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IMMIGRANT INTEGRATION IN EUROPE IN A TIME OF AUSTERITY

By Elizabeth Collett



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MIGRATION POLICY INSTITUTE

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Executive Summary

The global financial crisis has affected public budgets across Europe, and the rising debt levels of all European countries will catalyze difficult public spending decisions in the near future. Immigration has been at the forefront of many debates about the effects of the economic crisis. Immigration fed economic growth in numerous European countries in the early 21st century, not least Ireland, Spain, and the United Kingdom; now, the economic downturn has deeply affected immigrants across the continent.

Perceptions of immigration's role have had both policy and political ramifications: a number of countries have tightened immigration policies over the past two years and others, even established immigration countries such as the Netherlands and Sweden, have seen populist parties capitalize on the idea that immigration is fueling native unemployment, unraveling national identities, and undermining the solidarity inherent in national social models. Several high-profile European leaders have questioned the virtues of the so-called multiculturalism model of integration.

This report, based in part on questionnaires the Migration Policy Institute's Transatlantic Council on Migration sent to selected representatives of the European Union's National Contact Points on Integration, takes a look at government reactions to integration organization, financing, and programming across Europe, and identifies areas of potential concern over the coming decade with respect to sustainable investments in integration. Successful immigrant integration, particularly socio-economic outcomes, are not just good for immigrants, but for society as a whole. But which governments have, to use an old expression, "put their money where their mouths are"?

The findings of this paper are highly diverse. Governments are being forced to make cuts across the board, and they will continue to come under significant pressure to do so. Even those countries that have held fast in terms of integration programming may not be able to do so in the future. Some countries have sought to use integration programs to mitigate the recession's impacts on more vulnerable migrant populations, while others have seemingly masked a change in political philosophy towards integration as fiscal necessity.

Governments are being forced to make cuts across the board, and they will continue to come under significant pressure to do so.

Yet the political and economic climate in Europe remains an incomplete explanation for the wide range of policy choices being made across Europe. National attitudes regarding the role of immigration in national society, the extent to which integration is "embedded" in national policymaking and infrastructure, and a possible "fatigue" on the part of countries with more immigration experience may all feed into the shifting approaches to integration policy.



I. Introduction

The global financial crisis has affected public budgets across Europe, from the fiscally conservative to the unsustainably expansive. Some countries, such as Greece and Latvia, are more clearly in crisis than G6 countries such as Germany and France. While doomsayers announce the end of the European social model, the rising debt levels of all European countries will catalyze difficult public spending decisions in the near future.

Immigration has been at the forefront of many debates about the effects of the economic crisis. Immigration fed economic growth in numerous European countries in the early 21st century, not least Ireland, Spain, and the United Kingdom; now, the economic downturn has deeply affected immigrants across the continent. Perceptions of immigration's role have had both policy and political ramifications: a number of countries have tightened immigration policies over the past two years and others, even established immigration countries like the Netherlands and Sweden, have seen populist parties capitalize on the idea that immigration is fueling unemployment for native-born workers, unraveling national identities, and undermining the solidarity inherent in national social models.

Immigrant integration has been a topic of feverish media and political discussion, without definitive resolution, since 2010. Several high-profile European leaders — from German Chancellor Angela Merkel, British Prime Minister David Cameron, and French President Nicolas Sarkozy to Dutch PVV party leader Geert Wilders — have questioned the virtues of the so-called multiculturalism model of integration (though it is unclear whether they are referring to the same ideas when doing so). While Cameron was referring to “state multiculturalism” and the need for a stronger national identity, Wilders rejects multiculturalism based on his belief that Western culture is better than Islamic culture. Sarkozy, meanwhile, sees rejection of multiculturalism as an implicit embrace of the French assimilationist approach.

Despite these high-profile debates, less publicly several leaders have pleaded with colleagues to reinforce, rather than cut off, financial support for integration.¹ But what has occurred in practice, and which leaders have, to use an old expression, “put their money where their mouths are”?

This report takes a look at government reactions to integration organization, financing, and programming across Europe, and identifies areas of potential concern over the coming decade with respect to sustainable investments in integration. This paper is a follow-up to an initial analysis made in 2010² and is based on both desk research and responses to a questionnaire sent by the Migration Policy Institute's Transatlantic Council on Migration (TCM) to selected representatives of the European Union's National Contact Points on Integration in spring 2010 and the first two months of 2011.

Contrary to what might be assumed from headlines highlighting drastic budget cuts in the hardest-hit countries, European Union (EU) Member States have reacted in highly diverse manner. This report outlines some of those reactions and makes a tentative analysis of the factors driving such a broad range of responses. It then suggests a few potential danger areas for future immigrant integration programming and opportunities for shoring up existing investments in immigrants through alternative sources of funding, namely the EU Integration Fund.

For several reasons, caution is needed when reviewing the available evidence regarding public financing for integration. First, the evidence itself is scattered. Almost all integration strategies involve multiple budget levels across a range of ministries. A review of the institutional organization

1 Specifically during discussions at the Fourth European Ministerial Conference on Integration, held in Zaragoza, Spain on April 15-16, 2010.

