



Executive
summary

Europe's refugees and migrants

Hidden flows, tightened borders and spiralling costs

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Executive summary

Migration and forced displacement are on top of the global political agenda. However, many countries are yet to engage in a pragmatic debate on how to address and manage refugee and migrant flows. The focus on containing and reducing migration at all costs – and in doing so, ignoring international commitments to protect refugees and migrants – has been characterised by a crisis of solidarity and politics, in Europe and beyond. Effective policy responses are urgently required, and yet the gap between what is needed and what can realistically be achieved seems wider than ever.

This report aims to make a concrete and positive contribution to this gap, by taking a closer look at recent data on refugee and migrant flows and the cost of the European policy response, beyond the media headlines.

First, we analyse the number of people arriving in Europe via both well-known, ‘overt’ routes (mainly by sea, across the Mediterranean) and far less understood, ‘covert’ routes. Second, we consider the direct financial costs incurred by European states in an attempt to reduce the number of people arriving in Europe, as well as the money spent in neighbouring regions to address the root causes of migration and displacement. We then analyse the support costs for asylum seekers and those granted protection by member states. Based on this analysis, this report concludes by making a number of recommendations about how Europe can better manage the movement of people to, and within, its borders.

Research findings

Refugee and migrant flows: while fewer people are arriving by sea, the proportion of covert refugees and migrants is on the increase.

Since 2012, Europe has experienced record numbers of refugees and migrants arriving in its territories: migration to Europe via the Mediterranean has increased threefold every year. However, since the EU–Turkey deal in early 2016, and other bilateral agreements, the situation has changed. **Now, it is predicted that as few as 330,000 refugees and migrants are likely to arrive in Europe via the Mediterranean this year. This is far from the 3 million arrivals expected this year, and less than the 1.1 million arrivals in 2015.**

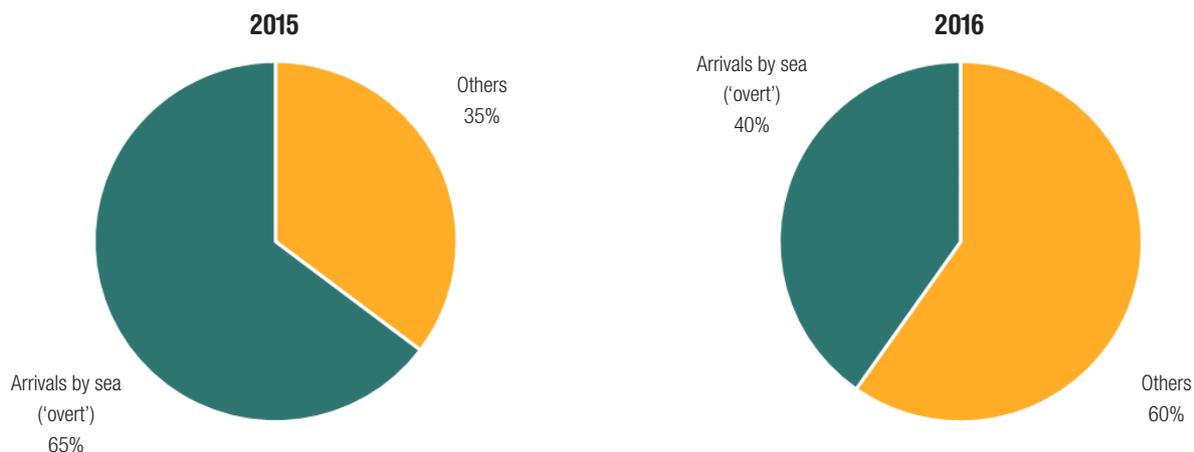
This could suggest that the ‘crisis’ is over: but these registered, overt arrivals by sea are only part of the picture. While only 330,000 people are projected to arrive by sea, **the projected number of new asylum applications is still very high – likely to reach 890,000 by the end of the year.**¹ By comparison, in 2015, 1.1 million people arrived by sea and 1.7 million people applied for asylum. This large discrepancy between new arrivals and new asylum applications suggests that **there are many people whose journeys to Europe we know little about.** These refugees and migrants travel to Europe through a variety of ‘covert’ channels and means: some over land concealed in vehicles; others by plane with false documents or by overstaying visas. Our analysis shows that only one-third are from Syria, with the majority coming from middle-income countries. As a share of asylum applications, covert arrivals are increasing. Figure i shows that, in 2015, only 35% of new asylum applications were from people arriving in Europe by covert means. In 2016, that proportion is projected to increase to approximately 60%.

