broad agreement on five of the seven proposals, which have reached the trilogue negotiations between the Council, the European Parliament, and the Commission, though none of them has been finally adopted.¹⁵ The two remaining proposals, for reform of the Dublin Regulation and the Asylum Procedures Directive, have led to well-known controversies and the Council has been unable to reach a common position.¹⁶

In our second MEDAM Assessment Report (MEDAM 2018, section 1.1), we emphasized the need for progress on harmonizing member states' asylum systems by adopting the agreed part of the current reform package as well as the need for faster and more effective asylum procedures. The key arguments are that protracted and differentiated asylum procedures not only lead to differential treatment of similar asylum cases and increase the risk of onward movement from the country of first arrival (absconding) if asylum prospects are perceived to be better in another EU country; they may also hinder integration for individuals who need protection, as well as return to countries of origin for people without a valid claim for legal residency in the EU (Hainmueller, Hangartner, and Lawrence 2016).

There are no legal or technical barriers to adopting each proposal on its own.¹⁷ Apart from enhancing the harmonization of asylum systems (and asylum application outcomes), the proposals on the transformation of EASO and the European resettlement framework are also important for the wider application of sol-

idarity, both within the EU and with non-EU countries hosting refugees: The asylum agency will improve support to member states temporarily overburdened by applications, while the resettlement framework will enable centralized, EU-level cooperation with non-EU countries on resettlement, for example, in connection with people evacuated from Libya to Niger (see section 3.2, insight #7, and MEDAM 2018, section 1.1).

While there is scope for agreeing on the majority of the files in the CEAS reform package, we remain cautious as to the political feasibility of reforming the Dublin Regulation toward mandatory relocation among EU member states—mainly because member states continue to be deeply split on this issue. Various member states have tabled variants of the initial proposal during their presidencies of the European Council, but there are few signs that the Council has moved closer to adopting a common position over the last three years; differences in viewpoints may even have widened since 2016.

Given these realities, to make progress on the CEAS the next European Commission should abandon the 'package approach' and focus its efforts on those files where there is already substantial agreement among EU member states and progress can be made. The Commission should embed any reform of the Dublin Regulation into a wider framework of flexible solidarity with voluntary relocations (see below and section 4.3). A shift in priorities will also leave more energy and room to pursue a flexible framework for voluntary relocations, which would help to address the current situation involving rescued migrants in the Mediterranean.

A flexible solidarity approach to reforming the Dublin Regulation

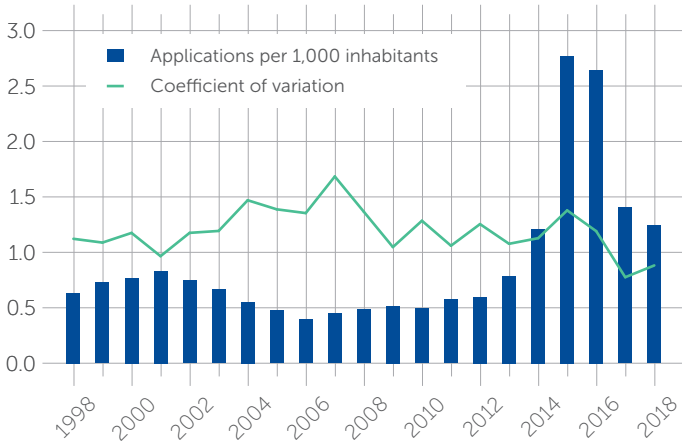
Reform of the Dublin Regulation is often seen as a magic bullet in establishing a common EU migration and asylum policy. Yet, agreement on any one version of the Dublin reform that have circulated in recent years would not make a fundamental difference on the ground in terms of where asylum seekers are hosted, except for the small Mediterranean countries of Greece, Malta, and Cyprus. In general, according to one measure of how asylum applications are dispersed among member states, asylum applications are now more equally shared among EU member states than at any point in time over the last 20 years (figure 7). Given the current distribution of asylum applications, any relocation mechanism that redistributes asylum

¹⁵ These five proposals are the amendment of the Eurodac Regulation, the new qualification directive, the Reception Conditions Directive, the new European agency for asylum regulation and the new EU resettlement framework.

¹⁶ See MEDAM (2017, 2018) for more detailed accounts.

¹⁷ See European Commission 2018, *ibid.*

Figure 6 Number of asylum applications per 1,000 inhabitants and their dispersion among EU countries (coefficient of variation), 1999–2018



Source: Own calculations based on data from Eurostat.

Note: The coefficient of variation is the standard deviation of number of applications divided by the number of applications per 1,000 persons.

seekers more equally among larger member states would imply asylum seekers being relocated from Germany to Poland, Romania, or Italy – countries that currently receive few applications relative to the size of their populations. With the divisiveness sown by the initial proposal for reforming the Dublin Regulation, it is difficult to imagine such an arrangement running smoothly;¹⁸ furthermore, it might lead to more irregular secondary migration (MEDAM 2018, section 1.1).

