



# Introduction and main messages

The Mercator Dialogue on Asylum and Migration (MEDAM) was established in 2016 to pursue two objectives: to conduct research to improve our understanding of the interrelated challenges facing the EU and its member states in the areas of asylum, migration, and mobility; and to engage European policy makers and civil society in a broad and open debate about comprehensive, implementable solutions to these challenges. We concentrate on two broad issues: First, what (alternative) policy measures would result in the EU ‘pulling its weight’ in contributing to the protection of refugees worldwide—by both protecting refugees in Europe and supporting low- and middle-income countries elsewhere that host many refugees? Second, how can we harness labor migration to EU member states for the benefit of migrants, host societies, and those who remain in their countries of origin, with a focus on immigration from third countries by low- and medium-skilled workers?

We adopt a ‘whole systems’ approach to analyzing migration to Europe and the effects of policy interventions. In this view, the European ‘migration system’ comprises the sum of socioeconomic conditions and migration-related policies in countries of origin, transit, and destination. Together, these factors determine the incentives for which potential migrants decide whether to move from Africa or the Middle East to Europe.

This approach ensures analytical rigor in how we assess the effects of policy interventions on the incentives of potential migrants and, ultimately, on migration behavior. Inevitably, though, when we put forward policy conclusions for discussion with policy stakeholders, these are based in part on normative judgments. For example, we may explore a policy option that we consider politically feasible and an improvement over the status quo, whereas some observers may feel that neither the status quo nor our suggested alternative is morally defensible and a more radical approach is required (which we might consider politically infeasible and might therefore not explore). Similarly, when critical empirical evidence is incomplete (as is most often the case), any policy conclusions depend on how one interprets the evidence and, thus, on normative judgments. While MEDAM team members share the whole systems approach to analyzing migration, not every team member may agree with all policy conclusions in all sections of the report. We view our conclusions as contributions to the ongoing European debate on policies for refugee protection and immigration, rather than as blueprints for immediate legislative action.

This 2018 MEDAM Assessment Report on Asylum and Migration Policies in Europe is the second in an annual series. EU policy makers continue to face multiple, interlinked challenges in the areas of refugee protection and immigration. These challenges may appear less urgent today than in 2015 or 2016 because fewer irregular immigrants are now arriving in the EU. But each of the main measures that are associated with reducing the number of irregular immigrants—the EU-Turkey agreement, the closure of the Western Balkans migration route, and cooperation with the Libyan coast guard and other problematic actors in Libya—has important shortcomings that call into question their long-term sustainability in their current form.

In this report, we analyze how these policy interventions may be further developed and which complementary measures are needed to create an effective framework of policies to protect refugees, respect the human rights of migrants, and reduce irregular immigration to the EU. We focus on the most salient issues bearing on the effectiveness and future direction of policies for refugee protection and migration at the EU level, and by extension, in EU member states.

We begin by assessing immediate challenges to EU policies (chapter 1; messages 1, 2, and 3 below). We apply the notion of ‘flexible solidarity’ to provide guidance on how EU member states may effectively share responsibility for interconnected policies in different areas. We discuss possible responses to the challenges posed by irregular migration across the Mediterranean and explore ways in which EU member states can create more opportunities for legal labor migration from Africa to the EU.

The large inflow of refugees into the EU in 2015 and 2016 has not only led to expressions of solidarity and support for refugees by some governments and parts of civil society, but also to a more divisive public debate on immigration policy and the growth of openly xenophobic political parties in many EU member states. While there are demonstrable economic benefits of well-managed immigration for the country of destination, it is the views of voters that ultimately drive the stance of immigration policy. Therefore, we assess several interrelated factors that impact on popular attitudes toward immigration and immigrants (chapter 2; messages 4, 5, and 6): How does the way we conceptualize economic and social integration affect our views on cultural diversity and, hence, immigrants? How does social media commentary affect attitudes toward immigration? How does the spatial concentration of many immigrants affect prospects for economic integration (which may be supported by ethnic networks)

vs. social integration (which depends on positive contact with the native-born population)?

Most policy makers in the EU now subscribe to the view that irregular immigration into the EU can only be reduced in a sustainable manner through close cooperation with countries of origin and transit. We assess important links between conditions in countries of origin and EU policies and explore areas of cooperation (chapter 3; messages 7, 8, 9, and 10): How well informed are irregular migrants about the risks that they take when they travel to Europe and about the economic challenges that they face upon arrival? How will continuing population growth in Africa affect migration intentions—for migration both within Africa and to Europe? How can the EU support the economic and social integration of refugees in low- and middle-income host countries, thereby reducing incentives for secondary migration?

The following main messages summarize our systemic approach to refugee protection and immigration in the EU. An effective response to the current challenges from irregular migration across the Mediterranean requires simultaneous actions in a wide range of policy areas, ranging from asylum procedures and return policies in the EU member states of first arrival to comprehensive agreements with countries of origin and transit and more opportunities for legal migration from Africa to the EU. Crucially, given the wide range of tasks, an effective response will require flexible sol-

idarity among EU member states: each member state must pull its own weight in contributing to the common policies, but individual member states may contribute to particular policies to a different extent and in different ways. Several factors will make it more likely that member states subscribe not only to the notion of flexibility, but also to that of solidarity: joint monitoring of member states' efforts; substantial financing from the EU budget; and above all, a shared understanding that failure to respond effectively would cause long-term damage not just to European integration (starting with the collapse of the Schengen system), but to individual member states as well.

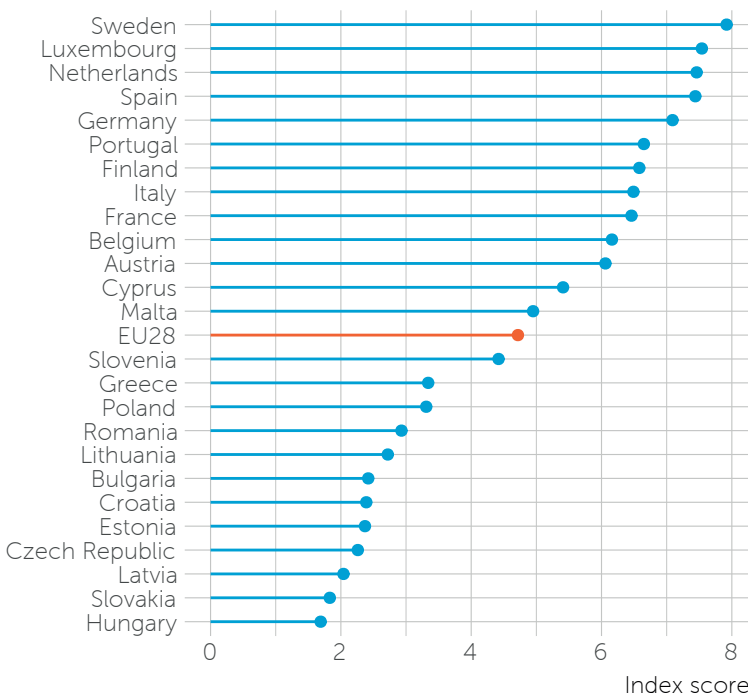
**Message 1: Flexible solidarity, rather than a 'one-size-fits-all' stance, is key to making progress on EU policies for refugee protection and immigration.**

Europeans differ widely in their opinions and attitudes toward immigration, as reflected in the stark differences found in policy positions across EU member states (figure I-1). The past three years have seen this reality catch up with policy making at the EU level, resulting in a stymied policy response to the new challenges in refugee protection and immigration (section 1.1). The main legislative proposal, the reform of the Dublin Regulation, which notably involves a mandatory relocation system for asylum seekers, has become a hallmark of divisiveness among EU member states. If the EU were to push ahead now with a mandatory relocation scheme, this would hardly improve its response to immigration-related challenges on the ground, quite apart from the inevitable political fallout. Specifically, a new relocation scheme would have little effect on the Mediterranean because very few asylum seekers stand a chance of being recognized as refugees in that region. Furthermore, relocating asylum seekers to EU member states with a limited capacity for integration (and no political commitment) would be detrimental to the interests of asylum seekers and would probably trigger even more secondary movements.

