



# MASTER THESIS

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„The Dublin Analysis: An Economic Footprint of the  
Dublin System on the Shores of the Mediterranean“

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## **Abstract**

The Dublin Regulation -constituting a cornerstone of the Common European Asylum System- has been widely criticised for unfairly redistributing responsibility for asylum claims in the EU. As such, an ‘internal externalisation’ of migration policies to the peripheral borders can be observed, on the basis of the country of first entry principle. The European Initiative establishes hierarchical criteria to determine a sole country subsequently accountable for processing asylum applications. This attribution of responsibility has ultimately led to a number of severe repercussions in particular Member States.

This thesis is concerned with the economic costs of the Dublin Regulation for the external Border States of Greece and Italy. For this reason, the analysis primarily focuses on the investigation of this migration policy, while considering different economic short and long-term determinants. As a primary objective, the research observes the extent to which EU subsidies have supported the aforementioned Mediterranean states in their struggle with the migration burden. In this context, it strives to identify how government expenditure has been impacted by the Regulation in the setting of the 2008 Economic Crisis. In addition to increasing migration numbers, Greece and Italy are also expected to harness incoming Dublin transfers. The management of this task -accompanied by increased administration efforts- constitutes a main objective of the Regulation. Against this backdrop, the research intends to evaluate the extent of these economic costs and suggests a reconsideration of the severity of this burden.

## **Zusammenfassung**

Die Dublin-Verordnung -die einen Grundpfeiler des Gemeinsamen Europäischen Asylsystems darstellt- wurde vielfach dafür kritisiert die Verantwortung von Asylanträgen in der Union ungleich zu verteilen. Es wird eine "interne Externalisierung" von Migrationspolitik, an die peripheren EU-Grenzen, auf der Basis des Grundsatzes des ersten Einreisestaates beobachtet. Die Europäische Initiative setzt somit hierarchische Kriterien zur Bestimmung eines einzigen Landes fest welches für die Bearbeitung eines Asylantrages verantwortlich ist. Diese Zuweisung der Verantwortung, hat zu einer Reihe schwerwiegender Auswirkungen in bestimmten Mitgliedstaaten geführt.

Die vorliegende Arbeit befasst sich mit den ökonomischen Kosten der Dublin-Verordnung für die EU-Mitgliedstaaten, Griechenland und Italien. Die Analyse konzentriert sich in erster Linie auf die Untersuchung des Dublin-Systems unter Berücksichtigung verschiedenster wirtschaftlicher Faktoren. In diesem Zusammenhang werden EU-Subventionen zur Bewältigung der Migrationsüberlastung an die genannten Mittelmeerstaaten untersucht. Des Weiteren werden, unter Berücksichtigung der Wirtschaftskrise von 2008, die nationalen Staatsausgaben unter Beeinflussung der Verordnung beobachtet. Eine der Hauptaufgaben der Dublin-Verordnung sind die zunehmenden Dublin-Transfers an die EU-Außengrenzen, welche mit einem Verwaltungsaufwand verbunden sind. Vor diesem Hintergrund beabsichtigt die Studie, das Ausmaß dieser wirtschaftlichen Kosten zu bewerten und schlägt schlussendlich eine Überprüfung des Schweregrads dieser Belastung vor.

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## List of Abbreviations

AMIF	Asylum, Migration and Integration Fund
CEAS	Common European Asylum System
EASO	European Asylum Support Office
EC	European Council
ECB	European Central Bank
ECHO	European Civil Protection and Humanitarian Aid Operations
ECHR	European Court of Human Rights
ECJ	European Court of Justice
ENP	European Neighbouring Policy
EU	European Union
EURODAC	European Dactyloscopy
FYROM	Former Yugoslavian Republic Of Macedonia
IMF	International Monetary Fund
IOM	International Organisation of Migration
ISF	Internal Security Fund
NGO	Non-governmental Organisation
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund

## **Definitions**

‘Convention (97/ C 254/ 01) Determining the State Responsible for Examining Applications for Asylum Lodged in One of the Member States of the European Communities’ is hereafter referred to as the Dublin Convention.

‘Council Regulation (EC) No 343/ 2003’ is hereafter referred to as the Dublin II Regulation or simply Dublin II.

‘Regulation (EU) No 604/ 2013 of the European Parliament and the Council’ hereafter referred to as the Dublin III Regulation or simply Dublin III.

The entirety of the legal text, consisting of the Dublin Convention, Dublin II and Dublin III is hereafter referred to as the Dublin System, the Dublin Regulation, the European Initiative and the Initiative.

‘Resolution 2198 (XXI) adopted by the United Nations General Assembly’ is hereafter referred to as the Convention and Protocol relating to the Status of Refugees or simply the Geneva Convention.

## **I. Introduction**

On Friday the 21<sup>st</sup> of August 2015, Germany's Federal Office for Migration and Refugees announced the suspension of the Dublin Regulation as thousands of refugees poured through the Balkans towards Central Europe. This political move, induced by approximately 1.3 million new asylum applications brought a halt to deportations to other Member States and amounted to a breakdown of the current migration system. The subsequent economic and humanitarian consequences in Europe resulting from this surge in asylum claims constituted an unprecedented pressure on the collaboration and further integration of EU Member States.

The European Union's (EU) principle of integration lies at the heart of a stet cohesion between its Member States. Migration is a determining factor within this attempt to work towards an ever-closer Union. The Common European Asylum System (CEAS), established in Tampere, applies the requirements of the Geneva Convention to European migration policies and constitutes a cornerstone in law and in practice within this harmonisation endeavour. The objective to build a truly common asylum system becomes visible in the harmonising of EU legislation. However, the CEAS leaves essential questions unanswered, such as which Member State bears responsibility for processing asylum claims (Fratzke, 2015).

As part of this system of consolidated responsibility and solidarity, the Dublin Regulation plays a fundamental role in determining a mechanism that seeks to establish which Member State is accountable for individual asylum procedures and, thus, ensures that governments effectively recognise their obligations under the CEAS. As a result, 'Regulation (EU) No 604/3013 of the European Parliament and the Council' stipulates a set of criteria to assign asylum applications and creates a hierarchical order, which designates authority over the procedure to particular Member States. Where the applicant can show neither legal residence documents, nor verify the existence of family on European territory, the Dublin System states that the country of first arrival is to assume responsibility and is the official Member State to process asylum claims. However, this entails that asylum requests are ultimately pushed to the external borders of the EU and that there is an increased shift of accountability from the European North to the South (Fratzke, 2015).

This transfer of applications to the edge of the European terrain confronts individual countries with the entire economic financial pressure of the refugee question, merely because of their

geographical position. In this way, Greece and Italy assume the greatest part of the economic burden resulting from the implementation of the Dublin Regulation within the European Union. The increased influx of refugees over the Mediterranean Sea has added further pressure to the already feeble economies of both countries and has exacerbated their economic situations (Høglund, 2017). As the Mediterranean countries have been struggling with the weight of the Initiative, the rest of Europe has remained a bystander, neglecting the European principles of solidarity and burden sharing. This lack of financial and operational support, in combination with the preceding Economic Crisis, has severely tested the current integration process and existing migration policies. Furthermore, the key pillar of the CEAS is put into question, as the effect of the Dublin Initiative appears to be that Greece and Italy have been left alone to bear the entire hardship of migration (Trauner, 2016).

## **II. Research Question**

Despite forced migration to the EU not being a new phenomenon, a continuous build-up of requests to enter European territory can be observed during the last three decades. This increase of third country nationals requesting access has been a motivational factor for the implementation of new policies within the Customs Union. The introduction of the Dublin Regulation, thus represented a first joint effort of the Member States to find an answer to which country should assume the sole responsibility for an asylum claim.

The central topic of this master thesis is aimed at examining the economic costs of the Dublin system, due to European external Border States being saturated with asylum claims. This transfer of accountability from northern to southern countries that share a coastline to the Mediterranean Sea places additional strain on individual Member States as they become the favoured states to accede into the EU. These so-called countries of first arrival are, therefore, compelled to handle the entire refugee burden, with severe implications for their economies. This thesis will investigate the specifications of these economic obligations and strives to determine how the implementation of the EU Initiative influenced distinct European nations. Therefore, the research question is the following:

**How did the implementation of the European Union's Dublin System lead to economic costs at its external borders?**

In the course of this thesis the Dublin System is understood as the entirety of the EU Initiative, consisting of the Dublin Convention (Convention (97/ C 254/ 01) Determining the State Responsible for Examining Applications for Asylum Lodged in One of the Member States of the European Communities), the succeeding 2003 Dublin II Regulation (Council Regulation (EC) No 343/ 2003) and the 2013 amended Dublin III Regulation (Regulation (EU) No 604/ 2013 of the European Parliament and the Council). Special attention is given to the revised versions Dublin II and Dublin III, as these reforms of the asylum system introduced the notion that applicants from third countries, crossing the border into a Member State, need to apply in the state of first arrival (Regulation No. 604/2013, Art. 13 (1)). This revision is built on the initial idea of the Dublin Convention to determine a single Member State that resumes responsibility over asylum claims, thus making the Dublin System a fundamental part of the CEAS. Furthermore, the parties bound by the regulation are the European Member States, as well as Norway, Iceland, Switzerland and Liechtenstein, giving the statute significance beyond European Union territory.

The following written dissertation understands the term refugee as *‘a person or third-country national who, owing to a well founded fear of being persecuted for reasons of race, religion, nationality, political opinion or membership to a particular social group, is outside the country of nationality and is unable, or owing to such fear, (...) unwilling to return to it’* (European Parliament and Council Directive 2011/95/EU, 2011). In the context of this thesis, the concept of migration is accepted as both an incorporation of these aforementioned factors describing a refugee, in addition to what is generally understood as forced migration (the definition of which is provided in the Literature Review).

The economic impact of asylum seekers commences the moment they enter a country, hence, states need to be well-equipped in order to provide the necessary facilities, without bearing negative costs for its existing citizens. This economic footprint of refugees ranges from primary care at the beginning of their arrival to substantial integration costs at later periods, which may include an additional demand for a Member State’s natural resources, education, health facilities, energy, social services and employment. What is more, with the growth of population, inflationary prices are inclined to rise to a level that will eventually undermine wages (UNHCR, 1997). For the purpose of answering the research question, the determinants to establish the additional economic costs of the European Initiative have been narrowed down to: public spending, relocation costs and the distribution of income. The examination of

public spending intends to scrutinise government spending of Member States on the national level and European Union subsidies on the supranational level. These figures should throw a spotlight upon the financial means a country deploys for carrying the migration burden, while keeping the Economic Crisis from 2007 to 2014 in mind. Additionally, there will be an examination of administrative costs, occurring from the Dublin transfers, on the basis of the country of first-entry principle. Finally, the analysis of living standard will provide information about the overall level of inequality by observing income distribution and making evident how wealth across the nation's residents has been impacted by the agglomeration of migrants in EU external Border States.

The external southern countries examined in this thesis are Italy and Greece, as these nations are the most disadvantaged due to their geographical position, bordering the Mediterranean Sea. Both states are on the receiving end of migration and thus constitute two appropriate cases to investigate the effects of the European Initiative. This being said; Italy holds a crucial position insofar as it has increasingly been confronted with maritime and rescue operations in open waters. Due to the sharp rise of asylum seekers arriving on its borders the number of applications for refugee status on Italian territory has rocketed since 2015 (Gattinara, 2017). As a result, an estimate of 120,000 people, mostly originating from West African countries, such as Nigeria, Guinea and Côte d'Ivoire landed on the coasts of Italy from January to December 2017 (UNHCR, Italy sea arrival dash board, 2018). The Greek case is of special interest, because of its extensive coastline shared with Turkey and its considerable number of islands in the Eastern Aegean Sea, which are a favoured migration route of many Afghans, Syrians, Iraqi Kurds and Somalis (Triandafyllidou and Dimitriadi, 2013). In 2017 alone the United Nations High Commissioner of Refugees (UNHCR) documented the disembarkation of approximately 30,000 migrants, mostly on the islands Lesbos, Chios or Samos (UNHCR, Greece sea arrival dash board, 2017).

The thesis will focus on the time period from the first reformation of the Dublin Regulation – and the introduction of the country of first entry principle- in 2003, up until the end of 2017 in order to incorporate the massive migration flows occurring in 2015 and give the thesis temporal relevance. The inherent economic effects that unravelled after the implementation of this first initiative of the Dublin system varied greatly from those of the most recent revision in 2013. What is more, close attention will be given to Dublin II, to provide the clearest example of the shift of migration to the external borders.

### III. Literature Research

This chapter will provide the necessary literature overview of the main topics of this master thesis. At first, there is a description on the economic impact of migration in the country of arrival, followed by an assessment of migration policies within the European Union. In a next step an economic approach to the Dublin System will be introduced as an example of said migration policies. Finally, there is a chapter on the historical development of the Dublin Regulation.

#### a. Economic strains of migration on the destination country

The economic evaluation of migration is often difficult to determine, because motivational factors and impulses of migrants vary immensely. This means that the economic incentives to migrate can relate to attractive conditions in the destination country, as well as intolerable situations in the source country. These drivers of migration often arise because migrants want to improve their inherent civil and political rights, extend their social mobility and establish personal safety and peace. Due to the multitude of reasons for migration, these incentives can be divided in four categories, or more specifically four motivational factors.

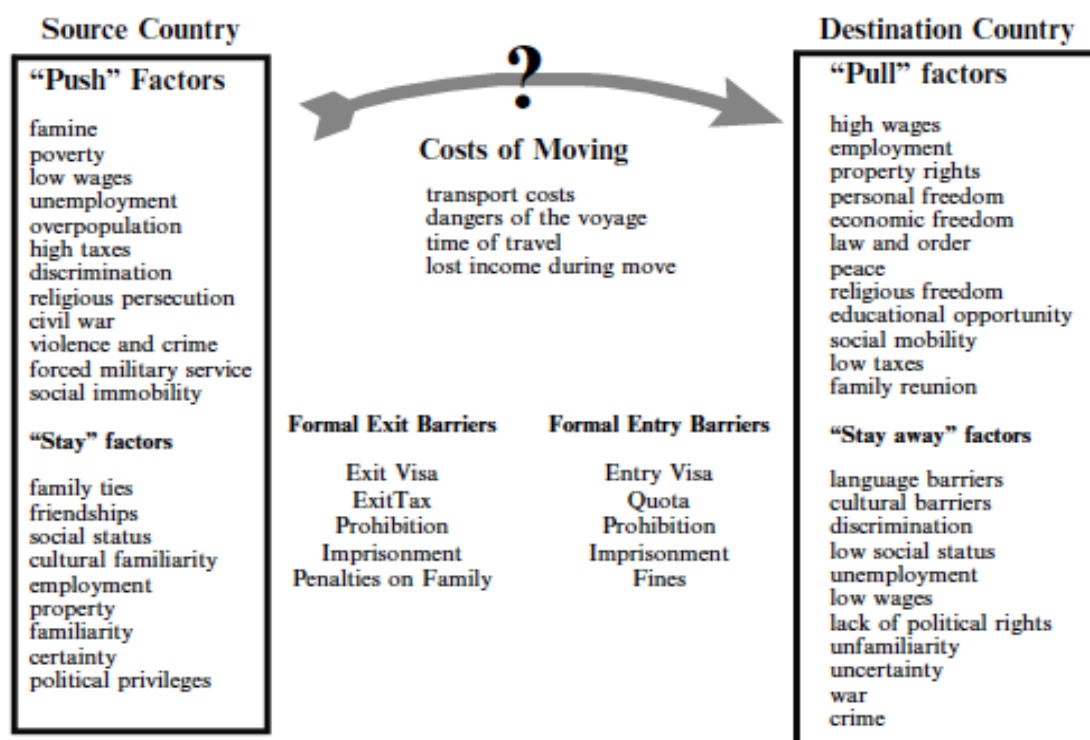


Figure 1: The determinants of migration

(Figure from Bodvarsson, & Van den Berg, 2009)

Negative circumstances that ‘push’ people to emigrate, such as high unemployment, overpopulation, famine and war stand opposed to positive incentives that ‘pull’ people to immigrate into the destination country. While positive motivation factors that animate migrants to stay in their home country, such as family ties, social status and cultural familiarities are contrasted by negative considerations that cause people to stay out of the destination country, language barriers, low social status, unemployment (Bodvarsson & Van den Berg, 2009).

These determinants are essential in order to define whether a migrant is classified as an economic migrant or falls within the category of forced migration. The distinction is important insofar, as the economic implications on the destination country differ, according to the classification of the migrant (Bodvarsson & Van den Berg, 2009). In this context, forced migration is comprised of migratory movements that incorporate an element of coercion, including threats to life and livelihood. The expression is used interchangeable for refugee, which is defined in the 1951 ‘Convention and Protocol relating to the Status of Refugees’. An economic migrant describes someone who migrates not because of a direct threat, but rather to improve his or her economic status quo (UNHCR, 2016). However, a complete separation of the two terms is not always feasible. For this reason, the Dublin Regulation makes a clear distinction, when international protection is applicable under article 2 (b): *‘applicant’ means a third-country national or a stateless person who has made an application for international protection* (European Parliament Regulation No. 604, 2013). The criteria to determine whether said applicant falls under the jurisdiction of the Regulation is further specified in Directive 2011/95/EU, which lays down the assessment of facts and circumstances necessary to claim refugee status. A distinction becomes important insofar, as it separates in economic terms the economic migrant from the refugee.

Additionally to this economic reason, there are also legal implications for the differentiation between voluntary and involuntary migration. The 1951 Geneva Convention establishes a duty on states to accord asylum seekers the right to claim refuge under international law. Where refugee status is recognised the Geneva Convention further determines rights in a number of areas, that are equal to those of a country’s citizens, while in others remain comparable to those of aliens. With this in mind, there are a number of rights that are granted irrespective of asylum status, such as the right to freedom of religion and the right to access the courts. What is more, the principle of non-refoulement, applicable to all refugees,

prohibits deportation to the source country if: *'life or freedom is threatened on account of race, religion, nationality, membership of a particular social group or political opinion'*, is defined in Article 33 of the Geneva Convention. (European Parliament, 2015).

Economic migration and its implications have been at the centre of much academic and policy debate. Nonetheless interestingly, the economic consequences of asylum seekers on the destination country has received little analytical treatment, despite increasingly visible effects on economic policy and contemporary society at large. This being said, research has shown that, if the inflow of involuntary migration is considerable, relative to the host country population, there is a higher probability of job market imbalance between the supply of workers and the demand on the labour market, which may only be compensated by a fall in wages or an increase in investments. Moreover, a large number of incoming refugees to industrialised countries are overwhelmingly unskilled, reflected inter alia in a lack of knowledge to speak the destination country's language. What is more, any previous professional qualifications they hold are often not recognised without going through certain assessment and verification procedures. Forced migration usually entails larger numbers than regular migration flows, thus the impact on the countries of first arrival should also not be underestimated. As a result, these massive immigration streams may lead to demographic shocks, suddenly establishing a disequilibrium of supply and demand of public goods in the destination country. With this in mind, if the country finds itself in a grip of an economic crisis, typically characterised by policies of austerity, this may serve as an additional force of economic pressure.

However, Dadush and Niebuhr argue that the immediate fiscal strains of forced immigration strongly depend on the policies that are implemented to integrate immigrants into the job market and thus the tax revenues they generate for society. In other words, if access to the labour market is better facilitated, migrants can provide for themselves more swiftly, thereby accelerating their contribution to tax revenues. The authors suggest that this long-term effect on the supply side of the job market, together with a short-term effect that frequently arises with the arrival of migrants and its consequent boost to the consumption of local goods and services can actually cause overall GDP growth.

Additionally, to these economic implications it is also important to consider the role of social and political imbalances, which can induce economic repercussions. By these means, real or

perceived adverse economic events are often responsible for causing social tensions, deregulating political balance and jeopardising national security, not to forget the role of xenophobia and racism, which add further fuel to the fire (Dadusha & Niebuhr, 2016).

### **b. Relevance of EU migration policies**

The political administration of migration is heavily debated amongst scholars, due to its socio-economic significance. The effects and consequences differ according to the approach. However, they have some requirements in common. The central condition immigration policies are concerned with is establishing a classification to determine which non-nationals receive territorial access and thus, who is admitted to a nation's key institutions, such as social services and the labour market. This power to regulate admission to a country becomes all the more fundamental because it also serves as an indicator of the level of sovereign authority (Geddes & Scholten, 2016).

Migration policies come in different shapes and sizes, which essentially depend on the decision-making organ and the institutional venues regulating politics. Gary Freeman explains that typically liberal states are characterised by an inherent expansionary approach towards the number of migrants permitted and an inclusionary attitude towards the rights that are extended. In his opinion, this progressive analysis reflects the distribution of costs and benefits, meaning that the main beneficiaries, such as groups favouring migrants, have a higher impetus to coordinate, than the general public, which bears the cost (Freeman, 1995).

Correspondingly, Hollifield et al. describe a systemic disparity within most-favoured destination countries, between the rhetorical promise to control and the actual right to admission to both national and non-national persons, facilitating continued migration by virtue of court rulings. This liberal course of action, offering increased protection to immigrants, stands in contrast with restrictive initiatives of present politics (Hollifield, 1992). In doing so the courts, which function as the defenders of rights, intend to achieve a set of rules that treat people equally, supported by the egalitarian mind-set that is rooted in the history of Western societies (Barry, 1996).

Contrary to this, Ruhs especially argues that there is indeed a trade-off between rights granted and the general right of admission policies, which suggests that expansiveness and

inclusiveness are not directly linked together. Furthermore, in this train of thought a greater willingness to grant migrants entry should entail a restriction of rights to be extended. (Ruhs, 2013). This argument stands in contradiction to the more liberal views of Hollifield and Barry. The European Union, which consists of aforementioned liberal states, has been regulating immigration since the 1970. It has adopted a perception of immigration as a strain rather than an opportunity, particularly with regard to its effects on social welfare and the job market. This implies that there is a persistent tug-of-war within the Union to re-structure the regulatory boundaries of the given community. In other words, migration policies are characterised by a continuous back and forth of restrictive or non-restrictive access to the Union. In addition to this re-evaluation of society, the role of national and local politics can not be underestimated, with regards to its effects on shaping the integration process. This means that there is mutual interference between the organisational structure of a political system and in a further step, the extended societal impacts on national identity with ever-changing integration mechanisms (Geddes & Scholten, 2016).

Consequently, Brubaker suggests that there seems to be a link between immigration regulation and integration into the community of that Member State. In his belief, entry to a nation touches upon the sovereignty of the state and thus influences the stance it has towards the inclusion of non-citizens. What is more, this implies that historical, political and social developments related to the nation state and its identity are essential in deciding the stance a country holds towards integration, and in a further step to the development of its migration policies (Brubaker, 1990).

### **c. The Dublin System and efficiency gains**

The following chapter of this master thesis will introduce the theory on the laws of economy and how rules are formulated to maximise efficiency and lower costs, as an exemplary case to illustrate this theory the Dublin System will be consulted. The appraisal will include an examination of the conflicting principles of the Dublin Regulation with the Common European Asylum System. Moreover, the overall failures of the system will be observed, paying special attention to the main points of economic impact that resulted from the disruption of the EU Initiative.

Richard Posner best formulates the application of economics to the legal system in his book “Economic Analysis of Law”, in which he describes the effort to employ economic analysis

systematically to different areas of the law, that do not contain by definition economic relationships. His “economic theory of law”, which has normative as well as positive features, is based on the assumption that rational decision-making causes maximisation of the efficient use of resources. Therefore, efficiency that is measured in terms of maximised value, which in turn is interdependent of the willingness to pay, assumes the new standard for all decision-making. In this regard Posner illustrates that economists cannot order society to comply with the law, however, they can explain that non-compliance would be economically inefficient. In other words, a value trade-off can be highlighted that shows how much of one efficient value, must be abandoned to attain another less efficient one. Additionally, economists can demonstrate that the means by which society is pursuing a certain goal may be inefficient, and thus should apply different methods in order to accomplish the same, at a coherently lower cost. As long as these more efficient methods do not oppose other existing values they should become socially attractive, even perhaps if efficiency is perceived rather low across all social values (Posner, 1998).

Among scholars there is a motion to expand the existing methods for establishing the economic effects of legal decisions and an attempt to comprehend the essence and implication of proposed economic solutions put forward to legal advocates and decision-makers. This said, one of the major criticisms of Posner’s theory is the failure to contemplate other standards of value, which are independent from the willingness to pay. Subsequently, the response to his work in the economic analysis of law has experienced some noteworthy contestations because his assumptions encompass certain limitations that might encourage misguidance (Hermann, 1974).

In this sense, the Dublin System has come under a lot of scrutiny for being a demonstrably inefficient and costly system as it seems to conflict with the principles of solidarity and burden-sharing of the CEAS and feeds into insufficient cooperation between Member States. The main cornerstone of the Regulation is to guarantee swift access to status determination for every applicant who seeks protection in the Dublin area, while at the same time prohibiting simultaneous pursuit of asylum claims in other Member States. The system stipulates that every asylum application may only be processed by a single EU country, determining the nation responsible based on a hierarchical order of criteria. However, in practice this has led to reluctance among refugees to apply in certain Member States, out of fear of being stranded in the country of application. This sentiment was also one of the drivers

for the disembarkation of refugees in Greece in 2015, who chose en masse to travel into Central Europe. By creating the incentive to go ‘underground’ and illegally continue the journey into ‘Fortress Europe’ the Dublin System continuously breaks with the main principles of the CEAS (Directorate-General for Internal Polices, 2016).

What is more, the introduction of the Dublin Regulation has also encouraged migrants to go ‘underground’ from the eyes of the authorities. The phenomenon known as ‘asylum shopping’ explains the secondary movement of asylum seekers after having reached European territory. Fratzke further describes this issue as: *‘asylum seekers choosing to submit applications to those Member States perceived as most likely to accept them to offer the most generous reception benefits’*. Indeed, research in 2013 has shown that because the Initiative fails to take into account the preferences of asylum seekers more than one-third of all asylum applications recorded by EURODAC had previously been submitted in another Member State (Fratzke, 2015).

A further criterion of Dublin III inculcates the increase in costs is irregular entry. Where *‘an applicant has irregularly crossed the border into a Member State by land, sea or air having come from a third country, the Member State thus entered shall be responsible for examining the application for international protection’* (Article 13, Dublin Regulation III). This wording placed the entire migration burden upon the southern European states and established the country of first entry principle. As a consequence, the rule has motivated Border States not to register arriving migrants in order to avoid assuming responsibility. This phenomenon became particularly visible during migration tide in the summer of 2015.