Greece, Malta, and Cyprus continue to receive a disproportionately large number of asylum applications relative to their populations. For Malta and Cyprus, the number of individuals applying is small in absolute numbers—8,000 applications combined in 2018—whereas the problem for Greece is the lack of returns to Turkey following the EU-Turkey agreement. The situations in Malta and Cyprus can be handled as part of a wider framework for voluntary relocation (as discussed below).

A total of around 64,000 people applied for asylum in Greece in 2018. A small share (less than 10 percent) was transferred to other EU countries under the Dublin Regulation for family reasons (European Stability Initiative 2019b).¹⁹ However, hotspots on the Aegean Islands continue to fill up beyond capacity, and it is well documented that the conditions are appalling (AIDA and Greek Council for Refugees 2019). The

situation in Greece is further complicated by the increase in arrivals across the land border with Turkey (18,000 in 2018). These individuals are not covered by the EU-Turkey agreement and a third of them are Turkish citizens.²⁰

Improving conditions for asylum seekers on the Greek islands requires efforts by the Greek government to improve accommodation on the islands as well as the effectiveness of the Greek asylum system. It also requires support from member states in terms of assisting EU agencies, notably EASO, in helping Greek efforts. EU institutions need to work to improve returns of asylum seekers to Turkey under the EU-Turkey agreement and to facilitate credible commitments to relocate recognized refugees from Greece to other EU member states under a framework of flexible solidarity (MEDAM 2018, section 1.1).²¹ Finally, full implementation of the EU-Turkey agreement also involves the relocation of Syrian refugees from Turkey to the EU in return for Turkey taking back asylum seekers from the Greek islands.

A long-term approach to addressing irregular crossings of the Mediterranean has to rely on international cooperation on a number of issues: (i) who undertakes search and rescue of people at sea; (ii) access to proper asylum procedures for those rescued, acknowledging that in the past most people crossing were not eligible for protection (Barslund, Di Salvo, and Ludolph 2019); and (iii) the difficulties of returning individuals not in need of protection once they are in the EU (discussed in section 3.2, insight #8).

Regarding search and rescue operations (i), if non-EU countries are not able to fulfill their commitments or EU member states request help in fulfilling theirs, the Border and Coast Guard Agency can offer extensive EU-level support. Regarding access to asylum (ii), individuals arriving in the EU from across the Mediterranean should have their asylum applications processed by the member state of arrival with support from the new asylum agency and assistance with the return of unsuccessful applicants to their countries of origin (iii) from the Border and Coast Guard Agency (MEDAM 2017). As would be the case for all other member states, if a country on the Mediterranean shore is overburdened, relocation among a coalition of willing member states should be pursued, following a systematic process.

With a long-term strategy to reduce irregular immigration through better border management together with neighboring countries, faster return of unsuccessful asylum applicants, expanded opportunities

¹⁸ By the same token, the so-called crisis resilience argument for mandatory relocation, i.e., that mandatory relocation would work well should the EU have another spike in asylum seekers, is not particularly robust.

¹⁹ Very few transfers are executed toward Greece.

²⁰ See Frontex, "Risk Analysis for 2019", 20 February 2019 (Warsaw), <https://frontex.europa.eu/publications/risk-analysis-for-2019-RPPmXE>

²¹ See European Commission, "Managing migration in all its aspects: Progress under the European Agenda on Migration," COM(2018) 798 final, Brussels (2018) and European Commission, "Progress report on the implementation of the European Agenda on Migration," COM(2019) 126 final, Brussels (2019).

for regular labor migration to Europe, and more slots for resettling refugees directly from non-EU countries (section 3.2), the large Mediterranean countries are unlikely to receive a disproportionately high number of asylum applications relative to many other EU countries (see also MEDAM 2018, sections 1.1 and 1.2 for a more in-depth discussion).

Insight #11: Only a few small EU member states are currently overburdened by a disproportionately high number of asylum applications (mainly Cyprus, Malta, and Greece). Given continuing disagreement over the feasibility and extent of a mandatory relocation scheme for asylum seekers, it should now be a priority to establish working procedures for a coalition of willing countries to relocate asylum seekers rescued in the Central Mediterranean. Such procedures would go a long way to relieve the few countries that are truly overburdened.

Flexible solidarity means more solidarity

A common, well-managed migration and asylum policy at the EU level has benefits for all EU member states, along with migrants and asylum seekers. At the same time, mismanagement in this policy area by individual member states can have negative consequences for other member states in the form of more irregular crossings into the EU and subsequent secondary movements. The Schengen area, which appears to be valued by all member states, implies in principle that the EU's external borders are shared by all member states. Moreover, because international cooperation is important, there is value in acting together as a bloc, as was the case with the EU-Turkey agreement.