This analysis does not imply a lesser role for EU institutions. On the contrary, the EU has a key role to play when it comes to managing external borders, harmonizing asylum systems, assisting member states in managing asylum applications, and providing financial support to third countries of first asylum and institutions underpinning the global governance of migration.

However, escaping the current impasse requires a shared, common understanding among EU member states of the challenges to be addressed and how each member state can contribute. The current proposal for a mandatory relocation of asylum seekers will not move the EU in this direction. Rather, we argue that the notion of flexible solidarity, which allows each member state to choose how to contribute but also recognizes that member state contributions together must consti-

**Figure I-1 Migration acceptance index scores, 2016**



Source: Gallup World Poll 2016.

Note: The Migrant Acceptance Index is based on interviews with approximately 1,000 adults per country asking three questions on whether people think immigrants living in their country, becoming their neighbor, and marrying into their families are good things or bad things. The higher the score, the more accepting the population is of migrants. The maximum possible score on the index is 9.

tute an adequate response to the challenges faced by the EU, can foster such a common understanding.

Flexible solidarity would entail a centralization of tasks related to asylum and migration at the EU level and a concomitant shift of government revenue from member states to the EU budget. In the medium term, this shift must be reflected in the next EU budget cycle (2021–27), with central funding of an expanded European Border Coast Guard, reimbursement of (part of) the cost of managing asylum systems, the hosting of asylum seekers and refugees resettled under the new proposed EU scheme, and support for third countries and international organizations. In the short term, flexible solidarity calls upon member states less affected by migrant inflows to finance a relatively larger share of upcoming commitments related to the EU-Turkey agreement and the EU Emergency Trust Fund for Africa.

When it comes to the relocation, within the EU, of recognized refugees from member states of first arrival or of asylum seekers from countries overburdened in times of crisis, we argue that an effective response can be organized by a ‘coalition of the willing,’ with member states participating in voluntary relocations supported by the EU budget.

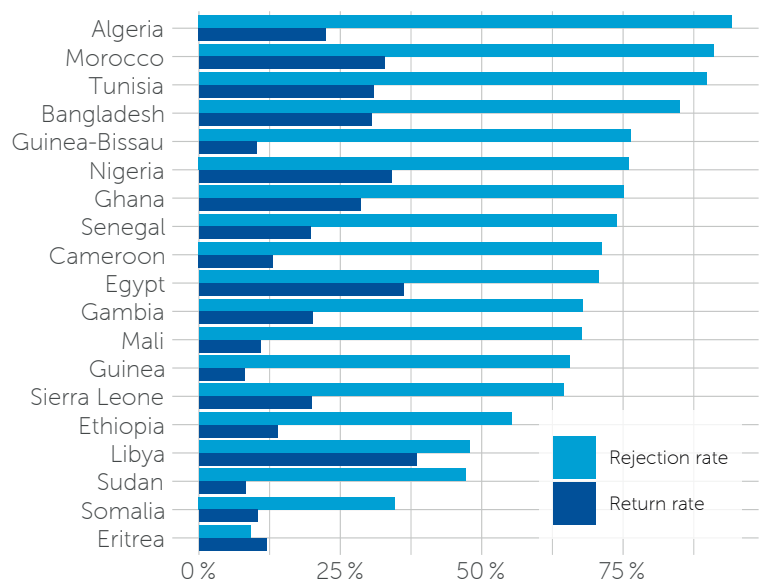
**Message 2: Agreements with third countries to manage migration flows need to be made more resilient.**

Multilateral cooperation and bilateral agreements among countries and regions are crucial factors in sustainably managing migration. In addition to the EU-Turkey agreement, the EU now supports African transit countries along the Central Mediterranean migration route and is pursuing bilateral agreements with African countries of origin under the Migration Partnership Framework to facilitate the return of irregular migrants (section 1.2).

In 2018, the second €3 billion tranche of payments under the EU-Turkey agreement to support refugees in Turkey becomes due. The bulk of these funds constitutes humanitarian assistance to refugees, disbursed via nongovernmental organizations. In recent years, such assistance has significantly improved the living conditions of asylum seekers and refugees in Turkey. Committing the second tranche of financing under the EU-Turkey agreement provides an opportunity to strengthen important elements of the agreement, including the return of irregular migrants to Turkey and the monitoring of their treatment, in cooperation with the United Nations High Commissioner for Refugees (UNHCR).

Assistance to Libya, from both Italy and the EU, needs a humanitarian upgrade. Further support to the Libyan coast guard should be made conditional on staff of the International Organization for Migration (IOM) and UNHCR gaining full access to reception centers and to individuals intercepted by the coast guard in

**Figure I-2 Rejection and total return rates by nationality, 2014–16**



Source: Own elaboration based on data from Eurostat and Frontex, summed 2014–26 data.  
 Note: Rejection rate = the share of rejected asylum applications in 2014–16; return rate = the share of the returned among the total number ordered to leave in 2014–16.

order to assist migrants who wish to leave Libya. If necessary, additional funding should be committed to the IOM Voluntary Humanitarian Return program in partnership with the Africa Union and Libyan government. This program has proved effective in reducing the number of migrants in detention centers.

Continued support to Turkey and Libya is in the interest of all stakeholders; hence, it should be possible to find common ground.

In addition, the EU needs to work more closely with African countries of origin of irregular migrants to ensure that those asylum seekers who are not eligible for international protection are readmitted by their countries. Low return rates (figure I-2) reinforce the incentives for irregular migration across the Mediterranean. Reaching effective agreements on return has proven difficult under the Migration Partnership Framework because the instruments available are inadequate. We argue that EU countries should engage more actively with African countries and offer their citizens pathways to legal employment in Europe, conditional on countries of origin readmitting rejected asylum seekers who have recently arrived in Europe. Such agreements could become self-enforcing in the sense that once in place, few irregular migrants would attempt to enter the EU, while at the same time legal migration opportunities and remittances would help to build up a constituency in the countries of origin for the consistent implementation of the agreements (including readmission).

Critics have argued that cooperation with third countries that may not be stable democracies and may not always respect the human rights of migrants or of their

own citizens makes the EU beholden to the interests of those countries. This argument misses two important points, however. First, wherever the Mediterranean Sea is the EU's external border, the EU can only secure its border and prevent irregular immigration if it cooperates with neighboring countries in Africa and the Middle East—to both prevent people smuggling through effective policing and ensure speedy readmission of third-country citizens by their countries of origin. The only alternative to such cooperation would be for the EU to give up on curbing irregular immigration altogether and to allow people smugglers to determine who may live in the EU and who may not.

Second, refugee protection is a global task for which responsibility needs to be shared by the international community. While most refugees live in low- and middle-income countries (because this is where most refugee situations arise), financial support for the hosting of refugees (for example, to Turkey) helps to share the economic burden of hosting refugees more fairly. In fact, hosting refugees with sufficient international financial support typically benefits residents, providing some compensation for logistical and administrative efforts on the part of host countries and for possible competition between refugees and residents over scarce local resources. Donors should (and do) make financial support conditional on host countries following good practices in the hosting of refugees and their economic and social integration. It is true that a large proportion of the world's population (including, but not limited to refugees) live in countries that are not stable democracies and do not always respect human rights. The EU has an important role to play in promoting economic growth, social development, democracy, and the rule of law not only in Europe, but also elsewhere. Still, failing to engage with host countries and thereby condoning (or even provoking) large secondary movements of refugees undermines, rather than furthers, these objectives.

