The Impact of the Crisis on Europe

Olli Session 3
Today’s Plan

• Overview of the Crisis in the European Context
  – The European Economy
  – Europe and Migration
  – Expected impact on the European economy
  – Timeline
• Six views on accepting refugees
• Impact on Politics
• Impact on cities
• Impact on the European Union
• Impact on Europe’s relationship with its “neighborhood”
• The EU-Turkey “Deal”
• Prospects for the future
Europe in economic decline.....

- Growth slowing, even Germany
- Low productivity,
- high unemployment
- Aging population: 20% of Europeans are over 65—25% by 2030
- Low fertility Population is declining
- Large portion of GDP goes to retirement benefits
- Median age of migrants in EU is 34.7
Europe and Migration: Highlights

- Europe: continent of migration & social welfare
  - 10% of world’s people, 25% of world’s countries, 35% of international migrants, 50% of social welfare spending

- Net migration: 500,000 to 700,000 a year, versus 1 million+ a year in US. 1+ million to Europe in 2015…..Half to Germany & UK

- EU leaders: Europe needs migrants, but EU should select migrants, not migrants select Europe
Europe and Migration: History
A visual guide to 75 years of major refugee crises

- 1992-1995 1 million (Balkan Wars)
- 2008-2015 1.5 million (of 4 million) (Middle East /North Africa).
Migration crisis 1992: 438,000 to Germany from Balkans
Impact of migration on the European economy

- The Economic Challenge
- Short term fiscal costs rise
- Only partly offset by the EU
- Positive Aggregate Demand impact *immediate*; labor effects *gradual*
- Immigrants typically integrate slowly
- Current refugee population could integrate more quickly
Refugees begin to flood Europe Summer 2015: Welcome ..........

2014 ISIS announces calaphate, kills thousands, thousands flee’

EU prevents refugees from coming to Europe

2015 Aylan Kurdi is found on a Turkish beach

Slogan “Refugees Welcome” Goes Viral

Britain, France, and Germany pledge to take in thousands of refugees

- EU fines airlines transporting refugees without documents
- EU pays Gadaffi to keep migrants in Lybia
- EU stops funding Mare Nostrum, thousands begin to die in Mediterranean

https://www.youtube.com/watch?v=LX_IX15wTLA

- Creates wave of public sympathy including
- from Angela Merkel
But the EU is clueless.......
Then “oops”.....not welcome.....

- Hungary is overwhelmed, builds fence and detains refugees
- Angela Merkel rescinds the Dublin rule
- 50,000 refugees arrive in Greece, July 2015
- Germany temporarily closes its border
- Hungary closes its border, Denmark, Slovakia, Czech Republic restrict entry
But refugees arrive anyway.....

In 5 years, asylum applications quadrupled from 270,000 in 2010 to 1.4 million in 2015
Who takes the most?

Asylum Seekers:
- Finland
- Denmark
- UK
- Belgium
- Netherlands
- France
- Italy
- Austria
- Sweden
- Hungary
- Germany

Asylum Claims:

Total EU claims* 1,321,560
Source: Eurostat (online data code: migr_asyappctza)
Europe’s Refugee Challenge: Two schools of thought

**SCHOOLS OF THOUGHT FAVORING MORE REFUGEES**

**A**
Economic growth through immigration

**B**
The virtues of multiculturalism

**C**
Pure humanitarian compassion

**Business**
Americans, generally

**Younger people, Liberals**

**SCHOOLS OF THOUGHT OPPOSING MORE REFUGEES**

**E**
The virtues of monoculturalism

**f**
Economic conservatives

**Older people, Social conservatives**

**Social conservatives**
G. Fear of Refugee Violence

Fear that ISIS fighters are among the refugees: **Terrorist Attacks**

Fear of refugee crime and assaults

General Population wants safety

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### Terrorist Attacks in the EU 2006-2013

- **Religious**
- **Unspecified**
- **Animal Rights**
- **Right Wing**
- **Left Wing**
- **Separatist**

*incl. failed, foiled & successfully executed

### Religiously Motivated Terrorist Attacks

*In the last 5 years, less than 2 percent of terrorist attacks in the E.U. have been 'religiously motivated.'*

- **non-religious terrorist attacks in the E.U.**
- **religiously-motivated terrorist attacks in the E.U.**

*source: https://www.europarl.europa.eu/latest_publications/37*
Both views clash

- 11 million Germans are volunteering to help refugees
- Cities are welcoming refugees, even where national leaders have said they will reject refugees....
- But....