Moving forward on a common asylum policy without mandatory relocation does not imply a need for less EU involvement in migration and asylum policies, nor the need for less solidarity. However, because of differences in geography, history, cultural ties with non-EU countries, and ingrained preferences toward migration, member states are bound to play different roles in asylum and migration policy. At the same time, member states should share the fiscal burden of hosting refugees fairly, even if their roles differ. This calls for EU financial and technical support for those member states that bear a disproportionate fis-

cal burden, even if member states remain responsible for managing their own asylum systems because centralization at the EU level is legally and politically difficult. Moreover, our research on attitudes towards EU asylum policy suggests that centralizing decisions on asylum application in an EU agency would reduce public support for asylum and refugee policy (section 2).

For optimal management of the external border, we have welcomed a stronger role by an EU institution in protecting external borders, as is foreseen with the build-up of the European Border and Coast Guard Agency. The agency is also expected to assist member states in carrying out the return of individuals who have been asked to leave EU territory. For an effective migration policy, the importance of being able to return individuals not found to be needing protection is discussed in section 3 (insight #8) and a previous MEDAM report (2018, section 1.2).

Discussions of solidarity often center around the distribution of spontaneous asylum seekers (i.e., those entering the host country at a land border, airport or seaport after being rescued at sea). Yet, a comprehensive approach to migration management entails a broader view also covering legal migration, resettlement of refugees from non-EU countries, and emergency evacuations using humanitarian visas (section 3; MEDAM 2018). This approach calls for financial support from the EU budget not only for member states hosting spontaneous asylum seekers or those relocated within the EU or refugees resettled directly from non-EU countries, but also to support labor migration when it furthers the goals of the overall migration policy of the EU.

Financial solidarity is most easily attainable through the EU's Multiannual Financial Framework (MFF). Adequate funding for the Border and Coast Guard Agency and the proposed asylum agency is imperative. Adding more support from the EU budget toward the costs of integration of recognized refugees is also important, as is more support for non-EU countries hosting refugees and cooperating with the EU on migration management (section 3). In some instances, EU institutions will also have to rely on member states for physical or human resources, such as equipment for the Border and Coast Guard Agency or staff for asylum hotspots on the Greek islands.

4.2 An EU budget to support needed change

Negotiations on the upcoming MFF for the period 2021–27 were officially launched in May 2018 when the European Commission presented its proposal for the next long-term EU budget. The Commission’s budget proposal includes several items related to asylum and migration policy. We discuss them in this section and propose new items to support and strengthen the principle of solidarity in this policy area.²²

The Commission proposal for the Asylum and Migration Fund and European Social Fund+

The current Commission proposal envisages that overall, the funds dedicated to the management of external borders, migration, and asylum will reach nearly €33 billion, compared with €13 billion in the MFF 2014–20.²³ An overview of the proposed changes in comparison with the expiring MFF can be found in table 2. These funds do not include either *EU external actions* in general or *EU humanitarian aid* in particu-

lar, part of which will be used in the area of migration and asylum, as explained below. Despite the increased attention on asylum and migration, funds for asylum, migration, and borders only make up 3 percent of the total forthcoming proposed MFF (Westerby 2018a). Of the total €33 billion for these items, only €11.3 is allocated to the *management of migration and asylum*, most of which is earmarked for the Asylum and Migration Fund (AMF) and the rest for the decentralized agencies.²⁴

Notably, in the proposed MFF 2021–27, the AMF focuses on short-term actions related to migration and asylum (such as the initial reception and registration of asylum seekers) as well as the *initiation* of integration measures (such as language courses). Funding for the medium- to long-term integration of non-EU nationals in general and refugees in particular is instead foreseen under the European Social Fund+ (ESF+), which, under the current proposal, will merge several existing funds.²⁵ While the Commission allocates a total budget of €101.2 billion to the ESF+, and the socioeconomic integration of non-EU

Table 2 Budgetary changes in the MFF 2021–27 compared with the MFF 2014–20
(€, billion)

External borders				Migration and asylum			
MFF 2014–20		MFF 2021–27		MFF 2014–20		MFF 2021–27	
Internal Security Fund (borders and visas)	2.7	Integrated Border Management Fund	9.3	Asylum, Migration, and Integration Fund	6.9	Asylum and Migration Fund	10.4
Decentralized agencies	2.9	Decentralized agencies	12	Decentralized agencies	0.45	Decentralized agencies	0.9
Total	5.6		21.3		7.35		11.3

Source: European Commission, “Migration and border management,” Migration and border management—legal texts and factsheets, Brussels (2018), <https://publications.europa.eu/en/publication-detail/-/publication/6dea386a-5269-11e8-be1d-01aa75ed71a1/language-en>.

²² Negotiations on the next MFF are still ongoing and various European institutions and stakeholders continue to submit their comments and proposals. Recently, the European Parliament passed an extensive legislative resolution on the proposed Asylum and Migration Fund (see European Parliament, “European Parliament legislative resolution of 13 March 2019 on the proposal for a regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund,” (2019), http://www.europarl.europa.eu/doceo/document/TA-8-2019-0175_EN.pdf). To what extent the Commission will pick up the proposed changes and amendments remains to be seen.