**Message 3: More legal employment opportunities for African citizens need to be part of a broader strategy to contain irregular immigration to the EU.**

While irregular migration from Africa to Europe has increased sharply over the last 10 years, legal migration opportunities for African citizens to legally migrate to the EU for purposes of work have almost disappeared (figure I-3). In 2010, approximately 130,000 first-time EU visas for employment were issued to African citizens; in 2016, this number had dwindled to just over 30,000 (section 1.3). With very few legal opportunities to migrate to the EU, many would-be migrants are left with the option of traveling to the EU irregularly and applying for asylum—however baseless (and unpromising) their asylum applications might be.

Reversing this trend and creating legal opportunities

for labor migration from Africa to the EU is warranted not only because most EU societies are aging and would benefit from well-managed immigration. Legal migration opportunities will also be an important *quid pro quo*, as the EU negotiates wide-ranging partnerships with governments in Africa that will crucially require African authorities to curb irregular migration by their citizens. Governments that cooperate in this way run the risk of becoming deeply unpopular with many of their citizens—migrants, potential migrants, and current and potential recipients of remittances. One way to gain acceptance for restrictive measures will be to frame them as a precondition for the EU to establish wide-ranging opportunities for vocational training in Africa and for labor migration to Europe.

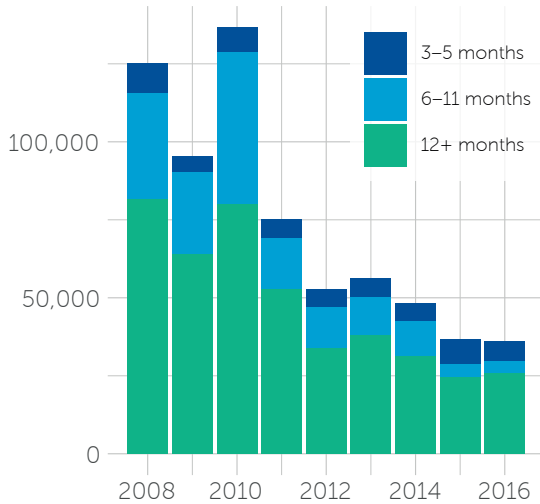
In the EU, it is a competence of the individual member state to decide how much access to its labor market it grants to third-country citizens. Therefore, participation in an EU offer of legal labor migration from Africa would be voluntary for EU member states. Even so, to be politically effective, an EU offer must be substantial in terms of the number of labor migrants admitted and countries of origin covered. The European Commission would have an important role to play in coordinating and consolidating EU member states' individual offers, as well as negotiating with African countries of origin and transit. Furthermore, the EU may facilitate member state participation by covering program costs such as administration, migrant selection, language and vocational training, and labor market integration in the destination country.

EU member states will want to ensure that immigrants from Africa have the right skills to earn an adequate income and support themselves and their families, rather than relying on social transfers. At the same time, if the EU offer is to be politically effective, it cannot be limited to only high-skilled (university-educated) workers for whom there are already few restrictions on entering the EU. Rather, it will be crucial to reach out to potential migrants with a wide range of educational backgrounds and to provide them with the necessary language and vocational skills to fill jobs for which there is sustained labor demand in EU member states.

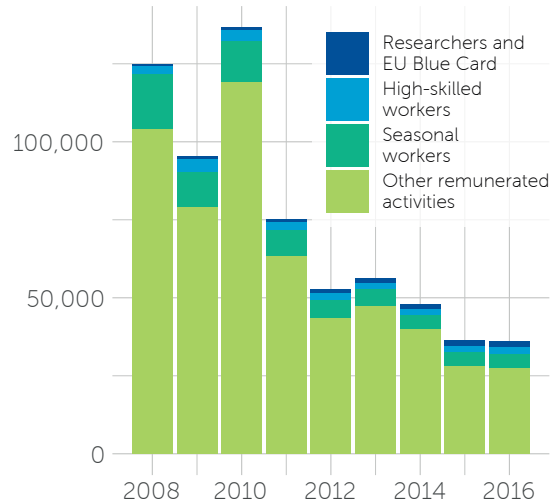
Current labor market regulations in EU member states already include many tools for the targeted admission of labor migrants, including circular migration programs for seasonal workers, whitelists of occupations in high demand, regionally focused labor market tests to ensure that privileged workers (such as EU citizens) do not face excessive competition, and entry into EU member states for vocational training. Many of these existing instruments at the member state level will need to be used more extensively and liberally in order to create sufficient legal migration opportunities so that the incentives for potential migrants and their governments shift away from engaging in, or condoning, irregular migration.

**Figure I-3 First-time permits for employment reasons issued to African citizens by the EU-28**

**a. Breakdown by length of validity**



**b. Breakdown by type of occupation**



Source: Own elaboration based on Eurostat data.

Note: Figures on seasonal permits are available only for those countries that have already transposed the Seasonal Workers Directive in their national legislation. Otherwise, figures on seasonal permits are included in the category 'other remunerative activities.'

**Message 4: Although Germany received more refugees relative to its population than most other EU member states during 2015–17, this inflow will have only a small impact on residents' incomes.**

The inflow of asylum seekers in Germany in 2015–17 was large by historical standards, raising some concerns about its economic impact on residents (and possible consequences for residents' attitudes toward immigration and immigrants). Yet our numerical simulations based on a macroeconomic general equilibrium model suggest that the income effects will be modest. Depending on which transmission channels are taken into account and which skill groups in the labor market are considered, the change in residents' net income ranges from -1.6 percent to +0.3 percent in the long run, where net income depends on the wage, the tax rate, the unemployment rate, unemployment benefits, publicly provided goods, and capital income (section 2.4). This result is consistent not only with macroeconomic studies of immigration episodes in other countries, but also with the few available macroeconomic studies of the recent refugee inflow in Germany.

The income effects on residents are modest for two reasons. On the one hand, contrary to prevailing perceptions, the size of the immigration shock to the labor market is not very large to begin with: overall, the total workforce in Germany increases by approximately 1.4 percent due to the refugee inflow. Even at the regional level, the immigration shock is not very large: in the most-affected district (Salzgitter), there were 20 job-seeking refugees per 1,000 residents as of

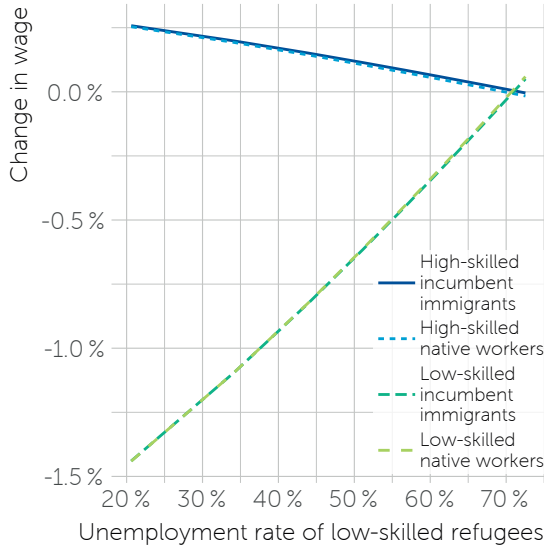
February 2018. On the other hand, an immigration shock triggers a variety of effects that work in opposite directions and therefore offset each other. For example, while immigration increases the number of workers, which can depress the wages of some residents, it also increases the number of consumers and thereby, indirectly, the demand for workers, which tends to raise residents' wages. In addition, firms adjust their capital stock to the higher number of workers, which tends to raise the capital income of residents. For a complete picture, it is therefore critical to take into account both the macroeconomic feedback effects and the various dimensions along which residents are affected by immigration.