While effective individual national border controls have reduced the number of new, overt, arrivals, they have not stopped the large movement of people to Europe. Over time, routes change and new ones open up; the closing of specific borders simply diverts refugees and migrants to neighbouring countries, or to more dangerous routes. This forces nearby countries to adopt similar physical barriers, leading to a ‘domino effect’, one that is very expensive for all involved.

Undoubtedly, the Syrian conflict and other ongoing situations of political instability and violence are the key drivers of the recent influx of refugees and migrants in Europe and elsewhere. However, they are not the only causes. Other global social and economic development factors are at play, many of them long term and systemic. Falling travel costs to Europe certainly play a part, as does information and networks. Global inequality is another key driver: migration is a better option than attempting upward mobility within the country in which you happen to be born. However, the current focus of the European policy response is mostly on sea crossings and border control. It pays almost no attention to these wider, and yet significant, trends of refugees and migrants journeys to Europe.

1. These figures do take into account the ‘German backlog’, a set of approximately 520,000 asylum applications which have been waiting to be processed throughout 2015 and 2016.

Figure i: The proportion of asylum applications from arrivals by sea ('overt') in 2015 and 2016



Sources: Eurostat and UNHCR

The European response: deterrence measures and border controls are expensive and mostly ineffective.

In pure financial terms, the European response has been swift. Significant funding has been mobilised at both national and regional levels to respond to the so-called 'crisis'. This funding has been deployed in two ways. First, on deterrence – stopping refugees and migrants at Europe's borders and addressing the root causes of migration in neighbouring and developing countries; and second, to cover the cost of resettling refugees and migrants in European member states. In both cases, the overall level of funding has increased at the same rate as new arrivals.

The costs of deterrence

Costs inside Europe

Inside Europe, the most visible response has been rapid border fortification: from 2015-2016, fences were proposed, or fence construction was begun, at Calais, the Hungary–Serbia border, the Hungary–Romania border, the Hungary–Croatia border, the Slovenia–Croatia border, the Austria–Slovenia border, the Austria–Italy border, the Macedonia–Greece border, the Latvia–Russia border and the Estonia–Russia border. Five fences built in the latter half of 2015 and early 2016 came to an estimated cost of €238 million. Once the other aspects of border control are included such as identity checks, surveillance, dog checks, deportation and border policing, our conservative estimate is that **at the very least, €1.7 billion was committed to measures inside Europe from 2014 to 2016 in an effort to reduce flows**. Given the poor transparency in data, this €1.7 billion figure presents only a partial picture of the true cost. It is important to emphasise that when all the costs for individual countries' spending are considered, this figure will be undoubtedly much higher (for example,

almost €700 million was spent on UK border controls). Further still, restricting people's movements and enhancing border control has a number of indirect costs. It can lead to long term economic losses as a result of reduced trade, tourism and transport provision, which could cost Europe up to €1.4 trillion (Bertelsmann Stiftung, 2016).

Costs beyond Europe's borders

European countries have also committed billions of euros in bilateral agreements and through Trust Funds, to increase economic opportunities at home, or in neighbouring countries, in an attempt to deter refugees and migrants from setting off on their journeys. **Since December 2014, €15.3 billion has been spent (including on the EU–Turkey deal and two targeted Trust Funds in Syria and Africa)**. Again this is likely to be a very conservative estimate.

Effects of these costs

Internal and externalised border controls are expensive. The evidence suggests that they can be effective in reducing flows, at least on the national level. In a number of cases, most recently through the EU–Turkey Deal, data shows that controlling a specific border can lead to a significant reduction of flows through that border. However, **our analysis suggests that border controls have, in many cases, simply rerouted refugees and migrants towards alternative, covert, routes**.