²³ See European Commission, “Migration and border management,” Migration and border management—legal texts and factsheets, Brussels (2018), <https://publications.europa.eu/en/publication-detail/-/publication/6dea386a-5269-11e8-be1d-01aa75ed71a1/language-en>.

²⁴ These are the European Union Agency for Law Enforcement Training (CEPOL), EASO, European Monitoring Centre for Drugs and Drug Addiction, European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA), Europol, and the European Border and Coast Guard Agency (Frontex). See European Commission, “Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund,” Brussels (2018), https://eur-lex.europa.eu/resource.html?uri=cellar:4ea760be-6f0d-11e8-9483-01aa75ed71a1.0001.02/DOC_16format=PDF.

²⁵ The ESF+ is intended to merge the existing ESF, Youth Employment Initiative, Fund for European Aid to the most Deprived, Employment and Social Innovation Programme, and EU Health Programme.

nationals is listed as a specific objective of the ESF+, the current proposal for the fund does not ring-fence financial means exclusively for this purpose (Lecerf 2019; Westerby 2018a).²⁶

Funding for EU border agencies, external actions, and humanitarian aid

The EU budget for the *management of external borders* is to see an even stronger boost. The marked increase in the budget for the European Border and Coast Guard Agency is intended for the creation of a standing corps of 10,000 border guards. The EU agency for asylum will replace EASO.²⁷

Regarding the *EU's external actions*, the MFF 2021–27 envisages the creation of a “Neighbourhood, Development, and International Cooperation Instrument” (NDICI). A corresponding regulation has been proposed by the Commission.²⁸ The instrument will bring together nine separate instruments and funds from the current MFF, as well as part of the European Development Fund, which was outside the MFF 2014–20 (Immenkamp 2019). The Commission proposes a total budget of €89.2 billion for the NDICI in the new MFF, which represents an increase of 11 percent compared with the expiring MFF. The bulk of this budget is foreseen to cover programmed cooperation with neighborhood and all other non-EU countries, while smaller amounts are earmarked for thematic issues of a global nature or political flagship initiatives, and for crisis management, conflict prevention, and resilience building. The remaining funding forms an additional flexibility cushion for emerging challenges and priorities. Importantly, the proposal for the NDICI foresees a horizontal spending target of 10 percent for tackling the root causes of irregular migration and creating conditions for legal migration and well-managed mobility. In addition, the rapid-response and the flexibility cushion could be used to mobilize short-term responses to critical situations related to migration.²⁹

The next MFF further foresees an increase in the budget for EU humanitarian aid by 30 percent to €11 billion. EU humanitarian aid will continue to go to vulnerable people exclusively through the EU's humanitarian partners, such as United Nations agencies, NGOs, and international organizations, but not gov-

ernments. While no funds are explicitly earmarked for migration and asylum, *EU humanitarian aid* provides emergency assistance to refugees and displaced persons in various conflict zones around the globe.³⁰ For example, in 2017 the EU Civil Protection and Humanitarian Aid program gave more than €2 billion, or 90 percent of its annual budget, to projects for forcibly displaced persons and their host communities in 49 countries.³¹

Reactions to the Commission proposal

A central line of criticism from stakeholders in European asylum and migration policy is the intended allocation of short-term reception and early integration measures to the AMF and the delegation of the medium- to long-term socioeconomic integration to the ESF+. Stakeholders object that integration policy may not easily be reduced to a series of chronological steps, which is why the intended split may put the effectiveness of the resource allocation at risk (ECRE and PICUM 2019). Others fear a gap in funding for medium- to long-term integration due to the ESF+ not explicitly earmarking funds for the socioeconomic integration of non-EU nationals (Westerby 2018b).

Another concern refers to the future involvement of civil society and local authorities in integration efforts. Statistics on disbursements of the Asylum, Migration and Integration Fund as part of the MFF 2014–20 show that the involvement of these actors differs strongly across member states (Westerby 2019). National governments that tend to oppose actions on integration might be able to preempt NGOs and others from receiving funding from the AMF and ESF+ (ECRE and PICUM 2018), while the necessity for funding recipients to obtain co-financing might serve as an additional barrier to small and nongovernmental actors (Westerby 2018b).

Recommendations regarding the split competencies of the two funds involve promoting the earmarking of specific percentages of the funding directly managed at the EU level for civil society actors and local authorities, while simultaneously limiting the allocation of national EU asylum and migration funding to state authorities and agencies (ECRE and PICUM 2018; Westerby 2019).

²⁶ See also European Commission, “Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+),” Brussels (2018), https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-european-social-fund-plus-regulation_en.pdf.

²⁷ See European Commission, “Proposal on the European Social Fund Plus (ESF+),” (2018).

²⁸ See European Commission, “Proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument,” Brussels (2018), https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-international-regulation_en.pdf.