2 Elizabeth Collett, “Government Investment in Integration and Fiscal Uncertainty: Reactions in Europe” in *Prioritizing Integration*, eds. Bertelsmann Stiftung and Migration Policy Institute (Gütersloh, Germany: Bertelsmann Stiftung, 2010).



of integration policy reveals a number of constellations, sometimes under the aegis of one central authority, but more often spread over three or four ministries responsible for areas including home affairs, employment, education, and health. While such arrangements demonstrate that governments have taken the concept of mainstreaming integration policy to heart, they also make a simple aggregation of integration funding difficult and lacking in comparability.

Second, some programs target immigrants, but also other groups as part of social inclusion strategies, such as the United Kingdom's focus on race relations and building communities. It would be impossible to demonstrate which portion of funding was dedicated exclusively to immigrants. Third, the definition of "immigrant group" complicates budgets. For example, should education initiatives targeting the children of immigrants be considered integration programming? For some countries, such programs are a central tenet of integration, while others see them as part of a broader education strategy.

While a detailed comparison across countries is impossible, this report offers a series of national snapshots of integration investments, couched in the broader national political and economic landscape. It may still be too early for all of the implications of the economic crisis to have trickled down to integration programs, but in 2011, there are now clear indications as to how sustainable Member States' commitment to their immigrant population is.

II. The Economic Crisis and Immigrants: The Broader Context

The economic crisis severely hit Europe in terms of economic growth, with resulting effects for government budgets and employment outcomes. So far, two EU Member States, Greece and Ireland, have resorted to bailouts to rescue their economies, while others, such as Spain and Portugal, remain vulnerable.

The European Union's most recent *Economic Forecast* emphasized that "EU governments will have to make significant fiscal retrenchments in the coming years," with attendant concerns for overall future economic growth as a result of reduced spending.³ The aggregate government budget deficit in the European Union increased from less than 1 percent of GDP in 2007 to almost 7 percent of GDP in 2009, with rising debt-to-GDP ratios across the continent. Not only does the level of public debt affect current public spending but, if left unaddressed, will affect the ability of European governments to address the effects of aging populations and shrinking labor markets. However, it is clear that while some countries are facing severe shifts in their spending capacity, this is not the case across the board. Countries such as Sweden and Germany have emerged relatively unscathed from the crisis.

³ European Commission (EC), *European Economic Forecast: Autumn 2010* (Brussels: EC, 2010), http://ec.europa.eu/economy_finance/publications/european_economy/2010/pdf/ee-2010-7_en.pdf.

Table 1. General Government Balance for EU Countries (as Percentage of GDP)

Countries	Actual			Autumn 2010 Forecasts		
	2007	2008	2009	2010	2011	2012
Belgium	-0.3	-1.3	-6	-4.8	-4.6	-4.7
Germany	0.3	0.1	-3	-3.7	-2.7	-1.8
Estonia	2.5	-2.8	-1.7	-1	-1.9	-2.7
Ireland	0	-7.3	-14.4	-32.3	-10.3	-9.1
Greece	-6.4	-9.4	-15.4	-9.6	-7.4	-7.6
Spain	1.9	-4.2	-11.1	-9.3	-6.4	-5.5
France	-2.7	-3.3	-7.5	-7.7	-6.3	-5.8
Italy	-1.5	-2.7	-5.3	-5	-4.3	-3.5
Cyprus	3.4	0.9	-6	-5.9	-5.7	-5.7
Luxembourg	3.7	3	-0.7	-1.8	-1.3	-1.2
Malta	-2.3	-4.8	-3.8	-4.2	-3	-3.3
Netherlands	0.2	0.6	-5.4	-5.8	-3.9	-2.8
Austria	-0.4	-0.5	-3.5	-4.3	-3.6	-3.3
Portugal	-2.8	-2.9	-9.3	-7.3	-4.9	-5.1
Slovenia	0	-1.8	-5.8	-5.8	-5.3	-4.7
Slovakia	-1.8	-2.1	-7.9	-8.2	-5.3	-5
Finland	5.2	4.2	-2.5	-3.1	-1.6	-1.2
Bulgaria	1.1	1.7	-4.7	-3.8	-2.9	-1.8
Czech Republic	-0.7	-2.7	-5.8	-5.2	-4.6	-4.2
Denmark	4.8	3.2	-2.7	-5.1	-4.3	-3.5
Latvia	-0.3	-4.2	-10.2	-7.7	-7.9	-7.3
Lithuania	-1	-3.3	-9.2	-8.4	-7	-6.9
Hungary	-5	-3.7	-4.4	-3.8	-4.7	-6.2
Poland	-1.9	-3.7	-7.2	-7.9	-6.6	-6
Romania	-2.6	-5.7	-8.6	-7.3	-4.9	-3.5
Sweden	3.6	2.2	-0.9	-0.9	-0.1	1
United Kingdom	-2.7	-5	-11.4	-10.5	-8.6	-6.4

Source: European Commission, *European Economic Forecast: Autumn 2010*,

http://ec.europa.eu/economy_finance/publications/european_economy/2010/pdf/ee-2010-7_en.pdf.