Low-skilled residents are somewhat more negatively affected than high-skilled residents, since the refugees who immigrated to Germany between 2015 and 2017 were predominantly low-skilled. This result, however, depends on the simplifying assumption that the skills of both residents and refugees remain unchanged in the long run. This is unlikely to be the case, especially given the effort that is currently underway to increase the refugees' language skills and professional education.

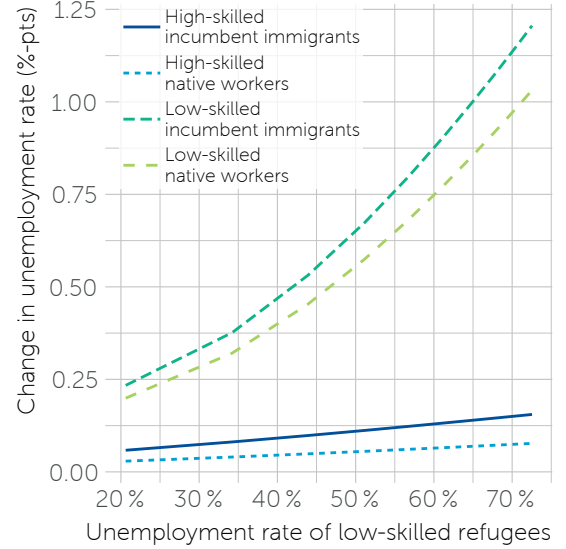
The better the refugees are integrated into the labor market (i.e., the lower their unemployment rate), the more favorable will be the macroeconomic effects of the refugee inflow for residents (figure I-4). This even holds for low-skilled residents, for whom the benefits in terms of unemployment, taxes, and capital income more than offset the additional loss in wages due to increased competition with low-skilled refugees.

**Figure I-4 Macroeconomic effects and labor market integration of refugees**

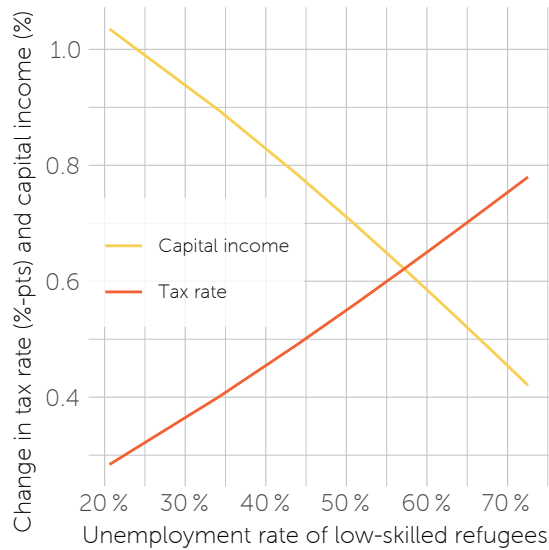
**a. Change in wage (in percent)**



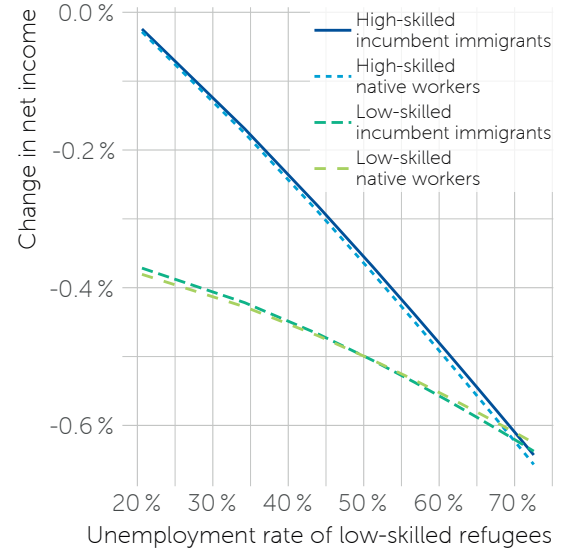
**b. Change in unemployment rate (in percentage points)**



**c. Change in tax rate and capital income (in percentage points and percent, respectively)**



**d. Change in net income (in percent)**



Source: Own simulations based on a slightly modified version of the model by Battisti et al. (2017).

Note: Results are based on the model version without the employment-cost channel (see table 2.1, panel d). Incumbent immigrants refer to immigrants (excluding refugees) who were already residing in Germany prior to the refugee inflow.

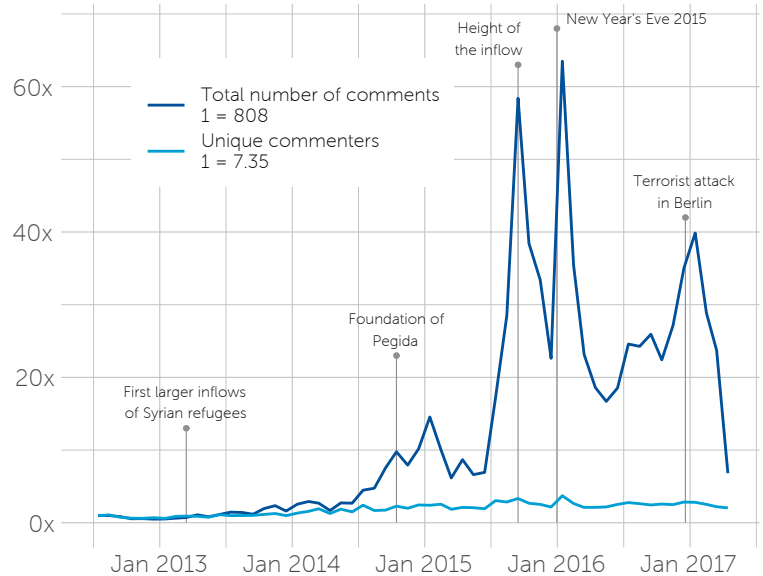
**Message 5: Political actors should avoid stereotyping perpetrators of security incidents and actively oppose hate speech in traditional and social media.**

Why do people in some countries react to terrorist events perpetrated by migrants by adopting more skeptical attitudes toward migration and immigrants, while in others they do not? Why are such trends sometimes more pronounced in countries that have never experienced such traumatizing events within their own borders, as opposed to those that have been directly affected? Immigrants are no more likely to commit crimes than are other individuals once we control for socioeconomic characteristics. Furthermore, public attitudes toward immigrants are key determinants of their prospects for integration. Therefore, it is important to understand the dynamics that contribute to anti-immigration sentiment following security-related incidents.

In chapter 3 of our 2017 Assessment Report (MEDAM 2017), we argued that the likelihood that such events will engender anti-immigrant attitudes depends on peoples’ individual characteristics, previous attitudes, and a variety of contextual factors. Importantly, it also depends on cues provided by the online and offline media and politicians, which contribute to people’s interpretation of such events. Jointly, these dynamics can increase or decrease the likelihood that individuals allow the criminal activity of particular migrants to determine their attitudes toward an entire group of people (section 2.2). When media report on migration issues in an overwhelmingly negative way, for instance, they may foster negative stereotypes of immigrants or ethnic minorities, skew attitudes toward immigrants negatively, and create demand for a more restrictive immigration policy. In the immediate aftermath of a terrorist attack, offline media frequently report in an alarmist mode, and only later place the incident in its wider context. Social media dynamics may skip this later stage, privileging online comment in an alarmist mode immediately after such events (see figure I-5). Alarmist-style reporting, however, may increase people’s threat perceptions, as it often relies on superficial patterns or assumed correlations between different factors that are not necessarily causally linked.