One of the major focal points of the Dublin Regulation is to guarantee swift access to status determination by reducing the time-scale for individual asylum procedures and thereby providing a rapid outcome of the process. At the same time this decreases reception costs and shortens the applicant’s uncertainty. However, in reality the procedures tend to take significantly longer than anticipated, meaning that applicants regularly need to wait up to eleven months to receive status determination (Directorate-General for Internal Polices, 2016). This can be explained by the fact that asylum procedures are controlled by individual Member States without a homogenised European approach. In other words, the current system fails to achieve its goal to guarantee swift access to protection due to the failure of a harmonised legal system. Furthermore, the divergence from a standardised European approach counteracts the

principles of the CEAS and constitutes a breach of the concept of EU solidarity (Fratzke, 2015).

Taken as a whole the Dublin System can also be criticised because of its failure to achieve one of its leading purposes, namely the transfer of applicants from one Member State to another. While it can be assumed that every application can be tracked to the responsible country the actual transfers executed is significantly low. The observation of transfer data shows that from all applications lodged under the regulation, only 3-4% of them are subjected to such transfers. Moreover, transfers regularly offset each other to a large extent, meaning that net transfers are eventually close to zero (Directorate-General for Internal Polices, 2016).

The transfer of migrants under the Initiative has additionally seen the resent development of suspensions of the transfer system to the country of first arrival. In the light of a European Court of Human Rights (ECHR) ruling in the *M.S.S. v. Belgium and Greece* case, it was decided that the Greek asylum system featured systemic deficiencies and therefore, all transfers to Greece were halted. Since then the Greek authorities, assisted by the European Union and the European Asylum Support Office (EASO), have made significant improvements in reforming their national asylum system. Nonetheless, following the migration crisis in 2015, which made Greece the main country of first entry from the Mediterranean Sea, the European Commission decided to maintain the suspension in order to avoid an unsustainable burden. Additionally to this shift in determining the country responsible for an asylum procedure, the suspensions have also incentivised asylum seekers in to go 'underground'. The knowledge that applicants will not be sent back to Greece has become an unexpected driver to encourage secondary movements of asylum seekers. This development undermines the legitimate functioning of the Schengen System and has led to increased reluctance amongst Member States to accept relocation transfers (European Commission, 2016).

## IV. Historical Overview & Content of the Dublin System

The following chapter will give an overview of the historical evolution of EU migration policies, before concentrating on the Dublin Regulation. Afterwards, there will be a brief description of the most important contents of the Dublin System, consisting of the Dublin Convention, Dublin II and Dublin III. The legal status of the Initiative has changed repeatedly over time, but the main principles have remained untouched and outline the asylum system, as we know it today. Additionally, this section will also summarise the relevant legal setting to the prohibition of freedom of movement for refugees once asylum status is granted, and how compliance with this rule is monitored. Furthermore, the structural background knowledge for the later investigation of the economic impact on external Border States will be provided.

According to Faist and Ette, the European Union has experienced a four-step transformation regarding migration policies, with each period characterised by increased integration. The first time phase was symbolised by *minimal integration policy involvement* in individual Member State immigration policies. The government of migration management fell under the complete jurisdiction of the respective nations and any European Initiatives to extend cooperation were regularly dismissed. This phase of autonomous decision-making was followed by an enhanced stage of *informal intergovernmentalism*, where Member States sought to collaborate for the first time. The coordination during this period consisted mainly of ad hoc working groups, and handling the security implications of freedom of movement, which had been established by the Single European Act. With the creation of the Maastricht Treaty, the three-pillar structure was introduced putting EU integrated immigration policies under the authority of the EU. This decision-making phase, also known as *formal intergovernmental cooperation*, acknowledged the importance of a joint approach towards immigration issues. The final integration stage of EU migration policies is marked by intensified *communitarisation*, which commenced in the late 1990s with the enactment of the Amsterdam Treaty. With the creation of a new Title IV, immigration policies were brought under the Community pillar, further absorbing the Schengen Agreement into the *acquis communautaire*. Despite these cooperation efforts, the implementation of sensitive areas of migration policies remained difficult, due to their impact on core issues of national sovereignty (Faist & Ette, 2007).

As part of the aforementioned communitarisation policies the countries who were parties to the Schengen Agreement met on 15 June 1990 to administer and sign an agreement with

reference to asylum: the *Convention determining the State responsible for examining applications for asylum lodged in one of the Member States of the European Communities*, known as the Dublin Convention. The agreement was established against the backdrop of a need to guarantee sufficient protection for asylum seekers, while ensuring the freedom of movement of persons. The Convention could only be implemented after all members had passed it through their respective national parliaments, by these means completing the official ratification process it finally came into effect in 1997 (Official Journal of the European Communities, 1997). The reasons for the adoption were manifold: firstly the downfall of the Eastern European communist states led to a surge in migration inflows, secondly the introduction of the freedom of movement of persons- enhanced by the Schengen Agreement- resulted in an urgent need to coordinate the intra-community movement of refugees. Out of the status quo, the principle was born that only a single Member State would be responsible for handling an applicant's asylum procedure. With the assignment of responsibility the question of 'refugees in orbit' –asylum seekers that are unsuccessful in finding a Member State to assume responsibility over their asylum procedure and as a result are driven from one country to another- was answered and the problem of 'asylum shopping' counteracted (Marinho and Heinonen, 1998). However, although the Convention was a first attempt at a common European approach in regard to migration policy, asylum procedures were still governed under national law, meaning that Member States remained authority over the course and operational sequence of the process. Hence, the system was founded on the principle of 'safe third country', assuming that all member countries automatically awarded equivalent protection to refugees (while also establishing 'safe third countries' outside of the EU). In reality this presumption would be proven wrong, as the levels of protection provided in the individual countries enormously varied in law and in practice, due to a substantive lack of harmonisation (Joly, 1989).

The streamlining of legislation took a next step with the Amsterdam Treaty in 1997, which paved the way for further integration regarding asylum and migration policy. With this development all matters concerned with immigration were relocated from the third pillar (Justice and Home Affairs) to the first pillar, thereby allowing the use of binding legal instruments. The transfer of power from the intergovernmental to the supranational tier ensured greater efficiency in the enforcement of communitarised decisions. What is more, the establishment of a Common European Asylum System introduced a set of criteria and

mechanisms that defined the Member State accountable for an asylum claims submitted by non-EU citizens. (Van Selm, 2002).

In 2003 Council Regulation (EC) No 343/2003 known as the reformed Dublin II Regulation officially replaced the Dublin Convention. The criteria determined under previous developments were maintained, but given a stronger legal stance by becoming directly enforceable as law in all member countries. Moreover, the Initiative was accompanied by the installation of the EURODAC Regulation, which created a database for documenting fingerprint data of asylum seekers, in order to support the regulation and monitoring of Dublin II. The cornerstone of the accord was the introduction of a hierarchical structure of criteria to regulate state responsibility over an asylum claim. The new classification is based on the following criteria: first and foremost, nations need to prioritise family reunification, prioritising refugees who have family members with confirmed asylum status or are in the course of processing an asylum claim. The second level of preference is given to asylum seekers where a country has previously issued them a legal residence document or visa, provided they have family present in the Member State in question. Thirdly, the most prominent criterion lays down the notorious rule of country of first entry. The Member State whose borders a refugee has irregularly crossed is ultimately deemed responsible to hear the asylum claim. In order to create a safety net, a final criterion states that when none of the above mentioned laws are applicable, the country in which an asylum procedure was filed shall be responsible. The reform also introduced a mechanism for countries to step in and examine an application even if it is outside their responsibility. This section is generally known as the ‘sovereignty clause’ (Fratzke, 2015).

The final reform of the Initiative happened in June 2007 after concerns had arisen about the ineffectiveness of Dublin II. The changes sought to improve the protection of asylum seekers, while maintaining the main principles set out in the previous agreements. Dublin III mainly refined the distribution of responsibility to Member State and suggested a mechanism for applicants to access effective remedies. Additionally, the renewal introduced a tool for countries to suspend transfers under the Dublin system aimed at discharging certain Member States from an excessive burden. Furthermore, sections were added to regulate family reunification and the protection of unaccompanied minors (Regulation No. 604/2013).

To complete this historical overview of the Dublin System it can be said that the development of the current regulation cannot be detached from the economic implications that arise in Member States. The assignment of responsibility via law plays a fundamental role in the examination of the economic repercussions and has perpetually changed with the introduction of new cornerstones to the Initiative. The modifications introduced by the EU were constantly aimed at improving the preceding regulations and has affected the economies of the Member States in different ways. However, the status quo leaves several important questions unanswered. To what extent has the transfer of responsibility led to redistributive changes among public expenditures in individual Member States? Or has the Dublin System ultimately affected the allocation of income within countries?

## **V. Externalisation as a theoretical framework**

As a framework to understand the economic implications of the Dublin Regulation, this master thesis will utilise Triandafyllidou's and Dimitriadi's externalisation theory, in order to show how European migration management has percolated to the external borders.

The authors suggest, that EU externalisation is a two-step process, which first consists of delegating asylum control policies from inner states to peripheral Member States (first level) and in a next step to third countries beyond the Union (second level). By doing this, first level externalisation entails a shift of responsibility to the southern and eastern frontiers, and therefore, leads to a protection of countries that are geographically remote from external borders. Typically, the securitisation of inter-state borders takes place by restricting the freedom of movement between Member States and by the means of introducing border controls within the Schengen area. To additionally reinforce its territory, the EU has expanded its externalised border controls on land, sea and air by Frontex forces, one of their main objectives being the protection of the Greek-Turkish border. This process of first-step externalisation is legitimised through the 2003 Dublin II Regulation and the application of the 'first safe country' principle. Furthermore, due to the transposition of the Dublin System into national law, there is a shared assumption that all Member States can be classified as 'safe countries' and that asylum seekers receive uniform treatment irrespective of where an asylum claim is lodged. The European Court of Human Rights challenged this understanding in the case of *MSS v Belgium and Greece*, when the court ruled that such a presumption 'per se' was not justified for the deportation of refugees between EU Member States.

Meanwhile, second level externalisation consists of shifting migration to third countries and is mainly founded on partnerships and readmission agreements, which are often signed on a bilateral basis with non-EU Member States. In particular, these accords are established within the framework of the European Neighbourhood Policy (ENP) and are aimed at economic, political, security and social issues. The legal foundation of these deportations is also stipulated in the Dublin Regulation, namely in the article that anticipates the return of migrants to safe third countries (Triandafyllidou and Dimitriadi, 2013).

For the purpose of this thesis only the first step of the externalisation theory will be examined, focusing on the economic effects that arise in the external border states of Greece and Italy. The objective is to demonstrate the emerging differences resulting from the externalisation of the enforced migration policies in the two Member States. In addition, the particular economic effects of the externalisation theory will be analysed, paying special attention to the different aspects of the economies impacted by the shift in responsibility. It should be stated, that there is an assumption of a correlation between the shift in responsibility- from one state to another- and a concomitant economic burden for the recipient country. The mission of this thesis will be to determine where the focal points of this economic burden lie and to demonstrate the distributional costs that have occurred with the externalisation of EU migration.

## **VI. Methodology**

The empirical research is divided in two parts, based on a combination of qualitative and quantitative analysis. The aim is to examine the economic effects of the Dublin Regulation since its implementation in the form of a comparative analysis, and to establish how the economic costs have affected Italy and Greece. The materials analysed consist of a selection of primary and secondary sources.

The qualitative part of my research will incorporate expert interviews with specialists primarily from Italy and Greece, but also other European Union countries. The sample of interviewees was selected by proactively contacting economic scholars in the field of Greek and Italian migration. These contact partners were in turn asked for further reference persons.

With the application of so-called snowball sampling the existing research partners were consulted to recruit future subjects, in order to reach a bigger sample size. The interviewees were merely asked for their opinion throughout the course of the interview.

The interviews were based on a set questionnaire –see guideline in appendix-, which was specifically adapted to each contact person. Three variables were emphasised in order to measure economic costs, as set out in the research question; public spending, relocation costs and the distribution of income.

At the beginning of the questionnaire guideline the public financing variable was subdivided into EU subsidies and the national budgets, both in relation to migration. The questions in this section are intended to highlight the differentiating effects of national and European public funding on the economy of Member States. Moreover, the questions were designed to determine to what extent there have been notable redistributive changes in the allocation of funds. Besides looking at the negative impacts occurring from an increase of public financing, the questionnaire also paid special attention to emerging positive externalities and spill-over effects.

Apart from government financing the interview questions also accentuated the relocation of migrants to external borders, in order to examine the transfer costs resulting from the externalisation policy. By looking at this second variable -relocation costs- the questionnaire aimed to shed light on how Dublin transfers have affected the countries of first arrival. Beyond that, this part of the interview guideline also investigates the financial challenges Greece and Italy have faced to secure their borders for the purpose of preventing the illegal onward movement of migrants. Dublin transfers are closely linked to effective border securitisation, as the former are often performed on the basis of migrants illegally entering into a country. For this reason, the guideline intends to unearth to what extent these developments have influenced the economies of Greece and Italy, and where any additional costs might have occurred.

The third section of the interview questionnaire concentrates on how income distribution in the Mediterranean states has been influenced by the introduction of the Dublin System. In the course of this investigation the redistributive effects on earnings among the population in external Border States are observed. The central theme is to examine to what extent the

growth in migrants has impacted wages among skilled and unskilled workers. Additionally, the questions explore the emergence of a growing gap between the rich and the poor and the consequent ramifications upon social inequality.

In the final section of the questionnaire the interviewee is encouraged to add any residual areas of the Greek and Italian economy that might have been impacted by the Dublin Regulation. By doing so, any areas of the economy remaining uncovered at this point in time should be highlighted. Furthermore, the investigation also includes the main features and distinctions marking the Greek the Italian cases, in order to allow a comparison of the two examples. Finally, the questionnaire guideline will focus on the future development of the Dublin Regulation and how this will be most likely to shape the economies of countries of first arrival. What is more, throughout the qualitative research the Economic Crisis from 2007 to 2014 will be taken into account. The aim is to disentangle to what extent the economic costs are rooted in the increase of migration or the late European recession.

All interview partners were interviewed by telephone and gave their consent prior to the questioning to audiotape the conversations. These recordings were thereupon transcribed and form part of the appendix of this written dissertation. The reference persons were asked for their opinions and as a result the following analysis represents the authors interpretation of their words. Where such responses leave room for consolidation, the analysis draws upon supplemental research and further existing data.

Additionally to the qualitative inquiry, there will be a quantitative analysis to analyse and compare different economic figures. In order to visualise these indicators a series of graphs and figures have been incorporated into this study. The observational data used for this research was retrieved from a number of sources, including the World Bank and Eurostat. Due to the lack of existing data in some instances, it was necessary to perform new calculations from the recovered data. In general, the analysis intends to demonstrate the main economic costs and in a broader sense the distributional effects of the Dublin System. These examinations will be showcased with the example of the two study cases. For some of the events observed there was no appropriate data available at the time of the research and as a result some questions will remain unanswered.

## **VII. An Economic Analysis of the Dublin System**

The following economic analysis will concentrate on answering how the implementation of the EU's Dublin System has led to higher economic costs in the countries of Greece and Italy. It must be stressed, that the research question suggests there is an underlying assumption that the EU policy has induced an increase in migration in the states bordering the Mediterranean Sea. However, the 2003 Dublin Regulation II cannot solely be made responsible for this sharp increase in migration numbers. A variety of factors have played a fundamental role in this development, as root causes are often interdependent, in turn creating synergy effects. In particular, the Economic Crisis from 2007 to 2014 and the migration crisis in 2015- both of which appear to have hit Europe by surprise- have created new push and pull factors for the movement of people.

These interrelations need to be considered within the wider context of the Dublin Regulation. The EU Initiative lays the legal groundwork for the determination of which Member State is responsible for processing asylum claims, and aims at regulating irregular flows of migrants. It also constitutes a safety net in law to make certain that all migrants entering the EU are accounted for. Despite this safety function- ensuring that no migrants fall between the cracks of the legal framework- the system has also been widely criticised for spawning a divide regarding the principles of EU solidarity. The countries left to bear the brunt of the migration face a constant struggle to comply with the Dublin Regulation - to the benefit of the rest of the EU- with repercussions for their economies. These impacts on the economies of Greece and Italy comprise a central pillar of the empirical analysis of this dissertation

The structure of the following analysis builds upon the three aforementioned variables - outlined in chapter VI Methodology- to measure the economic costs of the Dublin System. Consequently, the investigation will consider the short and long-term effects on the economic climate of said external Border States, which have been induced by the increase of migrants. Furthermore, the chapter also comprises an overview of the key points and data that is decisive for the discussion of migration into Greece and Italy. All remaining aspects of the economies that have been influenced by the Dublin System are considered in a final part of the analysis.

### **a. An Overview of Greek Migration under the Dublin System**

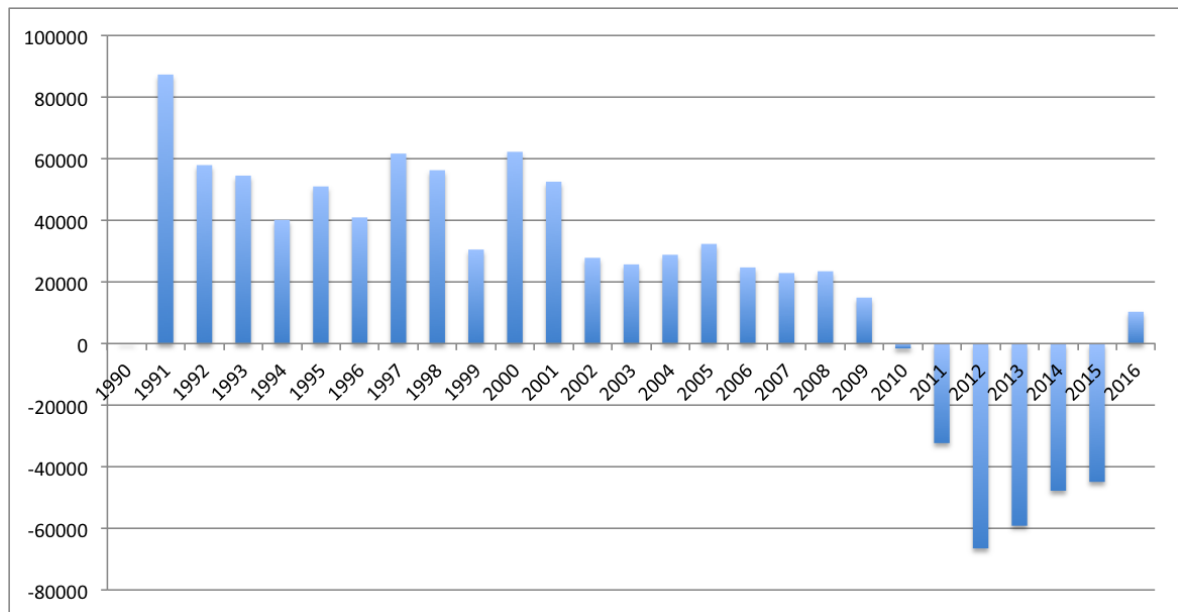
In order to analyse the current migration streams in the Hellenic Republic of Greece- managed by the Dublin System- it is important to take into account the evolution of migration in general. Historically, the country has been classified as an emigration country. For instance, during the early years of the Greek state great numbers of people migrated to the Ottoman Empire. Years later and with the beginning of the 19<sup>th</sup> century, Greece encountered another mass exodus of migrants relocating to the United States of America. These streams of transmigration finally came to a halt around the oil crisis of 1974 and for the next two decades the country's net level of migration tended towards zero.

With this in mind, it is important to consider that the composition of immigration to Greece has since seen a number of noteworthy changes. With the collapse of the Iron Curtain in the early 90s vast amount of migrants from Eastern Europe filed into Greece. This development eventually transformed Greece from an emigration to an immigration country. Simultaneously, 1990 also saw the advancement of the Dublin Convention and thereby a first attempt at a coherent EU migration policy. However, because Member States maintained the competence to structure the asylum procedure according to their needs, the agreement turned out to be highly ineffective in practice. Nonetheless, the Eastern European immigrants managed to assimilate into Greek society without major difficulty. This mainly resulted from the fact that immigration -at this point in time- had positive effects within the economy at large. Generally, it was the cause of increasing wealth for individuals of lower classes (Tsakoglou, 2018).

These beneficial effects can be explained by a number of reasons, but mainly the composition of the migration streams. The majority of immigrants initially stemmed from Albania, Bulgaria and Serbia. Due to their cultural and socio-economic background, the new arrivals exhibited comparatively similar features to the Greek population. Thus, migrants were encouraged to adapt quickly to the native community and swiftly integrated into Greek society. As a result of this rapid acclimatisation, individuals were quick to achieve effective participation in the local labour market and succeeded in making a positive contribution to the economy at large (Panori, 2018).

Another explanation for the swift integration of migrants at this point in time is that the second wave of immigration- around 2003 to 2004- was driven by extra demand in the labour market. With the Olympic Games hosted in Athens the construction sector experienced a

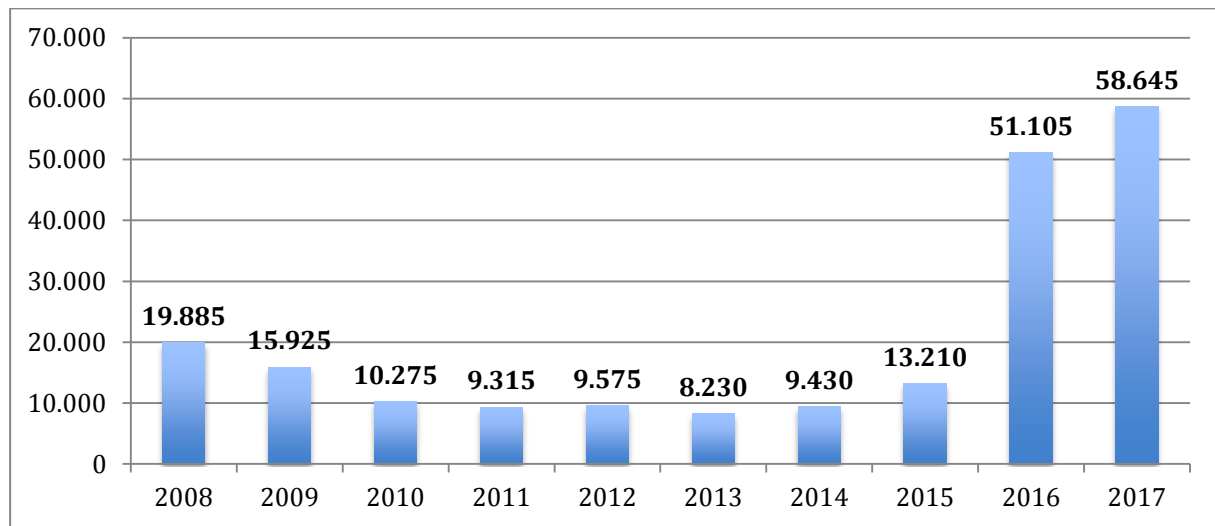
boom, in turn motivating irregular migrants from Pakistan, Iraq, Iran, Kurdistan and Afghanistan. This advancement brought about an alteration of Greek migration streams, away from the economic migration category and to the migratory flow category, incorporating asylum seekers. In this respect it is important to stress that the speed of this transition phase gave the Greek authorities little time to react to the recent changes in migration streams (Dimitriadi, 2018).



**Figure 2: Net migration in Greece from 1990-2016.**

(Data from Eurostat, 2018a)

Another wave of emigration was animated by the progress of the Economic Crisis and the rise of the unemployment rate in Greece from 2010-2015. This being said, the recession saw a change in the composition of the migration flows. In that respects, as the majority of emigrants were more highly educated, they constituted a ‘brain drain’ situation for the country (Labrianidis and Pratsinakis, 2014). It is fundamental to recognise that this happened during the reform of the Dublin Regulation and thus, the establishment of the first country of arrival principle. This means that Greece had at this point assumed the responsibility of being one of the countries handling the majority of asylum claims in the EU whilst ‘brain drain’ emigration continued. Despite the implementation of Dublin III, the number of those affected was surprisingly low. The amount of emigrants evading the economic conditions in Greece simultaneously surpassed the number of applications lodged under the Dublin System, eventually leading to a negative net migration figure.



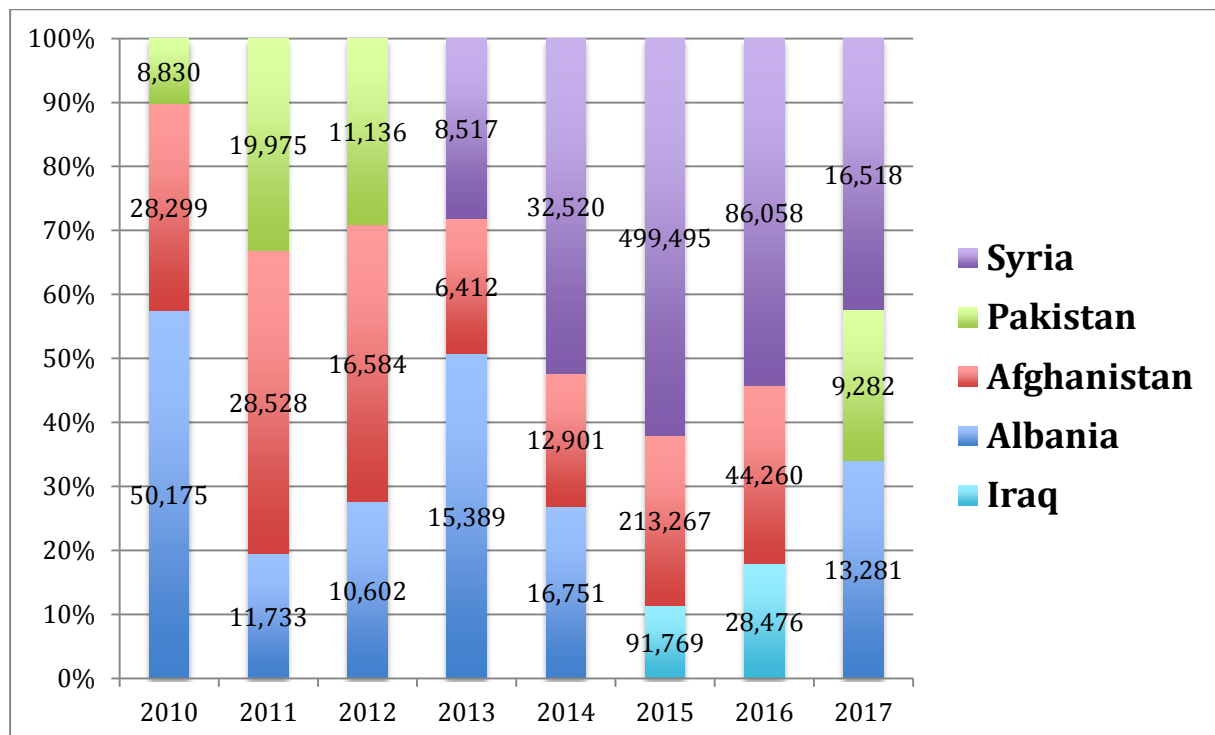
**Figure 3 Annual asylum applications lodged in Greece since Dublin III**

(Data from Eurostat, 2018b)

In the summer of 2015, the emigration trend came to a halt in the light of escalating tensions in the Middle East and improvement of the economic situation. With the sharp increase in refugees trying to escape war prone areas the Dublin System was put to the test. Due to the change in of push and pull factors, the structure of the migration streams transformed again, increasing the number of asylum seekers. These changes in migration streams made the distinction between migrants and asylum seekers, as defined in the Geneva Convention, an even tougher challenge (Dimitriadi, 2018). The examination of figure 3 shows clearly how in 2016 the annual asylum applications lodged in Greece drastically increased. This development is fully ascribed to the migration exodus that commenced in the Middle East. What is more, it also explains how Greece returned to its status as a country of positive net migration (see figure 2).