While aid can be effective at supporting economic development, and can contribute towards mitigating the root causes and drivers of migration and displacement (such as conflict), it is not clear that it contributes to reducing migration and displacement in general. In the short term, and in very poor countries, development tends to increase, rather than reduce, human mobility.

Asylum processing and support costs

The way in which asylum applications are processed, approved or declined is inconsistent across European countries. Whether an application is successful depends not only on where you are from but also on where you apply to – e.g. in 2015-2016 across Europe, 98% of asylum applications from Syrians were successful. However, while, in Slovenia all Syrian applications were approved, only 50% of were approved in Portugal. For asylum seekers from countries like Somalia and Afghanistan, the variation is even greater. Reporting of asylum procedural costs is also not uniform across Europe – the Netherlands reports an average annual cost of €28,804 per asylum seeker and Austria, €5,156.²

Despite these discrepancies, what is consistently clear is that the overall cost burden is large: **the reception, procedural and resettlement costs of people who arrived in 2015, and those arriving in 2016, will cost Europe €27.3 billion.**

Recommendations

The above analysis illustrates powerfully that Europe's response to the 'crisis' of refugee and migrant flows is an expensive undertaking. Yet these efforts are unlikely to significantly reduce the number of people arriving in Europe through different routes.

Therefore, Europe needs a new approach. It needs to abandon narrow, often expensive, policies and initiatives which attempt, but will ultimately fail, to reduce the number of people arriving and applying for asylum in Europe. What is needed is a pragmatic and coherent approach that effectively manages the movement of people in the medium and long term. It needs to shift from an emphasis on controlling and deterring migration, towards a pragmatic and effective approach to manage it better.

To do this, a new form of international and multilateral action is needed. While sovereign states will continue to be the key actors and decision-makers, individual countries cannot address, and effectively manage, migration alone – they will spend significant amounts of money trying, and failing. Whether this new model of global governance for managing flows of refugees and migrants can be achieved through old means and institutions – like the UN, international agreements, etc. – and sealed at global summits, is an increasingly urgent question. The private sector is a growing and dynamic actor on migration matters – they too have much to lose from overly restrictive policies. Equally, regional institutions and coalitions will continue to have a major role.

However, progress will be limited until the public, especially in transit and host countries, becomes more accurately informed about migration, and are reassured that plans are in place to manage it well. There is an

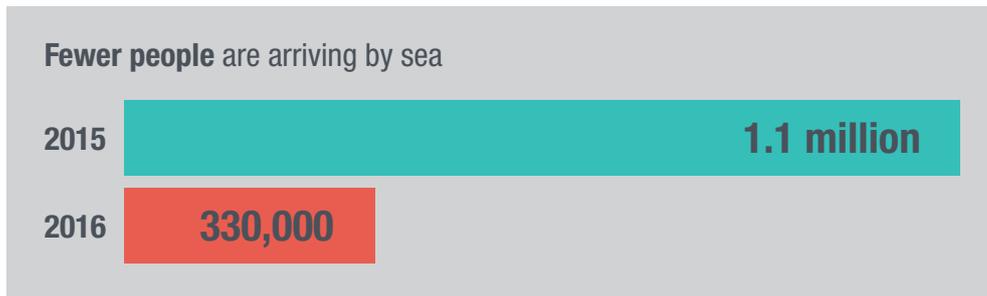
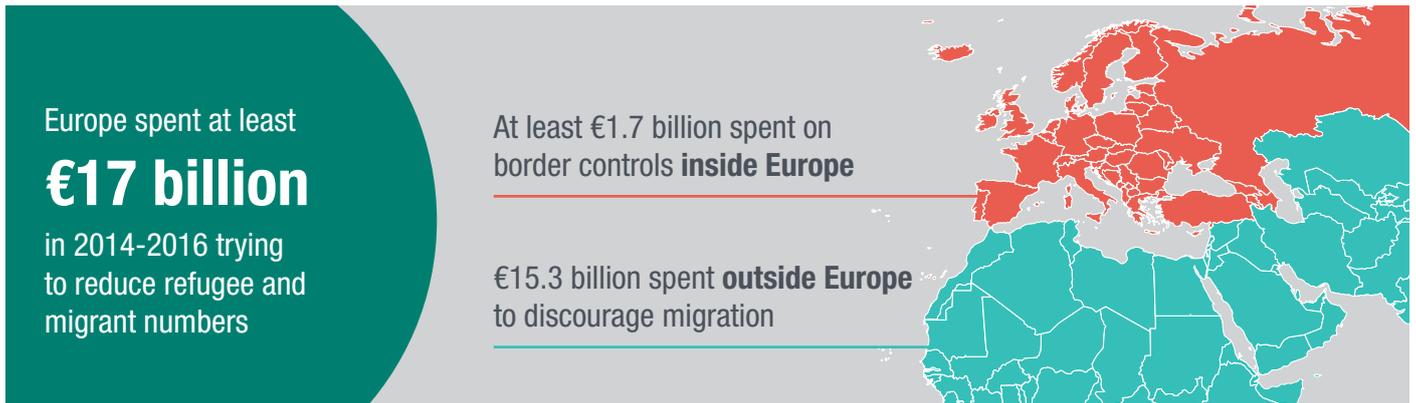
important objective in sharing accurate information with the public to reassure citizens that human mobility can, and should be, better managed to benefit all. To this end, this report makes the following recommendations:

