Chapter 3
The EU’s ‘migration crisis’: challenge, threat or opportunity?

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Introduction

The summer of 2015 marked a turning point in the migration history of the European Union (EU). Pictures of hundreds of refugees arriving daily on Greek islands and subsequently travelling on the so-called “Balkan route” towards Central Europe dominated the headlines of newspapers in all Member States. Although possible policy reactions were immediately discussed at the European level, and already existed in a range of agreements and directives, it became clear from the very beginning that EU Member States’ reactions differed significantly. While some countries increased border controls and implemented restrictions, others temporarily suspended existing EU regulations by openly welcoming the refugees and offering them shelter. These differences led not only to chaotic responses by the EU as a whole but also to conflicts among the Member States.

In 2015, the registered number of first-time asylum applications on EU soil reached 1,255,640, more than double the 562,680 who applied in 2014 (Eurostat 2016). About half the applicants came from Syria, Afghanistan and Iraq; the other half came from countries like Pakistan, Northern and Central Africa and the Balkans (Eurostat 2016). About a third of all applications were registered in Germany

1. The number presented here refers only to the persons who have initiated an asylum application, and may not represent the number of persons who actually arrived within the respective year. As asylum procedures vary in their bureaucratic structure, the authors of this chapter have decided to focus on the number of asylum applications first and will explain alternative applications within the course of the chapter.
(with 441,800 first time applicants in 2015 [ibid]). Sweden, Germany and Austria are the primary destination countries and have received the highest numbers of asylum seekers, both in relative and absolute numbers (ibid). Both the unprecedented numbers of refugees arriving in the EU and the chaotic and ultimately failed response by the EU as well as at the national level have turned the situation into an acute political and institutional crisis.

As we will point out in this chapter, the refugee crisis is further exacerbated by ongoing opposition to the EU’s internal migration flows, which are based on the freedom of movement principle. The wide disparities of wealth and income between Member States have fueled migration flows from new Member States to Western Europe. Internal EU migration, and in particular the access of EU migrants to social services and benefits, became the prime topic of the recent UK referendum on EU membership, but it is also on the agenda in other EU Member States. Migration – from third countries as well as within the EU – has therefore become a key political factor that fuels new populist and anti-EU parties in many Member States and ultimately affects the workings of the EU itself. In Germany, the reported sexual assaults on women by groups of young male migrants on New Year’s Eve 2015 resulted in a debate questioning and criticising Angela Merkel’s welcoming culture of that year (Richards 2016). Since 2015, migration to, as well as within, the EU has become a major driving force for policy-making in the European Union and the primary political subject in national level elections. Therefore, we aim to address the subject by focusing both on the challenges and responses to the increasing numbers of asylum seekers as well as intra-EU migration. We claim that such a dual focus is necessary to give a complete picture of the current crisis as well as to provide an understanding of the links and current strategies proposed at a national and European level. The topic of migration will be highlighted and addressed from a statistical, political labour market and social perspective in order to map the existing challenges and institutional changes within the current debate.

In the course of 2015, the EU’s response to the challenge of increasing numbers of asylum seekers and intra-EU migration underwent an important shift, as the EU’s decision-making became increasingly controversial among Member States in four important respects. Firstly,
the issue of border controls and the halt of an uncontrolled influx into the EU moved to the top of the agenda and replaced the initial humanitarian response. Nationally-imposed border controls and the introduction of quotas – to the point of a complete closure of borders – are examples of these changes, as well as negotiations with Turkey over the illegal trafficking of refugees over the Mediterranean Sea. Secondly, the conflict surrounding the fair distribution of refugees arriving at the outer borders of the EU has intensified. Although the issue has existed for a long time (Hatton 2005), recent terrorist attacks have sharpened the debate. Thirdly, conditions applying to asylum seekers in Member States, regarding length of stay, housing, family reunification and financial possession, became more restrictive. Fourthly, the approach taken towards the long-term integration and social protection of refugees moved towards policies allowing for an accelerated access to domestic labour markets, which implies more rights for the individual but not necessarily equal treatment.

The long-term effects of large numbers of asylum seekers on domestic labour markets will also be shaped by the increasing role of intra-EU migrants. The precarious position of migrants on European labour markets contrasts with their access to the services and benefits of European welfare states.

The remainder of this chapter is organized as follows. Section 1 focuses on refugee migration and provides a short legal overview of the different mechanisms related to migration and asylum. Section 2 maps and critically discusses the important changes (from a ‘situation’ to a ‘crisis’) that occurred in 2015. Section 3 gives an overview of the inflow of refugees to the EU, while the uncoordinated national responses are summarized in section 4. Section 5 will focus on EU-internal migration, commencing with a legal overview of the different forms of migration (5.1). Section 5.2 will primarily focus on the currently-debated question of social security benefits for EU migrants, followed by statistics on intra-EU migration in section 5.3. Both migration flows will be compared and critically assessed in the conclusion, which also provides policy recommendations.
1. The refugee crisis and EU asylum policy: the legal framework between Schengen and Dublin

The core of the EU asylum policy is based on two legal pillars that have been constantly improved and amended in the last few decades: the Schengen Agreement (1985) and the Dublin Convention (1990). The Schengen Agreement assumes a common protection of the EU’s external border and practically no protection within its inner borders. It ensures control-free movement within the Schengen zone, but relies upon mutual trust among its members to control the borders with countries not belonging to it.

Since 1990, the Member States have agreed on the development of a common European entry and control mechanism through the Dublin Convention and later the Dublin III Regulation (604/2013/EU), but have been very hesitant to commit themselves in a similar way to common solutions on questions relating to the distribution, procedures or living conditions of asylum seekers. Most of the issues concerning the treatment and integration of asylum seekers have been addressed in directives adopted at the European level under the umbrella of the Common European Asylum System (CEAS), initiated in 1999. However, the implementation of these directives was either not complete in summer 2015 (when the first large groups of refugees arrived), or was not implemented in a way that would enable the processing of large numbers of asylum seekers.

The phenomenon of people crossing the Mediterranean in boats and arriving on the outer borders of the European Union started long before 2015. As shown in the figure below, the number of people arriving at the Mediterranean coast has increased significantly since 2012.