²⁹ See European Commission “Neighbourhood, Development and International Cooperation Instrument (NDICI),” Neighbourhood and the world—legal texts and factsheets, Brussels (2018), https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-cooperation_en.pdf.

³⁰ See European Commission, “Proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument,” Brussels (2018), https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-international-regulation_en.pdf.

³¹ See European Commission, “EU humanitarian aid,” Neighbourhood and the world—legal texts and factsheets, Brussels (2018), https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-humanitarian-aid_en.pdf.

In all likelihood, the potential problem of vague competencies for integration being shared by the two funds cannot be fully addressed within the proposed MFF 2021–27, as neither will the funding for the AMF be increased so much as to cover the entire integration process, nor will the competencies for integration be fully transferred to the ESF+. Focusing on effective monitoring and improving the availability of statistics on disbursements and recipients is hence a more feasible way forward.

A compensation mechanism for flexible solidarity

Insight #12: Negotiations on the EU’s 2021–2027 Multiannual Financial Framework (MFF) offer an important window for strengthening financial solidarity among member states with respect to asylum and immigration. A dedicated budget line that compensates member states for each asylum seeker received (possibly above a threshold) would be one effective tool to ensure more solidarity. The same mechanism could be used to support the voluntary relocation of refugees among member states.

In MEDAM (2018), we envisaged a centralized system of financial burden sharing resting on the prin-

ciple of flexible solidarity. Such a mechanism would pay financial compensation to member states that receive more applications for asylum than foreseen by a distribution key (i.e., rather than relocating asylum seekers in line with the distribution key). Similar to that envisaged by the European Commission, our proposed distribution key for financial compensation would give equal weight to each member state’s GDP and population relative to the EU total in the computation of a ‘target’ number of asylum applications for each member state. A one-time compensation of €10,000 would be disbursed for every additional application accepted above the designated number of applications. This proposed compensation amount is in line with the Commission proposal for a Union resettlement framework, which foresees compensation of €10,000 from the EU budget for each refugee resettled by an EU member state participating in the framework.³² A compensation of that order would go some way in covering initial costs of reception after arrival.

The proposed amount would follow the individual in the case of relocation to another EU country. To support relocation, it may be preferable to introduce further compensation on top of the €10,000. However, for simplicity, we leave this out of the calculation below.

Table 3 Financial compensation based on flexible solidarity

Year	Compensation (€ billion)		Major recipients (>10% of total compensation)	
	Trigger at 100%	Trigger at 150%	Trigger at 100%	Trigger at 150%
2012	0.84	0.66	SE, AT, BE, FR	SE, AT, BE
2013	1.05	0.67	SE, DE, HU	SE, HU, AT
2014	1.77	1.77	SE, DE, HU	SE, DE, HU
2015	5.42	5.39	SE, DE, HU, AT	SE, DE, HU, AT
2016	5.31	5.17	DE	DE
2017	1.70	1.00	DE, EL, IT	EL, IT
2018	1.35	0.63	EL, DE, FR	EL, CY
2019	1.33	0.56	DE, EL	EL
2020	1.28	0.60	EL, DE, FR	EL
Total	20.06	16.44		
Total 2017–2020	5.67	2.78		

Source: Eurostat.

Note: Own calculations based on the number of asylum applications; figures for the years 2019 and 2020 are extrapolated; AT=Austria; BE=Belgium; CY=Cyprus; DE=Germany; EL=Greece; FR=France; HU=Hungary; IT=Italy; and SE=Sweden.

³² See European Commission, ‘Proposal for a Regulation of the European Parliament and of the Council establishing a Union Resettlement Framework and amending Regulation (EU) No. 516/2014 of the European Parliament and the Council,’ COM(2016) 468 final, Brussels (2016), https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160713/resettlement_system_en.pdf.

In table 3, we present hypothetical compensation payments based on our proposed mechanism. For the period 2012–18, our calculations are based on Eurostat statistics for first-time applications for asylum,³³ while we extrapolate the corresponding numbers for 2019 and 2020 as a simple moving average of the two previous years. Choosing a compensation payment above €10,000 per applicant would lead to a proportional increase in the amounts in table 3.

Assuming that the compensation mechanism would kick in if a member state accepted more than 150 percent³⁴ of its designated first-time applications, compensation payments would have been €0.6 billion in 2018. By far the largest share (85.7 percent) of these payments would have been allocated to Greece, with Cyprus and Malta also being among the beneficiaries. For 2017, Italy would also have received significant compensation, which, even with lower compensation for Austria, would have raised the total compensation payments to close to €1 billion for that year. Our projections for 2019 and 2020 indicate a funding need of less than €0.7 billion per year. Notably, our backward-looking calculations for the years 2012 and 2013 preceding the latest migration crisis are very close to our projections for the last two years of the current MFF. However, if the compensation mechanism was activated at 100 percent instead of 150 percent, it would double the funding requirement in 2017–20. This is due to first-time applicants being more spread out across member states during this period in comparison with 2015 and 2016. As a result, more member states would exceed the 100 percent threshold than at the peak of the migration crisis.