In terms of the labor market, the unemployment rate rose from 7 percent to 9.6 percent across the European Union between 2008 and 2010.⁴ The pinch has been far from even — with Ireland experiencing a doubling of its unemployment rate (from 6.3 to 13.5 percent between 2008 and 2010), and Spain's unemployment rate rising to over 20 percent in 2010 while Germany's unemployment levels actually dropped 0.7 percent in 2010 from a year earlier.

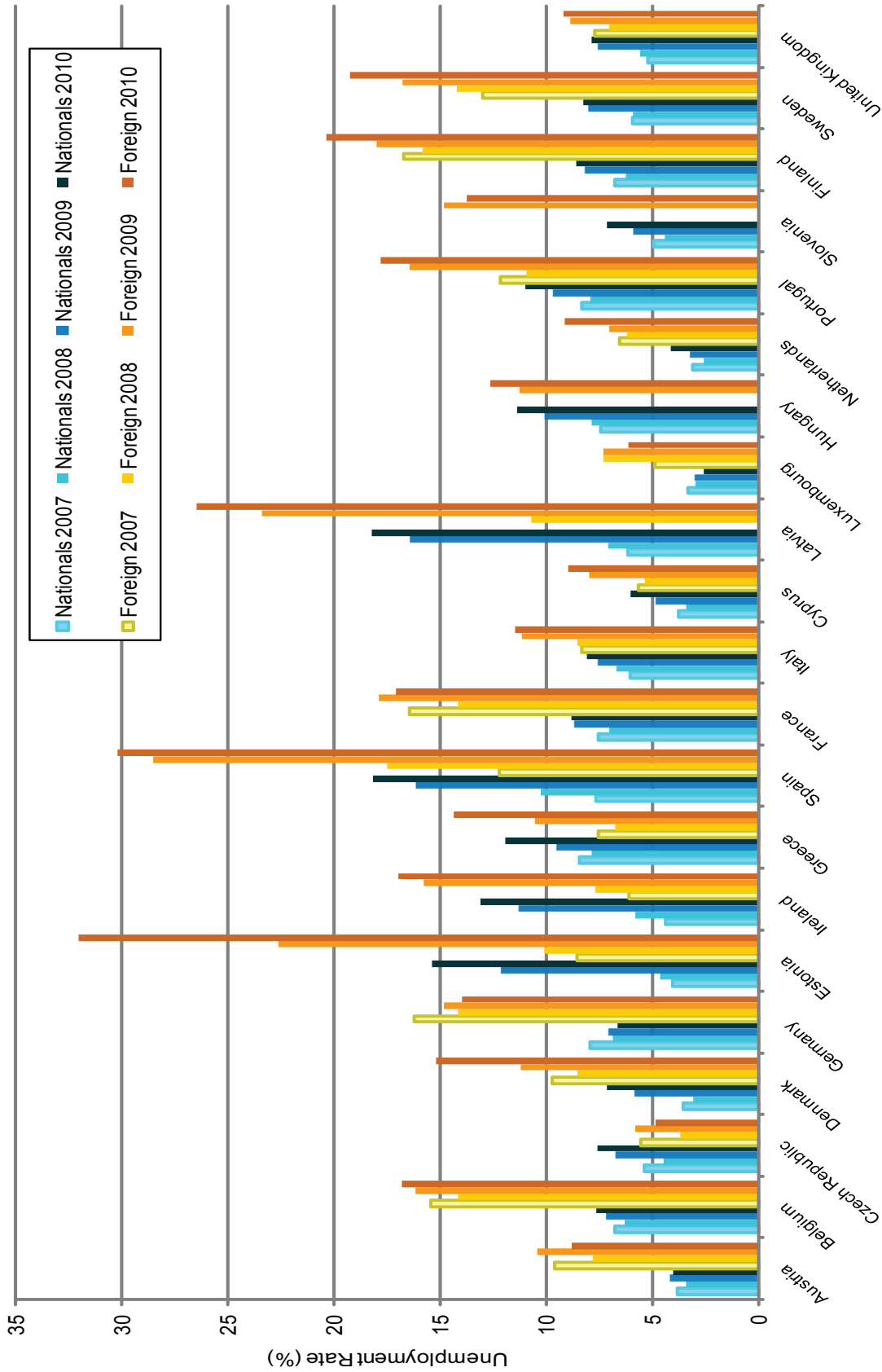
Migrants have been disproportionately affected by trends in employment, particularly young males working in vulnerable sectors such as construction.⁵ Spain is the most dramatic example, with overall migrant unemployment reaching 30 percent during 2010. (See Figure 1.)

4 Eurostat, Unemployment date by gender, accessed February 24, 2011, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsiem110&plugin=1>.

5 For a more detailed analysis, see Demetrios G. Papademetriou, Madeleine Sumption, and Aaron Terrazas, "Recovering from Recession: Immigrants and Immigrant Integration in the Transatlantic Economy" in *Prioritizing Integration*, eds. Bertelsmann Stiftung and Migration Policy Institute (Gütersloh, Germany: Bertelsmann Stiftung, 2010).