2. The Schengen Agreement, regarding the abolition of (inner) border controls among European nations, was signed in 1985 and is laid down in Regulation 562/2006/EC in its latest, amended version. It currently applies to 22 out of the 28 Member States: Britain, Ireland and Cyprus have opted out. The newest Member States – Romania and Bulgaria – officially qualified to enter the Schengen zone in April 2016 but have to wait for the unanimous decision of the Member States. Croatia is planning to join the Schengen zone after 2018. Besides the European Union, the Schengen zone includes Iceland, Liechtenstein, Norway and Switzerland.
The most recent European responses to the ‘refugee crisis of 2015’ were therefore not entirely new, but took up ideas and proposals from individual Member States, which had previously failed to receive wider support from other countries. The idea of ‘transit processing zones’ or centres was initially proposed by the United Kingdom in 2003, as places where asylum seekers would be centrally addressed, and where asylum requests could be determined and verified (Noll 2003). In 2004, Germany and Italy proposed putting processing centres for refugees outside EU territory, i.e. in North Africa, but this proposal is still pending. In the meantime, the EU established bilateral partnerships with non-EU countries around the Mediterranean basin, under the Hague Programme of November 2004. One of the countries that was approached under this programme was Libya. The EU lifted economic sanctions as well as the arms embargo (imposed on Libya in 2004) and concluded an agreement with the country to jointly combat illegal migration (Council of the European Union 2005). The financial aspects included in this agreement were not explicitly mentioned but implemented in various forms, either directly by the EU or by single Member States, such as Italy (Andrijasevic 2006; Carr 2011).
Before agreeing on the establishment of the Common European Asylum System in 1999, asylum and refugee policy was entirely the responsibility of individual Member States. In the 1990 Dublin Convention, the Member States agreed that every asylum seeker’s claim would be assessed solely in the first country of entry. The agreements reached in this Convention became binding in 1997. Its aim was to prevent asylum-shopping and an overburdening of administrations, as applications would be received in multiple EU states. In 2002, asylum policy was transferred from the third pillar to the first pillar, which gave the European Commission the right to propose legislative measures at the EU level (Hatton 2009). In 2002, the ‘European Dactyloscopy’ (EURODAC) fingerprint database, for identifying asylum seekers and irregular border-crossers, was linked to the asylum claim procedure for the first time and effectively implemented in 2013 (with Regulation 603/2013/EU). In 2007, Regulation 2007/2004/EC led to the establishment of Frontex, the ‘European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union’. The Dublin Convention was amended several times and eventually turned into a regulation; at present the Dublin III Regulation (604/2013/EU) is in force.

The Common European Asylum System also aimed to coordinate social security systems and common standards for the admission and deportation of asylum seekers, as well as family reunification. It includes the Asylum Procedures Directive, 2013/32 EU (amending the previous Qualifications Directive, 2011/95/EU) which defines and establishes the necessary preconditions for receiving asylum within the EU, in line with the Geneva Convention of 28 July 1951 relating to the status of refugees. Regarding the attempts at a unitary and common regulation of long-term residence rights at the European level, the biggest step forward has been the Reception Conditions Directive (2013/33/EU), which aims to harmonize the conditions (housing) for asylum seekers and their family

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3. In the EU, Police and Judicial Cooperation in Criminal Matters are legally included under the third pillar, meaning that integration in these subjects will work according to the intergovernmental cooperation method. This implies that the EU has supporting competence with regards to legislation. It can carry out actions to support or coordinate Member States’ actions, but does not have the competence to initiate legislative acts on its own. The first pillar comprises policies that fall under the European Communities. This implies that the Union has exclusive competence to make directives and conclude agreements in a union legislative act. This pillar structure was introduced with the Treaty of Maastricht in 1993.
members in all Member States. However, the implementation deadline (21 July 2015) coincided with the ‘refugee crisis’, and little information on the factual implementation exists at present. The rights to family reunification as well as EU-wide minimum requirements have been laid down in Directive 2003/86/EC. According to this Directive, an immigrant or recognised refugee has to reside in an EU Member State for one year before he or she is allowed to apply for family reunification (article 3). The Directive also established the procedure for applying for family reunification and was implemented in all Member States except the United Kingdom, Ireland and Denmark, who exercised their right to opt out (preamble 17 of Directive 2003/86/EC).

The Dublin III Regulation (604/2013/EU) also defines the terms regarding a request for asylum within the EU. The country in which the asylum seeker first enters EU territory is responsible for registering the application and taking fingerprints. The Regulation also contains exceptions that might apply (for example, in the case of [re]uniting families). The Regulation already hints at the major problems encountered by migrants arriving in Europe in 2015. After registration in the country of arrival, the asylum seeker has the right to apply for asylum in another EU Member State. However, if the country of destination refuses the application, its authorities have the right to send the asylum seeker back to the country of first registration. With the help of EURODAC, all people entering the European Union have to be registered in the country they first arrive in, and their first registration will be retraceable, irrespective of where they apply. They are also registered in the EURODAC system (article 46, Reg. 603/2013/EU), which is used as a tool to trace the migration paths of asylum seekers within the EU and helps to verify whether a person has already applied for asylum in another Member State.

Since 2011, Greece has demanded a stop to transfers back to its territory, arguing that it was unable to manage the large number of asylum seekers (Mouzourakis 2014). This was backed by a ruling of the

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4. The name of the Regulation results from the fact that the initial version of the law was signed in Dublin in 1990. It has been amended significantly since then. The current version is called ‘Dublin III’. The Regulation applies to all present EU Member States as well as to Iceland, Liechtenstein, Norway and Switzerland.
European Court of Human Rights in the same year, which stated that deportation to the country of arrival can only take place if this country can provide the protection to which every asylum seeker is entitled. In other words, the asylum procedure can only be enforced if treatment of asylum seekers complies with international norms as stipulated by the United Nations (UN). Given the already existing burden in countries such as Greece, Italy or Hungary, these countries would not be able to enforce the Dublin Regulation. Due to the fact that the distribution of asylum seekers’ requests was unequal from the very beginning, discussion of the relocation and redistribution of asylum seekers within the EU was repeatedly put on the agenda but did not lead to an agreement. According to Hatton (2009), national policy structures in the first country of access as well as the toughness of the asylum procedure has had a negative effect on the level of applications.