In view of the total financial envelope for migration and asylum in the MFF 2021–27 outlined above, we consider these sums to be both financially and

politically feasible. Unsurprisingly, the implied compensation would quickly escalate in the course of a new inflow of asylum seekers at the level of 2015–16 if imbalances in the distribution of first-time applications remained at present levels. Both the Commission’s proposition for a mandatory relocation of asylum seekers and our conception of flexible solidarity in terms of financial compensation would be stretched to their respective limits in such a situation.

■ **Insight #13:** The next MFF should also increase support for other important elements of European migration and asylum policies. The EU Asylum and Border and Coast Guard Agencies should be put in a position to provide additional assistance to member states as needed. Likewise, the EU budget should support programs aiding resettlement from third countries (insight #7), humanitarian visas (when warranted), and labor migration schemes (insight #8). Additional funding for refugees hosted by non-EU countries is also warranted on humanitarian grounds and to discourage secondary migration to Europe (insight #6).

In table 4, we present a projection of the costs and beneficiaries of our proposed compensation mechanism for flexible solidarity, as well as other frameworks that are already being prepared or debated and might hence become relevant for the areas of asylum and migration in the MFF 2021–27. For the flexible solidarity mechanism, we assume an annual compensation amount of €700 million based on our projection of total compensation of €2.8 billion for the years 2017–20. The projected €4.9 billion provided for flexible solidarity over the MFF 2021–27 translates into coverage of 490,000

Table 4 Potential financial compensation in the MFF 2021–27

Item	Compensation (€, billion)	Arrivals per year	Individuals covered
Flexible solidarity for asylum seekers	4.9	70,000	490,000
Union resettlement framework	3.5	50,000	350,000
Union humanitarian visa framework	0.7	10,000	70,000
Legal pathways to EU labor markets	7.0	50,000	350,000
Total	16.1	180,000	1,260,000

Source: Own calculations.

Note: For the development of legal pathways to EU labor markets €1 billion annually (€7 billion for the full 2021–2027 MFF) is foreseen in order to provide training and training facilities for around 100,000 potential labor migrants per year. Of these, 50,000 is estimated to arrive in the EU to take up a job. The remainder will use their training for employment in their country of origin.

³³ Due to missing information on the number of first-time applicants for asylum in Austria in 2012 and 2013, and in Hungary in 2012, we use instead information on the total number of asylum applications from Eurostat.

³⁴ This threshold mirrors the threshold that would trigger the relocation of asylum seekers in the reform of the Common European Asylum System proposed by the European Commission, https://ec.europa.eu/home-affairs/what-we-do/policies/asylum/examination-of-applicants_en.

asylum seekers over the same period. Regarding the proposed Union resettlement framework, we assume 50,000 as the number of refugees to be resettled annually. This number is based on the fact that the current temporary EU resettlement scheme intends to resettle 50,000 refugees from December 2017 to October 2019. We expect a fully elaborated framework to be more ambitious.

Given the aforementioned compensation of €10,000 per resettled refugee, our projection foresees a budget of €3.5 billion for the Union resettlement framework in the MFF 2021–27. In addition, potential EU initiatives for humanitarian visa schemes have recently been discussed (Backhaus, Barslund, and Nannerini, forthcoming). Covering 10,000 asylum seekers annually who arrive in the EU on humanitarian visas at the per capita compensation rate of €10,000 would result in budget needs of €0.7 billion. Finally, future EU migration policies will likely invest in schemes for legal labor migration from developing countries to Europe. A proposal for an EU-Africa partnership along these lines has recently been formulated by Barslund et al. (2019). They suggest that a genuine labor mobility

partnership for 50,000 people per year entering European labor markets would need funding in the range of €1 billion annually.

The proposed measures to increase solidarity via the EU budget are ambitious. All together they are projected to cost more than €16 billion over the 7 years of the MFF. Changing any of the suggested parameters regarding the size of compensation payments or the thresholds at which compensation would set in, could alter the total cost substantially. Thus, while these projections only indicate approximate orders of magnitude, it is clear that total funding needs would be large compared with the Commission's proposed MFF allocation to the Asylum and Migration Fund (€10.4 billion) and even with the broader category of expenditures on External Borders, Migration and Asylum (€33 billion; table 2 above). In other words, if the EU is to play an appropriately large role in fostering financial solidarity among member states in the implementation of more effective asylum and migration policies, then funding needs will be substantially higher than provided for by the current Commission proposal for the next MFF.

4.3 Monitoring implementation of flexible solidarity

Insight #14: To move the EU's asylum and migration policy forward towards more solidarity among EU member states and with non-EU countries that host refugees, we recommend that the new Commission establish a monitoring mechanism (or scoreboard) to collect information on each member state's exposure and contribution to all elements of asylum and migration policy (irrespective of area of competence). The scoreboard would support annual discussions on voluntary relocation and other instruments of solidarity.