Figure 1. Native-Born and Foreign-Born Unemployment Rate by EU Country, 2007-2010



Source: Eurostat, Unemployment by sex, age groups and nationality (%), http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfisa_organ&lang=en



The economic turbulence has affected immigration flows. While comparative data are not yet available for 2009 and 2010, shifts in immigration flows were already manifesting in 2008, months into the global recession, with a 6 percent drop in immigration to EU Member States of both third-country nationals and EU citizens combined with a 13 percent rise in emigration.⁶ While it is difficult to draw conclusions about the deeper meaning and permanence of these shifts, some reports from individual countries highlight the impact of the crisis. In Ireland, registrations of EU nationals dropped by 42 percent in 2008 and a further 60 percent in 2009, while work permit issuance for third-country nationals fell from 10,200 in 2007 to 3,900 in 2009.⁷ In Spain, labor immigration dropped from 200,000 in 2007 to 16,000 in 2009.⁸

The economic crisis has also set the stage for changes on the political scene. Far-right groups have made unprecedented electoral gains over the past two years, and a potent political debate has been touched off by worries that Europe's economy cannot sustain current levels of immigration and a growing dissatisfaction with current integration models. The declaration that integration has "failed" in many Western European countries begs the question "What next?" and suggests that the next couple of years will determine the direction of integration policies for the next generation of immigrants.

III. Integration Planning and Funding

In the majority of European countries, integration funding is decided and coordinated at the national level. Priorities are set, for the most part, through multiannual strategies. Examples include the Portuguese National Plan of Immigrant Integration (second iteration) and the Estonian Integration Strategy (2008-2013), both of which set a ballpark budget for activities over the relevant period.

Despite the strong national control over integration spending, it is important to note the increasing focus on integration from city and regional governments within each Member State. For some countries, regional autonomy is longstanding. In Germany, the states (*Länder*) are responsible for providing introduction programs for newcomers, as well as overseeing broad areas like education, while integration policies in Belgium are almost entirely devolved to the country's three language communities (Flemish, French, and German), with very little strategic direction from the federal government. City authorities have also become aware of their increasingly diverse communities. According to a recent review of local policies, many cities have established units within their administrations to develop integration strategies,⁹ though financial resources tend to be deployed through existing mainstream service providers in areas such as education, housing, and employment.

Governments (at all levels) have received money directly from various EU accounts to support specific integration projects and initiatives, galvanizing integration strategies in Member States newer to immigration (and thus to integration). In some countries, such as Poland and Slovakia, integration programming is almost entirely cofunded by the European Union. At regional and city levels, authorities generally depend on funding from both national and regional governments, which can limit their ability to develop projects. Here, EU money has made it possible to develop projects with a specific integration focus and connect with other cities across Europe.

6 EC, *Immigration to EU Member States down by 6% and emigration up by 13% in 2008* Statistics in Focus: Population and Social Conditions 1/2011 (Luxembourg: Eurostat, 2011). http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-001/EN/KS-SF-11-001-EN.PDF

7 Organization for Economic Cooperation and Development (OECD), *International Migration Outlook 2010* (Paris: OECD, 2010): 32.

8 Ibid.

9 Eurocities, *Benchmarking Integration Governance in Europe's Cities: Lessons from the INTI-Cities project* (Brussels: Eurocities, 2009).



(EU budgets are decided according to a seven-year financial framework, making them less subject to annual changes in political and economic outlook.) A preparatory fund (Integration of third-country nationals, or INTI) was put in place between 2002 and 2006; INTI funded a number of cross-border activities on integration, including two editions of the *Integration Handbook*.¹⁰ In 2007, a European Integration Fund (EIF) was established, comprising 825 million euros (US\$1 billion) over the seven-year period 2007-2013. While a small portion of EIF is reserved for pan-European projects managed at the EU level, 93 percent (768 million euros or US\$944.6 million) is devolved to the 26 participating Member States (Denmark has opted out of the fund). Each participating state receives money based on its number of legally resident third-country nationals (immigrants from outside the European Union) and its multiannual programming strategy. The remaining 57 million euros (US\$70.1 million) are for pan-European projects, similar in scope to the original INTI fund.¹¹ It is important to note, however, that budget negotiations for the financial framework from 2014 onwards will begin in mid-2011, and may be influenced by current political debates.

Other relevant EU-level funds range from the European Social Fund — 75 billion euros (US\$92.3 billion) aimed at improving employment social cohesion, and social inclusion, and administered nationally by region — to PROGRESS, a 628 million euro fund (US\$772.4 million) based on the goals of the European Employment Strategy (social inclusion, living and working conditions, nondiscrimination, and gender equality).¹² In addition to these thematic funds, several streams are based on geography, such as URBACT and the Regional Development Fund.¹³

For countries with large national budgets for social policy, EU funding may seem like a drop in the ocean. For example, in the Netherlands and Sweden, where the overall integration budget has been upwards of 500-600 million euros (US\$615 million-\$738 million) annually in each country to date, EU funding has not been a significant source. As budgets are revised, however, this may no longer be the case for several countries.