However, the EU has also established soft tools to support the Member States with the integration of asylum seekers. A European Refugee Fund (ERF), based on Decision 573/2007/EC, accessible to all Member States, was created in 2000 to be used for relocation and resettlement operations. Nonetheless, given the relatively small financial budget, there was little incentive to relocate. The fund has paved the way and paid for Member States to harmonize their policies rather than to actually accept refugees (Thielemann 2005: 821). The actions eligible for funding are, for example, pilot projects on EU-level cooperation, the creation of cooperation networks between two or more countries as well as the dissemination of good practice (see Decision 573/2007/EC).

2. From a refugee ‘situation’ to a refugee ‘crisis’ in 2015

In 2015, the concept of ‘mutual trust’, as laid down in the Schengen Agreement, was considerably challenged, with increasing numbers of refugees arriving in some countries and overwhelming the existing system of border controls. Whereas the Schengen Agreement refers to, and focusses on, control systems at the EU’s external border, the

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6. The European Refugee Fund was first established for a period of 4 years, based on Decision 2000/596/EC, and has been renewed regularly ever since. In 2014, the fund was renamed the Asylum, Migration and Integration Fund (AMIF), applicable for the period 2014-2020.
The Mediterranean Sea became an unpoliceable border for European and Greek authorities. By September 2015, Frontex, the European agency for border control, reported 617,412 ‘illegal border crossings’ to Greece via Turkey (Frontex 2016).

In addition, Member States faced two major challenges related to the Dublin Regulation: the sharp increase of refugees arriving at the border of the European Union (Italy, Greece and Hungary), and asylum seekers who refused to be fingerprinted or registered in the first EU country of arrival, as they feared they would be forced to stay there or could be sent back to that country. In June 2015, Hungary stopped accepting asylum seekers at its borders and thereby challenged the functionality of the EU-framework on asylum.

The Dublin III Regulation has been the subject of various EU Summits since July 2015, focusing on improving the control and registration system in Greece and other countries first registering asylum seekers. Apart from the issue of access to the EU, the question of recognised ‘refugee status’ has been re-opened and addressed. The two Directives aiming to establish and define common standards in asylum procedures as well as the pre-conditions of reception (Directive 2013/32/EU and Directive 2013/33/EU) had already been adopted, and the Member States were supposed to implement them before 21 July 2015. The divergent levels of implementation of both Directives became visible in subsequent months, when questions on ‘refugee’ status recognition as well as asylum application procedures were dealt with differently among the Member States (Hunt 2014; European Commission 2015d).

However, the biggest challenge to the Dublin Regulation was Germany’s unilateral decision to suspend it for Syrian refugees and to offer them registration once they reached German soil. In practical terms, Germany’s decision meant that all Syrian citizens could be transferred directly from the country of arrival to Germany via all Member States.

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7. Greece was asked to create registration hotspots for arriving asylum seekers, and the Member States agreed to support their implementation financially and with additional public servants (European Commission 2015b).
8. There is no legal possibility to opt out of the Dublin Regulation (604/2013/EU). The Court of Justice of the European Union has underlined this in its ruling C-528/11 – Zuheyr Frayeh Halaf v Darzhavna agentsia za bezhantsite pri Ministerska savet.
because Germany would not send back any Syrian citizens as it had agreed to grant them humanitarian protection. In the first few weeks after Germany’s decision, this also meant that registration in EURODAC was temporarily suspended. In the aftermath of the German decision to accept all Syrian refugees unchecked, a large movement of refugees set off from Turkey via Greece and the Balkan countries to Austria, Germany and the Nordic countries.

In response, since August 2015, several countries have independently decided to re-impose national border controls and temporarily question the validity of the agreement (Eddy and Bilefsky 2015). Although the Schengen Regulation allows for a temporary reintroduction of border controls, it clearly states that a Member State should inform the other countries before doing so, and that controls for periods longer than 30 days are only justifiable under serious threat (Regulation 562/2006/EC, articles 23 and 24). Subsequently, in December 2015, a new Regulation amending the existing (Schengen) Regulation (562/2006/EC) was presented by the European Parliament and the Council, allowing for a re-enforcement of checks on people at external borders with the help of additional databases (European Commission 2015a). The primary purpose of this Regulation was to respond to the increasing terrorist threat within the European Union (ibid: articles 2 and 5) and to concomitantly ensure its internal security.

The question of security became particularly important in the direct aftermath of the November 2015 terrorist attacks in Paris. The fact that some of the attackers had entered the European Union posing as refugees was used by some Member States as a justification for not accepting refugees and for obstructing the agreed redistribution decided on in September 2015 (Higgins 2015; Newton 2015). The direct link between national security and refugee politics – at the national level as well as the EU level – already existed before 2015, but has now become inseparable.

On 18 March 2016, the EU heads of state signed an agreement with Turkey to implement a Joint Action Plan. The agreement, which came

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9. Registration in the first EU country of arrival was re-introduced after a few weeks, but in September 2015, Germany reported approximately 290,000 unregistered refugees arriving there (Monath 2015).
into force on 20 March 2016, is based on nine major points of how to control and manage migration to the EU from Turkey. The core, and simultaneously most disputed, points refer to the return of all irregular migrants crossing from Turkey to the Greek islands as of 20 March and the so-called ‘1:1 scheme’, establishing that every irregular migrant who has arrived on the Greek islands will be sent back to Turkey. In return, another Syrian citizen will be resettled on EU soil using the already existing resettlement scheme.

In addition, Turkey is meant to be responsible for increasing border controls and was promised up to €6 billion from the EU as well as the prospect of EU accession and travel visa liberalization. Apart from the agreement, the Member States also announced that the maximum number of Syrian refugees to be resettled in the Member States should be 72,000. Member States can individually choose to accept more asylum seekers based on humanitarian decisions, but are not obliged to do so. The recent agreement between the EU and Turkey therefore involves EU policy tools that have been around for a while, but have previously failed to garner general support.