As they implement the principle of flexible solidarity, EU member states would contribute to European efforts to provide humanitarian protection and enhance the global governance of migration through a variety of instruments. To ensure that, overall, member states share in these responsibilities equitably, the contributions from member states must be compared with

their capacities in the different areas of asylum and migration-related policies. This raises the questions of (i) how to monitor member states' contributions and (ii) which activities should be viewed as making a relevant contribution to European efforts.

The European Pillar of Social Rights as a possible model

The framework employed for monitoring the European Pillar of Social Rights (EPSR) could be applied to this context as well. Both, social policy and asylum and migration policy differ across member states in terms of historical roots and experiences, while achieving progress is considered a shared political commitment and responsibility among EU member states.³⁵

The European Semester provides a suitable set-up for monitoring national policies in this context as it accounts for differences across countries while struc-

³⁵ See European Commission, "Monitoring the Implementation of the European Pillar of Social Rights," Commission Staff Working Document accompanying the document Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, SWD(2018) 67 final, Brussels (2018), <https://ec.europa.eu/commission/sites/beta-political/files/staff-working-document-monitoring-implementation-european-pillar-social-rights-march2018.pdf>.

turing collective efforts.³⁶ Throughout the European Semester, there are steps for debating and amending policy recommendations at both the EU and member state levels, with active involvement by the European Council, which ultimately issues country-specific recommendations.

One main element for monitoring implementation of the EPSR is the Social Scoreboard.³⁷ Built on 94 indicators grouped under three main categories,³⁸ the scoreboard enables analysis of trends over time as well as cross-country differences, providing evidence on existing gaps and supporting EU-wide and country-specific recommendations. Besides the monitoring of individual indicators, evidence collected across a scoreboard can help identify relationships between indicators and contribute to targeted analysis as exemplified by the thematic factsheets produced by the Commission.³⁹

The Social Scoreboard developed for the EPSR follows an approach that is also used in other policy domains. For instance, within the European Semester itself, the Alert Mechanism Report identifies member states' macroeconomic imbalances based on evidence collected from a scoreboard of 14 indicators, among other information. Internationally, scoreboards are used for monitoring implementation of the Sustainable Development Goals (SDGs), as well as under the World Trade Organization's Trade Policy Review Mechanism.

What dimensions to consider?

Similar to the Social Scoreboard under the EPSR, a scoreboard for EU flexible solidarity on asylum and

migration would monitor member states' efforts and contributions vis-à-vis overall EU objectives (Box 1). Indicators could be grouped into three main dimensions:

1. current pressure on EU member states due to asylum applications: number of arrivals, first-time applications, and the rate of return of individuals ordered to leave;
2. member state contributions to EU policies through expanding legal opportunities for migration: re-settlements, humanitarian visas issued, number of first-time residence permits issued to non-EU nationals for education and professional purposes; burden sharing via intra-EU relocations;
3. member state contributions to funding refugee protection: external funds like the EU Trust Fund for Africa; EU initiatives like the Border and Coast Guard, including by providing personnel; support for the integration of refugees in other member states or non-EU countries.

Ideally, member states would not contribute exclusively to one specific dimension (or even worse, to only a specific indicator of a dimension) as such cherry-picking would make it less likely that, between them, member states cover all relevant dimensions of asylum and migration policy. Helpfully, the set-up of the European Semester allows for several rounds of consultations and provides multiple opportunities to bring to bear moral suasion and peer pressure on any member state whose contributions fall unreasonably short of what is needed.

³⁶ See European Commission, "Monitoring the Implementation of the European Pillar of Social Rights," SWD (2018) 67 final (2018).

³⁷ For details, see <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/#about>.

³⁸ The indicators include equal opportunities and access to the labor market, dynamic labor markets and fair working conditions, and public support/social protection and inclusion.

³⁹ For details, see https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/thematic-factsheets_en.

Box 1 An example scoreboard for EU flexible solidarity on asylum and migration

The heat map in table B1.1 is proposed as an example of a stylized scoreboard. It reports indicators related to dimensions 1 and 2 in the main text, with member states' positions relative to the EU average: The scale applies six intervals with a 50-point range up to values within 150 percent of the EU average, and then progressively increases the range to capture outliers on the right-hand side of the distribution. For a meaningful comparison, the values have been scaled to *per capita* terms.