A closer look at the top three nationalities constituting the main bulk of irregular migrants detained in Greece shows that the numbers of asylum seekers actually lodged under Dublin III are noticeably lower than those who entered. The data suggests that from the total amount of border crossings only a small proportion of people actually made an official asylum claim. The majority of illegal entrants did not actually apply for refuge in Greece, but continued their journey into central Europe. Moreover, the observation of country of destination of these irregular migrants shows (Figure 4) that Syrians emerge as the most prominent group in 2014, while Afghans are present in consistent numbers throughout the entire term. Interestingly, 2017 sees the return of Albanians as one of the most numerous nationalities to enter Greece illegally.

The main gateways of irregular migration to Greece are over Albania, Bulgaria, the Former Yugoslavian Republic Of Macedonia (FYROM) and Turkey (Tsakoglou, 2018). This diversity in entry points has resulted in Greek migration exhibiting a number of ever-changing filtering points, responsible for processing and navigating the new arrivals. It is interesting to note that the detention of illegal migrants in Greece is limited by the geographical circumstances. By virtue of holding the refugees on the islands, migration is automatically centralised and easier to control. This is important, because the majority of immigrants wish to continue their way into Central Europe without being registered or fingerprinted (Dimitriardi, 2018).



**Figure 4: Top three nationalities of irregular migrants in Greece from 2010-2017**

(Data from the Ministry of the Protection of the Citizen, 2018)

Remarkably, the land and sea border with Turkey became the focal point of entrance during the climax of the migration impetus. It is for this reason that a bilateral agreement with Turkey was struck on 18 March 2016, creating a relation of dependence for the EU. The consequent result from the accord was that the numbers of illegal migrants crossing the Greek-Turkish border fluctuated immensely, depending on the political climate between the two countries. With increased tensions the number of people disembarking on the shores of Greece drastically advanced, while concessions to the Turkish government have had the opposite effect (Tsakoglou, 2018).

What is more, the cornerstone of the arrangement is the transfer of people beyond the European external border, described in theory by the second level of migration externalisation (see chapter on Theoretical Framework). The resettlement programme aims at the relocation of Syrian asylum seekers in Greece. Despite the implementation of this transfer agreement, the number of returns is substantially lower than the number of new arrivals. A report of the European Commission shows that only 1,896 migrants had been transferred to Turkey by September 2017 (European Commission, 2017).

### **b. An Overview of Italian Migration under the Dublin System**

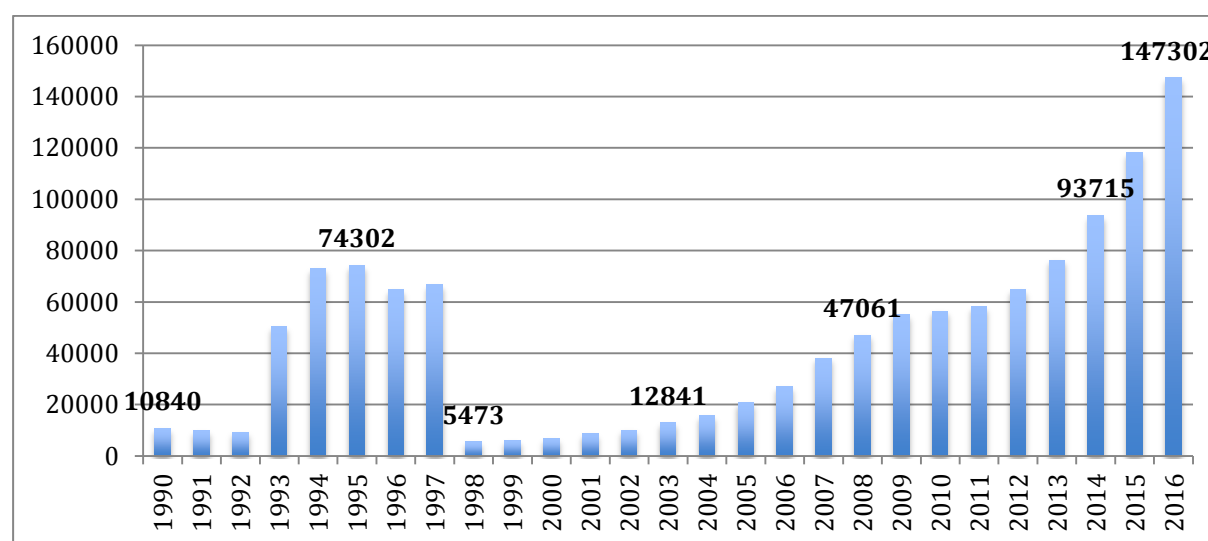
The analysis of the Italian case exhibits a number of similarities to and differences from the Greek example. Nonetheless, it is significant to highlight that the Dublin System has equally led to an increase of asylum procedures processed in Italy. In order to investigate the current economic areas impacted by the recent rise in migration an examination of the main historical events is necessary.

Since its unification, the Italian Republic has traditionally been a country with high positive net migration, with the majority of migrants moving to North America and other states in Europe for economic as well as political reasons. In addition, there were also smaller migration waves to Italian colonies. Against this setting of emigration, new patterns crystallised making Italy a popular country of destination for immigration, as well as a way station to enter into mainland Europe. From 1990, Italy assumed the role of the Europe's most paramount recipient of migrants. Easy access into the country, paired with increasing prosperity and the strengthening of the economy are the most likely explanation for this development. Also, the establishment of a progressively segmented labour market and the creation of market gaps, which allowed swift integration into the job market. What is more, the intensification of push factors in the countries of origin and the growing age gap among the Italian population further enhanced these movements (King, 1993).

With Italy's request to become a full member to the Schengen Agreement in 1998, the authorities faced rising pressure to restrict irregular migration. The main intention behind this initiative was to eliminate existing inefficiencies and, thus, manage the admission of migrants to the labour market. By virtue of the introduction of this regulation the number of immigrants dropped drastically to an all time low of 5,473. This means that the new law established a more restrictive approach towards both new arrivals, as well as migrants already illegally

residing in the country. By doing this, the Italian authorities aimed at reaching their overarching goal of bringing legislation in line with Schengen standards (Al-Azar, 2006).

Since the developments in the late 90s, Italy has seen a variety of changes. For one, with accession to the Schengen Agreement there has been an increase in internal EU mobility. For the Italian community this became a predominant source of labour, due to the widening age gap among the population. With the Eastern Enlargement in 2004 the countries gaining access to freedom of movement increased. As a result, there has been a sharp rise in new arrivals to Italy since the beginning of the new millennium (Frattini, 2018).



**Figure 5: Refugee population living in Italy from 1990-2016**

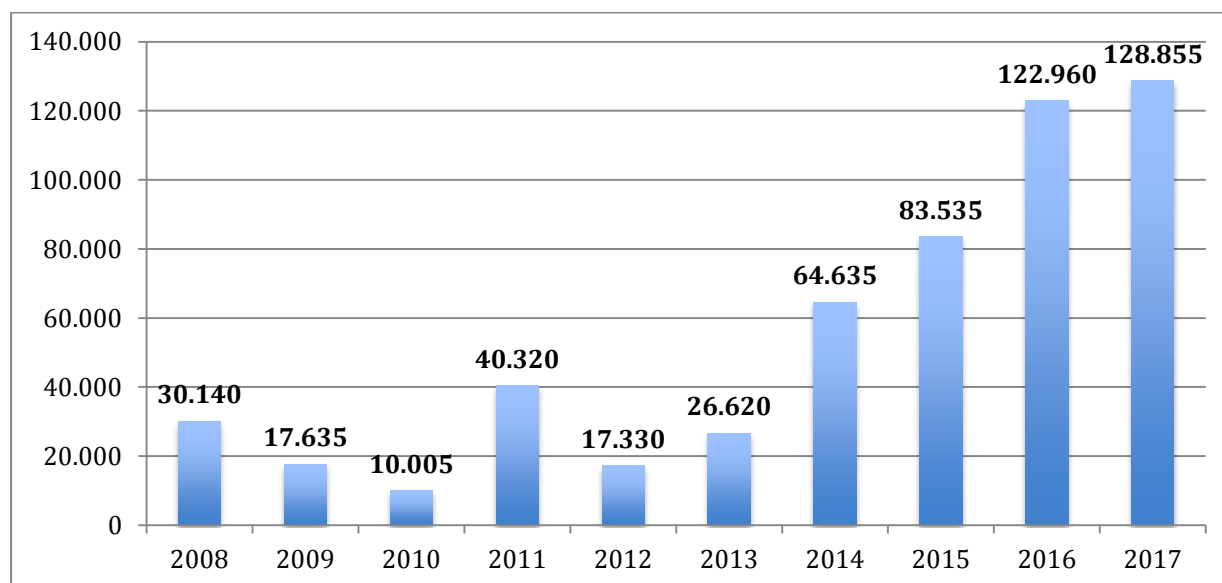
(Data from the World Bank, 2018)

On account of an increase in immigration rates, Italy also witnessed a rise of asylum applications at its southern shores to the Mediterranean Sea. This development can partly be ascribed to the Dublin Agreement coming into force, but also by the elevation of migration streams via sea crossings. Most notably since Italy's admission to the Schengen Agreement, this growing trend of migration by sea can be observed. In this regard, North African countries- especially those facing heightened conflicts- are steadily gaining in relevance due to their role as countries of origin (Frattini, 2018).

As a result of this upturn in asylum applications since 2015, the European Commission agenda has increasingly targeted a 'hotspot' approach, in order to process asylum applications swiftly at a single location. What is more, these 'hotspots' have been commissioned with the reinforcement of repatriation policies and the prosecution of smuggling networks. Operated by EASO, Frontex, Europol –the European Union Agency for Law and Enforcement Cooperation- and Eurojust- dealing with the judicial proceedings regarding criminal matters-

they have become a pivotal tool of the relocation mechanism under Dublin. Their importance is consolidated by the recording procedure, not least because these assembly centres also have the responsibility of identifying, registering and fingerprinting the incoming applicants.

In Italy, these gateways into fortress Europe are operated in Lampedusa, Pozzallo, Trapani, Taranto and Messina. It is here that the authorities have taken up a hotspot approach in order to channel and control the arrival of vast mixed migration flows. After the surge in applications in 2015, the Italian government was forced to consider new solutions for tackling the high number of asylum requests. The reformed Italian reception procedure distinguishes as follows; depending on the status obtained after the assessment process, the new arrivals are separated into regular migrants or asylum seekers. Those classified as migrants are immediately informed about their rejection and located to pre-removal detention centres. Remaining applicants, who are identified as asylum seekers are accommodated in reception centres and later relocated to housing and barracks in centres in Castelnuovo di Porto, Rome and Taranto (Asylum Information Database, 2018).



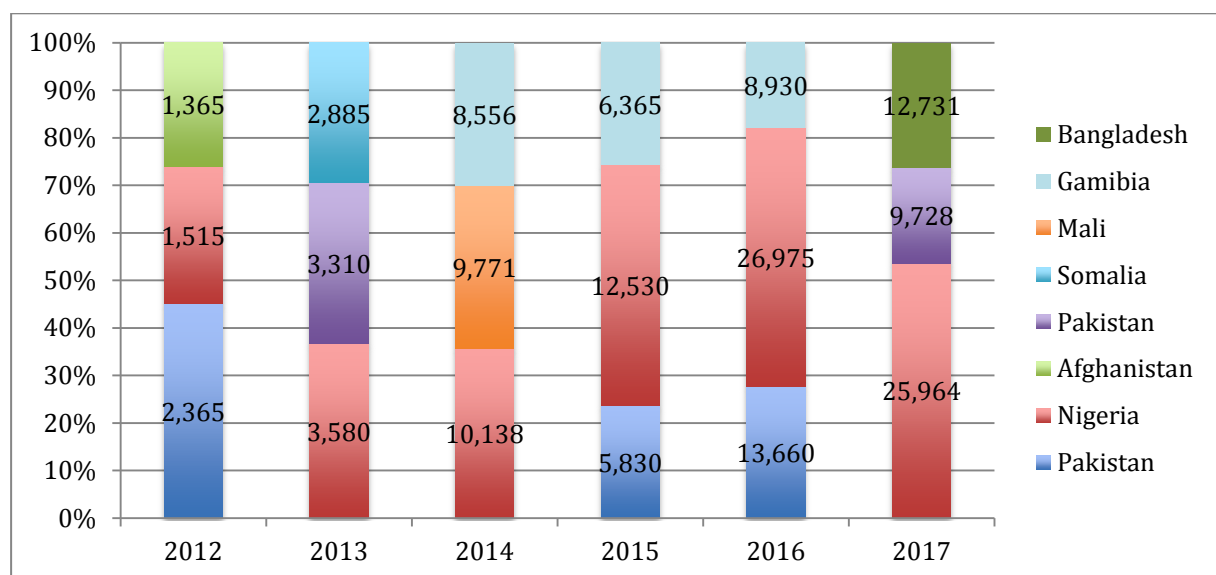
**Figure 6 Annual asylum applications lodged in Italy since Dublin III**

(Data from Eurostat, 2018c)

Similar to the Greece-Turkey agreement, Italy has put increased effort into preparing bilateral deals with countries of origin. These concessions aim at solving the root problems of irregular migration, as well as the readmission and repatriation of persons. By nature, the second level of externalisation theory (see chapter on Theoretical Framework) covers all negotiations between the EU and the Maghreb States -which are often used as a transit region to enter Italy- as well as negotiations between individual Member States and other countries. As such, Italy has managed to draw up agreements with Tunisia (1998), Libya (2003, renegotiated at

several times throughout the following 15 years) and Nigeria (2002). All of these accords, in one way or another, intend to repatriate immigrants in exchange for monetary support. As a result, the success rate of these agreements is highly dependent on the level of cooperation and assistance between the Member States and the countries of origin (Adepoju et al., 2017).

In the case of Italy the countries of origin are completely different from the Greek example. This is explained partly by the geographical position of the countries, but also by the fact that the push factors within the countries of origin are different. This being said, migration in Greece is more likely to be driven by conflict, while in Italy it is pushed by the big discrepancies in wealth within the country of origin. An examination of the top three nationalities applying for asylum under Dublin III in Italy from 2012 to 2017 (see figure 7) shows that the most prominent citizens across the entire period of time are Nigerians. From year to year the number of arrivals from individual countries varies. However, the figures show clearly that the most important regions of origin lie in the Sahel zone and Central Asia.

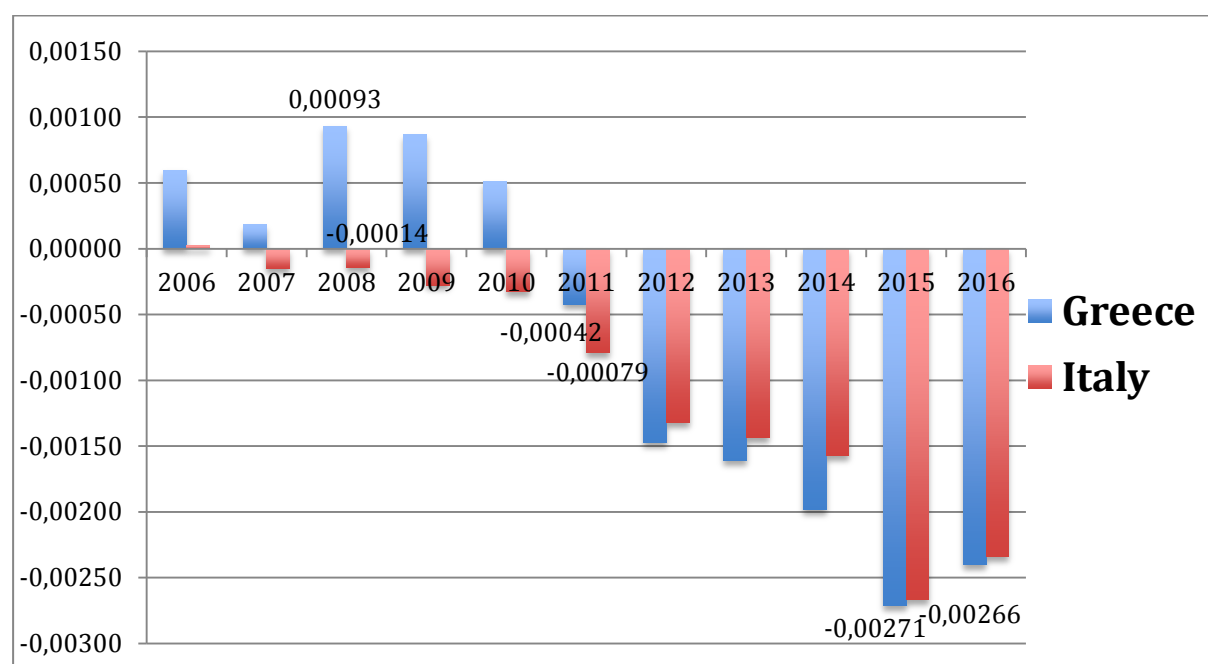


**Figure 7: Top three nationalities of applicants under Dublin III in Italy from 2012-2017**

(Data from Asylum Information Database, 2017)

Another defining difference between the two study cases of this thesis is that Italy-with a comparatively larger population- has consistently exhibited a continuous decline of its own population since 2017. In relative terms this means that the population reduced by over 0,0027% in 2015 alone. Although this phenomenon can also be observed within Greece, even exceeding the Italian relative numbers from 2012 onwards (see figure 8), the absolute numbers need to be kept in mind. For Italy this development implies that the change in population should be borne in mind when considering overall population size. The observation of absolute figures paints a completely different picture. For 2015 the change in

population of 0,0027% appears to be rather insignificant. A look at the absolute numbers however, shows that these amount to a decrease of over 160.000 people (see Appendix change of Italian population in absolute numbers). This combination of the change in population size in absolute numbers, together with the overall population size of Italy may constitute another pull factor for motivating migration. In other words, the higher prospect of potential job opportunities possibly plays a crucial determining factor for driving economic migrants to commence their journey to Italy. Furthermore, all of these developments need to be considered against the backdrop of the Economic Crisis, which impacted Italy comparatively less severely than Greece. As a consequence it can be said that the slightly more stable Italian labour market has had the capacity to absorb a higher number of migrants.



**Figure 8: Population change per capita for Greece and Italy from 2006-2016 in percentage**

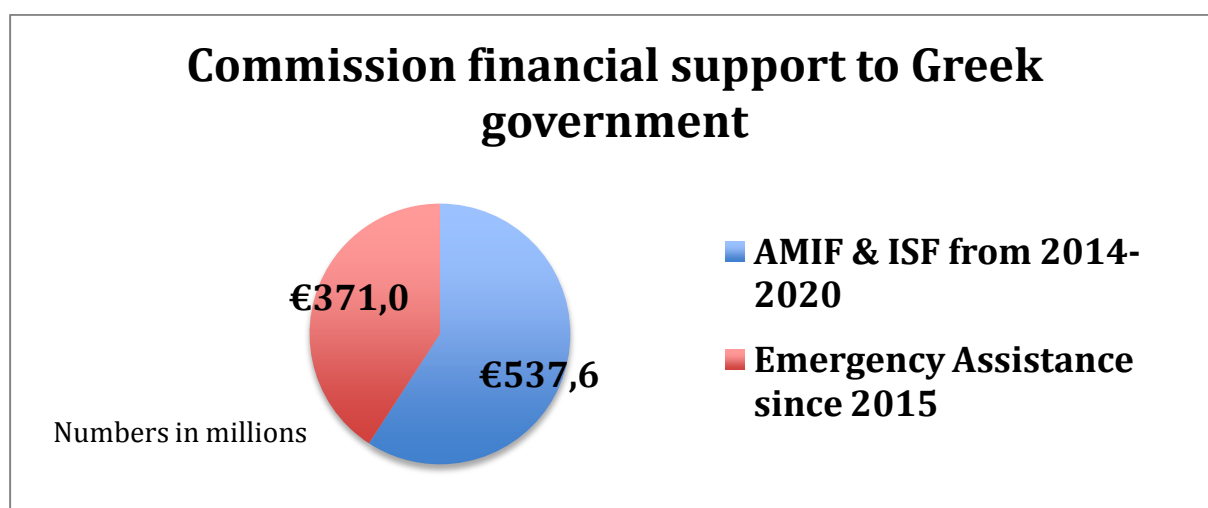
(Data from Eurostat, 2018d)

### **c. The Impact of the Dublin System on Public Financing in Greece**

The allocation of public funds- with regards to the Dublin System- is difficult to estimate, as a result of the complexity of deciphering existing payment structures. The actors performing such transactions are typically the European Union, various international organisations and individual Member States. This mixture of financial sources, as well as the fact that the funds allotted to the Dublin Regulation can often not be separated from subsidies accredited to migration in general, make the reconstruction of the payment flows a difficult undertaking.

The European Commission constitutes the largest contributor to the Dublin budget, which consists of the Asylum, Migration and Integration Fund (AMIF) and the Internal Security

Fund (ISF). These programmes aim at providing long-term support to the Greek government from 2014 to 2020. While the AMIF focuses on topics such as Greek national efforts to enhance reception capacities, guaranteeing that asylum procedures comply with EU standards, coordinating the integration of refugees at the national and regional level and increasing the relocation performance, the ISF intends to support uniform and high-level controls of the EU external borders, as well as the supervision of cross-border organised crime. Additionally, since the beginning of 2015 the Commission has also allocated another €371 million in emergency assistance to support Greece during peacetime disasters (European Commission, 2018). However, there has been criticism that a significant amount of this budget is earmarked for objectives beyond the migration issue. In this context, the EU has declared that the money has as a matter of fact been funnelled towards ‘refugee related’ activities, such as biometric control systems (United Press International, 2017).



**Figure 9: EU long term and emergency funding to manage migration in Greece**

(Data from the European Commission, 2018a)

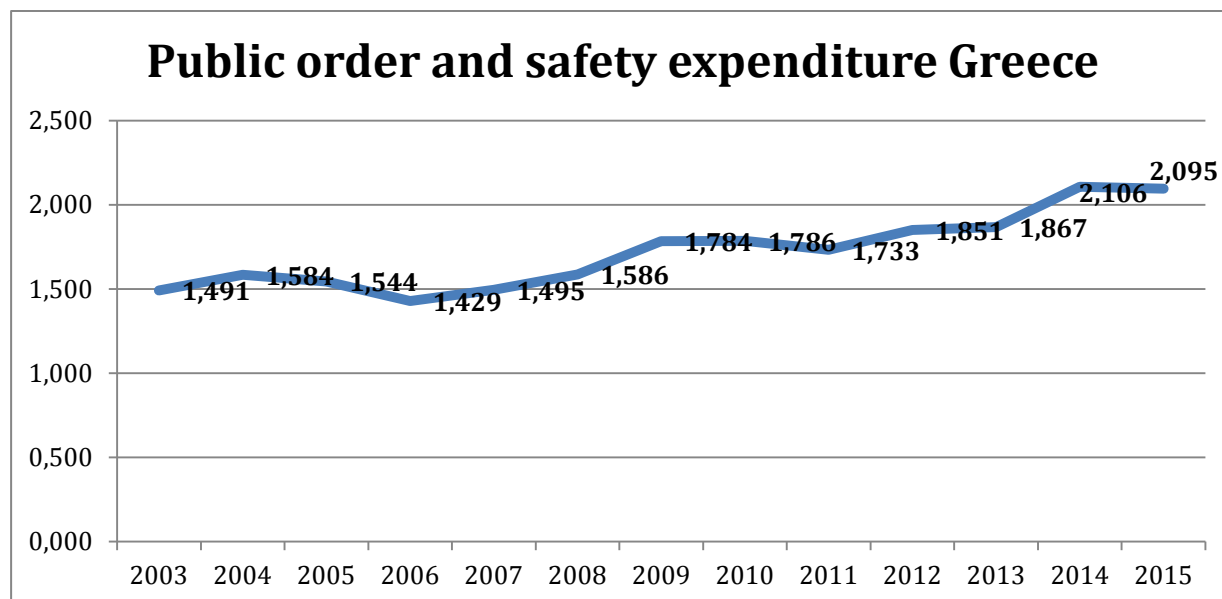
In addition to this, the Commission in close consultation with the Greek authorities also has another channel for dispatching money to UN agencies, non-governmental organisations (NGO) and international organisations. In the event of a humanitarian crisis the EU may allocate emergency assistance to avoid possible liquidity problems. This money is deployed from the European Civil Protection and Humanitarian Aid Operations (ECHO) to support Member States with vast numbers of asylum seekers (European Commission, 2018). The funds transmitted by these means are however, distinct from regular funds ascribed to the Dublin Regulation, as they sustain the emergency relocation mechanisms introduced in 2015 (Dimitriardi, 2018). On the basis of this mass migration exodus, the humanitarian directorate ECHO made its financing debut within the EU, funnelling funds to non-state actors, such as

the UNHCR, the International Organisation of Migration (IOM) and the United Nations International Children's Emergency Fund (UNICEF) (European Commission, 2018). These non-state actors utilised the majority of these funds to develop the necessary infrastructure to accommodate and house the migrants waiting for relocation under the emergency relocation programme (Dimitriardi, 2018).

