

Policy Proposal

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Alternatives to current policies

Many of the Union's already traditional policies are becoming concerns for the Member States (MS) thus it is vital to address the issues and find new alternatives. The following part of the proposal illustrates the debated areas and provides arguments for and against them.

Budget contribution:

Almost a decade has past since the Council rejected the Commission's proposal to reform the EU budget.¹ However, the topic is still relevant and there is a heated debate concerning the scope of state contributions to the budget. It can easily be argued that a bigger budget would lead to more possibilities in the EU, better refugee integration, and reforms in other areas. In an ideal setting, a much larger budget suits everyone's needs and there shouldn't have been any debate from the start. However, the EU is able to function with the current 1% GNI and as it is a "club of sovereign states" it is important to consider national spendings as well². While it is desirable to enlarge the budget, some states (e.g., Germany, Sweden, Finland) are the net contributors thus they receive significantly less than they give. This becomes more of a fairness issue than that of lacking finances.

Stricter conditionality:

Initially the principle of conditionality was implemented as a tool to facilitate the integration of post-communist Eastern European countries into the EU. It helped foster massive economic and political reforms. The downside of the EU conditionality is that stronger states tend to push these conditions on weaker ones thus deepening the cleavage between them.

Quota systems:

The quota system became controversial in the wake of the EU refugee crisis. It was meant to alleviate the migration burden and somewhat evenly distribute it across the MSs. While in some countries that appeared to be the case, the continent was soon faced with an East-West cleavage that led Donald

¹ Bordignon, M. & Scabrosetti, S. (2016). The Political Economy of Financing the EU Budget. *Siep, No. 708*.

² Bordignon, M. & Scabrosetti, S. (2016). The Political Economy of Financing the EU Budget. *Siep, No. 708*.

Tusk to claim that “mandatory quotas have been divisive and ineffective”.³ Despite its advantages, it seems the opinion on the dysfunctionality of the EU quota system is unanimous.

Stronger EU border control:

Several issues connected to the EU policies on external borders were uncovered by the unprecedented arrival of refugees that culminated in 2015. These problems affected the well-functioning of the Schengen rules, resulted in terrorist insurgencies, and cross-border crimes thus making several MSs reintroduce border checks.⁴ As Carmen Daniela Dan, the minister of internal affairs in Romania said, “Stronger external border protection is essential for a safer Schengen area and a more efficient management of migration”.⁵ However, as was seen in the US case, the prospect of having stronger border control (e.g., the Trump wall) leads to a higher migration rates now.⁶

Cohesion funds:

Aiming to provide a “necessary investment framework” and a strategy that helps achieve the set growth goals, cohesion policy is one of the most successful projects of the EU.⁷ About 32.5% of the overall EU budget for 2014-2020 is dedicated to cohesion funds.⁸ However, since it takes the biggest share of the budget, some MSs are willing to partially give it up in order to establish a separate migration fund and keep the 1% GNI contribution level.

Reforming the Dublin regulation:

Initially designed to hinder simultaneous refugee applications to multiple EU MSs, the Dublin regulation stipulates that the migrants should be processed in the country of their first entry. It sounds reasonable but once the migration routes are taken into consideration it becomes clear that the burden is mainly carried by several countries (predominantly Greece and Italy). Germany was the first to raise concerns about the Dublin system and since then many states have agreed that a reform is desperately needed.

Standardized system of asylum claims:

Part of the plan to strengthen the external borders of the EU is connected to the establishment of a standardized system for asylum claims and “an upgraded Schengen information system”.⁹ Not only

³ Rankin, J., (2017). EU could “scrap refugee quota scheme”. *The Guardian*.

⁴ European Parliament, (2018). Protection of EU External Borders. *EU Policies – Delivering for Citizens*.

⁵ Council of the EU, (2019). European Border and Coast Guard: Council confirms agreement on stronger mandate. *Europa*.

⁶ Dickerson, C., (2019). Border at Breaking Point as More Than 76,000 Unauthorized Migrants Cross in a Month. *The New York Times*.

⁷ European Commission, (2014). An Introduction to EU Cohesion Policy. *Europa*.

⁸ European Commission, (2014). An Introduction to EU Cohesion Policy. *Europa*.