- 1. European governments should facilitate and increase legal pathways so that they can monitor, and more effectively manage flows of refugees and migrants.** This report demonstrates that restrictive policies and tightened borders can result in more covert migration. This will make it harder, not easier, for governments to monitor migration and design suitable policies to manage it. Legal migration pathways will help governments predict flows, make pragmatic decisions about quotas, skills gaps, hosting costs and enhance the benefits to the economy. These pathways can be tailored to different countries (depending on labour market needs, skills gaps, etc.) and sit alongside the global asylum system that continues to guarantee protection for vulnerable refugees.
- 2. A new global alliance of migration and displacement data is needed.** This should be a collaborative effort between governments, specialised agencies (such as the International Organization for Migration (IOM) and the United Nations High Commissioner for Refugees (UNHCR)) the private sector and international organisations. It should be aimed, in the first instance, at harmonising reporting and increasing the frequency of data from both traditional and non-traditional sources to build a more coherent and comprehensive picture of human mobility. In Europe, there is an urgent need to move away from focusing solely on new arrivals and instead to cross-check data on deaths, asylum processes and outcomes to build a much more accurate picture of both overt and covert flows.
- 3. Governments should commit to more transparency on deterrence costs, as well as the significant reception and procedural costs in both national and EU budgets.** Both national and EU parliaments must be given the ability to scrutinise these costs – to analyse whether these investments work and to deliver results. This transparency needs to extend to the wider public. The media tends to focus solely on arrivals data, and individual case studies, without looking at the broader facts and figures. If there was more dissemination of these costs, it would help inform a balanced and evidence-based public debate.
- 4. Forge new international and regional coalitions built around common interests and objectives that aim to ensure safe, controlled and well-managed migration.** This cannot be achieved by the UN alone, or through traditional multilateralism – the political stakes of sovereign states are too high. The private sector has a key role and should be involved in the development and implementation of such coalitions.