What policy recommendations do we draw from this observation? An attempt to counter the feeling of insecurity after terrorist attacks by fostering anti-immigration sentiment is likely to breed demand for more restrictions on immigration. Apart from its ethical problems, such a policy response is also unlikely to be effective. Security-related incidents are often committed by home-grown perpetrators. When political rhetoric feeds resentment against immigrants, this is likely to lead to a negative spiral of lower social cohesion and worse integration outcomes. A better strategy is to improve integration outcomes and make sure

**Figure I-5 Number of unique Facebook commenters under articles on migration and asylum posted by German regional newspapers on Facebook**



Sources: Facebook; Ademmer, Gold and Stöhr 2018.

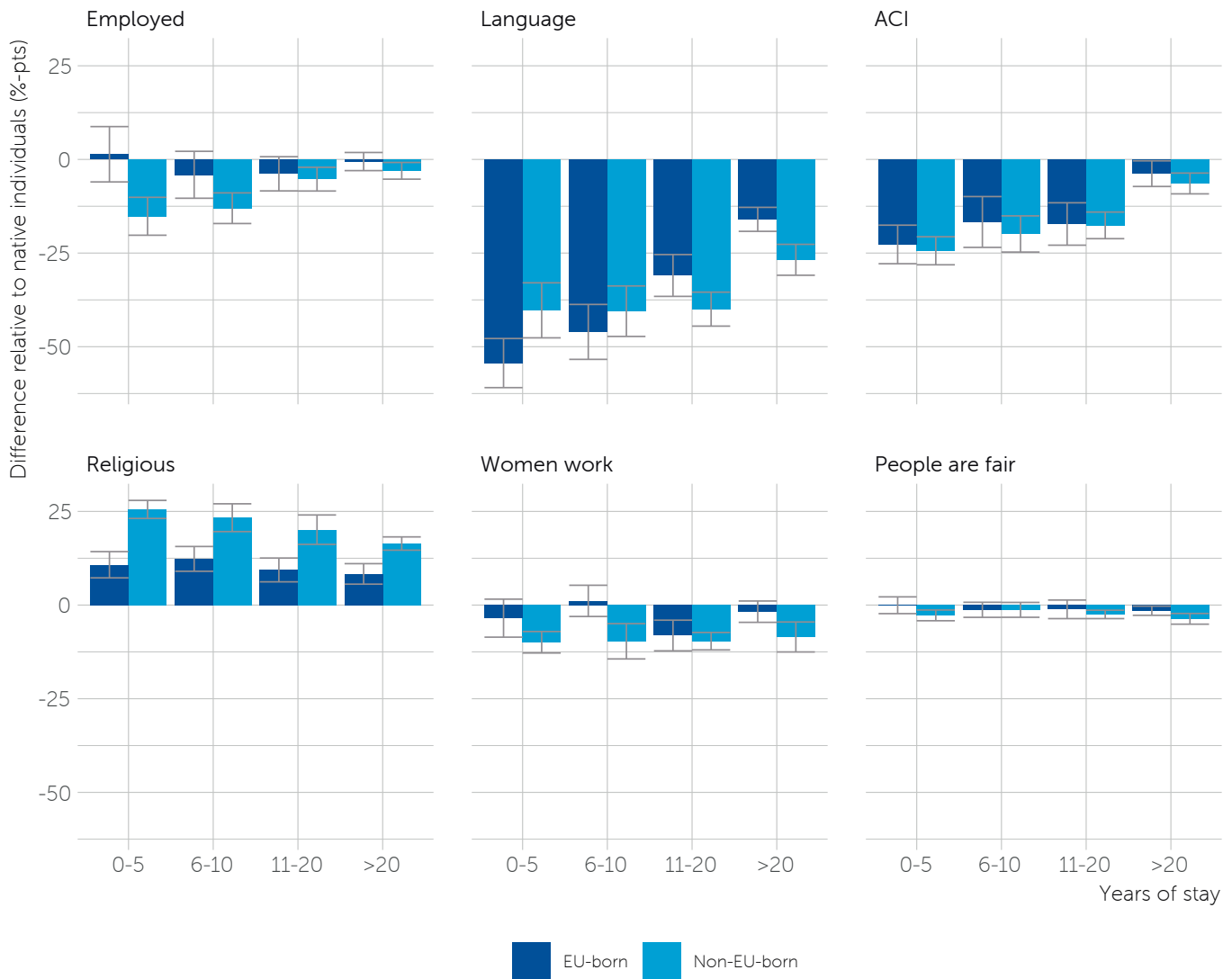
immigrant communities are ‘on board.’ Politicians should counter simplistic and exclusionary narratives with inclusive value-based counter-narratives. The media should commit to lowering the alarm mode in reporting. Policy makers and experts should work on effective policies that reduce the spread of fake information and hate speech in online social networks, which pose formidable threats to social cohesion.

**Message 6: Policy makers should address structural barriers to the economic and social integration of immigrants and refrain from engaging in rhetorical debates.**

Local residents’ attitudes toward immigration and immigrants are influenced by a perceived lack of social integration on the part of some immigrants, particularly those whose native cultures and belief systems are quite distinct from those of the host country. While social integration has many dimensions (section 2.1), there is a concern that a significant number of immigrants may bring with them norms and beliefs that deviate from what is generally accepted by local residents; that immigrants may remain attached to their countries of origin and not identify fully with the host society; and that they may invest too little effort in acquiring skills that are in demand in their host economy and not actively engage in communal and social life. In addition, some immigrants are spatially concentrated in particular locations (‘ghettos’), which may further hinder their social integration (section 2.3). In sum, there is a concern that a lack of contact with outside communities combined with a high level of diversity in a society may result in a lower level of generalized trust and a lack of cooperation and solidarity.



**Figure I-6 Convergence in economic and social outcomes among first-generation immigrants in the EU-15 over years of stay in the destination country (EU vs. non-EU origin)**



Source: Own calculations based on the European Social Survey, waves 2002–16.

The experiences of millions of immigrants in the EU are inevitably diverse, and the popular notion that immigrants fail to integrate on a large scale is not borne out by the available data (figure I-6). The longer first-generation immigrants reside in the country of destination, the less they diverge from the native-born population with similar observable characteristics. Immigrants by and large catch up with the native-born in terms of employment rates and active citizenship. Nevertheless, differences remain in language proficiency, religious identification, and attitudes toward gender roles—even after 20 years of stay in the destination country.

While assimilation has been touted by some observers as a panacea for all integration challenges, it would oblige many immigrants—if taken literally—to suppress fundamental aspects of their identity, such as

their religious beliefs. A policy of enforced assimilation would not only violate individuals’ human rights (such as freedom of religion), but it could also backfire and lead individuals to develop an antipathy toward their host country.

Rather than engaging in rhetorical debates (including on ‘assimilation vs. multiculturalism’), policy makers may usefully seek to facilitate integration by first targeting down-to-earth objectives. Immigrants still face direct barriers in access to work, housing, education, and civil institutions. Relaxing legal restrictions and improving the information available to immigrants about opportunities in destination countries is a more tangible and effective policy measure than extensive administrative interference or attempts to modify immigrants’ cultural attitudes and behavior or to make the native population more receptive to cultural diversity.

A similar reasoning applies to the spatial concentration of immigrants (section 2.3), which becomes a barrier to social integration particularly when the immigrants' native language is linguistically distant from the destination country's language. Rather than restricting people's freedom of movement, helpful policy interventions may focus on promoting language and vocational training, skills assessment for recently arrived immigrants, and access to the labor market beyond the immediate migrant network.

Setting realistic and measurable integration targets (e.g., host-country language proficiency, labor market participation, and active citizenship) can help to monitor the integration process and to carefully target interventions to facilitate social inclusion.

