

MJR suggests a new investment & jobs initiative to deal with Europe's refugee crisis and save Schengen

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Europe is facing multiple crises: slow economic recovery, increased social inequalities, large inflow of asylum seekers and heightened sense of insecurity among people. Combined, these crises threaten to break up the European integration project, with many governments and citizens tempted to look for solutions within national borders.

However, the only real solution to these crises can be European, and requires courageous action. Maria João Rodrigues is therefore exploring with European policy-makers and civil society leaders the idea of a new investment initiative, enabling Europe to cope with these crises at the same time – improving security, strengthening economic growth, creating decent jobs and dealing with refugees in a decent way.

Greater public investment is needed, with three main priorities: building a real external European border where migrant flows can be controlled and humanitarian assistance provided; investing in economic, social and cultural integration of refugees authorized to stay in Europe; and stabilizing the situation in Syria, its neighboring countries and the Balkans. This investment should be organized at a European level, either through a dedicated fund based on national contributions (and using the flexibility of the Stability and Growth Pact), or through the issuance of a special kind of a Eurobond (joint borrowing by a group of Member States willing to participate). Either way, greater investment now is necessary in order for European governments to be able to manage the current situation and reassure their citizens. If we do not invest now, we risk losing the European project and incurring much larger economic damage in the longer term.

By contrast, Maria João Rodrigues emphasized that the idea to exclude Greece from the Schengen area, which has been discussed by interior ministers over the past days, is a very short-sighted and damaging way of addressing the problem. Blocking refugees in Greece without providing adequate resources to deal with them would only move part of the acute burden from central Europe back towards Greece. Instead, whole Europe should work with Greece in a real partnership, ensuring stronger investment in Greece and creation of functioning hotspots where migrants are properly registered and receive humanitarian assistance before being relocated to other countries for the assessment of their asylum applications.

A new investment initiative could create many good jobs, notably for young people: provision of humanitarian assistance, training of refugees, upgrading of social infrastructure and strengthening of the European border would all be measures with a direct positive impact in economic and employment terms. At a time when public and private investment in the EU economy is still significantly below its level before the global financial crisis, improving security and dealing with refugees is an area where greater investment is clearly needed. However, this

needs to be largely public investment, since direct financial profitability for the private sector cannot be expected.

Participants in the workshop on investment and growth organized by the Foundation for European Progressive Studies agreed that today's combination of crises requires a serious political strategy at European level, backed up by adequate financial resources. They pointed out that the European Central Bank is currently trying to support the economy by printing €60 billion per month, but this new money is often not finding its way to areas where it is most needed. They also highlighted, though, that a real simplification would be needed in the way existing European funds are managed within the Member States, because municipalities, schools and NGOs are finding it very difficult today to get funding for deserving projects. Finally, they pointed out that Maria's idea links well to the need to share wealth in our societies in a more innovative and rational way – addressing real social needs instead of allowing inequalities to rise.