As the EU provides a considerable amount of the funding, it is tempting to examine the actual costs borne by the Greek government. In this context, it is worth mentioning that public spending on Dublin is not released and thus, it is only possible to draw assumptions as to which areas actually bear the costs incurred. Nevertheless, European expenses are matched by national government spending, a significant part of which is allocated to migration related causes. In this respect, there are different parts of the state budget, such as housing, education and social protection, which are affected by increased migration numbers. The reason for this allocation of public expenditure is that the Dublin Regulation influences various divisions of Greek society. Funds are apportioned according to their need, yet the overall lack in transparency often makes a breakdown relating to migration impossible. However, it can be assumed that these national expenditures -assigned to the integration of migrants under Dublin system- are compensated overall by AMIF payments to Greece.

The most transparent part of the national budgets that can be associated with the Dublin Initiative is the public order and safety segment, which includes most importantly police services. All expenditures under this pillar are concerned with the administration of police affairs, including alien registration and the securitisation of borders. Moreover, the section also incorporates the issuing of work and travel documents to immigrants, as well as the recording and documentation of new arrivals at land and sea borders (Eurostat, 2011). As can be seen in figure 10 the public order and safety expenditures have risen consistently since 2003. This increase may be ascribed to the rise in migration numbers and the additional efforts the Greek police had to deploy because of the Dublin System. In 2015 –the beginning of the refugee upsurge- the costs for securing Greece's borders amounted to nearly 2.1% of GDP. The developments in the following years will most likely have led to a spike in these numbers. What is more, the fact that expenditure did not rise even higher during the observation period may be, because the Financial Crisis naturally imposed a cap on all government investment. With that said, by increasing the ISF budget, which covers the safeguarding of Greek external borders, the Commission guaranteed that a large amount of

the costs initially attributed to Greece were actually met by EU compensation. The rise in EU payments since 2015 is reflected in this higher demand for Greek border security. For this reason, the question remains how much of the residual costs are actually borne by Greece.



**Figure 10: Public order and safety expenditure in percentage of GDP for Greece**

(Data from OECD, 2018a)

Besides these costs to the national budget there also seem to be an hidden cost to the Regulation. As such, Dublin Regulation by nature of its existence leads to an build-up of asylum seekers in Greece. This means that the country of first arrival is burdened with additional costs- such as regional or local offices, reception facilities at the main entrance points, representation for the fingerprinting, screening and registration - from which they otherwise would be spared. In other words, the mere implementation of the Dublin Regulation has led to an indirect burden on Greek public financing.

Interestingly, the observation of Greek expenses in relation to migration management indicates that there are some sectors within the Greek economy have a higher priority than others. Closer inspection shows that there seems to be a steady application for funding for IT equipment, vehicles for transport, fingerprinting machines, etc. These technical financial expenditures demonstrate that the authorities' main emphasis is upon the securing and control of its borders. In comparison, the expenses submitted for humanitarian assistance- health facilities, interpreters, psychologists and doctors-have faded into the background. It is safe to say that for successful integration and a streamlined process for new arrivals, it would be necessary to expand investment supporting integration. However, the current system seems to

prioritise the short-term protection of EU external borders, over the long-term integration performance of asylum seekers (Dimitriardi, 2018).

For a general overview of the financing of the system, it also needs to be taken into account that different parts of the CEAS are funded by different means. For instance, the EU emergency relocation mechanism is completely separated from the Dublin System and therefore is allocated an independent budget from the EU commission. This development followed on from the 2015 migration wave, intended to support Greece and Italy in the distribution of migrants across Europe. By November 2017 21,238 from a total of 31,503 migrants had been relocated from Greece to other EU Member States (European Commission, 2017).

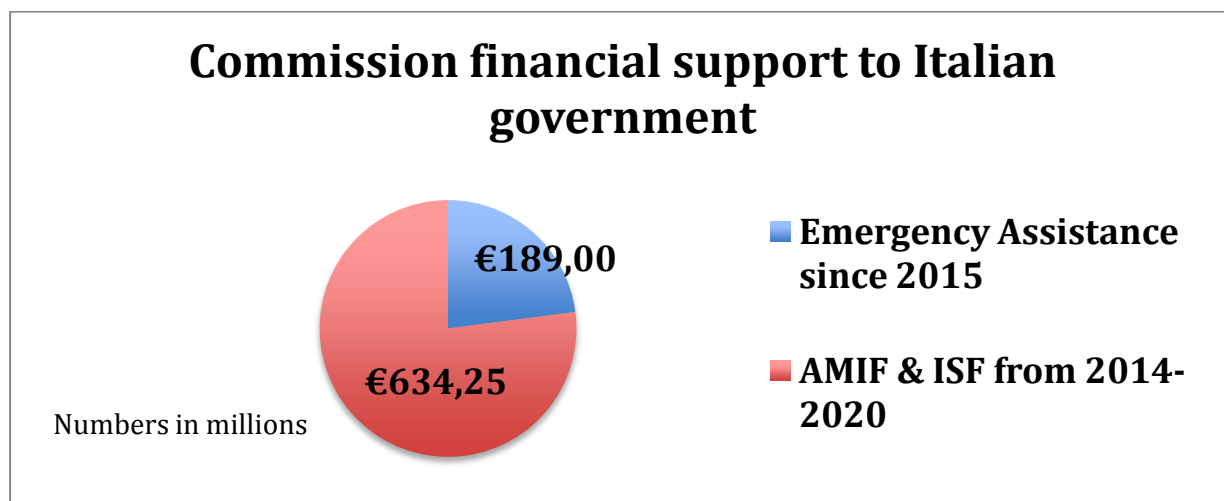
Finally, to relate the impact of public funding back to the Dublin System, it is safe to say that the majority of direct costs ascribed to the Dublin regulation are borne by the EU. The Commission has established various budgets to support Greece, aiming at different short and long-term goals. Nevertheless, there are several indirect expenditures carried by Greece. These hidden costs are commonly overlooked but cannot be excluded from a macroeconomic perspective.

#### **d. The Impact of the Dublin System on Public Financing in Italy**

By way of comparison the Dublin System has impacted the Italian public financing system similarly to the Greek case. The existing expenditure- accredited to the agglomeration of migrants in Italy- are equally hard to retrace and thus make it difficult to examine specific effects on the economy. In general, however, Italy seems to have established a more efficient migration management system and as a consequence, has managed to address deficiencies more effectively. An explanation for this development may be that Italy -by comparison- was not hit as strongly by the Economic Crisis. As a result, the economy succeeded in maintaining a higher level of independence from the EU. This greater degree of self-sufficiency ensures Italy a larger decision-making scope as it can act without the interference of the higher power of the EU.

The main channel of financial inflows governing the increase in immigration in Italy is the European Commission. In this regard, the AMIF and ISF constitute the EU's long-term support, guaranteeing on the one hand side the integration of migrants and on the other the

reinforcement of the EU external borders. These payments are part of the national programmes of 2014 to 2020, and are aimed at assisting the Italian government and bolstering the national budget. In this regard, the EU has provided Italy with €634,25 million due to the increase in migrants. What is more, via emergency assistance the Commission has allocated an additional €189 million to support Italy during times of crisis (European Commission, 2018).



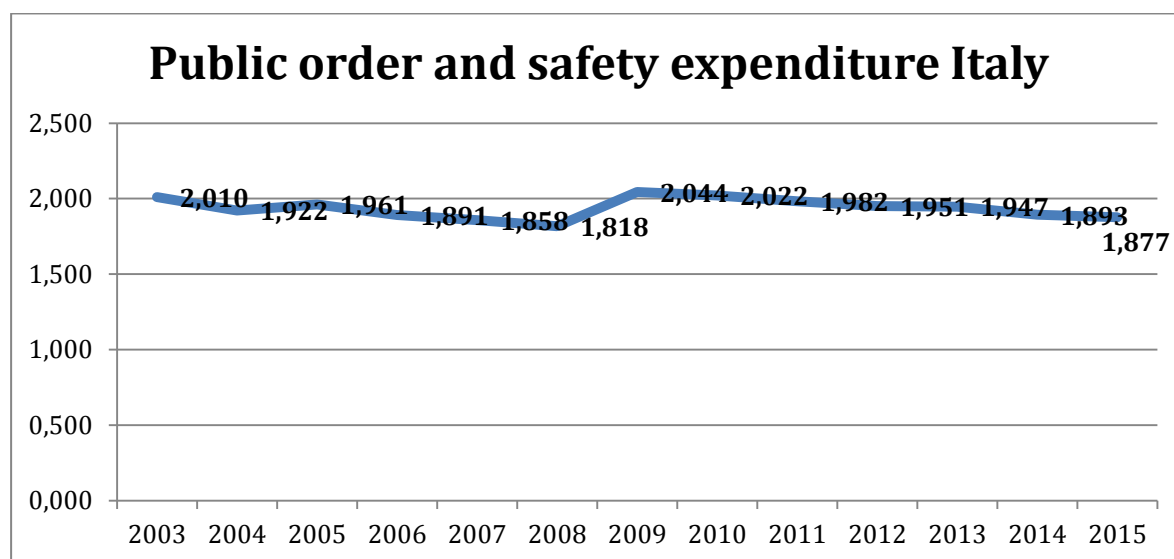
**Figure 11: EU long term and emergency funding to manage migration in Italy**

(Data from European Commission, 2018b)

With the remaining amount from the AMIF and ISF budget the EU grants – via direct or indirect management- support to transnational programmes that are of special interest to the Union. In other words, in an emergency the commission may redirect funds ad hoc to Member States in need. For Italy this emergency assistance was provided to assist the Italian coast guard in the form of border surveillance, help search and rescue operations, improve reception capacities, especially for unaccompanied minors and administer legal and social counselling for asylum seekers (European Commission, 2018).

The EU expenses are matched by Italian national government expenditure. Similarly to Greece, there has been a deployment of national funds across sectors. This assistance is likewise attributed to different parts of the economy such as housing, health and social protection. In this respect yet again, the segmentation of national funds is never attributed directly to the Dublin Regulation but rather as per the areas of the state budget. As Member States are very reluctant to publish the exact allocation of funds ascribed to the rise in migration, the precise origin of the funds is a near impossible task. However, most of the expenses attributed to the integration of migrants are supported by the budget of the AMIF. Again, public order and safety holds a special position within government financing (see

figure 12). As can be observed from the graph, Italy's spending on police services has stayed relatively consistent since 2003, making up for around 1.9% of GDP on average. In recent years, it is likely that the Italian border protection budget has increased, not least because of growing pressures from neighbouring states to prevent the illegal onwards movement of migrants. Nevertheless, these payments aimed at safeguarding Italy's external borders are bolstered by the long-term support of the ISF budget. It is here that the real impact of the Dublin System on Italian public expenditures becomes uncertain (OECD, 2017). As the ISF is calculated until 2020 a direct comparison with national expenditure has its limitations. Nonetheless, the results suggest that a good portion of the expenditures is in fact compensated by EU funds.



**Figure 12: Public order and safety expenditures in percentage of GDP for Italy**

(Data from OECD, 2018b)

By virtue of economic strength, Italy managed to cope with the refugee influx in the Mediterranean by initiating the sea rescue programme 'Mare Nostrum'. The project-operating from 2013 to 2014- was targeted at tackling increased immigration flows to Italy. In order to finance these rescue missions, Italy made available up to 9 million Euros per month. However, with rising migrant numbers the costs escalated rapidly and Italy was forced to urge the EU for a cost absorption. In November 2014 the mission was officially replaced by the operation 'Triton', which was completely funded by contributions from the EU Member States. Unfortunately, the budget was cut to a third, leading to a massive lack of humanitarian aid on the coasts of Italy. What is more, the technical recourses utilised by operation 'Mare Nostrum' contained a vast amount of the ships, helicopters and personnel owned by the Italian coast guard and marine. The new programme 'Triton'- controlled by Frontex- on the

other hand did not possess any personnel and, thus was dependent on the help of individual Member States (Pro Asyl, 2014).

Nevertheless, the upsurge in public financing has also led to indirect positive benefits for the Republic of Italy. This development may come as a surprise, but the increase in immigrants has led to higher demand for reception facilities, housing and accommodation, in turn leading to the creation of jobs in Italy. The construction sector has witnessed such improvements in the labour market, but also other professions, such as psychologists, translators and administrative officers (Frattini, 2018). On top of this, the rise in population- explained by migration- has also had the multiplicative effect of creating additional demand for goods and services in the country of first arrival. But it should not be forgotten, that this new demand is implied and therefore, hard to measure in reality (Tsakoglou, 2018).

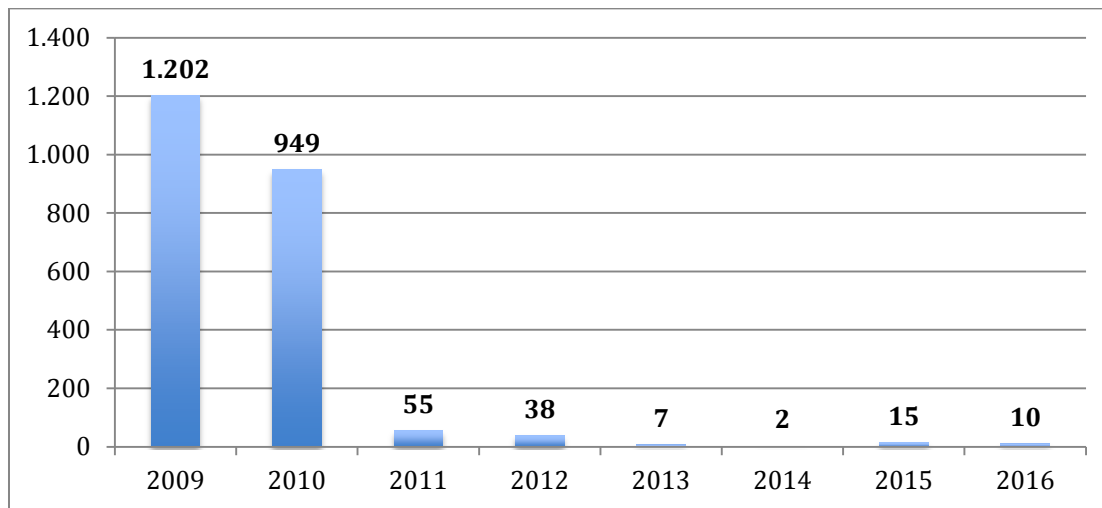
The emergency relocation mechanism -which is not part of the Dublin System- effects the relocation of people seeking international protection in Italy, similarly to Greece. Since 2015, almost all of the eligible persons registered for a transfer have been relocated from Italy to other EU Member States. From the Italian point of view this means that 10,265 persons had undertaken their transfers by November 2017. While the relocation scheme may not be under the direct sphere of influence of the Dublin Regulation, the relocation programme has led to an easing of the migration burden. It can however not be forgotten that the current streams of migration are not powering down. As a result, discharge programmes such as the relocation mechanism provide an opportunity to reduce the migratory pressure for individual countries (European Commission, 2017).

To relate this chapter directly back to the research question, it can be said that the Italian economy had a better starting position in comparison to Greece. Nonetheless, the size and rapidity of migration flows has picked up significantly and Italy has since been forced to ask the EU to assume its share of responsibility. Today the AMIF, ISF and the emergency assistance cover a great part of the costs. A direct comparison with Greek national expenditure proves to be difficult to undertake as these budgets are planned until 2020 and the actual national costs for these years are yet to be seen. Having said that, the financial support from the supranational level has also led to positive spill-over effects within the Italian economy. As such, migration has triggered an overall rise in demand, notwithstanding that this short-term positive effect is expected to gradually diminish with the advancement of the integration progress.

### **e. Relocation Costs of Dublin Transfers to Greece**

Dublin transfers constitute a cornerstone of the Dublin Regulation and also comprise the first step of the underlying externalisation theory. These transfers- based on the first country of entry principle- are accompanied with a number of costs, ranging from the actual relocation costs to the accommodation costs associated with these transfers. It is important to differentiate Dublin transfers from the emergency relocation scheme. The latter is a resettlement programme responding to the migration crisis in 2015 and is thus independent from the Dublin Regulation. This means that funding for the relocation of people stems from different budgets, depending on the programme. Yet in this context, it should not be forgotten that in some areas funding has had a positive spill-over effect, for instance concerning the accommodation scheme in Greece. In this case, the emergency relocation scheme has helped establish the necessary infrastructure for the housing and accommodation of people subjected to transfers under the Dublin System (Dimitriardi, 2018).

In 2011 the ECHR and the European Court of Justice (ECJ)- with the ruling of case *M.S.S. vs. Belgium and Greece*- suspended transfers under the Dublin System, due to systematic deficiencies in Greece's asylum procedures. As a result, the relocation of migrants dropped close to 0 from this point on (see figure 13). Having said that, this also meant that the migrants who entered the EU over the Greek-Turkish sea border from 2015 onwards could not be relocated to Greece. This development was been widely criticised by the remaining EU Member States, which called for a restoration of the transfer system. Since early 2018 the Dublin Regulation has been successfully reinstated again on recommendation of the Commission after Greece made significant progress in improving its asylum process. The effects of this development for the Greek economy will most likely unfold during the summer months in 2018 when arrivals are expected to increase again (Deutsche Welle, 2018).



**Figure 13: Incoming Dublin transfers to Greece from 2009-2016**

(Data from Eurostat, 2018e)

The reintroduction of the transfer system nevertheless neglects a vital element of the Dublin Regulation, which also explains why intra-EU transfers are rather low. Before performing a transfer a country needs to place an application with the recipient country, which in turn is given a waiting period to respond. In the event that the time period expires, the responsibility remains with the country applying for the transfer. For this reason, the number of applications has consistently been much higher than the actual number of transfers. This loophole in the system gives room for some speculation, as it can be assumed that Greece would take advantage of the expiration period of the transfers even though the system has recently been reinstated.

Additionally to this regulatory gap, there has also been a lack of equipment and technological infrastructure, such as fingerprinting machines in Greece prior to EU funding in 2015. On top of this shortage, Greece's Dublin Unit- in charge of processing Dublin transfers- has also been largely understaffed. Therefore, the lack in personnel in combination with the absence of technological devices has created another loophole in the Dublin transfer system. As a consequence, the majority of migrant arrivals were not recorded and the EU countries applying for transfers had difficulties in proving Greece to be the country of first arrival. Moreover, this lack of transparency has in return encouraged Greece to permit the transit of people to other Member States, in order to circumvent an overburdening of their migration procedure (Dimitriardi, 2018).

Dublin transfers to Greece are closely linked to border surveillance throughout the passport-free Schengen zone. In this regard, the EU Member States have repeatedly called upon the

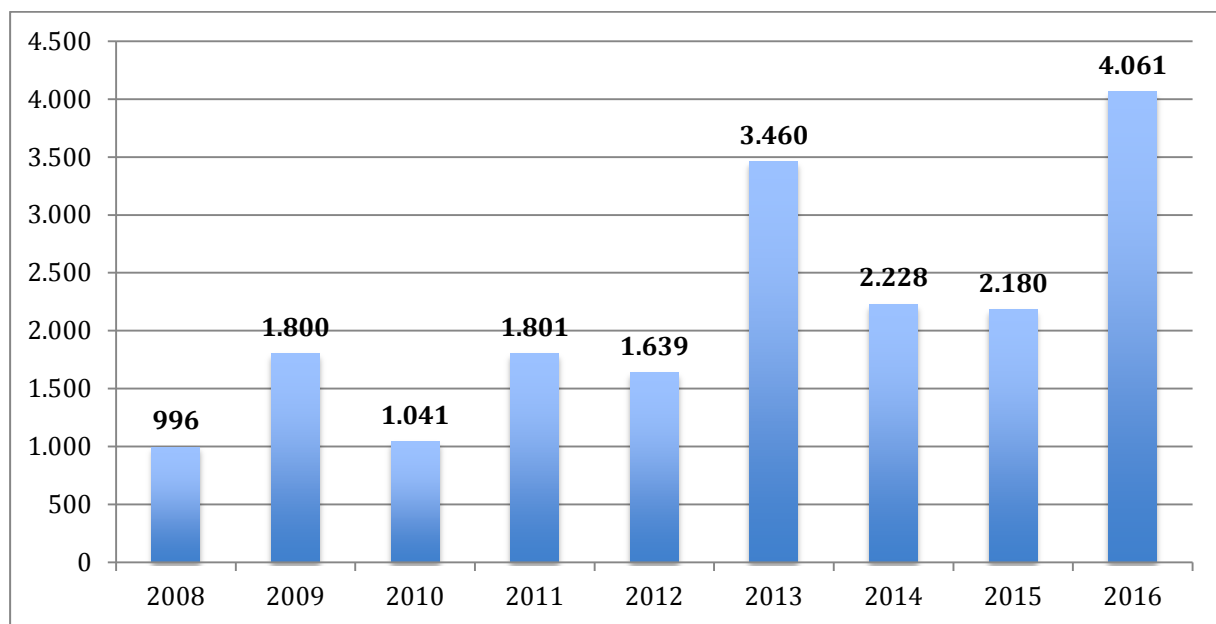
Hellenic Republic to secure its territorial borders, for the purpose of preventing the illegal entry. Before 2015 the preferred passageways to exit Greece were by sea towards Italy. This corridor changed in the wake of increasing numbers of migrants to the land border with Macedonia (British Broadcasting Corporation, 2016). The costs occurring from the securing of borders includes technological equipment, manpower and a sufficient infrastructure. In this respect, it is the Commission's ISF budget, which covers the technological and infrastructural aspects to secure the borders, while the personnel conducting border management is financed from the Greek national budget. This reinforcement of border checks thus leads to greater expenses for the Greek national budget, which is problematic due to the freezing of hiring practices as part of the troika deal signed with the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF) (Dimitriardi, 2018).

To refer this chapter back to the research topic, it can be said that due to the suspension of Dublin transfers to Greece, the relocation costs borne by the government have been mostly manageable. The sole expenditures for which the Hellenic Republic have been responsible can be accredited to the monitoring of borders, which at times has proven to be a challenging undertaking. Above all, it can also be assumed that the Greek economy has been subjected to a number of indirect costs associated with border controls. In this respect, it can be presumed that the introduction of border surveillance has had negative effects on transnational commerce. Longer waiting periods at the border together with extended travel time for imports and exports are to be expected. The measurement of these costs is however, implied und difficult to quantify (European Parliament, 2016).

#### **f. Relocation Costs of Dublin Transfers to Italy**

Dublin transfers have affected Italy in a slightly different way, due to the fact that transfers have not been suspended. As a consequence, a substantial number of Member States apply for the transfers of people and this has led to Italy having the highest number of incoming requests within the Union. The actual number of transfers have- similar to the Greek case- been significantly lower than the applications lodged, nonetheless, a record high of 4.061 people were relocated back to Italy in 2016 (see figure 14). The basis of the transfers is the already mentioned hierarchical Dublin criteria. Regrettably, there is no data available as to which of the criteria was adduced for the incoming or outgoing applications. Unaccompanied minors however are usually prioritised and if applicable the criterion of family reunification is taken into account (Asylum Information Database, 2018b). Yet, it may be assumed that the

majority of applications can be connected to illegal migration to the Union and the first country of entry principle.



**Figure 14: Incoming Dublin transfers to Italy from 2008-2016**

(Data from Eurostat, 2018f)

As already discussed, Italy is not always the first entry point for migrants into the EU. Migration streams, particularly from Greece and Malta, have led to the circumstance that Italy has equally requested the transfer of people from its terrain. It is for this reason, that the number of outgoing Dublin applications has steadily increased since 2008 (see figure 15). Unfortunately, the amount of actual transfers resulting from these applications is surprisingly low. This suggests that transfers are not mutually enforced and what is more, that the system in its current design does not lead to an easing of the migration burden for Italy. Furthermore, it shows that the majority of EU states rely on the “default” criterion- the country of first entry principle-, neglecting the remaining other Dublin criteria. In other words, Italy is held responsible merely because of its geographical position. As a result, this unequal treatment puts further economic pressure on the economy, leaving Italy with the additional task of providing the necessary legal support until the respective asylum status is determined.

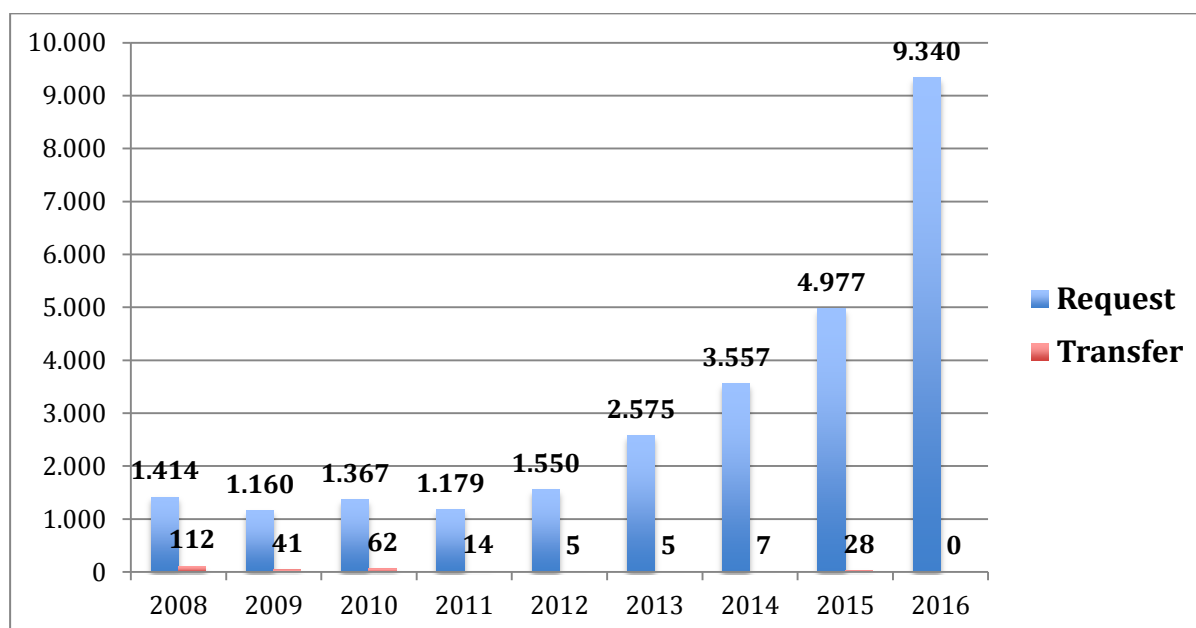


Figure 15: Outgoing Dublin applications and transfers from Italy from 2008-2016

(Data from Eurostat, 2018g)

The Italian transfer system is administered by *Questura* staff and is responsible for the recording of fingerprints of incoming migrants. The Italian authorities then forward any registered information to EURODAC, in order to crosscheck whether the applicants fingerprints have already been taken in another Member State. If this is the case, that country becomes responsible for assessing asylum eligibility and the asylum seeker is transferred. In every other instance, the case is diverted to the Italian Dublin Unit- within the Ministry of Interior-which examines when the Dublin Regulation ought to be applied. This assessment considers all available information and includes a personal interview, which was added to the procedure by the 2013 Dublin reform. The economic impact of this most recent modification is hard to quantify, yet it is likely to have added further costs to the significantly prolonged admission proceedings (Fullerton, 2016).