3. Refugees in the EU: origins, numbers and profile

Recent Eurostat data on migration flows show that the Member States of the EU have experienced very different numbers of asylum seekers. In comparison to the 21.3 million refugees worldwide in 2015, the numbers for Europe are still comparatively low. However, these data account only for persons who have submitted an asylum request in an EU Member State within a specific period. These data are not synonymous with the total number of refugees factually present within the European territory. Media reports have claimed that, due to administrative overburdening, some people are having to wait for more than three months before being able to submit their documents (Zeit 2015). In addition, media reports following the incidents in Cologne

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10. Due to the fact that, in the course of the year, the existing mechanisms on registration and control were temporarily invalidated, different calculations exist, which refer to either the number of people registered entering the EU, those applying for asylum or those registered as regular asylum seekers in one of the Member States.
have claimed that many people arriving in summer 2015 have not registered at all, but went into hiding or never reached their destination in Germany (Polke-Majewski 2016).

Figure 2  Asylum requests in countries along the Balkan route  
(monthly date 03/2015 – 02/2016)

Figure 2 clearly shows that the countries along the Balkan route\textsuperscript{11}, with the exception of Hungary, have experienced little or no change in the average numbers of incoming asylum applications. As a consequence, Hungary closed its border with Serbia in September 2015, introduced military controls and built a fence to prevent entry (Dearden 2015). The other Member States remained largely untouched by the increasing

\textsuperscript{11}. All countries that could be potentially used to enter the EU via the Balkans have been included.
inflow of asylum seekers. If we compare the figures with the numbers of asylum seekers in all EU Member States in 2014 and 2015 (as seen in Figure 3), we see that, in absolute terms, the primary receiving countries are Germany, Hungary, Sweden and Austria.

With the exception of Italy, the Mediterranean countries did not experience drastic increases in asylum requests during 2015. In Spain and Greece, the average number of applications stayed at around 1,500 per month, whereas Portugal registered between 60 and 90 asylum applications per month. With the exception of Poland (and Hungary), which registered 1,690 applications in September 2015, none of the new Member States has counted more than 200 asylum requests per month.

Besides the increase in asylum applications, data on age distribution points to long-term social challenges in the integration process. The vast majority of asylum seekers are between 17 and 35 years old. They will enter the national labour markets, so that potentially initial social spending will be reduced, and will contribute to the national economy. The Nordic countries are facing additional challenges, with a large number of unaccompanied minors among the asylum seekers. In Sweden, approximately 44% of all new asylum seekers were younger than 18.

Figure 3  Number of (non-EU) first stimy asylum seekers in the EU 2014-2015

Source: own calculations based on Eurostat; asylum and first time asylum applicants by citizenship. Monthly data (rounded) [migr_asyappctzm].
Up to today, no reliable data exist on the level of education and qualification of the registered asylum seekers. The Nordic countries are confronted with an increasing need for schools for the incoming minors. Overall it remains to be seen to what extent receiving countries will be able to integrate the registered asylum seekers. Recent ‘Flash’ reports by the European Social Policy Network (ESPN) reveal the need for urgent changes in housing policies and quality standards (see, for example, Renooy and Blommesteijn 2015).

A formula for distributing the arriving asylum seekers to all Member States has been proposed but is strongly opposed by several countries, especially those in Eastern Europe. The uneven distribution of refugee seekers among the Member States has been a highly conflictual issue. Already in May 2015, the European Commission presented its first proposal on a European resettlement scheme in order to lower the administrative and humanitarian burden faced by the European Member States in the Mediterranean region (European Commission 2015b). The goal was to distribute some of the incoming asylum seekers based on a distribution key, calculated on criteria such as the size of the population, the GDP, the average number of existing asylum applications as well as the unemployment rate in the respective Member States. The resettlement scheme for 22,504 people based on this distribution key was adopted in July 2015.

Data recently published by the European Commission (2016a) reveal that, despite the agreement, only 7,272 of the 22,504 agreed in July 2015 have been resettled in the EU Member States in that year. The remaining places will be available for the Syrian refugees arriving from Turkey, according to the recent EU-Turkey Agreement. In addition, the Justice and Home Affairs Council’s plan to relocate 160,000 asylum seekers from Greece and Italy, as adopted in September 2015, has not yet been implemented; only 937 people had been relocated by March 2016 (European Commission 2016b). One of the reasons for the slow relocation of recognised asylum seekers is political: the scheme failed to be adopted unanimously and was subsequently implemented by qualified majority voting in September 2015, with Romania, the Czech Republic, Slovakia and Hungary opposing the distribution key (Robinson and Spiegel 2015). This opposition was largely explained by a fear of terrorist attacks and Islamism (Krökel 2015). In response, in December 2015, the European Commission proposed a regulation on
the European border and coastguard at the EU’s external borders in addition to tightening the Schengen controls.

4. **Uncoordinated national responses**

In spite of the European resettlement and relocation decision, Austria announced its intent to implement a quota to limit the flow of incoming migrants and set the yearly level of accepted asylum seekers at 1.5% of the population (Wagstyl and Rachman 2016). Some EU Member States refrained from setting a target number but expanded the list of so-called ‘safe countries’ of origin and restricted hereby the number of people entitled to apply for asylum in Europe. In January 2016, Germany announced the addition of Morocco, Tunisia and Algeria to its list of safe countries (Knipp 2016).

Policy responses to the refugee crisis show that Member States focussed on restricting social security rights and enabling access to the labour market. Apart from the national responses and controversial decisions on the distribution of asylum seekers, the Member States that received the largest numbers of asylum applications have shifted their policies during 2015. First of all, temporary residence permits were introduced in all countries, with a maximum duration of three years (Austria, Denmark and Sweden) to five years (Belgium) before unlimited residence based on asylum is provided.

Policies regarding family reunification for asylum seekers were also restricted. Germany postponed the right to family reunification until after a period of two years and Denmark extended the period to three years.