**Message 7: Most irregular migrants generally understand the risks of traveling irregularly but overestimate their prospective earnings in the destination country.**

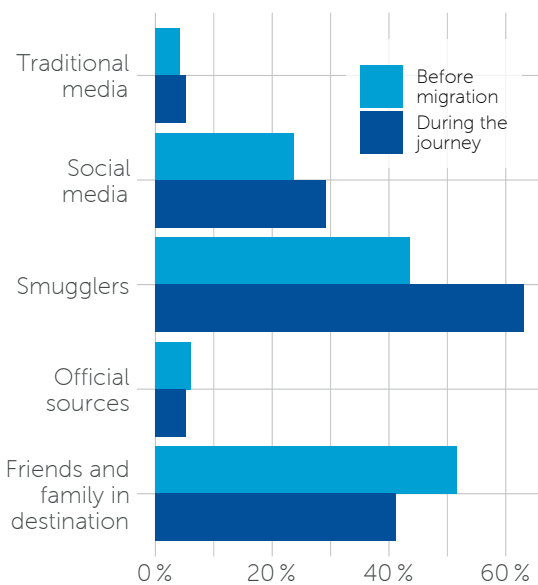
Individuals use the information available to them to form expectations about the costs and benefits of migration and to decide whether, where, and how to migrate. Inaccurate information or biases in information processing can lead individuals to set off unwittingly on a risky journey or to underestimate the rigorous criteria applied by host-country authorities in the processing of asylum applications. Therefore, if authorities can provide accurate information to potential irregu-

lar migrants in a way that accounts for their biases in information processing, this may help to reduce irregular migration.

Do irregular migrants have accurate information about the costs and benefits of irregular migration? The most frequent sources of information for irregular migrants are friends and family members who have already relocated to the destination country and smugglers (figure I-7). While both groups may have their reasons for misrepresenting the costs and benefits of irregular migration, there is evidence (section 3.1) that irregular migrants from Africa to Europe are often well informed about the risks that they are taking during the journey but are over-optimistic about their employment and earnings prospects once they have arrived. Moreover, according to IOM data (figure I-8), irregular migrants from mostly Western African countries appear to vastly overestimate their chances of obtaining refugee protection in Europe: the share of migrants who choose their destination country mainly for its favorable asylum policy was hardly related at all to the actual acceptance rate of asylum seekers from their country of origin.

What is the scope for policy interventions, such as information campaigns, to reduce irregular migration? Since migration decisions are subject to high levels of risk, uncertainty, and social pressure, migrants are vulnerable to various cognitive biases. Even when potential migrants possess factually correct information,

**Figure I-7 Main sources of information before departure and during the migration journey**

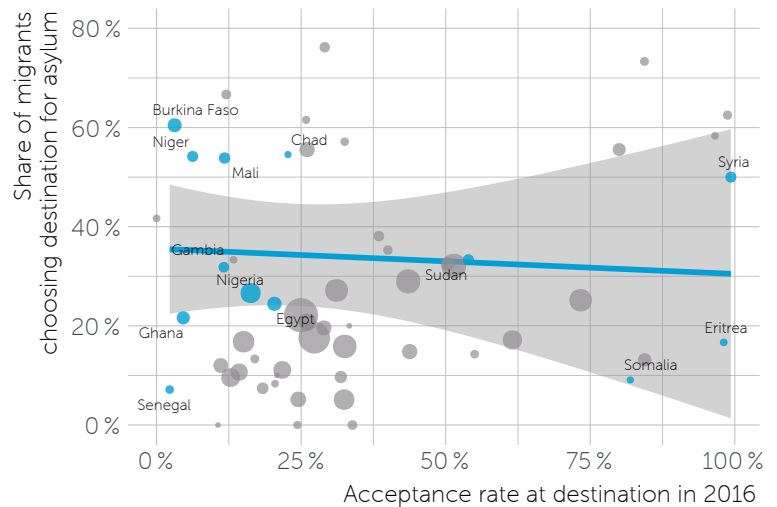


Source: Own configuration based on data from the Mixed Migration Monitoring Mechanism Initiative (4Mi) of the Danish Refugee Council's Mixed Migration Centre (collected from June 2017 to March 2018).

Note: Traditional media include TV, radio, and newspapers. Official sources include leaflets, sign boards, the UN, nongovernmental organizations, specialized websites, and authorities.

**Figure I-8 Share of migrants choosing their destination because of asylum possibilities vs. actual acceptance rates of asylum applications**

Highlighted destination—Germany



Source: Own calculations based on data from the IOM's Displacement Tracking Matrix in Libya (2017).

Note: Based on 3,715 observations. The x-axis presents the percentage of positive asylum decisions in a given EU destination for asylum seekers from a given origin country. The y-axis presents the share of migrants from a given origin choosing a given destination in the EU because of a good asylum prospect. Each share is calculated for at least 10 observations grouped by origin and reported destination. The scatter circles are proportional to the number of migrants from a given origin choosing a given destination.

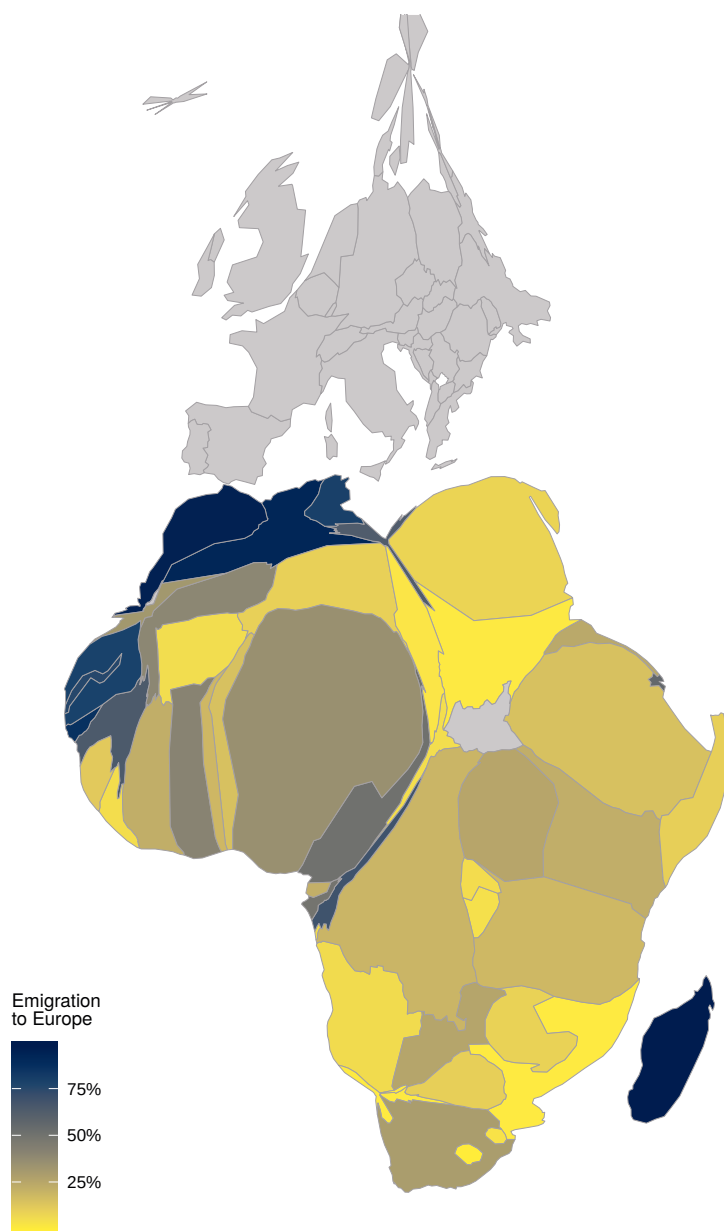
they may overestimate the benefits and underestimate the risks, use inappropriate calculations to simplify their decision making or discount private information in order to follow their peers.