The transfer system is hence regulated by cooperation of the Italian authorities and EU institutions. All this considered, the actual costs borne by the Italian government however are bolstered by EU funds, by allocation of the AMIF. The money thus provided by the Commission is consigned directly to the Italian budget, which in turn allocates the funds to the various sectors depending on necessity (Asylum Information Database, 2017). Unfortunately, the government does not segment public spending according to Dublin transfers; as a result, there is a lack of transparency when it comes to the distribution of EU financial means.

Besides these monetary costs the Dublin transfer system -which also depends on securing EU internal borders and the on-site recording of fingerprints- has also had indirect political costs. By virtue of an increased wave-through policy from the Italian side, the neighbouring countries have repeatedly criticised the authorities of not living up to the responsibilities enforced by the Dublin Regulation. This has as a consequence led to growing tensions with Austria and France and the new development of a sense of estrangement between the trading partners (Anelli, 2018).

To sum up, Italy has progressively experienced a rise in incoming Dublin transfers ever since the Dublin III reform. Additionally, the number of outgoing transfers has consistently stayed low, as other Member States have not responded to Italy's transfer applications. It is fair to say that this development has generally led to an increase of the economic burden, due to the need for increased administration. Nonetheless, it appears that the main economic costs incurred by the Italian Republic are compensated for by EU funds. The lack of transparency in payment structures -which was already observed in previous chapters -leaves room for speculation and gives rise to the question of whether EU funds are really allocated in the most efficient and cost-saving way. Moreover, Dublin transfers have also had a negative impact on the bilateral relationship between Italy and its neighbouring states. The true extent of this tense state of affairs will most likely unfold further in the future, with ensuing economic repercussions.

#### **g. Allocation of income in Greece affected by the Dublin Regulation**

The final part of this analysis will examine the long-term burden of the Dublin System on the Greek economy. This means that the investigation will look at the effects of the EU Initiative after migrants have acquired asylum status and are integrated into society and permitted access to the labour market. This degree of economic integration occurs with a certain time lag and, thus, the effects are temporarily delayed. The key figure to investigate this development is the Gini coefficient, which provides information about the distributional changes of income. This method was chosen because it illustrates the impact of immigration on overall society and in a broader sense points out the necessity of the state to provide social assistance. It is assumed that with a higher level of inequality Greece's public expenditures are expected to increase regarding unemployment and social protection. The closer the coefficient is to 1, the higher the level of inequality and the greater the need of the Greek government to provide relief.

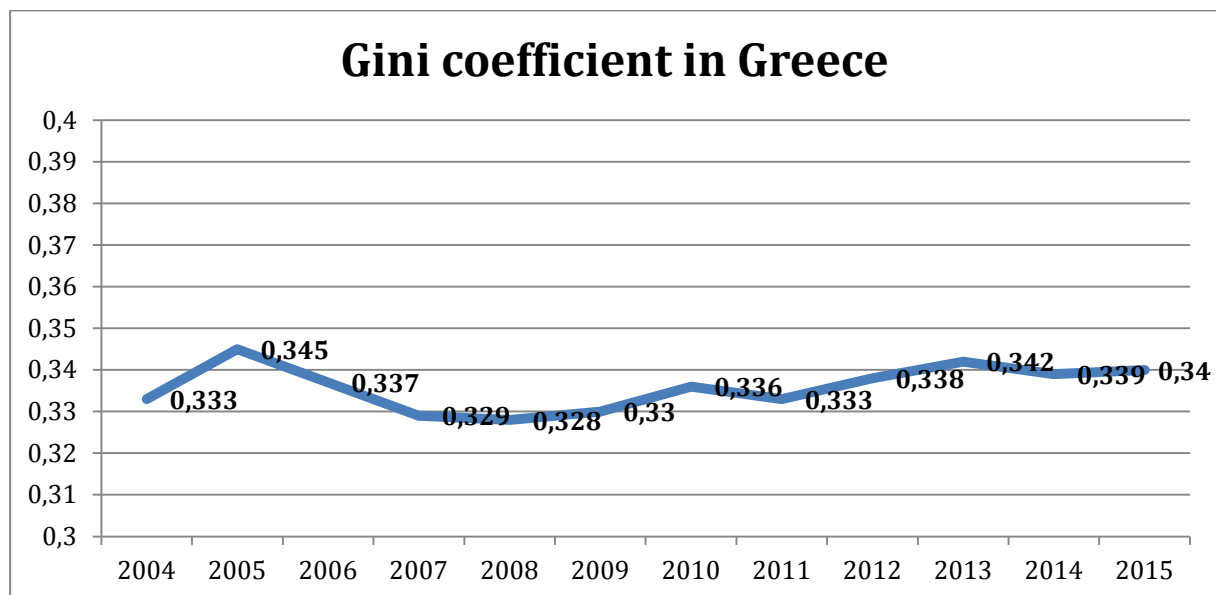


Figure 16: Gini coefficient in Greece from 2004-2015

(Data from OECD, 2018c)

As can be seen in figure 16 the Gini coefficient in Greece has been fluctuating between a minimum of 0.328 and a maximum of 0.345 from 2004 to 2015. In other words this means that the distribution of income has a rather limited range. As a matter of fact, the slight increase in inequality from 2008 onwards demonstrates that even the Economic Crisis appears to have influenced the distribution of income less than expected. The lack of a sharp rise of the Gini coefficient indicates that no noteworthy events have occurred that significantly influenced the Greek income structure within the given time period.

The impact of the Dublin Regulation on the level of equality cannot be considered extremely prominent either. Greece only started granting asylum to a large degree since the middle of the financial crisis in 2013. This means that any developments of the Dublin Regulation occurring before this point in time cannot have had a meaningful effect on the Greek economy, as migration numbers were simply too insignificant. The recession led into the beginning of the immigration influx in 2015 and once again a rise in inequality can be assumed. Yet, this phenomenon has not had an equally noticeable effect for various reasons. For one, a vast number of applicants coming from this migration wave are still waiting to receive an answer from the authorities. For another, an extensive number of asylum seekers who have successfully been granted asylum status are still awaiting reallocation in the course of the emergency relocation scheme. Specifically, this means that in general the integration of immigrants takes place with a certain time delay. As a result, it can be assumed that the

impact of these most recent trends of immigration is not going to unfold until the end of this decade (Dimitriardi, 2018).

To recapitulate the long-term effect of the Dublin Regulation on the Greek economy it can be observed that until now there have not been any severe ramifications. It is possible that the distribution of income will be an impact in the future, but such is yet to be seen. As a consequence, changes in the Gini coefficient should be re-visited in the years to come. It is possible that once the increased numbers of refugees -that entered into Greece in 2015- are integrated into the national economy, an adjustment of income may occur. As such a development would place extra economic burden on the Greek population it is important to keep this advancement in mind, in order to take the necessary precautions i.e. financial aid to the lower social classes.

#### **h. Allocation of income in Italy affected by the Dublin Regulation**

The Italian case has experienced the same long-term effects as the Greek example. The analysis also investigates the Gini coefficient in order to determine how the Dublin System has influenced the allocation of funds in Italy. What is more, the presupposition that with higher inequality the necessity of state compensation will increase is also an underlying assumption for this chapter. It is for this reason that the examination will focus on whether the coefficient has noticeably shifted towards 1 by virtue of the decisive changes in the migration movement of the last 15 years.

A look at figure 17 shows clearly that the distribution of income has not experienced any major changes. On the contrary, in the years leading up the Economic Crisis, the Gini coefficient actually dropped to an all-time low of 0.313, meaning that income was more equally spread among the population than ever before. This could be due to the socialist government in Italy and implementation of social policies. Even in the course of the recession the index did not rise significantly, reaching its high point in 2012 at 0.33. This development tells us that even though the Dublin Regulation had entered into force it did not lead to the expected rise in inequality. However, it can be assumed that the number of migrants actually absorbed into the labour market until the end of 2014 remained rather low. On this account, it is also plausible that the bad economic conditions during the crisis prevented the admission of new workers into the job market, since the unemployment rate was already exceptionally high.

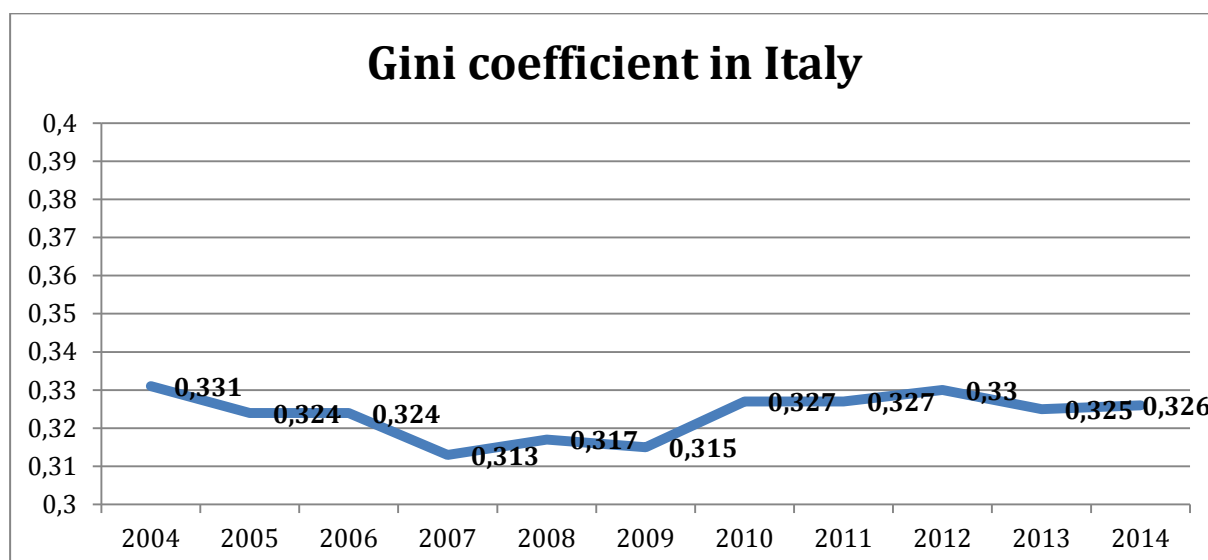


Figure 17: Gini coefficient in Italy from 2004-2015

(Data from OECD, 2018d)

Although extreme changes in the distribution of income can presently not be observed (see figure 17), history has shown that large migrant waves are eventually accompanied by a certain amount of adjustment. First and foremost, it is low-skilled labour that is noticeably impacted by said changes, as incoming migrants are very likely to fill positions in this sector. Where legal access to the job market is denied, first effect are often seen in the informal labour sector, where migrants tend to accept lower wages. Over time wages will eventually align, as migrants acquire a certain level of skill and become more accustomed to the rights and obligations of the host country. With this trend, wages are bound to rise again and the host country's population - initially pushed out of the sector due to falling prices- will re-enter the labour market. This adaptation will ultimately cause a harmonisation of salaries, yet the final result will still lie below the initial wage (Dimitriardi, 2018). So far, Italy has not seen the approximation of wages as a result of the most recent migration wave. However in the long-term it seems inevitable that this will occur.

The overall picture shows that the impact of the Dublin Initiative on Italy's allocation of income is still to be seen. The current situation demonstrates clearly that the Gini coefficient has not undergone any major changes; nonetheless, an adjustment process will doubtless occur in the future. The assessment of the cost of this impact will most definitely prove to be a delicate endeavour and will require an efficient monitoring process. A monetary evaluation will be essential to implement the vital counter-measures to prevent a growing divide between upper and lower social classes. Having said that, in the short term it seems that Italy's distribution of income has not been affected negatively.

## VIII. Conclusion

The aim of the present study is to investigate to what extent the economies of Greece and Italy have accrued additional economic costs due to the application of the Dublin Regulation. It is on the basis of this question that the research focuses on the internal externalisation of migration responsibility and the relating supplementary burden for external Border States in the EU. Since 2015, the topic has increasingly gained in relevance, not least because of the surrounding –often controversial- public debate and the way in which migration has been portrayed by the media. It is for this reason that, *prima facie*, it may seem evident that the introduction of the Dublin System has added economic pressure on both countries. What is more, at the first glance it appears that the country of first entry principle –constituting a cornerstone of the reformed initiative- has resulted in an overburdening of the Greek and Italian economic systems. However, the analysis sheds a different light on this assumption and indicates that the actual economic cost of the Dublin Regulation does not lie at the national level.

The examination of public expenditure has demonstrated that both Greece and Italy have been confronted by increased spending with relation to the Dublin System. The majority of these costs are met, on the one hand by different budgets from the EU and on the other, indirectly by the national budgets. In this regard, it is noteworthy that national government spending is not published on the basis of the Dublin Regulation, thus funds cannot be retraced to the full extent. What is more, the European Commission has allocated its budget from 2014 to 2020. This means that it is impossible to directly balance the national budget, as the development of migration and the relating costs are hard to estimate. Nonetheless, the findings provide evidence that EU finances cover a significant part of the costs occurring in Greece in Italy. The AMIF backs all efforts directed at the documentation, accommodation and later integration, via payments into various parts of the state budget. On top of this, the ISF supports the Member States in safeguarding the external borders. In addition, a large part of the costs –especially in the reception camps and primary aid facilities- is, in fact, carried by NGOs and international Organisations. Indeed, public expenditure in the Mediterranean states will ultimately increase, but the argument put forward by this thesis calls the severity of this burden into question. Public expenditure –such as the public order and safety budget- do not seem to have experienced a significant increase since the introduction of the Dublin

Regulation. This indicates that Italy and Greece have not deployed any additional public funds to the issue of border security since 2003.

The composition of Dublin transfers and the subsequent magnitude of economic impact is slightly different in Greece as compared to Italy. As incoming transfers to the Hellenic Republic have been halted since 2011, the burden on the economy has been relatively inconspicuous. It is possible that the recommencement of transfers in spring 2018 will entail a resurgence of responsibility for the Greek Dublin Units in the future. Furthermore, large migration waves in recent years have led to increased efforts at the Greek land borders. This development has caused the reinforcement of border controls and a rise the hiring of external personnel. But considering the suspension of Dublin transfers, it can be said that the overall impact has been relatively manageable. The Italian position is different, as there has been a continuous request for both incoming and outgoing transfers. However, due to the fact that the majority of all outgoing transfers have been denied by the remaining Member States, Italy has been left with additional migration hardship. This said, the absolute numbers of migrants affected by transfers in Italy is comparatively low in relation to the population. Moreover, the emergency relocation scheme likewise aims at supporting this imbalance, by redistributing migrants who have successfully acquired refugee status within Europe. In recent years, this has resulted in Italy encumbering a higher cost than Greece on the basis of Dublin transfers. Taking all of this in consideration, the analysis draws from the collected data: Italy has experienced additional financial responsibility because of Dublin, but this is offset by the relocation mechanism and EU subsidies to the different areas of the national budgets of both countries.

The observation of the distribution of income has showcased that there have not been any considerable changes in overall equality since the implementation of Dublin II. Admittedly, as migration numbers only started to increase in 2015, it is plausible that it is still too soon for the exact effects on wages in Greece and Italy to unravel. Change in the distribution of income requires a certain level of integration of migrants into society. This assimilation has not yet occurred, due to outstanding asylum statuses and the pending allocation of refugees under the emergency relocation mechanism. From the analysis it is understood that the rise in inequality will ultimately initiate government intervention in the form of compensation payments. Such developments –ascribed to

the Dublin Regulation- are to still to be determined and should be kept under close surveillance, in order to introduce the necessary countermeasures in a timely manner.

While the analysis investigates the different costs of the Regulation on different parts of the Greek and Italian economies, it is important to keep in mind that there are certain limitations to the research. For one, as national budgets are bundled together according to themes –not considering the Dublin Regulation as its own grouping- the allocation of costs is not transparent. As a result, there are a number of assumptions as to what extent Greece and Italy have actually been impacted by the Initiative. Moreover, the budget of the European Commission is determined from 2014 to 2020. This is problematic insofar as the development of migration in the future is hard to estimate. For these reasons, there is scope for interpretation of the analysis, as not all factors can be taken into account. In addition, it indicates that there is room for further research, especially in the allocation of EU funds –with a focus on the AMIF and ISF- to the national budgets.

Interestingly, in the course of the conducted interviews there appears to be a re-occurring pattern concerning the severity of political costs associated with the Dublin Regulation. There is a general perception in Italy and Greece that the current migration system is causing a significant economic burden. This sentiment, together with a growing feeling of abandonment from the EU in general, is affirming euro-sceptic voices in external Border States. This being said, migration and subsequently the Dublin Regulation have been the dominating topics in elections since 2015. By virtue of this discourse, migration policies have ultimately moved away from the Common European Asylum System and European solidarity. Instead, politicians are now introducing a more protectionist approach with the preservation of the national identity as its aim. This creates the impression that the economic aspects are being used, as a means to an end, namely the alienation of the Mediterranean states from the EU. What is more, the fact that the EU does not address these political costs also reflects its perception of external border countries. The geographical outskirts are utilised as a safety net to prevent migration from reaching the heart of Europe. This shows the intrinsic link between the economic and political costs of the Dublin Regulation and, furthermore, questions the ever-proclaimed prevalence of EU solidarity.

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## XI. Appendix

### a. Figures

Net migration in Greece from 1990 to 2016:

Year	Population	Year	Population
1990	-	2004	28830
1991	87350	2005	32350
1992	57945	2006	24726
1993	54533	2007	22485
1994	40146	2008	23485
1995	51022	2009	14927
1996	40957	2010	-1579
1997	61683	2011	-32315
1998	56292	2012	-66494
1999	30520	2013	-59148
2000	62258	2014	-47791
2001	52562	2015	-44905
2002	27842	2016	10332
2003	25708		

Top three nationalities of irregular migration in Greece:

2012		2013		2014	
Pakistan	2365	Nigeria	3 580	Nigeria	10 138
Nigeria	1515	Pakistan	3 310	Malli	9 771
Afghanistan	1365	Somalia	2 885	Gamibia	8 556
Senegal	940	Eritrea	2 215	Pakistan	7 191
2015		2016		2017	
Nigeria	12,530	Nigeria	26,975	Nigeria	25,964
Gamibia	6,365	Pakistan	13,660	Bangladesh	12,731
Pakistan	5,830	Gamibia	8,930	Pakistan	9,728
Senegal	4,970	Senegal	7,615	Gamibia	9,085

Top three nationalities of irregular migration in Italy:

2010		2011		2012		2013	
Albania	50,175	Afghanistan	28,528	Afghanistan	16,584	Albania	15,389
Afghanistan	28,299	Pakistan	19,975	Pakistan	11,136	Syria	8,517
Pakistan	8,830	Albania	11,733	Albania	10,602	Afghanistan	6,412
2014		2015		2016		2017	
Syria	32,520	Syria	499,495	Syria	86,058	Syria	16,518
Albania	16,751	Afghanistan	213,267	Afghanistan	44,260	Albania	13,281
Afghanistan	12,901	Iraq	91,769	Iraq	28,476	Pakistan	9,282

Change of population per capita for Greece and Italy from 2006-2016 in percentage:

Year	Greece	Italy
2006	0.0006	0.00002
2007	0.00018	-0.00015
2008	0.00093	-0.00014
2009	0.00087	-0.00028
2010	0.00051	-0.00033
2011	-0.00042	-0.00079
2012	-0.00148	-0.00132
2013	-0.00161	-0.00144
2014	-0.00198	-0.00158
2015	-0.00271	-0.00266
2016	-0.0024	-0.00234

Public order and safety spending from Greece and Italy:

Year	Greece	Italy
2003	1.491	2.010
2004	1.584	1.922
2005	1.544	1.961
2006	1.429	1.891
2007	1.495	1.858
2008	1.586	1.818
2009	1.784	2.044
2010	1.786	2.022
2011	1.733	1.982
2012	1.851	1.951
2013	1.867	1.947
2014	2.106	1.893
2015	2.095	1.877

Distribution of income inequality in Greece and Italy:

Year	Greece	Italy
2004	0.333	0.331
2005	0.345	0.324
2006	0.337	0.324
2007	0.329	0.313
2008	0.328	0.317
2009	0.330	0.315
2010	0.336	0.327
2011	0.333	0.327
2012	0.338	0.330
2013	0.342	0.325
2014	0.339	0.326
2015	-	-

## **b. Questionnaire Guideline for Expert Interview**

Introduction: This research examines the economic consequences of the Dublin System in Greece and Italy. In particular, the study will investigate what impact the agglomeration of migrants on EU external Border States has had on different sectors of the economy, including public financing and the distribution of income. Moreover, the assignment will be aimed at determining to what extent Greece and Italy find themselves in a moral hazard, regarding their responsibilities under the Dublin System and their humanitarian obligation to provide assistance and the effects thereof on their economies. In conclusion, the main task of this study will be to identify the main economic areas that have been impacted from the European Initiative.

1. What is their current position? What role has migration played in their carrier? And how has the importance/ the understanding of migration changed since then?
2. The European Dublin System has led to an agglomeration of asylum seekers at EU external borders and **public financing** has since significantly increased, to what extent should these additional costs be a European or national (Greek, Italian) responsibility? What is the reality?
  - a. Have there been any noticeable redistributive changes with Greek/Italian government expenditures since the Dublin Agreement (2003) has been introduced? In which areas? Have any sectors experienced a lack of financing since?
    - i. Are there any areas of wasted handling of financial resources?  
–If yes: Where and what are possible saving potentials?
  - b. In October 2017 the European Commission has increased the Greek budget of the Asylum, Migration and Integration Fund, the Internal Security Fund and Emergency Assistance by €371 million (making up for a total funding of €908 million). Since 2015 the Commission has allocated nearly €150 million in emergency assistance to the Italian authorities, on top of €624.4 million allocated under the national programmes for 2014-2020. What is the role of free riders that have benefited from this assistance? Are there any other flaws

in European financing of the Dublin System? How could the system be improved?

- i. Simultaneously, the Greek/ Italian economy is still recovering from the 2008 Economic Crisis. How far is it possible to disentangle European financial assistance that supports the migration crisis from subsidies ascribed to the Economic Crisis? Is there a tangible differentiation between the Economic Crisis and the migration crisis?
- ii. Has EU financing led to possible improvements in in other sectors (positive spill-over effects, externalities)?

3. **Relocation** of migrants to European external borders (Greece has currently been suspended) is a cornerstone of the Dublin Regulation. How has the repatriation of migrants from other EU Member States influenced Greece/Italy? What are the effects of these relocation costs?

- a. A further task of the countries of first arrival is to prevent the illegal onward movement of migrants to central Europe. What are the main challenges? How could improvement be made?
- b. To what extent do countries have a moral hazard regarding their responsibilities under Dublin and a humanitarian obligation to let migrants into their country? What are the dangers of permitting migrants into a country, who consequently will continue a journey into central Europe?
- c. Furthermore, after asylum seekers have claimed refugee status, emigration is prohibited on the basis of EU law. How is this monitored? Are there any loopholes in the system? How could they be counteracted?
- d. What is the economic impact of family reunion on Member States?

4. How has the Dublin Agreement effected the **allocation of income** among the population in external border countries? Can financial solidarity be observed among the population?

- a. Have there been any redistributive consequences on income? Are skilled or more likely unskilled jobs paid differently?
  - b. Can a growing gap between rich and poor be observed in relation to the Dublin Agreement?
- 5. What **other** aspects of the Greek/Italian economy have been impacted by the Dublin System? How could these be improved? To what extent is the Dublin Agreement breached?
- 6. Any major differences between the Greek and the Italian case?
- 7. How could the Dublin regulation be improved to gain the understanding and acceptance of its applicants?
- 8. What are the **future developments** of the Dublin agreements? How are these prospects going to influence external Border States?
- 9. Is there anything the interviewee would like to add

### **c. Expert Interview with Professor Tsakoglou**

#### **TSAKOGLU INTERVIEW**

The following interview was held between Benedict William Gromann (interviewer) and Professor Panos Tsakoglou (interviewee) on April 2nd 2018. The italic and indented passages represent the interviewers words, while remaining sequences constitute the interviewees words. The numeration of the questions are based on the numeration of the questionnaire guideline, however, modifications in the numbering are possible due to systematic adjustments to the individual interview partner.

*My research examines the economic consequences of the Dublin System in Greece and in Italy, and I want to particularly investigate the impact that the agglomeration of migrants at the EU external Border States has had on different sectors of the economy. This includes parts like public financing, but also the distribution of wealth and income. I also want to*

*determine to what extent Greece and Italy find themselves in a moral hazard regarding their responsibilities under Dublin and their humanitarian obligation to provide assistance under international law and the effects of this on the economy. Just to sum it up, I want to identify these main economic areas that have been impacted by the European Initiative.*

*To start with my first question, I would like to start off with something a bit broader:*

- 1. How has the importance, or the understanding of migration, in general, changed over the last 30 years?*

Let me go back to history, and perhaps I will go a bit further. Traditionally, Greece was an immigration country, that this people were leaving from Greece to other countries, for instance, in the early years of the creation of the Greek state, there was a... most of them were going to parts of the Ottoman Empire like Istanbul, or Alexandria, or Izmir and so on. Later on, there was a mass exodus to the United States, immediately after the war there were quite a lot of Greeks going to Germany, a few to Austria as well. And in more recent times, there's been again in the 60s to Australia and several other parts of the globe. This situation stopped around the first oil crisis in 1974, after that time and for almost two decades, there was almost a balance in the sense that, the people who were leaving, they were minute numbers. After the collapse of the Iron Curtain, there were literally hundreds of thousands, between 700 to 800 thousand people who came from Eastern European countries to Greece, and even though there was not any kind of coherent policy or anything like that, there were kind of assimilated to the Greeks quite nicely and definitely there are several empirical studies that indicated the integration had several effects both for the economy at large and there were distributional effects, because the benefits were directed primarily to the top and middle redistribution, rather than the bottom of it on aggregated was quite a good kind of movement.