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12. The European Commission has launched a proposal to create a unilateral list, but this proposal is still awaiting approval (European Commission 2015d).

Sweden did not set a timeframe but restricted the rules for family reunification significantly. According to Directive 2003/86/EC, the maximum waiting period for the right to family reunification is three years. Denmark cut social security benefits for citizens residing in Denmark for less than seven years, and Austria is also planning to cut basic services for temporary residents. In addition, the eligibility of asylum seekers for the same rights and protection was put to the test when Denmark implemented a law allowing it to seize the assets and cash of asylum seekers exceeding 10,000 Danish Krone (Kuist 2016).

With regard to labour market inclusion, Directive 2013/33/EU implies access to the domestic labour market for asylum seekers after a maximum period of nine months. National policies implemented in the Member States, focussing on accelerated access to the national labour market, reveal that this strategy was followed by most countries in 2015. Several Member States have significantly decreased the waiting time before asylum seekers can enter the labour market (i.e. Belgium from six to four months and Germany from nine to three months). Other countries decided not to accelerate access to their labour market, based on the argument that asylum seekers would compete with domestic citizens and aggravate existing unemployment rates (Austria and Slovakia). Denmark is currently planning accelerated access to the labour market from ‘day one’ (Bilefsky 2016; Kvist 2016). Debates on eligibility for the national minimum wage have also started, while unpaid on-the-job training has been introduced in some Member States (Germany and Denmark).

5. EU internal migration: legal frameworks and controversies

EU internal migration has remained on the agenda in two main areas: firstly, in October 2015, the European Commission announced the Labour Mobility Package in the 2016 work programme.\(^\text{14}\) Secondly, the

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\(^{14}\) Initially the Labour Mobility Package was to be presented by the end of 2015. However, in a recent press release by the European Commission, the date of the package’s presentation has been postponed until September 2016. However, it might be postponed further due to the recent referendum in the UK to leave the EU.
status of EU internal migrants has been redefined, partly through rulings by the Court of Justice of the European Union (CJEU) on access to benefits for EU migrants and partly through the ongoing discussions and negotiations between the UK and the EU about its terms and conditions for EU membership, in which the issue of EU migrants has played an important part.

5.1 The Labour Mobility Package and mobile labour in the EU

The Labour Mobility Package combines reforms in three different areas: 1) promoting labour mobility and job creation, 2) social convergence and the coordination of social security systems in Europe and 3) combatting labour exploitation and fraudulent systems. The aim of the package is to reform and update existing EU legislation and present new legal forms of cooperation regarding labour mobility. At present, only a few concrete aspects of the mobility package have been published.

In October 2015, the European Commission announced that, within the context of the mobility package, the Posted Workers Directive would be re-opened and reassessed. It aims to modernise Directive 96/71/EC and improve it, based on existing experiences with posting in the EU. Core aspects are to be improved and readdressed in order to implement joint liability, introduce equal pay in the destination country as well as clarify a maximum time frame for posting. It should be noted that many Eastern European countries firmly dislike the idea of revising the contentious Posted Workers Directive, as they see it as a threat to their competitive advantage of being able to pay lower wages. In addition, the Council and the European Parliament decided (November 2015) to set up a new platform to facilitate cooperation in the form of exchange.

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15. A first proposal for the amended Posted Workers Directive was presented at the beginning of March 2016.
16. Many of these aspects are currently under reassessment, as social partners as well as national governments have agreed to present amendments by autumn 2016.
18. The platform brings together the European Commission, all EU Member States, employers and trade unions. Also involved in the platform’s work are observers, such as social partners from sectors with a high incidence of undeclared work, representatives of Eurofound, the European agency for safety and health at work (EU-OSHA) and the ILO and EEA countries. The platform will meet at least biannually.
of information to combat and prevent undeclared work within the EU (European Council 2015).

Another aspect to be decided within the context of the mobility package is the application of a national minimum wage law in transnational hypermobile sectors, such as transport (European Commission 2016d). The background for this initiative was the introduction of a national minimum wage in Germany and the concomitant declaration that the wage would be universally applicable to all economic activities carried out on German soil, including transit in the transport sector. In response, foreign companies have filed a complaint, arguing that Germany’s law would impede the free movement of goods (Broughton et al. 2015). In the Labour Mobility Package of 2016, the simultaneous goals of ensuring labour mobility and equal treatment while securing the free movement of goods in the EU will be addressed (European Commission 2016d).

Moreover, the Labour Mobility Package will also entail an improvement in the existing European Employment Services (EURES) network. The EURES network was initiated as a European labour agency and will be extended to cooperate with private networks in order to increase the visibility of job vacancies (European Council 2015b).

The European experience in the area of mobility and migration reveals two aspects that will also matter in the (labour market) integration of asylum seekers. Firstly, freedom of mobility and access to the domestic labour market does not protect against labour market exploitation. The countries receiving intra-EU labour migration have all experienced foreign labour exploitation (Schmid 2010; Hassel et al. 2016). The reasons for the existing problems are substantial wage differentials between the Member States as well as national labour regimes that have failed to adapt and enlarge their protective measures to include foreign labour (Wagner and Hassel 2016). The recently adopted Posting of Workers Enforcement Directive reveals that reports of abusive practices at the national level have reached the EU and prompted revisions, focusing on the protection of mobile labour19.

19. Directive 2014/67/EU on the enforcement of Directive 96/71/EC, concerning the posting of workers in the framework of the provision of services, explicitly mentions in its preamble (7) the aim to: ‘prevent, avoid and combat abuse and circumvention of the applicable rules by
Research on the working conditions of migrant workers shows that, irrespective of the existing EU legislation, intra-EU migrant labour is more likely to work in unstable, low-paid and wearisome jobs than native citizens (Cremers et al. 2007; Jaehrling and Méhaut 2012; Wagner and Hassel 2016). Vandenbroucke with Vanhercke (2014) find that: ‘Poverty rates reported by welfare states are significantly higher for residents who are not national citizens of these welfare states than for their national citizens’ (p. 12 and figure 7 in their report). Posted workers, the self-employed and seasonal workers coming from other Member States seem to be especially vulnerable (Gertel and Sippel 2014; Hassel et al. 2016).