The Rise of Europe's Far-Right Parties, April 20 - Aug. 29

Support for right-wing political parties on social media has flourished in the wake of the EU's migrant crisis.

Source: Facebook, April 20-Aug. 29 [Get the data]
And Paris and Cologne intensify opposition

How? By Moving the discussion from refugee safety to citizen security
And grow in popularity throughout Europe
Even in Germany, where the AfD gains electoral support.....
They influence national policy.....
Czechs mark numbers on refugees' arms
But cities remain welcoming: “It may be states that grant asylum, but it’s cities that provide shelter”
Welcome to Riace
And Helsinki.....
Gdansk.....
Utrecht.....
Barcelona...
Munich.......
Some mayors reject refugees
The Crisis creates political instability
Merkel’s popularity rollercoaster
Support %
1. **HIGH** Sep 2005 Narrowly wins Bundestag elections, becoming Germany’s first female political leader

2. **HIGH** Sep 2009 Re-elected as Chancellor

3. **LOW** May 2010 First Greek bail-out

4. **LOW** Jun 2010 Merkel approval rating at record low

5. **LOW** Feb 2011 CDU ousted in Hamburg state election in worst showing since WWII

6. **LOW** May 2011 Merkel’s party suffers worst result in 52 years in Bremen state elections

7. **HIGH** Sep 2013 Merkel re-elected with best results for the conservatives in 20 years

8. **HIGH** Aug 2014 German government approval rating reaches all-time high of 59 per

9. **HIGH** Apr 2015 Merkel reaches 75 per cent public approval rating

10. **LOW** Aug 2015 Third Greek bail-out

11. **LOW** Oct 2015 Merkel’s approval rating plunges over handling of refugee crisis

12. **LOW** Jan 2016 40 per cent of Germans say Merkel should resign over refugee crisis after Cologne attacks

In another piece of good news for Mrs Merkel, public support for her chief
March 2016: Popularity rises to 54% disapproval of her refugee policy 60%
And popularity remains strong after the EU-Turkey agreement which she negotiated
The Agreement: “Don’t Come”
Details of the Agreement

• March 18, 2016 EU-Turkey agreement
  – A one-for-one trade
  – 72000 Syrians from Turkey will be resettled in Europe
  – EU will give Turkey 6 Billion euros, provide visa-free entry to Europe and restart membership negotiations
  – Turkey opens its labor market to migrants
  – And improve conditions in refugee camps (schools and hospitals)

• The Legal basis of the agreement:
  – “Irregular” migrants will be returned if they come from a “safe country of origin” (Balkins, Tunesia, Algeria, Morocco)
  – Asylum seekers can be returned to Turkey because it is considered a “safe third country”
    • Greece must look at the claim but can send them to Turkey for a “substantial examination”
Refugee Aid groups have protested

• “No Contracting State shall expel or return ("refouler") a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion.” Convention and Protocol Relating to the Status of Refugees Article 33

• The Charter of Fundamental Rights of the European Union says that “collective expulsion are forbidden” and the UN Convention on Refugees prohibits contracting parties from expelling or pushing back refugees.

• The EU Parliament defined *prima facie* refugees as nationals escaping conflict or generalized violence, for whom it is not necessary to hold an individual interview as it is generally evident why they have fled.
Refugees protest in Greece

• http://www.theguardian.com/world/2016/apr/02/greece-violence-refugees-riot-forced-return-to-turkey?CMP=share_btn_fb
Risks of returning asylum-seekers to Turkey—not really a “safe” Third country?
Refugees arrive from Greece to Turkey
New Routes to Europe

The New Push into Europe

- Schengen 'open border' countries
- Routes from Turkey before crackdown
- 17,500 immigrants, up 40% have arrived in Italy this year from Libya
“A trip to Italy next week in a big fast tourist yacht. Two floors, air-conditioned, prepared for tourists. Recommended for families.”
Will this deal resolve the European refugee crisis?

- No, refugees will find alternative routes as long as they are driven from their homes..

- But......
  - If Greece receives help and if refugees are quickly resettled from Greece.....
  - And if the EU expedites resettlement from Turkish camps

- There may be some temporary relief for Europe

- But the issue is much deeper...
“Displacement from south to north is inevitable. Neither barbed – wire fences, walls, nor deportations will be worth anything; they will come by the millions.”

---Jose Saramago