IV. Country Case Studies

Three variables are at work when assessing changes to integration programming in Member States across the European Union:

- ***The severity of the impact of economic recession in each country.*** Some countries have emerged relatively unscathed — e.g., Sweden, Norway, and Germany — while others represent the hardest hit.
- ***The nature of immigration to each country.*** Some countries have lower numbers of immigrants — such as the Czech Republic, Poland, and Hungary — while others (Portugal, Spain, and Ireland) are reasonably new to large-scale immigration.
- ***The length of time spent developing and implementing integration policies.*** While most European countries have really only developed such strategies within the past five or ten years, several Member States, including France, the Netherlands, and the United Kingdom, have been investing in integration programs of various types for several decades.

10 For details of projects granted over the four-year period, see European Commission Home Affairs, INTI – Integration of third country nationals, accessed February 28, 2011, http://ec.europa.eu/home-affairs/funding/2004_2007/inti/funding_inti_en.htm#.

11 For details of how funds are disbursed, see European Commission, Justice and Home Affairs, “The European Fund for the Integration of Third-country nationals,” http://ec.europa.eu/justice_home/funding/integration/funding_integration_en.htm#part_2.

12 Exchange rate used is 1 euro = 1.23 US dollars.

13 URBACT funds urban development projects, while the Regional Development Fund is committed to promoting economic growth and infrastructure development in Europe’s regions.



The nine case studies below were chosen on the basis of geography, severity of the national economic downturn, and immigration background, to determine whether any commonalities could be identified. Questionnaire responses were received from most case study countries in February 2011 (except for Denmark, Ireland, and the United Kingdom), and information was supplemented by investigation into budgetary projections published by national ministries of finance.

A. Czech Republic

The Czech Republic weathered the recession reasonably well, and had actually directed resources towards immigrants during the downturn through additional programming. However, as the government seeks to cut spending in all areas, the Czech government is reducing financing for integration programs in 2011.

While the Czech economy shrank in 2009, as across the rest of the European Union, it quickly rebounded in 2010 and is expected to post slower but solid growth in 2011 and 2012. However, alongside this, the general government balance moved from a small deficit of 0.7 percent in 2007 to a deficit of 5.8 percent in 2009, leading the government to make a series of cuts to public spending in 2010. The cuts ranged from limiting welfare and unemployment benefits to a 10-percent reduction in public-sector wages.

Immigrants were negatively affected by the economic downturn in the Czech Republic, despite the fact that their unemployment rates have remained lower than for the native population (5.8 percent versus 6.8 percent in 2009). The Czech Republic initially responded to the recession by introducing a voluntary return program in 2009 to address the problem of unemployed migrants. Of the 27,700 third-country nationals who lost their jobs in 2008-2009, it is thought that around 8 percent (mostly from Mongolia) left through this program, which included a stipend of up to 500 euros and covered the plane ticket home and some accommodation costs.¹⁴

However, for the vast majority who remained, the Ministry of the Interior began emergency integration programs in close cooperation with Czech municipalities, focused primarily on labor market activities, including social and legal counseling, language training, and support for further education. In addition, the Czech Republic has put in place Integration Support Centers for foreign nationals in ten of the 14 regions (six in 2009, four in 2010). According to the Czech government, “integration became more important and visible” due to the crisis and thus financial spending increased between 2008 and 2010 with support from the European Integration Fund and European Social Fund.¹⁵ In 2010, the state budget allocated 25 million Czech Korona (approximately 1 million euros) for integration, disbursed primarily to the Ministry of the Interior and the Ministry of Labor and Social Affairs, but also the Ministries of Health; Education, Youth and Sport; Culture; and for Regional Development.¹⁶

In 2011, however, several changes are envisaged. First, general cuts in public spending will also affect the integration budget. Second, the recession has influenced the New Policy for the Integration of Immigrants, submitted to the government in February 2011, which calls for a more “practical” approach to integration, and focuses on predeparture measures, introductory courses, language tests, and the education of second-generation immigrants, among other priorities.¹⁷

Several things are notable about the Czech situation. First, when faced with immigrant unemployment,

14 Kristen McCabe, Serena Yi-Ying Lin, Hiroyuki Tanaka, and Piotr Plewa, “Pay to Go: Countries Offer Cash to Immigrants Willing to Pack Their Bags,” *Migration Information Source*, November 2009, www.migrationinformation.org/Feature/display.cfm?ID=749.

15 Transatlantic Council on Migration (TCM) questionnaire response, Czech Republic, received March 15, 2010, on file with the Migration Policy Institute.

16 Czech Government, *Report on the Integration of Foreigners 2009* (Prague: Czech Government, March 22, 2010).

17 TCM questionnaire response, Czech Republic, received February 2011, on file with MPI.



the government put in place several policies to address the situation (along with broader reforms in the labor market as a whole) — from encouraging return, to offering language and vocational support. Second, compared to integration budgets of Western European countries, the Czech investment is small and reflects the fact that it is still a relative newcomer to immigration. Immigrants still represent just under 4 percent of the total population, compared to the EU average of 6.4 percent.¹⁸ And finally, the role of EU funding, always a central support for new policy initiatives (such as the Integration Support Centers), may possibly become the only means of support for integration programs from 2011, with all Czech financing directed toward cofunding EU projects.