A high level of mobility characterises intra-EU labour migration. Due to the high differences in wage levels between the Member States, workers from countries with low average wage levels are willing to temporarily take up jobs that are better paid in other countries, even if the wage level might be below the average wage level there (Andrijasevic and Sacchetto 2016). The legal frameworks established at the EU level and their national implementation regarding seasonal work (as well as posting) have further enhanced this temporary migration, as they offer workers the opportunity to continue to pay social security contributions in their home country (Directive 96/71/EC).

Research on specific sectors, such as meat processing or construction, has shown how receiving countries have institutionalised a system of low pay for migrant workers in some sectors by using posted workers (Wagner and Lillie 2013; Wagner and Hassel 2016). Data on posted as well as seasonal workers reveal that Germany has been the primary destination country for posting in the last decade, with 373,666 posting (‘A1’) forms issued there in 2013 (Pacolet and de Wispelaere 2014: 9). In addition, data on seasonal work in Germany reveal that, on average, approximately 300,000 workers (predominantly from Poland, Romania and Bulgaria) have been active on the labour market between 2004 and 2011 (Federal
Office for Migration and Refugees 2012). Data on posting and seasonal work to Belgium reveal similar results (Vanheule et al. 2011: 40, Pacolet and de Wispelaere 2014: 9). These data imply that, within the European Union, national economies use a significant number of temporary workers employed in secondary markets with less access to social security rights, which is causing friction at the national level, e.g. among trade unions. The mobility package potentially addresses concerns about the social implications of atypical migrant labour in the EU.

5.2 Social security benefits for EU internal migrants

Already in 2013, the then British Prime Minister, David Cameron, promised to hold a referendum on the UK’s EU membership if he was re-elected in 2015. Therefore, soon after the British election in May 2015, the British government introduced the European Union Referendum Act 2015 in parliament. The referendum, to be held on the simple question of ‘remain’ in or ‘leave’ the EU, was based on the newly negotiated terms of the UK’s EU membership.

After passing the EU Referendum Act, the British government started negotiating a deal with the EU. The content of the UK’s demands was outlined in a letter from David Cameron to President of the European Council Donald Tusk on 15 November 2015 entitled: ‘A new settlement for the United Kingdom in a reformed European Union’. In the letter, he set out that restricting EU migrants’ access to in-work benefits, such as tax credits, was one of the four prime objectives of the renegotiations. The UK had frequently argued that the present regulation discriminates against its native citizens and burdens the taxpayer.

In February 2016, the UK struck an agreement with the EU, stating that EU migrants will not be entitled to unemployment or universal credit while looking for employment. In addition, if EU migrants are not able

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20. In 2012, Germany adopted a law that no longer required central registration by seasonal workers; therefore no recent data is available.
to find employment within a period of six months they will be obliged to leave. This is in line with Directive 2004/38/EC\(^{22}\).

As part of the same agreement, entitlement to social security benefits will only apply after four years of residence and employment in the UK. This change was implemented in the form of a temporary provision and will be applicable for a period of seven years, starting in 2016. This is a major change as, according to article 7.2 of the Regulation on the Freedom of Movement for Workers within the Union (492/2011/EU), any EU citizens regarded as workers in another Member State shall enjoy the same social security and tax advantages as national workers. The level of child allowance paid to EU migrants has also been changed to the amount paid in the country of residence of the children and is no longer based on the UK child allowance level (European Council 2016: 22)\(^{23}\). Shortly after the agreement, the German Minister of Labour and Social Affairs announced a plan to introduce similar cuts to social security benefits for EU migrants (Sommer 2016).

The justification of the European Union, in granting these exceptions to the UK, was based on the argument that the UK should not be obliged to make further commitments towards EU-migrants. In addition, the protection and strengthening of receiving countries, such as the UK, is crucial to ensuring that the EU can function. Therefore, temporary concessions were deemed necessary (European Commission 2016c), in spite of the obvious risks involved. The concessions introduced changes in existing regulations on the coordination of social security systems and the equal treatment of labour (Regulation 883/2004/EC) and indicate a shift in social policy-making away from the equal treatment of all EU citizens to social security restrictions at the request of the Member States. Even after the citizens of the UK decided to leave the EU in a referendum on June 23\(^{rd}\) 2016, the concessions regarding child

\(^{22}\) After three months, the host country defines the grounds on which an EU citizen from another Member State can stay. All those who are in employment or self-employed in another EU country are entitled to the same social security rights and responsibilities as the country’s nationals. In all other cases, EU citizens have to prove that they have sufficient resources to provide for themselves as well as their family members, so as not to become an economic burden for the receiving country (Directive 2004/38 art. 7(1.b) and art. 8(4)).

\(^{23}\) The UK has previously complained about the fact that the government was paying child benefits for 47,009 children resident in other Member States to EU citizens active in its labour market (Migration Watch UK 2016).
allowances and social security are now also being used in other Member States.

So far, EU legislation has aimed to increase mobility and flexibility, but if social security rights are restricted or made subject to certain conditions it might change the characteristics of freedom of movement. In general, earlier decisions by the Court of Justice of the European Union (CJEU) in 2013 and 2014 have already made it clear that social security support will be granted only insofar as it does not become a burden for national social security systems. The decision on when that point is reached remains within the responsibility of the Member State. In the Dano case (C-333/13), the CJEU pointed out that the host country is not obliged to grant social security assistance to EU citizens within the first three months of residence in another Member State. Moreover, if economically inactive persons (i.e. persons who do not fall under the definition of a worker), as identified by CJEU case law, do not have sufficient resources of their own, Member States have the possibility of excluding them from receiving social security benefits. The CJEU confirmed that the extent of social security coverage and support lies within the competence of the Member States and is not universally regulated through Regulation 883/2004/EC. In the Alimanovic case, C-67/14, the CJEU strengthened this position by stating that Member States should keep the right to individually assess cases by defining how far the EU citizens’ social security assistance claims are an unreasonable burden. Moreover, the Member States have the right to deprive EU citizens of their right of residence if they depend solely on social security assistance but are no longer entitled to receive it in the host country. This also refers to people previously active in the host Member States’ labour market (Garcia Nieto case C-299/14).