⁹ European Council. (2019). Strengthening the EU's external borders. *Europa*.

would it help reestablish the free movement in the Schengen area, but it would also provide a standard for processing refugees. As Alexander Betts, director of Oxford Refugee Studies Centre pointed out, “Europe needs a comprehensive global refugee policy”, which would make it fairer, safer, and more effective.¹⁰

Tradable refugee admission quotas:

The proposal to implement quotas on both "refugees and asylum seekers coupled with a matching mechanism linking countries' and migrants' preferences" would solve some of the shortcomings connected to the refugee crisis.¹¹ These quotas would partially balance the burden of the Dublin regulation and promote solidarity. As Morga and Rapoport note, accepting valid claimants is an international public good while those without valid claims are the burden that MSs would be sharing thanks to TRQs.¹² On the downside, however, quotas are usually frowned upon as a functioning EU policy so some MSs would perhaps prefer refolement over TRQs.

A Selection of Preferred Alternatives

Even though EU MSs disagree on numerous issues, a unanimous agreement is possible on several alternatives to current policies. It is possible to state it with certainty that stronger external borders, preserving the status quo on cohesion funds, reforming the Dublin regulation, and a standardized system for asylum claims is a common goal. In terms of policies where a common agreement is possible we propose the following: 1. Keeping the GNI contribution at 1%. Even though the EC has been vocal about their preference to increase net contributions and increase the budget, the MSs would not mind keeping it at 1% for the upcoming MFF. 2. Dublin regulation reform. The issue arises from the fact that some states (e.g., Italy and Greece) carry the burden as first entry countries. Therefore, it would be plausible to reach an agreement to slightly modify the regulation as Poland and Hungary would not accept any drastic changes. 3. Strict conditionality. History has shown that the system of conditionality works for the EU and thus its implementation will not be unanimously opposed. Germany, France, Sweden, Finland, Italy, and Greece would be open to accepting conditionality connected to migration. However, Poland and Hungary are strictly against conditionality systems. 4. Tradable refugee admission quotas. This is in a way connected to the Dublin regulation reform as it aims to evenly distribute the migrants without valid claims in order to lift the burden from some states and encourages the solidarity principle. Moreover, it will increase the certainty in the process of

¹⁰ Jones. W., Teytelboym, A. (n.d.). The Refugee Match: A System That Respects Refugees' Preferences and Priorities of States. *Europa*.

¹¹ Moraga. J., & Rapoport, H., (2014). Tradable Refugee-admission Quotas and EU Asylum Policy. *CESifo Economic Studies*, Vol. 61, 3/2015

¹² Moraga. J., & Rapoport, H., (2014). Tradable Refugee-admission Quotas and EU Asylum Policy. *CESifo Economic Studies*, Vol. 61, 3/2015

refugee allocation and complies with human rights - which was the reason some countries like Italy and Greece were opposed to refoulement.

Supporting Arguments and Conclusion

New policies are costly and reallocations are usually necessary. However, most MSs have agreed on the importance of cohesion funds. For the MFF 2014-2020, Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia received about 63.4 billion euros.¹³ Thus preserving the cohesion funds is non-negotiable for all the member states. That being said, we advocate 1% GNI contributions. It is sufficient for funding the existing policies and if needed (i.e., if a new policy is implemented which requires additional funds) the national governments can always take that responsibility on them. As Germany and France stated earlier during the discussions, the goal is to find a compromise that works with accordance to the rule of law, advocates the principle of solidarity, and minimizes further disputes among the MSs. Therefore, we propose an effective Dublin regulation reform that would not only lift the burden from first entry states but also present the refugees with an opportunity to choose their final destination. In this context, we propose tradable refugee quotas that will amend the regulation. In this respect, a standardized system for applications would help accelerate the processing of refugees and facilitate their legal movement across the MSs. We believe that the free movement principle should not be compromised because of the crisis and its aftermath. Strengthening the external borders of the EU, implementing universal system of refugee processing and admission across the member states, and preserving core European values would ease the tensions in the continent. It would also minimize the cleavage between Eastern countries such as Poland, Hungary, Slovakia, the Czech Republic that did not suffer from the migration crisis in a way that Germany, France, Italy, and Greece did.

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¹³ https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/

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