Now, with the current kind of situation, you know that Greece has been in a crisis in the last ten years or so and we had always people who came from Turkey, most of them in recent years were Syrians, others were from several other areas, either war-prone areas like Afghanistan or Iraq and so on, but several others are purely economic migrants. Now, these people don't intend to stay in Greece, their intention is to cross, to use the country as stepping stone to move to another European country. There is the danger that if we apply the same Dublin criteria and so on, this would probably be trapped to Greece and stay here forever.

Now, there is no question that currently a short-term impact is a negative one, in the sense that there are both direct and indirect effects, direct effects have to do with the fact that we need to take or accommodate these people and so on, however quite a lot of the costs are covered by the European Commission, is exactly why this effect is not a negative one and in

fact, in the current economic climate in Greece it might have beneficial, multiplicative effects, in the sense that there is extra demand created in the country. On the other hand, there are negative effects in the sense that most of these people were direct, in particular islands, in the Aegean Sea, these islands rely extensively on tourism and definitively these get the negative impact in tourism, especially in one of the islands, Lesbos, the impact was a very strong and a very negative one. Therefore, we are in a situation like this, now the numbers we have at the moment are pretty manageable, especially the agreements that were signed a couple of years ago, are to be implemented, in the sense that we have distribution of refugees in other countries and so on.

There is an agreement that has been signed between Greece and Turkey that all the rejected applicants will be returned to Turkey, but as far as I know, so far there were no large numbers directed, but most of those who did go back went back primarily on a voluntary basis rather than in a forced one.

Now, Greece is in some sort of situation where we must look at both the short-term and the long-term, in the short-term there is a huge problem of unemployment if you adapt, let's say the Syrian migrants who were coming to Greece, the problem becomes a very serious one. If, I mean everybody will say that we get to keep these people and so on, I mean economic migrants, for refugees is somehow different, we would probably be let's say in an electoral disaster and so on. On the other hand, Greece is a graying country, we are facing a demographic problem, like the one you have in Austria but a more severe one, therefore, sooner or later in the middle to long term, we'll need migrants in the country. At the moment, that's not simply, let's say, some kind of a coherent policy... we'll see.

*2. The European Dublin System has led to this agglomeration of asylum seekers in Greece, and public financing has increased, I would say. To what extent are these additional costs, in your opinion, European or a national Greek responsibility?*

Well if we are talking... that's an interesting question, if we are talking about the Union, from this point of view, it is, let's say the question of where the responsibility lies, are we going to have a kind of common policy on this or not? If we do not, apparently countries like Greece or Italy and perhaps Spain later, these are probably the main gates, these would be definitely overburden, it would create the same popular resentment and it would be unfair for the migrant from an ethical point of view as well. If we are talking about keeping refugees and so on, refugees, let's say in one particular state, those are definitely— I'm looking at the situation of several eastern European countries like the former Czechoslovakia, or Hungary and so on, or even Poland, when they were under communism, several people from these

countries left to western European countries and they were very well received in these countries. When we are talking about refugees, actually, there was a longest establishment after the Jaruzelski coup in Poland, there was a very well-integrated, the most remarkable of communities was a Polish community.

3. *Would you say the reality does not reflect what it should be like? Would you say that this burden-sharing is not a reality?*

It is partly a reality, several of the agreements that have been agreed so far have been implemented to some extent, but not fully. And on the other hand, they must admit that, you know very well, several of these communities, you cannot hold them in detention centres forever. Therefore, as soon as they are moving all the detention centres, the main thing that they are trying to do is to find the route to go to a northern European country. Therefore, there are two sides on the coin.

4. *Have there been any noticeable re-distributional changes within the Greek government expenditures since the Dublin Three regulation?*

I do not have any kind of precise data, but I do not think so. As I mentioned before, there were some money expenditure by the Greek government, however the bulk of the expenses probably came from Europe. But I do not have actual data, therefore don't quote me.

5. *If you're not sure, I'm very happy to hear your opinion as well. Would you say that there are any sectors in the Greek economy that are lacking finance because of the money being sent to the migration?*

No no, exactly for the reason that I mentioned before that most of the quotes are born by the European Commission I do not think, actually, it would be rather unfair to say. On the other hand, there is lack of finance in literally every single sector of the Greek economy at the moment.

6. *So, we already began talking about European financing, the European Commission has increased the Greek budget for asylum/migration integration fund and this has gone up to a total funding of 900 million euros, according to my research. Do you think there is a problem of free-raiders that are benefitting from this assistance?*

I don't really think so. As I mentioned before, the migration and the like is not exactly my field of expertise, so I cannot give you quite a lot of information. On the other hand, from what we are reading in the media and so on, if there were cases like that, apparently there would have been well-publicized and, at the border line there are maybe let's say some kind of inefficient allocation of resources, I do not doubt at all. But I do not think that this was

something that takes place on a wide scale. There was some criticism at the moment, regarding... because normally in situations like that there is quite a lot of help from NGOs that specialize on migration and stuff like that, initially there were stories in the media about the quality of some of these NGOs. In recent months, I haven't seen something like this.

7. *The Greek economy has undergone a great Economic Crisis and how is it possible to differentiate between the European-Greek Economic Crisis and the migration crisis?*

The two things are quite separate, the Economic Crisis in Greece pre-existed the migration crisis. The migration crisis to a large scale started only in 2015, the Greek economy is in crisis definitive, we had negative growth rates since 2008, we are under economic adjustment programmes since 2010 therefore, no, the migration crisis was a pre-existing crisis there. Other several migrant flows, like the ones that we are observing even now a days did exist, even before that. In several instances they were trying to cross either the Evros river, this is the river that separates Greece and Turkey, and later only they would try to come from Turkey through all this kind of makeshift boats and the like. But what happened in 2015, they came, simply in very large numbers and, as long as this was a political decision of Turkey, whenever there is any kind of escalation between Turkey and the European Union, all of a sudden we have literally thousands of people crossing on a daily basis, whenever we have let's say some kind of a calm down, calming down in our relationship, it comes down to just some ten or so that escape their attention.

8. *Has EU financing in your opinion led to any possible improvements in other sectors, like positive spill-over effects on other parts of the economy or positive externalities?*

There may be some, in the sense for instance, that you need to house these people, and housing these people maybe let's say in either some empty apartments or you create a camp or anything like this, so the construction sector or the rental sector may benefit a bit . However, I do not think that, as I mentioned before, there are other sectors like tourism, that are losing out of it. What is the net impact, I really don't know, on the one hand we have an increase in demand indirectly as I mentioned before, on the other hand, maybe let's say some kind of a form in tourism activity. There may be the possibility that the tourism activity simply channelled to other Greek islands, I'm not going to say cross the border like Turkey, if something like this happens, this means that there are distributional effects within Greece. If this tourist simply desires, let's say instead of coming to Greece, to Koss or Mallorca, then we have a net loss in our economy.

9. *The relocation of migrants to Greece is one of the cornerstones of the Dublin Regulation, how has the repatriation of migrants influenced Greece in general? I*

*mean, I know that currently there are no migrants being sent back to Greece, is being suspended for the time-being, but what would you say have been the major effects of this repatriation, of sending people back from Central Europe to Greece?*

As I mentioned before, this is not the realm of my scientific expertise, but from what I have seen and discussed in working on migration, this was a practice that was happening in the past as well, even before the crisis. We can understand that when these people are being sent back to Greece in the current economic climate definitely will not be something, the reaction would be far stronger. Do not forget that during the crisis, the emergences were very strong and extremely right, the Nazi party, Golden Dawn, in Greece and one of the main things of the party was migration. Of course, everything was held there by the Economic Crisis and you get the feeling that once the crisis outside, most probably would feel as some kind of reduction in the influence of this party, decline the influence of this party. But so far, they remain strong especially in areas where they have been affected by migration.

*10. A further task of the countries of first arrival is also to prevent the illegal onward movement of migrants to other European Central countries, what do you see are the main challenges? And how could this be improved?*

It was decided initially that the process of the asylum applications would not be done in mainland Greece but would be done in the islands, from the islands, unless you take one of these boats would definitely would capsize in the middle of the Aegean Sea, you are basically trapped there. On the other hand, the kind of infrastructure in this island is definitely insufficient to cope with the number of migrants we are talking about and also there are equations regarding the balance between the native population and the migrants, more than 20% of the population may be migrants, may be temporary migrants. Now, once you leave the detention centres, this people are free to move around, basically what they are trying to do from what I understand at least, is that they are trying to find any way to leave the country. There are some main gates, some of them initially were crossed by foot from northern Greece, this is not the case anymore, although there may be movements like then but probably very few. So, several of them are trying to leave, let's say from a number of Greek ports, just getting into trucks or anything like that from the island of Patras, for instance. Whether this numbers who manage to do it, or perhaps leaving let's say by boat using smuggling networks and move towards Italy primarily, how large these number is, I don't have any idea.

*11. To what extent do countries have a moral hazard regarding their responsibilities under Dublin, and at the same time this humanitarian obligation to let migrants into*

*their country? What are the dangers of permitting migrants to travel through their country into Central Europe, for instance?*

Well, you put the problem squarely, there are more questions on both sides, actually, let's say, send them what they were trying to do so we are not over burden, for the others let's say they have the high moral grounds where refugees must be welcome but only to the first where they enter Europe. This is the reason that, in my opinion at least, the solution of the problem must be pan- European on the one hand, and secondly, Europe must give them the muscle to send the people back. When in the past for instance, Greece attended to send people back to Pakistan, they were Pakistani people, Pakistan simply refused to accept them. There was a plane that went to, I think Lahore, people simply came back afterwards, so, Greece does not have the muscle to impose such a decision to Pakistan. However, the European Union does. This is the reason why I'm strongly in favour of some kind of truly holistic approach, not only with what's happening with the migrants entering the country and so on but having some kind of thoughts on what to do later on with the problem, not at the national level but only at the European level.

*12. After asylum seekers have claimed refugee status, emigration is prohibited on the basis of EU law. How should this be monitored? Are there any loopholes in the system? How could the European Union/Greece counteract them?*

Well this is precisely what we were talking about before, normally if we are talking about real refugees, people who are under threat in their own country, it is both illogical and inhuman to say "oh no, you will stay in the first country that you went to", see how many went to Malta, I can understand that most of them were economic migrants not refugees, however there was a situation like this where they were trapped in a small country like that. Therefore, there must be some kind of a system that should work on a European basis, Europe-wide.

*13. Has the agglomeration of migrants in Greece led to any re-distributional effect with income among the population? Can we observe a financial solidarity among the population?*

Definitely there were several... first of all, there are to distinguish on whether is the result of this kind of migration that was some kind of innocuous change in the distribution of income, I haven't seen anything like that, and the main reason is that most of these people are in detention centres so, pretty isolated from the rest of the society, I cannot observe effects like the ones that we were observing back in the 1990s and the early 2000s.

On the other hand, there must have been several Greek NGOs, especially local in these islands, in these islands we observe both the development of solidarity kind of attitudes, I know personally several people who are working on charities like that, to help the migrants. And on the other hand, there are several news from several of these islands that anti-immigrants, especially Golden Dawn, back and prohibit the small function of detention centres.

*a. Can we not observe any distribution from skilled or unskilled labour that are paid differently now...?*

That's a different story. This is once these guys have been assimilated into the Greek labour market. So far, we haven't seen something like this.

Maybe I can tell you about the earlier experiences that we had, it is a crucial difference. Most of the migrants that came to Greece in the 2000s were coming from a single country, the single country was Albania, about two thirds of them were from Albania, these guys culturally were not tremendously different from the Greeks. It's a result... for instance I have several students in the university here, until the time of the exam when I see the surname and they see that they are Albanian we were talking about similar people who were either born in Greece or were educated in Greece culturally are virtually undistinguished from my other students. The guys who came now are from different religions, different cultural backgrounds and so on, so I have the feeling that as in several other European countries, the assimilation is more difficult. Now, the main effect that we have seen from the earlier wave of migration, mostly from the people who came with relatively low skills— nowadays are working on every possible sector in the economy— when they first arrived here, they were working primarily in three sectors: agriculture, truly reviled out of that labour, the second was in domestic service, sector that almost didn't even exist at that time, and the third one was construction, the only sector where there were substitution effects with the Greek labour, were very likely there, but the construction workers at that time had a very strong trade union movement, fully controlled by the Orthodox Communist party, this was not anti-migrant so there were no conflicts there. Later on, of course, they expanded to other several areas from tourism to catering and stuff alike.

Now with the new ones, I can see them working in several type of activities, however they are somehow living in a ghetto, for instance, if you go further down from my university, to downtown Athens, you can see large areas where you can find let's say people from the Indian sub-continent or some other areas with Arab people, and another area further down there are very large African communities.

I do hope that if they stay here in longer term they will be as successful as the earlier generation of migrants, however as I mentioned before, that was a very different period, at that time this was growing, and growing quite fast actually, there were quite a lot of jobs. But now, there is unemployment hovering above 20%, you can understand the additional/new labour is nothing but welcome by unemployed.

*b. Would you say that if integration works, this would eventually lead to a growing gap between the rich and the poor?*

Not necessarily, this is something that we've been discussing quite a lot with economic leaders, the real question is whether there is complementarity between the native labour and the immigrant labour. For instance, as I mentioned before, because these two were working primarily in agriculture and domestic service, where there was virtually a lack of labour supply from the Greek labour force, integration was very successful and very quick even though there was no official policy. In the moment, I can understand that these people of relatively low skills, the Syrians are an exception, some of the Syrians are better educated, however especially those who are better educated are those who are trying to go to Western Europe because the rewards are higher there. Now, many of the low skill people in Greece are already unemployed, therefore you can understand the integration of current circumstances are far more difficult than it was in the past. We need to see, a very robust growth ratio for many years for these to be fully integrated.

*14. Are there any other aspects of economy that have been impacted due to migration in the last 30 years in Greece?*

I repeat, we must distinguish between the recent wave of migrants arriving in Greece during the crisis, in earlier times the overall economy was growing. In that time things were far better, now, is far more difficult.

*a. Would you think the Dublin System could be improved in any way to make the situation any better for Greece?*

As I mentioned before, we need a unified migration policy for the entire Union. I wouldn't mind if we had some kind of common border patrol service throughout the Union, some kind of common rules on whether we are doing that do not overburden countries. I can understand that the initial processing can be done in the country of entry, I wouldn't mind if the processing was done, not by nationals of the country, for example to have Austrians here examine the application along Greeks, or Portuguese or Finns and so on. However, once we

decide about the status of a migrant or a refugee, once we grant it there, this must not be a right only for the receiving country, this must apply across the entire continent.

Then, for the rest, for economic migrants for instance, if we decide to send this people back to their countries, there must be some kind of a unified European policy. Greece may be a relatively large country but think of a situation where there are tens of thousands of euros going to Malta, what's the leverage that Malta may have to charge in order to force Chad to take this people back—none. The European Union has a big leverage there; therefore, this is the reason why I'm saying definitely, in my opinion, we need to have some kind of common European policy.

*15. Do you think the Dublin System could be improved so that migrants or economic migrants understand, or can better accept the effects that it has of the migrants not really knowing what they are getting themselves into?*

By training underdeveloped economies, for many years before the crisis I was telling my students that sooner or later, we would have large waves of migration to Europe. There are two reasons for this, the first is that the cost of traveling has declined quite a lot, but the main reason is the flow of information. The rich and poor have existed for many centuries, however if we were leaving in a remote village of Africa you hardly knew how rich these other villages were. Nowadays we have, let's say, television, American or European soap operas and so on, and this people see they're living far better than you: they educate their children, they have health service and so on; it's natural for this people to want to take the risk in order to make this better, I would simply think that most of the migrants do not come in our routes, the largest is observed between Europe and Africa, so that the main area where we see migration is to Spain enclaves in Africa, Ceuta and Melilla.

There are push factors and there are pull factors, the pull factors are let's say the standards of living that you have in the West. The push factors, on the other hand, are primarily lack of jobs that lack in developing countries. Therefore, there is something that we can do, try to facilitate the development in their own countries, for instance, if there are jobs in Chad people would not leave Chad in order to come to Europe. With Syria, there is a different kind of a problem. Of course, this is primarily a political problem, they do not come to Europe primarily out of economic necessity. Therefore, if there is something that we can do in the case of Syria is trying to facilitate some kind of a peace initiative there.

*a. Would you say these root causes are tackled in such a way? Or is it something that could be done or are we still trying to solve the immediate humanitarian problems, but not the long-term problems?*

The humanitarian problem we are dealing relatively well with it, it's an extremely short-term solution. A long-term solution would be to have better development prospects in these countries, otherwise these people will be unemployed. They will simply try to escape from their misery.

*16. Is there anything else you would like to add towards the end of the interview now?*

No.

#### **d. Expert Interview with Tommaso Frattini**

##### **FRATTINI INTERVIEW**

The following interview was held between Benedict William Gromann (interviewer) and Associate Professor Tommaso Frattini (interviewee) on April 4th 2018. The italic and indented passages represent the interviewers words, while remaining sequences constitute the interviewees words. The numeration of the questions are based on the numeration of the questionnaire guideline, however, modifications in the numbering are possible due to systematic adjustments to the individual interview partner.

*My research examines the economic consequences of the Dublin System in Greece and in Italy, and I want to particularly investigate the impact that the agglomeration of migrants at the EU external Border States has had on different sectors of the economy. This includes parts like public financing, but also the distribution of wealth and income. I also want to determine to what extent Greece and Italy find themselves in a moral hazard regarding their responsibilities under Dublin and their humanitarian obligation to provide assistance under international law and the effects of this on the economy. Just to sum it up, I want to identify these main economic areas that have been impacted by the European Initiative.*

*To start with my first question, I would like to start off with something a bit broader:*

- 1. How do you see had the meaning or understanding of migration changed over the last 30 years?*

There are two main changes that I see have happened in the last 30 years: one is the increase in EU mobility, internal EU mobility, so for some European countries the presence of EU mobile citizens has become a predominant source of foreign population. They basically increased the process of European unification that led to an increase of EU mobility which becomes without legal restriction, even though in some northern/central European countries there's always been a tradition of European migration with the guest worker programmes

since the 60s and 70s and then things have changed, now there's much higher mobility. So that's on the one hand, on the other hand in other countries notably in some European countries, internal EU migration is much less of an issue until very recently with the Eastern enlargement, and extra-European migration is a —other countries, countries outside Europe are the main source countries. And to qualify this even more what has changed especially in the southern European countries is that, until 30 years ago most countries were busy sending out people instead of receiving, so they only became countries of immigration in the last 20 years; immigration in the large scale started very recently.

Within this framework, the two most recent developments have been, as I mentioned before, the 2004 and especially the 2007 EU Eastern enlargement that has increased since the Eastern European migration, and the so-called refugee crisis in the last 3-4 years. And in southern European countries and in Italy in particular, immigration has been recently now thought of as mostly related to sea landings from North Africa on Italian southern shores and these shadows every other source of immigration in the country, and there's also a lot of confusion, deliberate or not, between refugee migration and economic migration—the two are increasingly overlapped in the public discourse and on the other hand, they have overlapped from a legal point of view—so this current mixed-flows that we are facing now isn't always easy to, precisely, disentangle the two reasons for migration.

*2. The European Dublin System has basically led to this agglomeration of migrants in EU external borders and public financing has, in my opinion, significantly gone up in the last years. Is this additional cost in your opinion a European or national Greek and Italian responsibilities? And what is the reality?*

I think that ideally, in a first-best word it should be bore by the European Union which should also have a common migration policy framework and especially, an asylum framework which is lacking at the moment. So, the Dublin regulation is forcing agglomeration of asylum-seekers at European border countries, and Greece and Italy especially, and it does make sense that there is a common framework on asylum at the European level, but I think it's only partial at the moment.

So for a common asylum policy to work, we should also have a clear, shared and firm criteria for asylum status recognition which currently doesn't exist, so single countries, member countries have a lot of discretion in implementing and making a decision on asylum claims, and there is this fundamental asymmetry between on the one hand, illegal regulation forcing individual countries to deal with asylum claims and, on the other hand, essentially leaving

ample room to member countries to set their own criteria, for example, the status of recognition.

3. *Do you think there has been any noticeable re-distributional changes within Greek/Italian government expenditures since the Dublin Agreement has been introduced? And if so, in which areas?*

To the best of my knowledge, no, I haven't noticed that. This has led, in particular, to changes in expenditure patterns at the national level. Of course, there has been an attempt from the part of Greek and the Italian governments to request more funding on the maintenance of the asylum system from the EU, and this must have happened, but it doesn't seem to me that this has been reflected in changes in other items of public spending.

4. *Are there any areas where financial resources have been wasted when it comes to government expenditures because of the Dublin Agreement?*

Related to the asylum system, it's hard to say. It is in my opinion that the asylum system has these structures that are very inefficient which are likely to be the case that resources could be better managed, but it doesn't seem like there's been another investment in this system. So, I'm not sure what kind of money waste there could have been, perhaps the system could be better organized, more smoothly organized.

Now, if we had a common European framework, that could be more efficiently managed because the way it is now, despite the Dublin system, there is still a problem on part of single countries, so everyone has a incentive to basically let people go somewhere else—this clearly creates inefficiency because you have to internalize the borders; think of the restoration of border checks at Italian-French border and Italian-Austrian border.

5. *Since 2005, the Commission has allocated 150 million in emergency assistance to Italian authorities and on top of that, they have also financed several national programmes, making up for a total funding of about 800 million euros, what is the role of free-riders that benefit from this assistance, in your opinion?*

I don't see much free-riding among migrants with the situations that I'm aware of, or personally, or through my research studies I don't see much free-riding going on. Asylum seekers are not treated too generously, if you want; the only free-riding, on the other hand/one form of free-riding is certainly the fact that a substantial share of asylum applications are clearly unfounded, so there are some applications of asylum, from people who clearly have no right to asylum but, in this sense, exploit the system and they receive assistance that is granted to asylum seekers.

The reason, however, for why so many people claim asylum even if there are basically no chances of getting refugee status again, is that there is currently no other legal way of entering Europe, almost; of course there is family reunification, there are study permits, but there is no major way of entering Europe for economic reasons, so if you really want to make it to Europe, your only, chance, your best chance is to make it through somehow, and then apply for asylum, so you have a legal way of staying until your asylum claim is decided on and then you can see what happens. So, in this sense there is free-riding because this people should not be entitled to the accommodation, into the training programmes and to whatever else is offered to legitimate asylum seekers.

6. *To this whole migration development, there is simultaneously an Economic Crisis, which especially hit Greece and Italy very hard. Is it possible in your opinion, to disentangle the European financial crisis from the migration crisis?*

Yes, I think it can. I don't see the two as too much related, except perhaps in the case of Greece, where the country has been previously severely hit by the debt crisis and so, it was unable to manage its migration system or its asylum system, so that was probably triggered by the crisis.

In the case of Italy, I don't see any direct relationship between the two, except for the fact that in times of crisis there is a growing anti-migrant sentiment in general, so that politicians take actions to show how tough they are on migration or to try to deal with the migration issue in some specific way. But apart from that, I don't think that the migration wave that we have witnessed in recent years, the so-called migration crisis or refugee crisis is as handed to the Economic Crisis, I see the two as quite unrelated.

7. *Have you experienced that EU financing has actually led to possible improvements in other sectors? Have there been positive spill-over effects? Positive externalities because of money being spent on migration topics?*

By anecdote, there has been a fund, EU fund or funds in general, and there have been spills to local economies when you set up reception centres, because that creates jobs for people who are involved in running those centres, and in this sense, there is some kind of spill-over to local economies. So, whether the centres are funded with EU money or national money, it's irrelevant.

I don't know whether there is a systematic study of this spill-over effect that the EU money/EU money spent on migration has brought on local economic activity.

8. *The relocation of migrants to European external border states is one of the cornerstones of the Dublin Three Agreement, how has this repatriation of migrants*

*from Central European states to its borders influenced Greece and Italy? And what are the effects this relocation costs?*

Practically, the relocation has been marginal. So, in the programme there are more numbers to start with, I think the plan was to relocate about 40 thousand migrants and if not wrong, something intraregional 15 thousand have been relocated so far. So, the effect is so minor that it doesn't seem to have a major effect on the Italian Economy.

*9. A further task is that countries of first arrival have to prevent the illegal onward movement of migrants, what are the main challenges in doing this? And how could improvements be made?*

That's the key issue here, the key challenge is basically the fact that there are no borders between the EU countries, and therefore it is relatively easy to move to another country and this has led, as I was mentioning at the beginning of our talk, to basically the re-installment of border controls within the EU. So, now you cannot leave Italy/ take a train from Italy to France or to Austria without being checked by police authorities. This is clearly the issue and its extremely problematic to deal with, that's why if we really want to keep Schengen, we should also think of a common asylum policy and common migration policy more broadly, because once you're entitled to stay in one country, ideally, you should be able to stay in other EU countries, in my opinion.

Anyway, the point is how other countries can avoid migrants to leave their country and go somewhere else and the question is that they can't, there is no way to force people to stay anywhere, you can't detain asylum seekers who are waiting for the decision on their asylum claim. What you can do is, because of this fingerprinting system that is in place, once there is fingerprinting in a country, there's not much point of trying and leave one country for somewhere else because for a legitimate asylum seeker would be irrational, because your asylum application will be turned down in the other country. So, the stricter implementation of the finger printing on the part of national authorities is a very effective way of discouraging internal migration within the EU. In fact, as you probably remember, until a few years ago, the Italian government was very reluctant of implementing the fingerprinting and actually that was purely used as a trap for other member countries in order to increase transfers to Italy for management of migration flows, but now that everything is more under control, I think that's the only way that you can discourage people to move somewhere else.

*10. What are the consequences of permitting migrants into a country that will consequently continue their journey to another country, to Central Europe?*

The consequences go back to the inefficiencies of the system where, basically, you spend time and resources in processing applications of people who are actually uninterested in having their application processed and just go somewhere else. So, from the point of the receiving country, the first arrival country, it causes that the resources are wasted on cases that wouldn't need them, but apart from that there is no other cost.

The only cost is presumably for the final country of destination, they should not deal with migrants in principle.