B. Denmark

The recession was fairly short-lived in Denmark, though immigrants seemed to fare badly in the labor market, with foreign-born unemployment increasing to over 15 percent by 2010 compared to 7 percent for native workers. (Foreign-born unemployment is comparatively high in Denmark, but was more or less proportional to unemployment rate increases for native workers during the financial crisis.) Amid this, Danish integration policy during the recession has been characterized by a mild increase in spending, alongside an increase in the number and type of integration conditions attached to immigration status, reinforcing the Danish “active” approach to integration.

While the country experienced negative GDP growth in 2009, the economy quickly rebounded to 2.1 percent growth in 2010. However, the public deficit has increased to 5.1 percent of GDP in 2010, leading the government to outline 24 billion kroner (3.2 billion euros) in budget cuts between 2011 and 2014, with significant reductions to unemployment benefits and social spending.

Integration policy in Denmark has long been strongly associated with active labor market incorporation, as the gaps in terms of both educational and employment outcomes between native and foreign-born workers are longstanding.¹⁹ The 2005 New Chance for Everyone Integration plan reconfirmed this focus on labor market incorporation with the stated goal of getting 25,000 more immigrants into work between 2005-2010. While a wide range of social support is available, the policy is based on the expectation that immigrants will actively engage in the integration process, particularly with respect to language learning and finding work.

Integration policy is coordinated through the Ministry for Refugees, Immigration, and Integration. Between 2008 and 2011 (projected), the ministry’s budget for integration increased by 68 percent (from 1.22 billion Kronor to 1.80 billion kroner, or from 163.6 million euros to 241.4 million euros). (See Figure 2) The bulk of this increased spending is in the area of introduction and language programs.

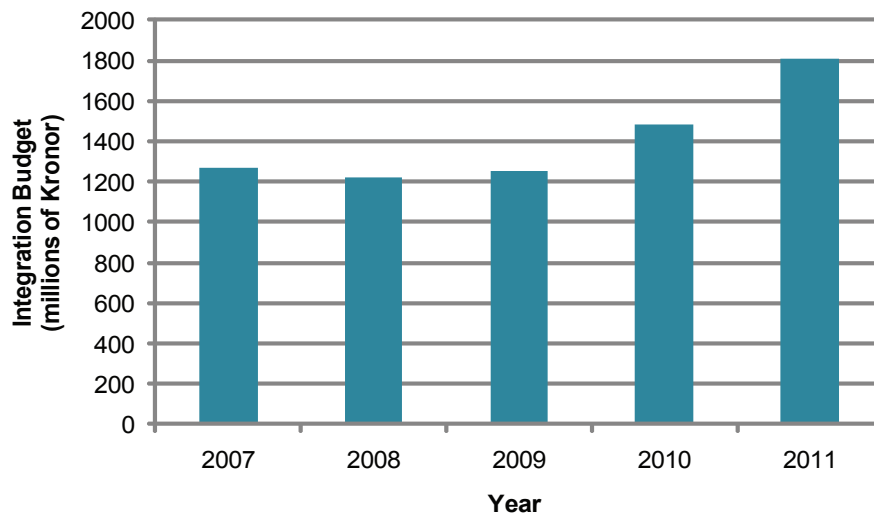
While integration policy has not fundamentally changed direction and funding has remained constant, integration conditions have become more prescriptive. The Danish People’s Party (DPP), a far-right anti-immigrant political party, secured an agreement with the Danish government in March 2010 to tighten immigration policy and put in place a series of integration conditions for the acquisition of permanent residence.²⁰ These conditions include demonstrating “active citizenship” through testing or one year of community activity, higher language proficiency requirements, and not being a recipient of social assistance for three years preceding application for permanent residence. Whether working immigrants will be able to fulfill all these criteria is a concern for some observers.²¹

18 Eurostat, Statistics in Focus, 45/2010 (Luxembourg, Eurostat, September 2010), http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-10-045/EN/KS-SF-10-045-EN.PDF.

19 Thomas Liebig, “The Labour Market Integration of Immigrants in Denmark,” (OECD Social, Employment and Migration Working Paper No. 50, Paris, March 2007).

20 Eva Ersboll, “Denmark: New rules on access to permanent residence passed in Parliament on 25 May 2010,” (Florence, Italy: European Union Democracy Observatory on Citizenship, June 2010), <http://eudo-citizenship.eu/citizenship-news/316-denmark-new-rules-on-access-to-permanent-residence-passed-in-parliament-on-25-may-2010>.

21 Ibid.

Figure 2. Danish Integration Budget, 2007-2011

Source: Danish Ministry of Finance.

Overall, while Denmark asks a great deal of immigrants, it has also remained willing to finance the programs which immigrants need in order to meet the requisite criteria.

C. Germany

The economic crisis left Germany in a comparatively strong position. And, while a deeply negative debate surrounding the integration of immigrants emerged in 2010, the government has not reduced its investments into immigrant integration and has retained its priorities towards improving language skills, education, and labor market access while fostering social cohesion through dialogue and anti-discrimination.

Germany was relatively unaffected by the crisis, and reported real GDP growth double that of the EU-27 as a whole (3.6 percent versus 1.8 percent).²² Indeed, Germany has been the Eurozone's backbone during the economic crisis and backed bailouts of Portugal and Greece. Nonetheless, the German government in June 2010 announced plans to trim the general budget by 80 billion euros over three years (2011-2014).