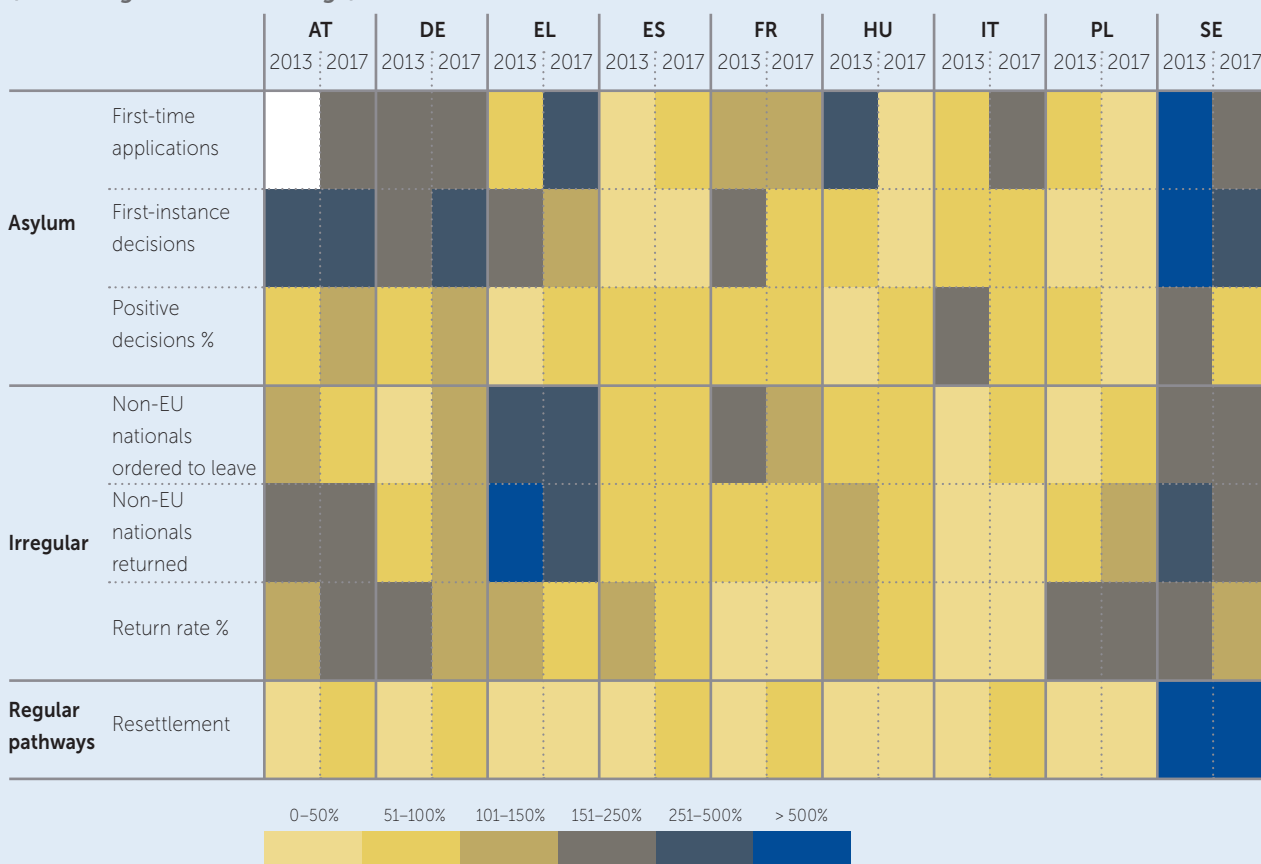
The indicators displayed in the heat map have been grouped according to the main policy areas: asylum, irregular migration, regular pathways. Across these dimensions, the heat map immediately identifies member states that are subject to disproportionate pressure vs. those that are positioned consistently below the EU average and presumably could increase their contributions in solidarity with other member states. At the same time, a low value relative to the EU average (e.g., below 50 percent) might also capture a limited capacity to carry out a specific task (e.g., processing asylum applications and enforcing returns). In other words, the heat map might in this case identify task-specific inefficiencies rather than a lack of political will to contribute to European policies.

The scoreboard also has a time dimension (in our example, 2017 vs. 2013) that would naturally evolve into a useful tracking device if the monitoring exercise were conducted annually. The system of indicators also lends itself to being extended to quarterly or monthly data, allowing the information to be used as a basis for short-term policy adjustments or interventions.

This is just a stylized example and a complete scoreboard should have a more comprehensive set of indicators that includes member state contributions to refugee protection world-wide (dimension 3). However, even this small example is informative. Countries like Greece, Sweden, and Germany have been disproportionately exposed to inflows of asylum seekers (i.e., first-time applications and first instance decisions). By contrast, member states diverge rather less on the acceptance rate for asylum applications, with only Italy and Sweden going above 150 percent of the EU average in 2013. For other indicators, the distribution of member states is skewed, such as for resettlement, for which Sweden is a positive outlier. A low return rate combined with a high number of orders to leave (e.g., France and Italy) points to possible difficulties in carrying out mandatory returns.

Table B1.1 Stylized scoreboard for EU flexible solidarity in asylum and migration

(Percentage of the EU average)



Source: Own elaboration based on Eurostat—Asylum and Migration [migr].
 Note: AT=Austria; BE=Belgium; DE=Germany; EL=Greece; ES=Spain; FR=France; HU=Hungary; IT=Italy; PL=Poland; and SE=Sweden.