Migration: the big issue in Europe

Migrant and refugee arrivals in Southern Europe, 12-month sum, in millions

- **Europe is attractive**: Seeking peace, security and a better life, many people from war-torn and poorer countries are trying to enter Europe, either as genuine refugees or as migrants looking for a better life. How to stem and manage the inflow has turned into the most explosive political issue in the EU. It helped to sweep anti-establishment parties into power in Italy. A migration dispute now threatens German Chancellor Angela Merkel.

- **The tide is receding**: In September 2015, Merkel's decision to let in refugees stranded in Hungary – and her long hesitation about whether to return to a harsher border regime thereafter – was among the factors that turned a rising inflow into a sudden tide. However, national and EU-wide measures to cope with the inflow are showing results. The number of migrants and refugees reaching the top three countries of entry into the EU, namely Greece, Italy and Spain, dropped sharply in 2016 and has continued to decline ever since (see chart). With various measures including apparent deals with groups controlling some ports in Libya, Italy's Gentiloni administration managed to bring down the number of sea arrivals by almost three-quarters from its peak in early 2017.

- **No resolution yet**: Despite the receding inflow, migration still dominates much of the political debate in the EU: first, memories of the apparent loss of control in 2015 remain fresh; second, the integration of so many newcomers poses significant problems for societies not used to dealing with mass immigration of this kind; third, Italy and Greece rightly complain about a lack of solidarity within the EU, as these frontier countries now have to cope with a large number of recent arrivals who mostly do not even want to stay on their territory. It may be many years before, with fewer migrants coming in and integration efforts paying off, the issue becomes less controversial.

- **Elements of a solution?** To some extent, key elements of an EU strategy to contain the problem are obvious: more resources to control the EU’s external border effectively; renewed efforts to stabilise the situation in Libya and to help the countries of origin of would-be migrants; significantly more financial support for frontier countries such as Italy and Greece; and fairer burden-sharing within the EU. The devil is in the detail: striking a deal on such politically-charged issues at the upcoming 28-29 June EU summit seems out of reach.

- **Merkel at risk?** Whether or not Germany should unilaterally close its borders to asylum seekers already registered elsewhere has suddenly become the **make-or-break issue for Merkel**. Trying to burnish their conservative credentials ahead of regional elections in October, her Bavarian allies from the CSU are de facto threatening to bring down her government. Merkel refuses to act unilaterally, partly because that could jeopardise the chance of progress on many other EU/eurozone issues. As both Merkel's CDU and the CSU would have too much to lose from a collapse of their joint government in Berlin, we expect a compromise soon, possibly by Monday or Tuesday. Still, the risk is serious.
Economics

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