German integration policy, as in other countries, involves a number of ministries, including the Federal Ministry of Education and Research, the Federal Ministry of Labor and Social Affairs, and the Federal Ministry of Family Affairs, Senior Citizens, Women, and Youth. The main locus for integration policy is the Federal Office for Migration and Refugees (BAMF), a division within the Federal Ministry of the Interior (BMI). BAMF manages the nationwide integration program (focused in part on education and the labor market) and integration courses, and funds a range of integration projects across the country. In addition, the regional *Länder* administrations manage a proportion of integration policy (an analysis of their spending is beyond the scope of this report).

Overall, BMI will experience a small budget reduction in 2011 of some 90 million euros, less than 2 percent of its overall budget (5.402 billion euros). Within this, the budget for BAMF integration courses have been shielded from cuts: the 2011 budget envisages spending of 218 million euros, which is at the same level as 2010, and 44 million euros higher than in 2009.²³

22 Eurostat, real GDP growth rate, accessed February 24, 2011. <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsieb020>.

23 TCM questionnaire, received February 2011, and German Federal Ministry of Interior website, Der Haushalt des BMI für



The steady-state funding for integration comes as Germany is engaged in a high-profile political debate surrounding the success or failure of integration processes, specifically the “multi-kulti” concept. Interestingly, the sometimes rancorous debate has not shaken the foundations of the policy approach itself, which is seen as successful and has now been extended to immigrants who have been in country for a longer period of time. Within government ministries themselves, there is no debate as to whether to change priorities or retrench investments.²⁴

D. Ireland²⁵

Ireland experienced a severe recession that, combined with a banking crisis, led the Irish government to seek a bailout from the European Union in October 2010. Economic immigration flows dropped significantly between 2008 and 2010, and the developing Irish integration policy has also been adjusted significantly, in large part due to large-scale spending cuts.

The Irish economy was one of the most severely affected during the global recession, with real GDP growth dropping 7.6 percent in 2009. The Irish government also moved from a balance of zero to a deficit of 14.4 percent of GDP, which was expected to further widen to 32.3 percent in 2010, by far the most serious deficit in the European Union. As a result, the government announced a draconian budget strategy for 2011-2014 with a view to trimming the deficit to 9.1 percent of GDP, proposing to save 15 billion euros over four years, 10 billion of which will be from cuts in public expenditure.

Both immigrants and native workers have experienced a doubling of the unemployment rate; industries such as construction and services were particularly hard hit. And the government’s reduction of the minimum wage to 7.65 euro, is expected to affect many low-skilled migrant workers. While economic migration has dropped — the number of non-Irish nationals registering to work dropped from 156,151 in 2008 to 69,038 in 2010 — the majority of immigrants have remained in the country.

Ireland’s switch to a country of immigration was fast, and the Irish government had only just begun developing a strategy to address the integration needs of its immigrant population when the economic downturn hit. In 2007, the government created the position of Minister of State with Special Responsibility for Integration Policy, supported by the Office of the Minister of State for Integration (OMI), which launched with a budget of 9.3 million euros.²⁶ This is not the only, or indeed primary, source of funding for migrants, but for the purposes of this analysis it is difficult to separate out mainstream funding that supports migrants as one part of a broader target group.

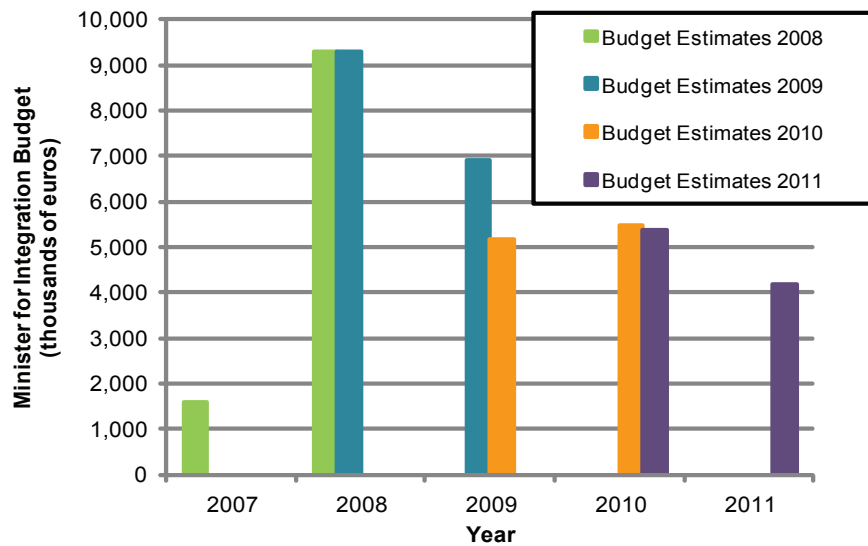
In May 2008, the Irish government published a new strategy document, *Migration Nation: Statement on Integration Strategy and Diversity Management*, just months before the economic crisis took hold. In light of the crisis, it has been harder to put many of the ideas contained in the document in place. Indeed, the OMI budget itself has been reduced, its overall allocation cut to 4.1 million euros in 2011, one-third less than when the office was set up. (See Figure 3.)