Many past information campaigns have disseminated factual information about the risks of irregular migration and the difficulties of living illegally in the country of destination. It is perhaps not surprising that they have been largely ineffective in influencing migration behavior. First, most migrants appear to understand the risks involved in irregular travel. Second, as indicated

in figure I-7, potential migrants receive information about the country of destination mainly from friends and relatives already there. Therefore, any contradictory statement from destination-country authorities may be perceived as propaganda intended to discourage migrants, rather than truthful information to help them make good decisions for themselves. To improve the effectiveness of information campaigns, it is important to choose credible dissemination channels, provide balanced information on both the costs and benefits of migration, and account for psycho-social and contextual factors on the part of the individuals targeted.

### Map I-1 Population growth and emigration to Europe

(Land area corresponds to the projected population size in 2050; emigration to Europe as a percentage of total emigration, 2000–13)



Source: Own calculations based on United Nations, Department of Economic and Social Affairs, Population Division and the World Bank's Bilateral Migration Database.

### Message 8: An increase in labor migration is a natural response to population growth and diverging economic trends in Africa. Most such migration will continue to be within Africa.

Africa's population is projected to double by 2050 and may quadruple by the year 2100. While some observers fear that this may lead to unsustainably large migrant movements to Europe, this view is too simplistic. There is a complex interplay between demographic change, economic growth, and individual decisions regarding whether, and where, to migrate (see section 3.2).

A key driver of migration is each country's institutional capacity to accommodate a growing population socially and economically. As demographic and economic trends differ widely across African countries, there are significant incentives for migration within Africa.

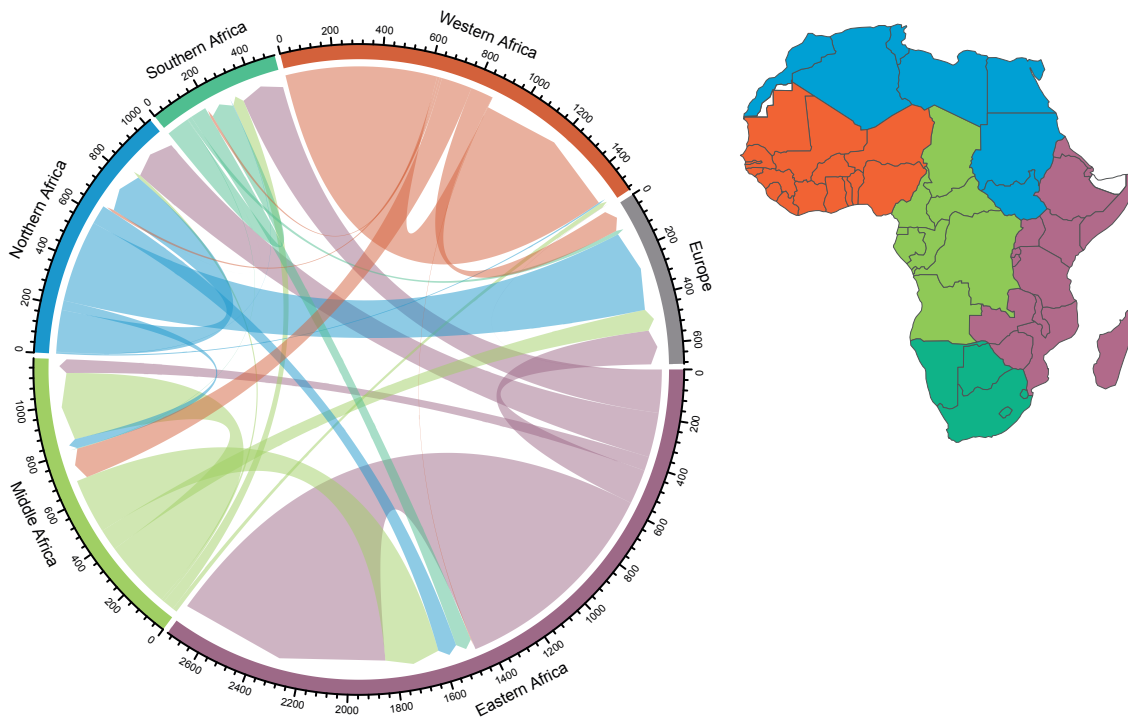
Furthermore, migrant networks are a reliable predictor of future migrant flows all over the world. Where future migrants go is largely determined by their trail-blazing relatives in the past.

Most current emigrants from an African country move to other countries in the same broad region within Africa (Western, Eastern, or Central Africa—see figure I-9). Southern Africa stands out, as it received close to 200,000 migrants from Eastern Africa in 2013. Northern Africa alone accounted for 1 in 2 of the approximately 600,000 immigrants to Europe from Africa in 2013. Approximately half of African migrants to Europe actually went for family reunification.

Most population growth in Africa will take place in countries that currently experience little emigration to Europe (map I-1). The main exception is Northern Africa—thus there is a continuing need to manage migrant flows in the EU's southern neighborhood for the benefit of all involved (while also addressing the growing role of Northern Africa as a transit region for Western African migrants).

While migrant flows within Africa are already large and will increase further, they are often informal. Better governance of regional flows, liberalization in the context of regional integration, and the regularization of current migrants are important steps toward reaping the full benefits of regional migration.

**Figure I-9 Migration flows within Africa and to Europe, 2013**  
(in 1,000)



Source: Own calculations based on United Nations, Department of Economic and Social Affairs, Population Division (2017).

**Message 9: Since 2000, development assistance has been re-oriented toward countries that host refugees and internally displaced persons, but we need to remain realistic about the role that aid can actually play in reducing migration.**

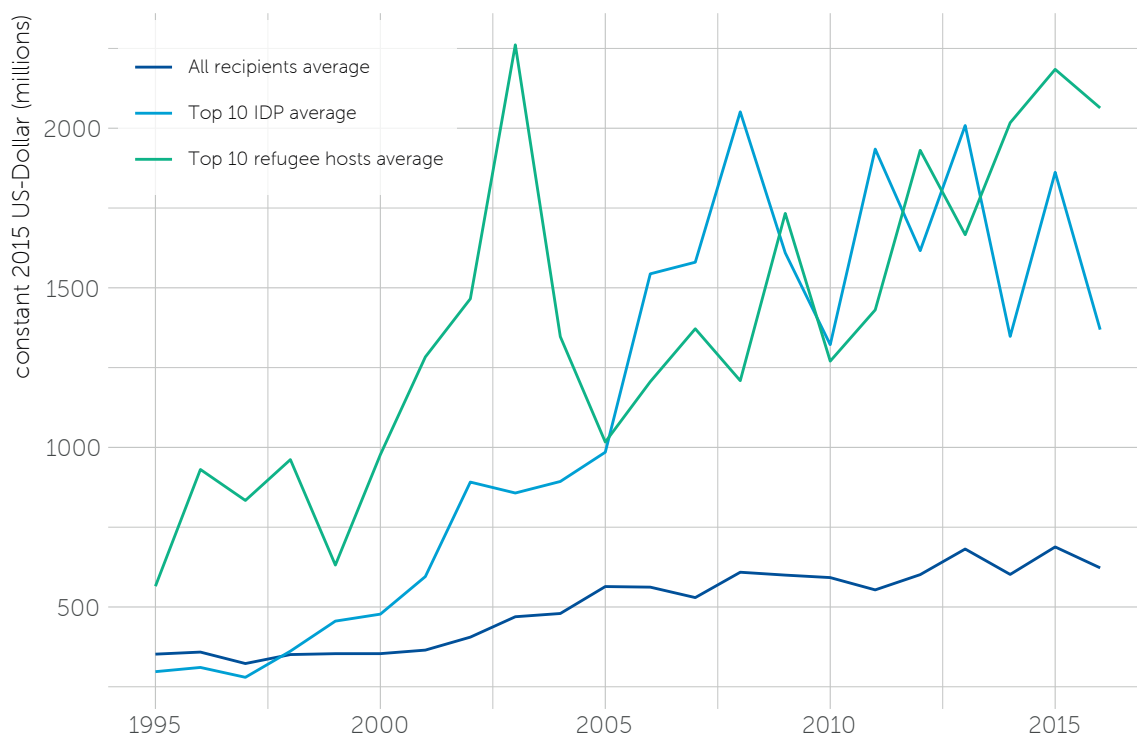
At least since 2015, when the EU experienced large migrant movements to its shores, nearly all pledges of foreign aid have been accompanied by reminders that development assistance to poor countries gives their people an incentive to stay home. Aid is thus regarded as an essential component of a long-term strategy to address the root causes of migration through the creation of job opportunities, quality education, and better public services.