*11. We also talked about this briefly already, that asylum seekers, after they have claimed refugee status, are not allowed to emigrate to other European countries under European law as it is now, are there any loopholes in the system?*

The loophole is that you are not entitled to, basically, you can move to another country easily once you are granted the refugee status; the refugee status is country-specific but still you can move to another European country—you can travel to another European country quite easily, because there are no internal borders, and then you can find a job in the black market protection.

So that's the only loophole that I can see and that certainly may happen; if you're granted refugee status in a country where you really don't want to stay, or really don't have many dramatic opportunities, and you know that you can work in the black market in another country then there is nothing that clearly prevents you from moving to another country.

*12. What are the economic impacts (labour market and fiscal impact), in your opinion, of family reunification on Member States?*

In general, the family reunification is the least beneficial type of migration from the host country point of view, in the strictly growing sense, there aren't many benefits more broadly, but of course, if you're family reunification migrant it means that you're not primarily migrating for work, this increases the likelihood of reliance on the welfare state, and also family reunification migrants have lower labour-market participation rates than economic migrants. That's also by construction, always by construction. So that means that in one hand they could put less pressure on the liberal market opportunities of natives so they compete less with natives of the labour market, which should therefore be positive from some point of view, because that doesn't push wages down, or that doesn't decrease the employment problem entirely, but on the other hand, they are more likely to be a cost for the welfare system. I am not aware of any specific study on the economic effect of family reunification migrants, just speculating words, saying what the economic reason suggests.

*13. How has the Dublin Agreement affected the allocation of income among the population of external border countries and can there be financial solidarity among the population we observe? (Have there been any re-distributional effects within sectors, skilled/unskilled labour for instance, and how has the population reacted to this?)*

Both Italy and Greece have always received unskilled migrants, no matter where they came from or the reason for migration that typically hosted the unskilled migration, so that's due to many reasons, including the fact that they have a very large informal sector and therefore, both the Greek and Italian economies are in a good position to absorb unskilled labour and undocumented unskilled labour. The fact that in recent years, they have received a rather large number of asylum seekers that are forced to stay in their country by the Dublin Regulation has not significantly affected the whole economical framework.

*14. Would you say there can be observed a growing gap between rich and poor because of Dublin Three?*

No, I wouldn't say there's a stretch, I'm happy to change my opinion if I see data fully dropped, my saying is that the asylum seekers that we are talking about, it's not such that it has significantly distributive impacts within countries.

*15. What other aspects of the Greek/Italian economy have been impacted by the Dublin System? How could these be improved?*

No, my opinion is that the Dublin Regulation and the reason of increasing asylum seekers has not had major effects on Italian or the Greek government; however, I think it has had an impact on the other side of the countries, in other aspects of the countries' life and especially in terms of the way migrants are perceived or represented in the public discourse, and in the way the discourse on migration is currently framed.

Now in Italy and to my understanding, in Greece too, talking about migration means essentially talking about asylum migration and that was not to be the case until a few years ago; and also, the asylum under the Dublin system has in some way also given the opportunity of blaming someone else for the fact that we have a lot of asylum seekers to deal with. I'm not saying that the blame is always unfounded, but it has given some leeway to national policy makers in saying that they cannot fully control the flows, but they cannot even do much because their hands are tied by European regulations. And this in turn, has led to political consequences meaning that this has had populist movements, anti-migration movements, anti-European movements to increase their support in Italy and in Greece.

*16. Do you believe that the Dublin Agreement has been breached especially after the situation in 2015 when the Dublin regulation was suspended for a while, when Germany gave refuge to so many people, would you perceive this as a breach of the Dublin Agreement?*

Certainly, it was the suspension of the Dublin agreement, but it has then been restored fully, I believe. Even though now there's this proposal of the EU parliament to reform the Dublin agreement but I'm not sure that there are many chances to go on.

*17. Are there any major differences between the Greek and Italian cases?*

I'm not an expert of the Greek case, but yes it seems to me that there are some important differences. One is the country situation, so Greece is in much worse shape than Italy, in an even worse shape a few years ago, and it was really unable to deal with the increase flow of migrants that they received from Turkey, while Italy, even though it was going through bad times, was a more stable country than Greece. So, the countries are different to start with, they have different abilities to cope with the phenomenon.

Secondly, the big difference are the source countries because of geographical reasons, of course, the migrants coming to Greece are predominantly from Syria and Middle East in a very broad sense, while those who arrive to Italy are mostly from Sub-Saharan Africa. So, there are differences in source countries, which implies a difference in the reasons for migration, so also the eligibility for asylum status is more difficult to ascertain for some countries than for others.

*18. How could the Dublin regulation improve to gain the understanding and acceptance of its applicants? (How can the Dublin Agreement be improved so as to increase migrants' awareness of knowing what they are getting into?)*

I don't have an answer, it's very complicated. I think there are many ways that, not only from a specific point of understanding from part of migrants but in general, it would be needed to have a level of integration at the European level in the migration policy and asylum policy.

*19. What are the future developments, in your opinion, of the Dublin Agreement? And how are these prospects going to influence countries like Italy and Greece?*

As I was mentioning earlier, there is this proposal of reforming the Dublin Agreement that has been approved by some extent by the European Parliament, but if I understand correctly, it doesn't have many chances of going forward, but I think that the Dublin agreement is showing its limitations. I don't know however what the prospects or evolutions of Dublin are, because there are clear political-economic issues, there are some countries that have

everything to lose from the Dublin System, and therefore don't see why, especially in the current political climate, they should agree on changing it.

So, I'm not sure what are the feasible reforms of the Dublin framework that we could expect in the next few years.

*20. Is there anything towards the end that you would like to add to the interview?*

Perhaps the only thing, that I have already mentioned earlier, I believe that the economic consequences for migration flows in general, and these migration flows in particular, are limited and the most important consequences are social and political. There are of course some short-term costs related to the asylum system and to the offer of free shelter and food to people that just arrived, but that's already a short-term cause and is likely to be offset by longer-term gains, and however the size of these effects is basically small. So, from the money point of view I don't see these as major impacts.

#### **e. Expert Interview with Anastasia Panori**

##### **PANORI INTERVIEW**

The following interview was held between Benedict William Gromann (interviewer) and Anastasia Panori (interviewee) on April 5th 2018. The italic and indented passages represent the interviewers words, while remaining sequences constitute the interviewees words. The numeration of the questions are based on the numeration of the questionnaire guideline, however, modifications in the numbering are possible due to systematic adjustments to the individual interview partner.

*My research examines the economic consequences of the Dublin System in Greece and in Italy, and I want to particularly investigate the impact that the agglomeration of migrants at the EU external Border States has had on different sectors of the economy. This includes parts like public financing, but also the distribution of wealth and income. I also want to determine to what extent Greece and Italy find themselves in a moral hazard regarding their responsibilities under Dublin and their humanitarian obligation to provide assistance under international law and the effects of this on the economy. Just to sum it up, I want to identify these main economic areas that have been impacted by the European Initiative.*

*To start with my first question, I would like to start off with something a bit broader:*

- 1. How do you think migration, or the importance of migration has changed over the last 30 years?*

For Greece, I think that it usually was the place where most people left and went to other countries— we used to have emigrants instead of immigrants— so during the last decades there was a large shift between these two characteristics. And before 2014 and 2015 we had a lot of immigrants coming from other Balkan countries especially Albania and Bulgaria. So, a very important change/shift during the last 10 years I would say is that the synthesis of immigration has changed in Greece.

Moreover, another interesting fact is that the people coming from Albania and other Balkan countries, like Bulgaria or Serbia, were very well integrated in Greek communities and, in terms of culture, in most cases we were very close, so the integration process was not very difficult. This is another very different situation from what we are facing now from people coming from our borders in Turkey, from Syria and other Asian countries, so I think these are the two points that I have to highlight in terms of the synthesis of migration flows.

2. *The European Dublin System has basically led to this agglomeration of asylum seekers in EU external borders, such as Greece, and public financing has increased, in my opinion. To what extent should these additional costs be a European or national Greek responsibility?*

I'm not sure that I can answer this question.

3. *Do you think there have been any noticeable re-distributional changes within Greek/Italian government expenditures since this agglomeration of migrants has increased? Have some areas less financing than they used to?*

Well, in terms of distributional effects, because at the same time we also had the financial crisis in Greece, there was no space to have re-distributional effects to places where they received a lot of migrants. But what I can say is that there were a lot of NGOs and non-government activities taking place in the Greek island and also the UN, and if we could say so, there was a distribution of wealth not from the Greek government but other NGOs in the Greek Island.

4. *Would you believe that there are any areas where resources were wasted?*

No, I don't think there is resource waste, they were efficiently allocated to places where we had refugee camps, and also a lot of Greek people found jobs in these camps so there were also re-distributional effects in terms of employment and young people finding jobs. But I definitely don't think that the resources were wasted.

5. *In October 2017 the European Commission has increased the Greek budget for asylum migration and integration and the internal security fund of emergency*

*assistance by another 370 million making up for, in my research, around about 900 million euros.*

*What role do free-riders play/ are there any free-riders that benefit from financial assistance—whether it motivates people to come to Europe, economic migrants that fall under the system of asylum seekers, for instance?*

Well, I'm not sure that these free-riders are informed about all these changes in the financing of the European Union, but I suppose that using social networks and being informed from their families and other friends, I think they would stop coming more here if they see that there is a big difference in terms of living conditions now, but I don't think they are informed about all these things.

6. *Would you say there are any flaws in the European financing of this system?*

I cannot answer this question.

7. *Simultaneously, the Greek economy is still recovering from the 2008 Economic Crisis, how far is it possible, in your opinion, to disentangle the European financial crisis from the migration crisis?*

I'm not sure if they can treat each of these crises independently from the other, because given that many refugees will stay in Greece, and also many people already living in Greece work and find jobs because of the refugee crisis, somehow, they are interlinked. And I'm not sure if they could eventually treat them separately/independently.

8. *Has the migration situation led to possible improvements in other sectors? Have there been positive spill-over effects? Positive externalities?*

I think there have been. First of all, there are positive externalities because many refugees that come to Greece now are highly skilled people, not just low level education people, and most of them have the know-how of how to implement some... for example if they have been working on the agri-food sector they might have some techniques that we don't use here, and they can transfer those types of techniques in Greece and increases their applicability in the Greek agri-food system, this would be a positive spill-over effect.

And also, I think that cultural mix that they offer to the Greek peripheral areas is very useful because through culture, they could share similar experiences and of course, for me, this is a very important positive externality.

9. *The relocation of migrants to European external borders is a cornerstone of the Dublin Regulation, how has the repatriation of migrants from EU Member States,*

*Central European Member States influenced Greece and Italy? And what are the effects of this relocation costs?*

I don't think I can answer this question because I'm not informed about how many migrants have been relocated to Greece from other European countries.

*10. A further task is that countries of first arrival have to prevent the illegal onward movement of migrants to Central Europe, what are the main challenges? And how could this be improved?*

From Greece to other European countries, I suppose the mentality is to have very strict border control, especially in the land borders, because we don't have airports as another way of transport. Recently, I went to Bulgaria, so I checked the border control we have between Greece and Bulgaria and I saw that it was really effective.

So, I think there is a great challenge because this has another very interesting particularity, because as we have a lot of islands, for example, the borders between Greece and Italy, are very difficult to control, so the big challenge is to control the refugee flows from Greece to Italy through boats or big ships. So that would be a very challenging border control.

In the airports and the other mainland borders, I think Italians are similar to effectively control people coming from other countries to Greece and to other Balkan countries, I don't find it very difficult, so I think that sea-front borders are the most important.

*11. To what extent do countries have a moral hazard regarding their responsibilities under Dublin, and at the same time this humanitarian obligation to let migrants in to their country? How does this influence the dangers of permitting migrants into a country who will consequently continue their journey to Central Europe or anywhere, just using Greece as a transit country?*

*What dangers does Greece have for being a transit country for migrants to travel further into Central Europe, are there any dangers?*

Well, the dangers that I can think of are that the most highly skilled and legal refugees move on to other countries so, in Greece, just the poor and low skilled and illegal refugees are trapped here. I suppose a danger could be that the synthesis of the migrants and the refugees that are going to stay in Greece is much more diversified than the average level.

*12. Furthermore, after asylum seekers have claimed refugee status, emigration is usually prohibited under the law. How is this monitored? Are there any loopholes in the system so that people travel on to other European countries anyway?*

I cannot answer that.

*13. What is the economic impact especially in the labour market of family reunification?*

It depends of what labour market we are talking about, if we are talking about Athens or rather Thessaloniki, which are big cities here, I think there could be a positive impact on the labour market. But when you analyse Greece (I don't know about the Italian case) I think it's important to keep in mind that there are differences between the islands, like Lesbos or Chios or Kos, and Athens; so when you're trying to see the economic impact in the labour market between these two types of labour markets, you have to keep in mind that Athens could be treated as a big metropolis with a lot of opportunities and diversified labour market, so people there from any background could find a job, but in the case of the islands, its very restricted, so I'm not sure if family reunification or something like that would have a positive effect. Yes, it could be neutral.

- a. Would you say integration in general would be more difficult in the rural areas or on the islands than it would be in metropolitan cities?*

Yes, probably, but depending on the background of the refugee. If were talking about highly skilled refugees, it would be easier to come to Athens, but if were talking about refugees who are willing to work on the primary sector of production, I think it could be easier for them to be on the islands. So yes, it depends about the margin between the background of the refugee and the labour market opportunities.

*14. How has the Dublin Agreement affected the allocation of income among the population in Greece? Has it changed since so many new people have arrived in the country, after the Dublin Agreement?*

Most of the refugees are located in camps and camps are usually financed by the UN or the European Union or other NGOs, I don't think there has been anything significant in income distribution in Greece, because of that.

- a. So, after integration would you assume there would be re-distributional consequences on income? For instance, you mentioned there is a high proportion of skilled but then there's also unskilled labour, which is added to the already existing labour market.*

Given that the labour market would experience an increase in the employment, because that is very important, I think there would be redistribution after the integration of migrants, yes, but it depends on how well the Greek economy would perform in the future, because we are not talking about a very healthy economy as of right now, we are still under the crisis and we are also experiencing lots of reforms in terms of austerity measures and also the labour market

structure, so yes, you have two parameters, one of them changing continuously and affecting each other, so it's not very easy to predict.

*15. What other aspects of the Greek economy have been impacted by the Dublin System? And how could it be improved in your opinion?*

I don't know.

*16. Do you believe that the Dublin System has led to higher political costs than economical costs in the long run?*

I think it has led to high political costs, because for the Greek government it's more difficult to deal with an increased number of refugees. So yes, I think the refugee crisis played a significant role in the political system in Greece, at least two years ago, in 2015 especially.

I don't think there have been any significant economic costs because of this refugee crisis, because as I said before, most of the times they are paid by the EU or NGOs or the United Nations. So, I don't think there is a high economic cost.

*17. How would you say is public perception when it comes to the migration burden?*

I think there is a... yes, Greeks are not very... it's very confusing, because Greeks are very positive about helping refugees and specifically, people living in the islands are very helpful and they offer them food and a place to stay, so in terms of human perception for all the refugees, I think they're very positive; but in terms of how the European Union deals with this crisis, I think they are very negative because, especially after they closed the border with FYROM—closing a way to Austria, Germany and other European countries—I think after that, Greeks had even worse opinions about how the EU treats the redistribution of refugees within Europe.

*18. How could the Dublin Regulation, in your opinion, be approved to gain the understanding and acceptance of its applicants, especially among the migrants? Could the system be in any way, for instance, that migrants are better informed about the system?*

Yes, I definitely think what could be offered is in different languages, some, the main point of the Dublin agreement—they could be translated into different languages so they can understand—and probably in the camps, they could offer a little bit of training regarding how the EU deals with all the refugee crisis, so the refugees can better understand the point of view of the EU. I'm not sure if that type of training or information system is already offered for refugees.

And they could also have some online page, or an application, a smartphone application saying all this stuff from the European Union.

*19. What are the future developments, in your opinion, of the Dublin System? And how will they influence Greece?*

I don't think that Greece can support that large number of refugees because it is already hard even for Greek people to stay here, but I think that Greek people are willing to help refugees and I was even surprised of how friendly they are to the refugees, it's very interesting. But in case the Greek economy starts performing well, I think all the refugee crisis could be proven to be positive for Greece, but for me that really depends on how well the Greek economy system would perform in the future.

*a. What regard would you perceive to have a positive effect? How could this lead to a positive effect?*

Because now, I think that we have a big problem with brain drain and many highly skilled people from Greece have left the country, but this lack of highly skilled people could be filled with highly skilled people coming from other countries as refugees and asylum seekers. So, I think that could be a very positive effect.

*20. Is there anything else you would like to add towards the end of the interview now?*

No, I don't think I have any other input for you, the only thing I'd like to highlight is that when you try to see the economic effects for Greece, from the refugee crisis, you have to be very careful of the synthesis of the refugees, the flows, what types of refugees are coming to Greece and what's the main difference of these refugees and the migration flows some years ago. And also, the structure of the labour market of Greece. For me, these are the two most important parameters.

*a. Because you would say the structure of the labour market facilitates later integration into the system?*

Yes, and because it has been the centre of the labour market in the urban areas in Greece, it still changes a lot, and rapidly. We are still transforming urban areas into post-industrial economic systems.

*b. Would you say there is a big separation between rural and urban areas in Greece, in general, when it comes to the labour market?*

In terms of labour market structure, I would say Athens and the rest of Greece, not urban areas in general. Athens, and probably Thessaloniki in smaller degree, but Athens and the rest of Greece, yes, there is a significant difference in the labour market structure.

## **f. Expert Interview with Massimo Anelli**

### **ANELLI INTERVIEW**

The following interview was held between Benedict William Gromann (interviewer) and Assistant Professor Massimo Anelli (interviewee) on April 5th 2018. The italic and indented passages represent the interviewers words, while remaining sequences constitute the interviewees words. The numeration of the questions are based on the numeration of the questionnaire guideline, however, modifications in the numbering are possible due to systematic adjustments to the individual interview partner.

*My research examines the economic consequences of the Dublin System in Greece and in Italy, and I want to particularly investigate the impact that the agglomeration of migrants at the EU external Border States has had on different sectors of the economy. This includes parts like public financing, but also the distribution of wealth and income. I also want to determine to what extent Greece and Italy find themselves in a moral hazard regarding their responsibilities under Dublin and their humanitarian obligation to provide assistance under international law and the effects of this on the economy. Just to sum it up, I want to identify these main economic areas that have been impacted by the European Initiative.*

*To start with my first question, I would like to start off with something a bit broader:*

- 1. How has the importance of migration changed over the last 30 years?*

It is certainly increasing a lot, especially in terms of public opinion. From an economic point of view, it definitively had an impact, but most research show that it had a positive impact, so the impact of migration on the European economy has definitively been increasing, even the number of flows of not only refugees, but also economic immigrants in the past two or three decades.

- 2. The European Dublin System has led to this agglomeration of migrants at EU external Border States, and this has also affected public financing to some degree. How would you perceive this as a European or a national Greek/Italian responsibility? And what is the reality?*

Since we live in a open border Europe, since there is free movement of people, it seems just like a matter of... is not a political matter but a logic matter that this type of phenomenon should be dealt with at the European level, since it's, I believe, harder to implement any agreement that is at the State Member level once we have no borders across these State Members.

3. *Have there been any noticeable re-distributional changes within Greek/Italian government expenditures since 2003? And in which areas, if so?*

For sure there has been an increase in public spending for humanitarian missions, such as the *Mare Nostrum* in Italy— I am more familiar with the Italian case— and for sure, there's been more spending in re-distributing migrants and refugees across Italian municipalities, and there are multiple programmes at the local level that try to first, house these refugees and asylum seekers, and then to try to assimilate them in the Italian economy. But, I do not think that we are talking about incredibly huge amounts of money, I mean yes, there's been some shifting in the costs, but I don't think that's being the main cost, if you want, on migration.

4. *Would you say that any sectors have experienced a lack of financing because of the money being spent on migration?*

No, I don't think that's the case, and also recently, Italy managed to obtain with the EU an Agreement on relaxing financial constraints on public debt because of the cause of dealing with the migration crisis.

5. *So, would you say there are any areas of wasted handling of financial resources?*

Concerning the migration crisis, I don't think there is a specific... I mean, we can talk about how effective the programmes are in dealing with assimilating refugees, at the moment I know other researchers that are trying to even get data about how these refugees in immigration centres in Italy are working, and often the managing of this is just being auction out by the local prefectures, so by the local police autocracy, and it's unclear... it's just giving a certain quote of money for the immigrants hosted by this centres, but its unclear how well these resources are used, and there seems like there's a lack of transparency, so I don't know, if this might lead to deficiencies, but I'm just saying that we know little about it right now.

6. *Since the beginning of 2005, the Commission has allocated about 150 million in emergency assistance to Italian authorities, on top of already financing national programmes, making up for a total funding, in my research, of about 780 million. What is the role of free-riders that benefit from this system? (Maybe economic migrants or refugees that take advantage of this issue in a way to access Europe).*

I don't know, I don't see that they are linked. Maybe you are thinking about the fact that these programmes are in place as an incentive for immigrants to cross the Mediterranean Sea and try their luck towards Europe, because they think there are programmes in place for them. I believe there are many economic pushing factors that go beyond the attractiveness of the policies, so there might be some free-riding, but we don't have a clear natural experiment to

say if absent these systems, we would have had fewer immigrants, so it's hard for me to say something about that.

7. *So, the European economy is still recovering from the 2008 Economic Crisis, to what extent is it possible to disentangle the European financial crisis from the migration crisis?*

In terms of the economic impact of the two, for other matters of the migration crisis, had really small effects, and if anything, it all started to show that it might have been zero or positive effects. Whenever you start taking into account from a public finance point of view, the positive externalities of having, in general, younger individuals from a demographic point of view in countries that are rapidly aging, and with the huge welfare systems, then if anything, the migration flows might have helped sustainability in the future of public financing in general, especially in countries such as Italy, but also countries like Germany, that is rapidly aging and is facing the aging problem in a few years from now, while Italy has already gone through it.

8. *Besides this positive spill-over effect, do you believe there are any other positive externalities that have come with the migration?*

For sure economic status show that usually, even low-skilled immigrants are complements for low-skilled natives, I'm not an economist so I am more familiar with advantages of specialization in the labour market, so the fact that you have immigrants, even if they are low-skilled, that have a comparative... if you want, low-skilled natives have a comparative advantage in Italy in Italian-intensive tasks, while immigrants do not know Italian very well, so it's been shown that there is also labour markets for low-skilled individuals, there is specialization in tasks with, for example, Italians in restaurants working more as servers, in tasks that focus on the relation with the client and the costumer; and that immigrants specialize in tasks that do not require the use of the language, for example, in the kitchen, just doing a basic example, so this has been shown to be increasing productivity and especially, increasing employment opportunity also for the Italian workers, and in general, for the workers of the receiving country. So, there are spill-overs not only on the finance aspect, but also directly on employment opportunities for the native focus, when we speak about immigration in labour market, we talk about natives and immigrants, when I say natives I just mean people from the receiving country.

9. *Relocation of migrants to European border States is the hard piece of the Dublin Regulation, how has this repatriation of migrants from EU Member States influence Greece or Italy economically, in your opinion?(With the fingerprint system, they were*

*fingerprinted in Italy and then travelled to Central Europe, but then authorities repatriated them back to the first country of entrance, which would be Italy; has this impacted Italy economically, or has the repatriation numbers been fairly low?)*

It's really hard to implement this convention in facts, so you are talking about refugees that have been first traced, for example, in Italy and then move somehow to Germany and are repatriated to the original country where they first had contact with Europe.

I think the repatriation has been, in practice, very low because there is very little... it's hard to check the borders before refugees crossing once you don't really have borders anymore, so the fact is that I don't think in practice is being sizeable, but the political costs of this are huge, for something that has very small economic cost, in my opinion. So, if I think of the huge diplomatic issues with both Austria and France, in the past few days, are just an example for literally a small number of migrants sounds pretty crazy that we have to go through a diplomatic crisis for the management of a number of migrants that is, to order money is ridiculous.

*10. A further task of the countries of first arrival is also to prevent the illegal onward movement of migrants to Central Europe, what are the main challenges and has this impacted Italy economically?*

Yes, for sure. Again, we don't really have border through Europe anymore, but now we have border patrol and patrol people to prevent people to go out, instead of preventing people to come in, so also this is pretty crazy in terms of how countries are managed right now, and for sure if you take a train to Munich or to Nice, there are a number of police, every single train is checked thoroughly by police, by *carabinieri*, by even military patrolling. So, it's definitively been a huge effort and many people are indeed stopped. So, I see still a pretty decent amount of patrolling in terms of the Italian side to prevent these flows, current limited to trains and a few random checks on tracks, when you don't have borders.

*11. To what extent do countries have a moral hazard regarding these responsibilities we have talked about under Dublin, and also, the obligation to help under international law? What are the economic dangers of permitting migrants into a country which will consequently continue their journey to Central Europe anyway?*

The moral hazard definitively... given the situation and routes of the refugees and the migrants, where the vast majority of migrants come through the Italian coast or Greece or Hungary through the land route, so this in general is the Dublin convention being applied and my feeling is that, almost the entire flows to Europe would be beard by these two or three

countries and, of course there is a moral hazard incentive for these countries to not really register properly all the migrants that come in, in the fear that they have to keep them all, so they informally go through. Other countries have protested for this, or contested this against Italy, and I'm not sure/ I don't have numbers or proofs that this is happening, but the reason incentive under this system, that is true. But is one of the main incentive problem linked to this kind of system.

*12. What is the economic impact on the labour market of family reunification, which is allowed under the Dublin System?*

I don't know of any studies specifically calculating economic costs of family reunification.

*13. How has the Dublin Agreement or the agglomeration of migrants at the external borders affected the allocation of income among the population in Italy? (Any re-distributional effect on income within skilled- or unskilled-labour)*

I don't expect there to be a very large effect on income. Potentially, the high-skilled migrants benefitted more, I don't have numbers specific about Italy, but general studies in the US showed that while low-skilled individuals in similar sectors of occupation, might be in worse-case scenario, not affected in terms of employment or wages, especially in wages, like higher-skilled individuals or workers who have larger benefits from immigration of low-skilled. In Italy, immigrants are especially low-skilled, and potentially, there's been a re-distribution towards higher-skilled segment of the labour market.

*a. Would this mean, in your opinion, that we can observe a growing gap between rich and poor, because of this phenomenon?*

Yes, it is possible that by reducing benefits more into higher-skilled individuals or, for example, capital owners or entrepreneurs or people who own firms or businesses, then it is possible that to a certain extent this is happening, but I don't think that this is one of the main drivers of increasing inequality at the moment.