5.3 EU internal migration: facts and figures

The freedom to work in another EU Member State as well as the right to provide services – either personally under the freedom of establishment
or for a company as posted workers – applies to all EU citizens\(^{24}\). Data on labour mobility and migration show that EU citizens have increasingly used these rights during the last few decades. One indicator of the high level of EU mobility can be seen in Table 1, showing the numbers of country nationals returning to their countries. These numbers refer to citizens who were not previously registered in the respective Member State and own nationals who re-registered in 2013. These numbers are particularly high for Member States entering the EU after 2004 and indicate a high level of mobility.

The EU Member States can be divided into four groups: firstly, countries with a low degree of immigration of EU or third-country nationals but a large level of citizen mobility (immigration and emigration of reporting country). This group consists mostly of post 2004 Member States (especially Romania, Estonia and Lithuania). Secondly, countries with a high level of immigration from other EU Member States, such as Germany, Belgium and the Netherlands. The third group is made up of countries with a high level of immigration from third-countries, like Sweden, Spain and Italy. Fourthly, countries in which EU citizens as well as third-country nationals are equally present, such as Denmark.

Data in Table 1 confirm that intra-EU migration was already significant before 2015. It also reveals significant differences between the Member States, characterising some as typical ‘receiving’ countries and others as ‘sending’ countries (see also Table 2). In practice, the movement of people shows a clear distinction between temporary and permanent migration. Not only are there long-term and short-term perspectives on migration, but there also seem to be nationals who are more successful in managing to migrate and stay and others who leave within a year of arrival (Carrera 2005).

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\(^{24}\) The EU has previously allowed temporary restrictions on access to national labour markets as a measure to prevent wage dumping. In the face of existing wage discrepancies between the Member States of the EU, some Member States decided to impose restrictions on their labour market during the accession rounds of 1986, 2004, 2007 and 2012 for citizens coming from the countries which had recently joined. However, at present no such restrictions exist within the EU.
<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>EU28*</th>
<th>Non-EU</th>
<th>AF/SY/IQ**</th>
<th>Own nationals re-registering in country %</th>
</tr>
</thead>
<tbody>
<tr>
<td>RO</td>
<td>153,646</td>
<td>0.7</td>
<td>8.9</td>
<td>12.4</td>
<td>90.4</td>
</tr>
<tr>
<td>LT</td>
<td>22,011</td>
<td>3.0</td>
<td>10.7</td>
<td>1.4</td>
<td>86.2</td>
</tr>
<tr>
<td>EE</td>
<td>4,109</td>
<td>3.6</td>
<td>36.3</td>
<td>0.1</td>
<td>60.2</td>
</tr>
<tr>
<td>BG</td>
<td>18,570</td>
<td>8.8</td>
<td>64.5</td>
<td>11.7</td>
<td>25.2</td>
</tr>
<tr>
<td>PT</td>
<td>17,554</td>
<td>9.5</td>
<td>21.3</td>
<td>–</td>
<td>69.2</td>
</tr>
<tr>
<td>LV</td>
<td>8,299</td>
<td>11.0</td>
<td>31.4</td>
<td>–</td>
<td>57.5</td>
</tr>
<tr>
<td>PL</td>
<td>220,311</td>
<td>13.4</td>
<td>26.8</td>
<td>–</td>
<td>59.7</td>
</tr>
<tr>
<td>HR</td>
<td>10,378</td>
<td>17.8</td>
<td>33.1</td>
<td>1.7</td>
<td>49.0</td>
</tr>
<tr>
<td>SE</td>
<td>115,845</td>
<td>22.8</td>
<td>55.4</td>
<td>28.4</td>
<td>17.7</td>
</tr>
<tr>
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<td>23.6</td>
<td>60.1</td>
<td>0.3</td>
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<td>65.5</td>
<td>1.1</td>
<td>9.2</td>
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<tr>
<td>GR</td>
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<td>25.9</td>
<td>28.2</td>
<td>–</td>
<td>46.0</td>
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<td>26.8</td>
<td>27.7</td>
<td>1.8</td>
<td>45.5</td>
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<td>FR</td>
<td>332,640</td>
<td>27.7</td>
<td>38.1</td>
<td>–</td>
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<td>FI</td>
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<td>41.3</td>
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<tr>
<td>ES</td>
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<td>32.2</td>
<td>56.2</td>
<td>0.6</td>
<td>11.5</td>
</tr>
<tr>
<td>DK</td>
<td>60,312</td>
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<td>32.5</td>
<td>12.2</td>
<td>31.5</td>
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<tr>
<td>MT</td>
<td>8,428</td>
<td>37.3</td>
<td>41.0</td>
<td>–</td>
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</tr>
<tr>
<td>SK</td>
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<td>38.2</td>
<td>9.8</td>
<td>2.0</td>
<td>51.9</td>
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<td>38.3</td>
<td>47.2</td>
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<td>IE</td>
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<td>39.4</td>
<td>39.1</td>
<td>1.1</td>
<td>21.4</td>
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<td>NL</td>
<td>129,428</td>
<td>40.3</td>
<td>31.6</td>
<td>20.9</td>
<td>28.1</td>
</tr>
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<td>CZ</td>
<td>30,124</td>
<td>46.5</td>
<td>35.8</td>
<td>1.8</td>
<td>17.7</td>
</tr>
<tr>
<td>CY</td>
<td>13,149</td>
<td>50.7</td>
<td>36.8</td>
<td>–</td>
<td>11.7</td>
</tr>
<tr>
<td>DE</td>
<td>692,713</td>
<td>51.1</td>
<td>36.4</td>
<td>–</td>
<td>12.0</td>
</tr>
<tr>
<td>BE</td>
<td>118,256</td>
<td>52.4</td>
<td>32.5</td>
<td>6.8</td>
<td>14.8</td>
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<tr>
<td>NO</td>
<td>68,313</td>
<td>53.3</td>
<td>35.8</td>
<td>8.5</td>
<td>10.3</td>
</tr>
<tr>
<td>AT</td>
<td>101,866</td>
<td>59.1</td>
<td>31.7</td>
<td>–</td>
<td>9.1</td>
</tr>
<tr>
<td>LU</td>
<td>21,098</td>
<td>73.5</td>
<td>20.1</td>
<td>1.6</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Note: Data on immigration does not solely focus on asylum seekers but on all forms of migration. EU28* refers to the number of new cases of immigration registered in 2013 from citizens of other EU Member States, excluding country nationals. AF/SY/IQ** refers to the number of citizens coming from Afghanistan, Syria and Iraq as a percentage of immigrants from the non-EU28 Member States in 2013. Source: own calculations based on Eurostat: Immigration by citizenship [migr_imm1ctz].
The EU’s ‘migration crisis’: challenge, threat or opportunity?