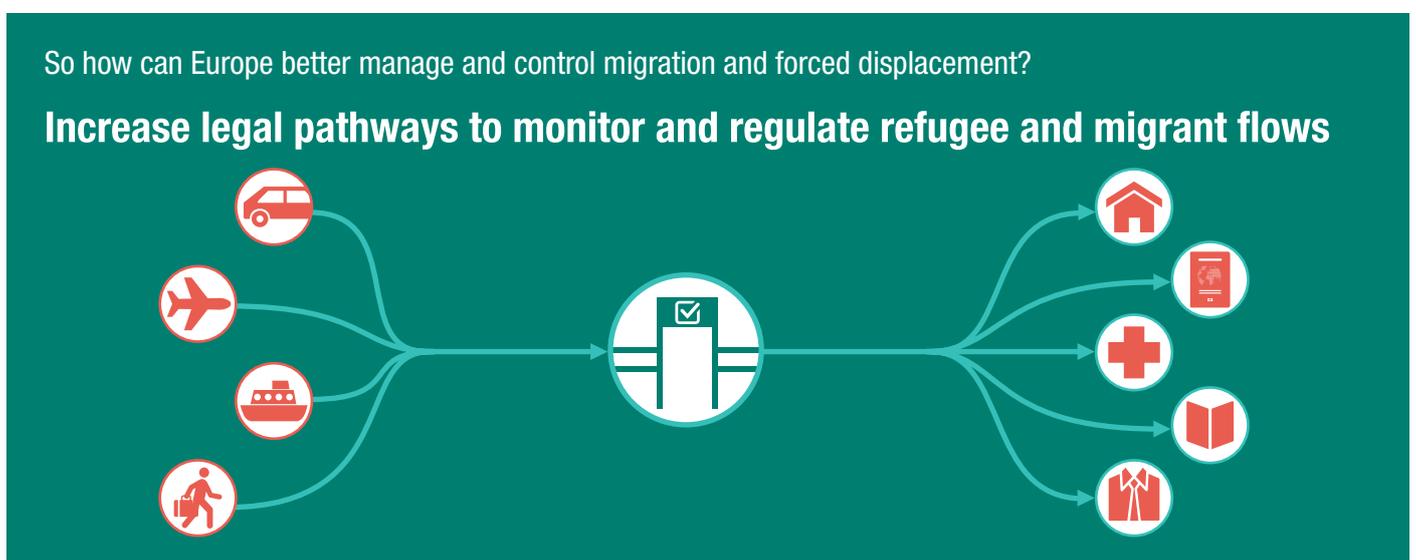
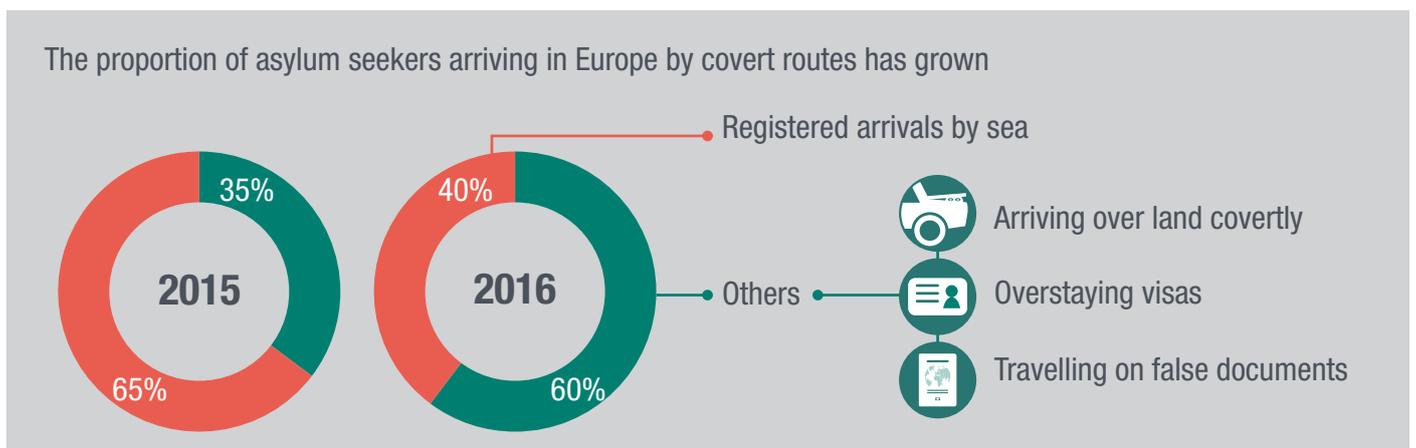
2. All figures from OECD/DAC 2016a, OECD/DAC 2016b, Massa 2016, and Eurostat.

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But **890,000** people are still projected to claim asylum in Europe this year



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