*14. What other aspects of the Italian economy have been impacted by this European Initiative, in your opinion? And how could it be improved?*

I think that the main cost of the Dublin Agreement for Italy in the new refugee/immigrant flows have been mostly political than economic, in the sense that the negative externalities of this phenomenon has been the radicalization of the Italian public opinion towards anti-EU positions when Italy has historically had a really positive attitude towards the European Union, so definitively, I see that the largest political costs of this are political and not really economic.

*15. What are the future developments of the System as it is now? And how will these prospects influence Italy?*

Unless there is a serious consideration of reforming this system at the European level. I think the Italian public opinion, and especially the political attitudes towards Europe will not improve, which is of course concerning the latest election results.

And more in general, a system like this is not really manageable, and there are always—given that there are incentives for conflict across Member States in this system in general—I see only potentials for more conflicts among Member States and more potential for reinforcing the idea in the European Union public opinion that the European Union cannot manage this phenomenon. So, this is going to definitively hurt the reputation of the European Union institutions.

*16. Is there anything else you would like to add towards the end of the interview now?*

I think the structure of the Dublin convention was not thought through to manage the flaws that we are recently seeing towards Europe, and the policies of this convention are inconsistent, so even if we try to fix this system the way it is, I am a bit sceptical in the fact that things can really improve in terms of the public opinion, because even if we implement redistribution mechanisms of refugees according to some quotas, the economies have been working a lot in finding mechanisms that allow Member States to choose whether to accept a certain number of immigrants or pay a quota for every immigrant that is not redistributed to the country, so a mechanism that allows Member States to decide. It all sound like it could work, but at the end of the day, even once you've distributed people you are not going to be able, in a free-movement zone, to make sure that whoever is being redistributed or not, is staying in their country, so it's illogical to have free-movement across Member States but then to not have common border patrolling and border policies, it's just inconsistent and I don't see a way to fix this. So whatever system we are going to try to implement for redistribution of refugees, it is still going to be hard. The cost of the current level of immigrants and refugees is so low, that I would never consider reintroducing borders within Europe to solve this. So, it is inevitable that if they want to solve this issue, they need to move towards a single policy across the Member States, at least to those who are willing to implement a single policy. If this is not part of the...(*technical difficulty*) to fix the public opinion issues that are happening in Italy.

## **g. Expert Interview with Angeliki Dimitriardi**

### **DIMITRIADI INTERVIEW**

The following interview was held between Benedict William Gromann (interviewer) and Professor Angeliki Dimitriardi (interviewee) on April 24th 2018. The italic and indented passages represent the interviewers words, while remaining sequences constitute the interviewees words. The numeration of the questions are based on the numeration of the questionnaire guideline, however, modifications in the numbering are possible due to systematic adjustments to the individual interview partner.

*I saw that you wrote a paper with Dr. Triandafyllidou in 2013 on migration management at the outpost of the European Union and you talk about a two step externalisation of migration policy within the European Union, I am using this theory or idea as a big part of my master thesis because I want to investigate what the economic effects are of this two step externalisation and especially, I want to look at the first step—pushing the migration policies to European external borders; and I want to look at the further effects this has had on Greece mainly.*

*To start with my first question, I would like to start off with something a bit broader:*

- 1. How has the understanding/importance of migration changed in the last 30 years in Greece?*

I would say it has changed a lot, yes. We need to keep in mind that this history of receiving migrants, especially irregular migrants or asylum seekers, the first nationalities show basically the Albanians, Poles and Croats in the 90s. It was an unprecedented movement towards Greece, and both the Greek government and the Greek public were completely unprepared for it. But there was also benefits in terms of the gradual acceptance of the Albanians we are talking about primarily, white people who mingle, not easy to differentiate from the average Greek, a lot of them picked up the language rather quickly, and they also arrived at a time when there was a boost in the agricultural sector—they were needed to work in the countryside, there were jobs available for them on the labour market, so there was a gradual acceptance. So that's the 90s: the first time the Greeks large influx in its history, actually. And then there's a small period when there's a gap, so to speak, and suddenly around 2003-2004, before and after the Olympic games, a period in which there is a large demand of people in the labor market, mainly in the construction industry, because obviously the Olympic games require infrastructure. You start seeing Pakistanis that come to work in the construction

industry irregularly, very quickly followed by Iraqis, Iranians, Kurds, and Afghans. They are shifting away from the so-called economic migrant category into a migratory flow category, which includes asylum-seekers. So, the transition phase is very short, there is little knowledge or ability on behalf of the Greek government at the time to address this, and there is little information offered to the Greek public as to why are these people coming here, what does this mean. So, of course, this continues until 2014 where you have now a new situation with gradual arrival of Syrians that peaks in an unprecedented number in 2015. The Refugee Crisis involves a completely different nationalities, completely different needs, a completely different complex situation, of which there is better understanding of the migratory flows. The Greek public is more educated, more welcoming towards refugees. So, there is a very immediate visual in the mind of those people of Syria in civil war, the bombs, the flames and destroyed cities is played in the media a lot so there is also a lot of sympathy that comes with the arrival of Syrians. So, I would say there are those 3 periods. Things have changed but they have done so more in terms of how the public and the media are becoming fond about migration and less in terms of policy.

2. *The European Dublin System is responsible for this agglomeration of asylum seekers at EU external borders; has this influenced public financing in Greece in any regard? Have you seen an increase, or would you say this is a European or national Greek responsibility?*

The problem with that question is... well, there are two problems with the question. One is, keep in mind that not all the funding is available to the public, so I can't tell you what percentage is being spent because of Dublin, and the second part is, Dublin includes a variety of elements, Dublin includes a category that falls under the family of reunification, Dublin includes the category of DG needs that have been basically retracted from other EU Member States and should be detained in Greece pending their deportation to another country. So, when you speak about the cost of Dublin, I don't have the exact figures for you, but I would say, from my experience, for family reunification I don't think we are spending a lot or any, because we were required to have certain facilities of some sort for those pending family reunification, which we didn't have pretty much until the relocation programme when the Commission was set up with the accommodation and housing, which is separate from Dublin. So that's the time when the infrastructure was being developed in Greece and is done with DG ECHO-money, primarily.

Detention, which is an aspect of Dublin, is something that the Greek government has spent money on, not just recently, it's been happening, I would say since 2010. It's mainly covered

from the EU budget, it's covered either from the AMIF, but at the time it had a different name, by the Asylum, Migration and Integration Fund, and there is also money that is being propelled through the security fund for the detention. So, it covers basically the costs of salaries in offices and facilities. So, again, is not really something that over-burdens the public finance.

And there is money also at the national budget, but I wouldn't say that it's the number one priority in terms of public spending.

3. *Considering now the national budget, would you say there have been any re-distributional effects since the Dublin Agreement has come into effect within Greek national expenditures?*

It's almost impossible for me to answer that because, again, they don't release public spending on the basis of Dublin or basically, subcategories. Public spending is released in terms of themes, thematic areas, so for example, if you look for 2015 and 2016, you can see the public spending of the Greek government, the relative categories where the money has gone for are the coast guard, the police, etcetera, but is not specified specific to Dublin.

However, you should also keep in mind something, when we talk about Dublin, what most people think, it's associated with, is the aspect of returns, the intra EU transfers basically from the first of country of arrival. There is an indirect cost to Dublin, is not related to the actual convention, but it's an indirect cost because of the policy of the convention and I'm talking about these themes. So on arrival, according to the Dublin Regulation, the first country of arrival is responsible for processing and registration, that does put additional burden in terms of finances because it means that one country needs to have regional or local offices at main entry points, it needs to have reception facilities for those arriving; it needs to maintain permanent representatives from the agencies involved in these areas, to both for the fingerprinting, the screening, the registration, the initial interview; so in that sense, there is an indirect burden attached to implementing the Dublin Regulation.

4. *Are there any areas within this, where you would say there is a saving potential? Has there been wasteful handling of resources, in your opinion?*

Again that's... I mean if you see how the... because a lot of these, the police will apply directly to funding and security fund, because they are the same, so it has different units. What we are noticing is that there has been a relatively steady application for funding in relation to IT equipment, vehicles for transport, fingerprinting machines, so the technical aspect of undertaking the responsibility required by the Dublin Regulation.

There has been less money requested, although is probably equally not even more so needed, for actual facilities, for trained personnel, not just police officers, but interpreters, psychologists, doctors, etcetera, that would be there. So, I wouldn't say that there has been over spending or bad management of the money, I would say that the way that the Greek agencies and government apply for the money indicates, also, what their priority is in relation to migration management. So, the focus is on border control, border policing, border deterrence, and less on creating a streamlined process from arrival to potentially asylum, to potentially integration, or arrival and then temporary stay until return is achieved.

5. *In October 2017 the European Commission has increased the Greek budget for asylum, migration and integration, so the security fund for the emergency assistance has gone up making up for, in my research, around 908 million euros. Do you think this animates free riding among migrants in any regard?*

First of all, migrants are completely unaware of what the European government gives and for what. I don't think it does. The increase in the security fund has to do with the fact that it is a priority of the EU: and again it links to deterrence and border control. The increase in the OMID has less to do, in my view, with asylum purposes, and more to do with integration, because integration is a challenge, and a very costly challenge. It's something that, unfortunately, right now Greece cannot undertake—even if the government was willing, which it is not. It cannot entertain the possibility financially due to the Financial Crisis in Greece. So, the AMIF money is going to focus primarily on integration projects and the security fund on deterrence. In no way, either one impacts how migrants move and whether they will try to enter Greece or not. Again, keep in mind that the overwhelming numbers have been entering Greece since the mid-2000s when the Turkish land-sea border and are transit migrants. They don't intend to stay in Greece, because Greece does not offer a holistic asylum system, there is no streamlined process, and it also doesn't offer prospects of integration. If integration is linked with access to the labour market, and employment and acquisition of skills, Greece, realistically speaking, for the past 5 years, doesn't have the labour market. The unemployment rate is extremely high. Though we're talking about the legal labour market, it has also impacted the informal labour market, which was also stronger in the past. So, in no way is the country an attractive destination for the majority of those who would potentially seek to enter.

6. *So, the Greek economy is still recovering from the 2008 financial crisis. In 2015, the number of migrants increased significantly. How can this financial assistance be*

*disentangled? Can we differentiate between the Economic Crisis and the migration crisis?*

Well, obviously most of the money has gone to supporting refugees funnelled through UNHCR, which acts right now sort of as a link between the Commission and NGOs. The money is then distributed from UNHCR to its partners and the NGOs that undertake different services. So not a lot of the money has gone directly to the Greek government for the refugees. Most has gone to the NGOs. For the migrants, money has gone through the AMIF and Security funds for their detention and their returns. The current decision to increase the support has to do with the fact that there is the recognition that the population that is in Greece is going to stay, and this is linked to integration. From the funding that has gone to Greece, you have something like a total in 2015- 2016 of 700 million. Of those, estimate that roughly 170 have gone through UNHCR and have been redistributed, or there have been NGOs that have received it directly from the EU funding, or through the national governments, that has applied in directly for EU funding. For example, there is a German NGO that has been very active in the camps here, the Samariterbund. So again, they have received money from the Commission but have also received funding directly from the German government. You have a mix.

*7. So, has EU financing led to other improvements in other sectors? Have there been positive spill-over effects/ externalities when it comes to this money?*

Yes and no, we have one positive development, which is the accommodation scheme, which was initially set up for those who were reallocated and has now expanded to those deemed vulnerable and applying for transfer from the camps, that's something that we didn't have before, and it's linked also with integration because we are talking about... moving people away from camps and hotspots into apartments in orbit centres. So, this has been great and would have not happened without the DGA funding. But that's something that we know.

Otherwise, I would say that the money is actually a question that we would be asking, to be perfectly honest with you, it's not clear how the money has been spent, if you go to the hotspots where, apparently, a significant portion of the money has gone, you would not receive the impression that so much money has gone into the improvement of the infrastructure.

There hasn't been any spill-over in terms of getting local societies to... local societies haven't boosted their economies, they haven't benefited directly or indirectly from the funding; actually, they've benefited more, especially in the islands, from the actual refugee crisis. So, I wouldn't- no, I would say that the accommodation is key, and is probably the best thing that

has happened with the money, I am sure that if you speak to the police, they would say—yeah, we bought more vehicles, fingerprinting machines we needed—in terms of technical infrastructure, sure. But that doesn't necessarily benefit the whole society, there's no spill-over outside of that sector. So, no.

8. *The relocation of refugees to these external member border states is a cornerstone of the Dublin Regulation, how has this transfer of migrants affected Greece? I know the system is currently suspended, but from the implementation of Dublin in 2007, were there any noticeable transfers or did anything change in those years when the transfers were actually happening?*

There is a little bit of a myth around Dublin councillors and it's something that the Commission reports actually know in the revision of these tasks. There are not many intra-EU transfers, there are a lot of applications for transfers that are being placed, but the way that Dublin was designed, the waiting period for the country to respond, and if the country doesn't respond, then the responsibility remains with the country that wants to return the migrant, created a little bit of a mess. One of the standard practices undertaken by the Dublin here in Greece, was basically not respond to the requests to let the deadline pass. So, we have returns, but if you see the figures, I think the maximum has been around 1500 in one year? That's not a huge number in comparison to the total number of requests potentially issued. In 2011, of course, there's a different situation because there is a suspension for Greece, because we had been instructed to basically undertake a complete change in the asylum system. And having undertaken that, one of the... as I'm sure you know, Germany wanted to restore returns under Dublin, this past autumn; one of the problems is that in order to return someone, the country that they want to return, which would be Greece, would have to be fingerprinted in Greece, so they'd need to prove that that person had entered in Greece, again, I'm going to remind you that in 2008 Greece didn't fingerprint about 60% of those incoming, partly due to the lack of fingerprinting machines, which sounds ridiculous for someone from Germany and Austria because I know you guys have them everywhere, but not in Greece; so, partly due to the lack of infrastructure and technology but also partly because de facto there was encouragement to allow people to transit to other Member States.

So, A- for any return to take place, they needed to identify the first country of entry and, B- to be the first country of entry means to respond. Now, if a country like Germany or the Netherlands has 20 people in their Dublin Units to handle all requests, both for take-back but also for transfer, Greece at some point had two. So, there's also a lack of personnel. The

number has now increased, I think now they have something up to 9 people in the Dublin Unit, but it's still low. So, there's also that aspect.

*9. A further task of the countries of first arrival is also to prevent the illegal or secondary movement of refugees to Central Europe. What are the main challenges when it comes to this, economic challenges?*

Well, it would basically require enhancing the border controls in specific areas. We have a case study that you could maybe look for, although I'm not sure if you would find the data, because the transit to Central Europe only happened in 2015 and 2016. For Greece the main transit/the main exit side for the EU was until 2013 roughly, the ports of preference were basically sea towards Italy. So, migrants would gather there in the ports and would try to jump on the ferries and leave. In 2011, one of the problems was the lack of financing because in order to boost border control at the ports and harbours to prevent transitory movement, the coast guard needed specific equipment that detects heat signals, that does specific x-rays to watch cargo, etcetera, and they were costly, so, lack of funding for a long period of time, or at least lack of funding that covered that equipment, was an issue. Having acquired that equipment, the exit side from the ports became less used and in 2015-2016 you see the exit from the land border, well, what was the exit of the land border that has now stopped, also towards Skopje and onwards to Central Europe.

The financial cost is always the same, it requires man power, technological equipment and infrastructure, so either it has to come out of the national budget, or it has to come out of the EU funding. If it comes out of the EU funding, the EU funding would cover the infrastructure and the technology, it covers less than national salaries of those that need to be clustered there. Even on a rotation, they need to be clustered for a period of time. Salaries usually come out of the national budget, the problem is, right now in the middle of the financial crisis, it's not easy to release funding for this, a) because there is not enough funding, and b) its not possible to also hire more people, rather than transferring people around, because there's an freeze of hiring practices as you know, part of the memorandum that Greece has signed, the Troika basically. So, the economic costs for preventing exist is always the same. It has to do with border patrol and border control, so one need money for infrastructure and technology, and for personnel.

*10. External Border States have been criticised for permitting refugees into their country without registering them, letting them continue their journey into Central Europe. To what regard, do you believe, countries have a moral hazard regarding their responsibilities under Dublin, but at the same time a humanitarian obligation to help?*

I'm not sure if I'm the right person to ask this, because I'm a very strong opponent to Dublin, as you've seen from the paper that you've read. I think Dublin is a system that was rigged from the beginning to support very specific Member States, in very specific geographic locations. So, I think that the fate around the Member States of the external borders is a problematic one from its start, because it ignores the fact that it is not the responsibility of Greece and Italy to guard the whole EU, and if it were the responsibility of Greece and Italy to guard the whole EU, then they should probably be doing a better job in supporting these countries, but also having better policies in regards to asylum, because one of the things that we have learned in 2013 is that the lack of legal measures for entering the EU, to a very large extent created the crisis. So, there is a moral responsibility when it comes to asylum, shared by all, it's not just for the front-line states. I believe that the front-line states from the moment that they entered the EU and are part of Schengen and signed the Dublin Regulations, they carry some responsibility, but again, it has to be shared, there needs to be not just verbal, financial solidarity, we need a burden sharing mechanism, an actual burden-sharing mechanism. And in that sense, Dublin is not it, Dublin nearly creates more problems.

*11. After asylum seekers have claimed refugee status, emigration to other European states is prohibited. How is this monitored? Are there any loopholes in the system?*

Well, I feel like they can travel, they just can't settle in another Member State, so if they get refugee status in Greece, they can travel for 90 days or 60 days within Schengen because they have a passport, with a Schengen passport they can't permanently settle into other Member States without basically fulfilling certain criteria. How is this monitored, in theory you could say that it's monitored through the passport, and the entry-exist system by the national border controls; it's also monitored to the extent that if that person decides to settle in another Member State, eventually they will have to access some of the services. And the data exists now in common European databases, so there's going to be a hint in the system that this person technically has a residence in a country like Greece or France and is not eligible to access service XYZ.

Of course, if someone decides to do it, and they decide to stay off the system, so basically irregular stay, they can do it. Of course, they can do it. It's a loophole that is not really a loophole, because for recognised refugees, irregularity is not a preferred choice. They all have already legalised their presence, which is something that they very much value and seek. So, going into irregular existence to avoid being rejected by a system is not an option that most would undertake. And also keep in mind that if they really want to move to another country, usually they want to do so, either because they have family members, or they are offered a job.

If they have offered with a job, then it's a whole different discussion, they can do so because it falls under different criteria. But if they want to reunite with family members, especially if they are first-degree family members, then they can always apply for family reunification.

*12. What is the economic impact of family reunification?*

It depends on who you are looking at. The economy that has enclosed the individual, especially the individual as a minor—which are the most problematic cases, also in terms of election, until the reunification concludes carries a certain economic cost, because they need to offer... in theory, the personal waiting for family reunification has already semi-regular status, because they have applied for asylum, and they have access to a range of social services offered in that country, and if they are a minor they should also go to school, staying in specific accommodation centres, etcetera; so you have an indirect economic cost right there for the economy that's hosting.

You also have a cost for the country that will receive, in the sense that they will have to support the individual on acceptance, but I would say is less than for the country who accepts the individual because, there is already a reason there why its important; if it's a minor, he or she will probably require access to education or professional training, and they will likely have medical access to support them as well. So, I would say there's probably a bit higher economic cost directly for the country that's hosting, the applicant.

*13. How has Dublin affected the allocation of income in Greece—of course as long as the refugee status isn't granted, they cannot take part in the work force, but as soon as they are integrated to a certain extent—do you think there have been any impacts on the allocation of income?*

It's too soon to tell you, because we don't have... Greece doesn't begin giving asylum to a significant number (you've seen the data in the past, 0.01% of acceptance rate) so Greece didn't really begin to give out asylum until 2013, and you're looking at the model of financial crisis. So, it's too soon to answer that because a lot of people left as a result of the financial crisis, and for those who arrived first in 2015 it's impossible to tell because some of them are still waiting for their decisions, some of them have been accepted in the reallocation programme and they are still waiting to leave, it's too soon to answer that question.

I think the question of income distribution, what we see with the Albanians is that it shows within the decade, so that's a question that's not going to... factoring in the financial crisis and the limited employment opportunities, I would say that that's a question that would be able to be answer with proper data, probably around 20, 21, 22 at best.

- a. *Could you imagine that there will be any re-distributional consequences among skilled or, more likely, among low-skilled labour?*

It's always first among low-skilled labour, and it's going to happen. What we know historically from migration, legal and irregular migration, the employment market, is that they will most probably find a job in the informal labour sector, right? And they will do so, because they will be willing to accept lower wages. Once they acquire certain level of skill, but also a certain level of confidence from the country they are residing, and they become more familiar with the rights and the obligations and the legal framework, because gradually they do; then, they will start to earn a better income. The Greeks that have competed with these migrants in the informal labour market, initially are getting pushed out, because if someone is asking for five years or two years contracts from the labour market, and the migrant residing in the country is likely to accept one year, for example.

As they gradually become more confident they reach to the same level of money as the nationals, the residents, and some will also—having regularised their state or having been more confident and having acquired more skills shift to the actual legal the actual labour market. And they will start with low wages but still higher than what they would have made otherwise, and eventually reach the same levels as the Greeks. But over a gradual period of time, as the wage of the migrant reaches the same level of the citizen, in most cases, unless there is a financial crisis, but that's the outlining scenario, the wage of the national also increases. There will always be a wage gap, but eventually the gap reduces between the two.

14. *Are there any other aspects of the Greek economy that have been impacted by Dublin, in your opinion?*

Again, it really depends where you look at the Dublin. If you focus on the fact that Greece has to be the first country of arrival and processing, yes, the tourist economy for example. You see this now on the high balance that are causing in hotspots, Lesvos in particular. Massive impact in the sense that in 2015, midst the whole chaos of the so-called refugee crisis everybody wanted to show up on the island, NGOs and the media, researchers, so there was... they didn't need the tourists. They made a lot of money out of everyone else working in the migration industry, but then by 2016, the numbers reduced, the interest decreased and suddenly they need the tourists to come back. But the tourists had seen all the media attention that had been put on this island, and they had seen the pictures, and they are not that keen to show up and sunbathe on the beach of Kos when they had seen pictures of previous years of refugees disembarking. So, the tourist industry was hit heavily in 2016, and frankly 2017 and we don't know what's going to happen this year but I do not think we are going to see an

increase on those islands, at least not on the level that they need and want, so yes, of course that's an immediate impact on the whole notion of the geographic location of the country essentially dictates what the country's responsibilities are with regards to the guardian of the external border and the asylum process.

The tourist industry has been hit and from some discussions that I've had with some people, it seems also that the property market has been hit and I don't refer to rents, I'm talking about outside buyers coming in to buy land or houses on these islands, which they do either for vacation homes or as an investment strategy.

*15. Are there any main differences between the Greek and the Italian case?*

Huge ones. First of all, Italy only has Lampedusa, which is using as a filtering point, so people come in, they stay there for a few days, and then they are shifted all around Italy. Italy has an internal redistribution quota system, so as not to over burden one locality, Greece doesn't have this. There is no geographical limitation of movement for the Italians, whereas the Greeks have imposed the geographical limitation of movement on the hotspots, because they want to implement the intra EU statement, they fear that if they allow the migrants to move from the hotspots to the mainland, they won't be found for return to Turkey, we don't undertake the return to Turkey in any case, so the whole point is no, but nonetheless they do maintain the geographical limitations and restrictions of movement. So, yes, I would say that the Italian and the Greek case are nothing alike.

Also, the way that the money is being used, Italy has a different system, they are better organised in terms of the bureaucratic mechanisms and the way that the ministries cooperate with each other is very different.

*16. What are the future developments of the Dublin Agreement? How are these prospects going to influence Greece?*

Dublin is currently been revised, there is a proposal from the Parliament, a good proposal, which pretty much does a little bit of weight for the current Dublin, suggests a prominent redistribution mechanism within the union ; and there is proposal from the Commission which is as far removed from the problems of proposal as its humanly possible, and does not propose a permanent redistribution system, in fact it maintains the Dublin and says only when country faces a 150% over what it should in terms of asylum applications, then some sort of assistance kicks in, etcetera. So, you have two very different proposals, very different points of view, I think the Parliament clearly shows that it has understood what happened in 2015-2016, and I think the Council and the Commission have shown that they lack a political will and force to actually put forward bold and good proposals for Dublin.

I don't think we are going to see a revision by the initial deadline approached by the Commission, I don't think we are going to see a revision because we've got a lot of elections in different Member States, the results were not necessarily what everyone hoped for; we have a very strong opposition from the Visegrad States, and the European general elections are coming up in 2019. So, the focus is shifting away from coming to an agreement on this, because an agreement will probably tilt the scale on the side of the Commission and the Council, while its not going to necessarily be something that Parliamentarians will be able to incite support for, back home. So, I'm not sure if we will see an agreement; if we do see an agreement I think it's going to be more likely, as I said from the side of the Commission or the Council, which means that is going to focus much more on punitive measures for secondary movement, it places a lot of burden on the asylum applicants, and less on the authorities to assist him or her, it maintains the burden on the front-line states, overall it's a bad revision of Dublin.

*17. To sum it up, would you say that the Dublin Agreement comes at a higher economic or political cost?*

No, I think the cost of the Dublin is political, I think is much more political than economic. It has economic parts, but they're indirect to what we discussed. So, yes, it inquires detention facilities, more manpower, different approaches, more streamline systems for specific Member States, not for all. But I think the principal problem is political, but also not just political, it goes a little bit at the core of how the EU understands itself, because Dublin is linked with Schengen, we wouldn't have Dublin if we didn't have Schengen, to be perfectly frank, we wouldn't need Dublin if we didn't have Schengen. But Dublin does this to ensure that Schengen is protected, and that's why we were talking about internal-externalisation with Dublin, because what is essential is that we need to protect Schengen and if they ever make it to the external borders, we need to create a buffer zone around the core of Schengen, and the buffer around the core of Schengen is the peripheral states that sit on the outskirts, geographically, of the EU, but the geographical outskirts are gradually also into political and economic outskirts, so Dublin and Schengen are intrinsically linked and the crucial impact is political, and also it shows for me, at least, how the Union actually understands and sees itself.

*18. Is there anything you would like to add that you think has been unsaid?*

No.

*On my honour as a student of the Diplomatic Academy of Vienna, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.*

*Benedict William Gromann*