Previous research covering the 1990s and early 2000s, however, has shown that the predominant donor response to refugee movements was to provide additional humanitarian assistance. The idea that humanitarian assistance must be combined with the creation of development opportunities which would ultimately reduce the incentives for emigration was voiced in academic circles, but hardly taken up by the donor community. That said, more recently donors have apparently recognized the importance of long-term development aid, as exemplified by the EU agreements (compacts) with countries of first asylum.

Our own empirical analysis (section 3.4) confirms that donors have not only changed their rhetoric, but also their behavior: since the early 2000s, higher numbers of internally displaced persons (IDPs) as well as refugees in countries of first asylum have been associated (on average) with higher allocations of long-term development aid (see figure I-10). This trend is likely to continue. At the 2017 Brussels Conference on “Supporting the Future of Syria and the Region,” for example, the international community pledged grants amounting to \$3.7 billion during 2018–20, on top of previous aid commitments to be shared between Syria, Jordan, Lebanon, Turkey, Iraq, and Egypt.

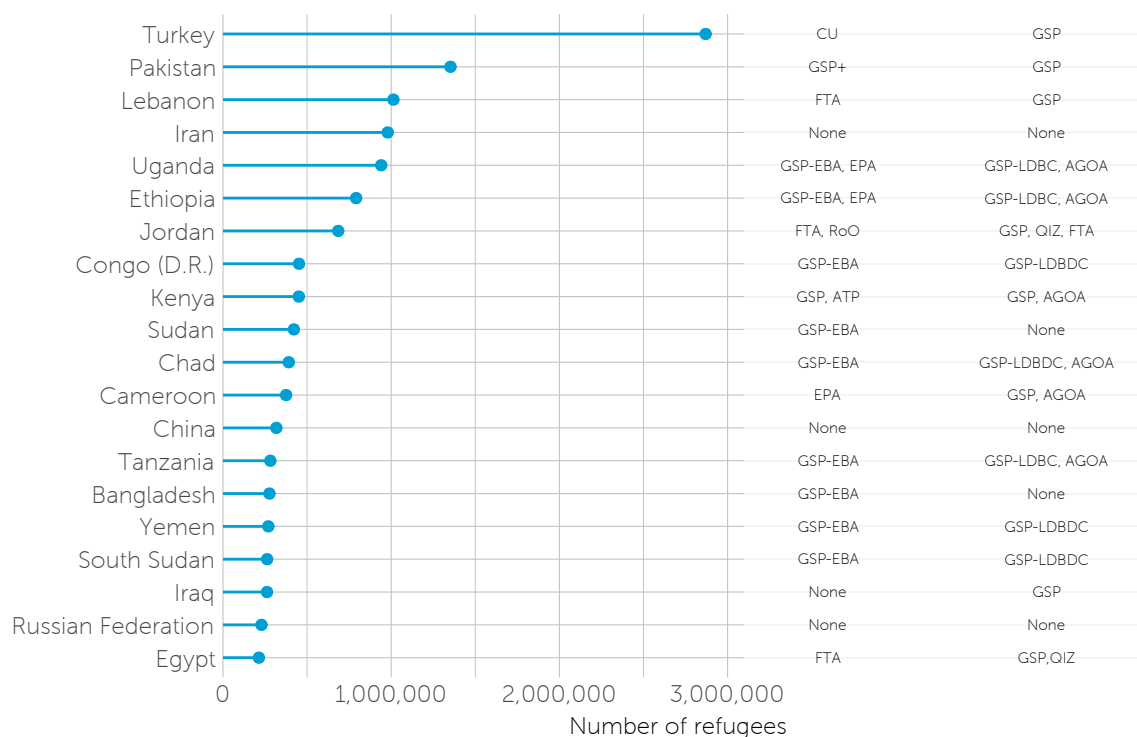
If all these pledges materialize, the chief remaining question is whether the allocated aid will be effective in shaping migration patterns in the desired way. This of course depends on a variety of factors, such as recipients’ absorptive capacity and the composition of the project portfolio. Our research suggests that aid may dampen migration if it is targeted at nonmonetary dimensions of well-being, such as the quality of public services. Conversely, if aid mainly has the effect of simply raising income in the short run, the opposite may happen, as the additional income facilitates a decision in favor of migrating.

**Figure I-10 Larger donor response to countries hosting IDPs and refugees**



Source: Own calculations, based on the OECD Common Reporting Standard dataset and OECD–DAC International Development Statistics (database).  
 Note: The figure shows the trend over time of the average non-humanitarian ODA allocated by all donors (one year lagged) to the top 10 IDPs and refugees hosting countries.

**Figure I-11 Top 20 refugee-hosting developing countries and preferential trade arrangements (as of end-2016)**



Source: Own elaboration based on UNHCR and World Bank.  
 1) GSP = Generalized System of Preferences; CU = Customs Union; FTA = Free Trade Agreement; AGOA = African Growth and Opportunity Act; QIZ = Qualified Industrial Zones program; ATP = Autonomous Trade Preferences; RoO = Rules of origin easing; Kenya, Tanzania, and Uganda have also signed FTAs with the EU but they have yet to be implemented.

**Message 10: Trade preferences can help to support the economic integration of refugees in low- and middle-income host countries.**

When many refugees arrive in a host country in a short period of time (as has happened in Turkey, Lebanon, and Jordan since 2012), export-oriented manufacturing industry may be one sector where jobs can be created quickly to promote the economic integration of refugees. Preferential trade regimes for developing country exports, such as the Qualifying Industrial Zones initiative launched by the United States in 1996 for Egypt and Jordan, have been used successfully to generate investment, export growth, and employment, even when the general business environment and investment climate in the exporting country were challenging. To promote the implementation of labor and environmental standards in developing countries and to facilitate the required investment, trade preferences have also been made conditional on the adoption of specific policies. In this spirit, the 2016 EU-Jordan Compact has eased the rules of origin for Jordanian exporters that employ a minimum share of Syrian refugees (section 3.5).

The use of trade preferences has been constrained by the fact that many of the top 20 refugee-hosting

developing countries (accounting for 75 percent of the world's refugees) already enjoy preferential access to the EU and U.S. markets (figure I-11). Yet, there remains significant room for making existing schemes more generous in terms of the number of products covered (e.g., by including sensitive products such as agricultural items or textiles, for which refugees often have the right training); the amount by which import tariffs are reduced; and the restrictiveness of rules of origin.

For trade preferences to promote refugee integration effectively, they should be part of a broader strategy to support refugee employment throughout the host-country economy wherever refugees' skills are most useful (including in non-tradeable sectors such as construction or domestic services). In this context, trade preferences could be made conditional not only on the behavior of exporting firms, but also on country-wide integration policies for refugees. Such an approach should include complementary financial and technical assistance, for example for investment in education, vocational training, and all other public services that are needed, to ensure that refugees do not compete with residents over scarce public goods.