Table 2  Net migration in 2013, selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Immigration</th>
<th>Emigration</th>
<th>Net migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG</td>
<td>4,682</td>
<td>16,036</td>
<td>-11,354</td>
</tr>
<tr>
<td>CZ</td>
<td>5,326</td>
<td>9,267</td>
<td>-3,941</td>
</tr>
<tr>
<td>EE</td>
<td>2,472</td>
<td>6,414</td>
<td>-3,942</td>
</tr>
<tr>
<td>HU</td>
<td>17,718</td>
<td>21,580</td>
<td>-3,862</td>
</tr>
<tr>
<td>LT</td>
<td>18,975</td>
<td>35,492</td>
<td>-16,517</td>
</tr>
<tr>
<td>PL</td>
<td>131,431</td>
<td>226,969</td>
<td>-95,538</td>
</tr>
<tr>
<td>RO</td>
<td>138,923</td>
<td>154,374</td>
<td>-15,451</td>
</tr>
</tbody>
</table>

Source: own calculations based on Eurostat: Immigration by citizenship [migr_imm1ctz].

Conclusion and policy recommendations

The migration crisis – encompassing both refugees and internal EU migration – has brought the EU to the brink of its decision-making capacity. The UK referendum was fought and lost primarily over the issue of immigration from EU Member States. Hungary organised a referendum on the EU quotas for resettling migrants in October 2016. No other issue is as divisive and at the root of rising populism within the EU. For political reasons, therefore, the ‘migration crisis’ is more of a threat than an opportunity for the EU.

The lack of control over its external border, the link to security concerns and the deep divisions between Member States’ positions have caused fundamental problems in relation to how to deal with the influx of refugees. The refugee crisis in 2015 has triggered a shift in European as well as national policy-making, simultaneously pursuing several objectives: (a) from protection of victims to protection against the threat of terrorism, (b) from equal treatment to social security restrictions and (c) from social security protection to a merit-based system. The current situation is unstable, since no solution has been found as to how refugees should be distributed among the Member States. External border controls and a regulated system of processing asylum claims remain the top priorities of the EU; they are also the only possible responses to the crisis. Measures to reduce the inflow of eligible asylum seekers have concentrated on tighter border controls, declaring more countries to be ‘safe countries’ or setting an upper limit
for asylum claims. In combination, and in addition to the Turkey agreement, these measures have at least temporarily led to lower refugee numbers. However, the Turkey agreement only applies to Syrians, who are just one group among the asylum seekers; it also only applies to those arriving in Greece.

Reducing the number of asylum seekers is even more important, as the distribution rules established in the Dublin Regulation have been proven to be unworkable. Based on optimistic estimates of the numbers of asylum seekers, and giving asylum seekers far-reaching choices on where to pursue their claims, migration flows have concentrated on those countries with the most welcoming policy approach vis-à-vis refugees. Germany’s decision to transfer refugees directly from the Hungarian border to Germany, and Angela Merkel’s slogan Wir schaffen das (‘we can do this’) first resulted in a big wave of solidarity and support from German citizens. However, as other European countries slowly changed their attitude towards refugees and restricted access, and following the 2015 New Year’s Eve sexual assaults, the public began to question Merkel’s slogan, claiming that it is not realistic (Sommer 2016). As these Member States have started to change their approach, more conflicts around the issue of relocation have ensued.

At the policy level, EU internal migration and asylum seekers are a challenge combined with an opportunity. The long-term integration of asylum seekers into EU Member States will be a challenge. Research on the labour market inclusion of third-country nationals shows the positive effects of migrant labour for the native workforce, as migrants take up unattractive jobs and boost productivity and employment (Peri 2014). These claims are confirmed by the empirical findings with regard to intra-EU mobility. However, if the labour market access of asylum seekers is fostered, they will increasingly compete with EU mobile labour for low-skilled jobs in agriculture, cleaning and construction. It remains to be seen how far accelerated labour market access without prior qualifications will reduce the economic burden on host states through employment, or whether asylum seekers will be confined to the secondary labour market and crowd out EU mobile labour. Both kinds of labour migration are key to demographic and skill challenges, as a recent, joint OECD-EU report on labour migration pointed out (2014). As the EU Member States are ageing and in need of human capital, labour migration is a central part of the renewal and enhanced growth within the EU.
Future policies on the labour market integration of asylum seekers into the domestic labour market should learn from the labour force exploitation experienced by intra-EU migrants. In both cases, the extent of factual equal treatment of EU citizens or asylum seekers with domestic and regularly employed labour depends on Member States’ policies. As primary and secondary labour markets coexist in all EU Member States, it is important to create protective measures for the secondary labour market into which asylum seekers will most likely be dispatched, given their lack of language and other skills. Low wages and bad working conditions will lead to higher public spending on supplementary benefits for asylum seekers, as can also be observed in the case of intra-EU migrants (Brücker et al. 2016). If asylum seekers compete with intra-EU migrants over jobs in the same market segment, this will have a negative impact on intra-EU mobility. Therefore, an inclusion-focused and long-term oriented labour market integration policy is preferable, instead of quick labour market access. Moreover, the education and training of the predominantly young asylum seekers might help Europe to overcome its demographic deficit and benefit its labour markets.

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