2011, www.bmi.bund.de/cln_183/DE/Ministerium/Haushalt/haushalt_node.html;jsessionid=9582E30FF577F6928582BE7AD6C53E09.

24 TCM questionnaire, received February 2011.

25 Much of the information for this case study is drawn from Sheena McLoughlin, “Integration Programming Post Crisis: Ireland Case Study” in *Prioritizing Integration*, eds. Bertelsmann Stiftung and Migration Policy Institute (Gütersloh, Germany: Bertelsmann Stiftung, 2010).

26 Irish Department of Finance, *Budget Estimates 2008* (Dublin: Department of Finance, 2007).

Figure 3. Budget for Ireland’s Office of the Minister for Integration, 2008-2011

Source: Irish Department of Finance.

Other cuts over the past couple of years highlight the pressure the Irish budget has placed on public services. The Department of Education reduced its budget for employing special tutors to teach English as an additional language from 120 million euros to 98 million euros in 2010.²⁷ Meanwhile, the National Consultative Committee on Racism and Interculturalism (which received approximately 500,000 euros in core funding from the state) was abolished, and the Equality Authority lost 43 percent of its budget in 2008.²⁸ Cuts to training and education initiatives have also had an effect on the availability of language learning classes and vocational training. One bright spot was the increased funding for the Employment of People from Immigrant Communities Program (EPIC), which rose from 276,700 euros in 2008 to 512,568 euros in 2009, to assist unemployed migrants to find jobs and get training.

However, despite the extremely bleak budget situation, the Irish government has continued to focus on integration, with the introduction of a Ministerial Council on Integration (composed entirely of migrants) in September 2010, and the development of an Intercultural Education Strategy. Simultaneously, the government took some measures to support unemployed migrant workers in 2009: the “grace” period for unemployed work-permit holders was extended from three to six months, while those who had fallen out of the work permit system and thus become unauthorized were offered the opportunity to reapply for a work permit.

It is difficult to put together a complete breakdown of how Irish integration spending has changed over the past three years. Certainly, there are major indications that spending has been severely cut here, as elsewhere in the public budget, and NGOs are under extraordinary pressure to fund services without resources. But other policy changes made during the same period are designed to support the incorporation of migrants into the education system, the labor market, and even the policymaking process itself.

E. Netherlands

The economic crisis affected the Netherlands significantly, and cuts to integration programming had

²⁷ Figure provided by the Office of the Minister of State for Integration (OMI).

²⁸ Niall Crowley, *Hidden Messages, Overt Agendas* (Dublin: Migrant Rights Centre Ireland, 2010), www.mrci.ie/media/128716146816_HIDDEN_MESSAGES_OVERT_AGENDAS.pdf.

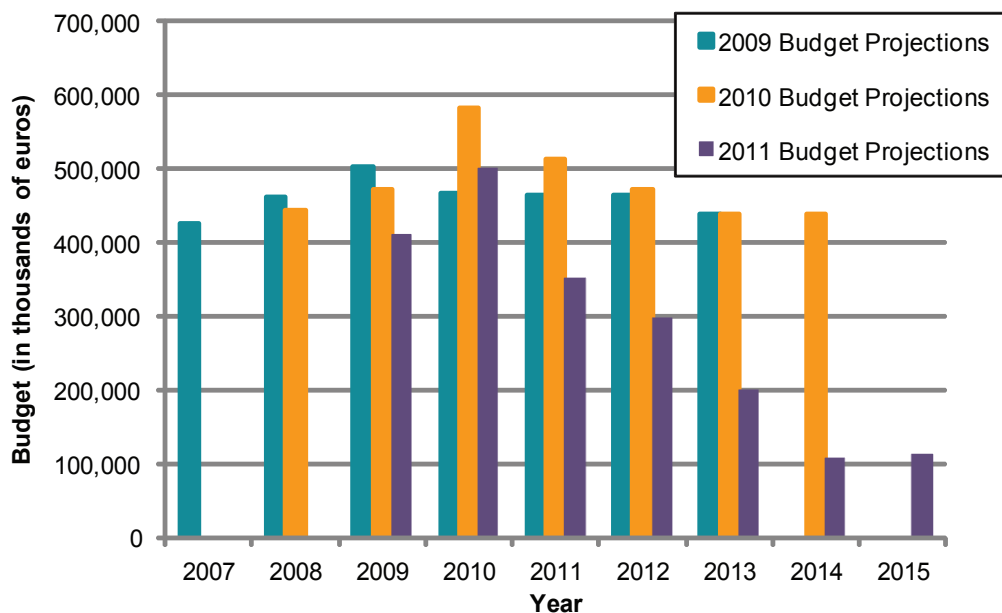


been expected in early 2010. However, the mid-2010 Dutch elections and the subsequent informal governing coalition with the far-right PVV party have led to deep cuts to the integration budget, reflecting a change in approach towards immigrant integration.

The Dutch economy emerges somewhere in the middle of the Eurozone pack, neither prospering nor suffering unduly in terms of GDP growth (-3.9 percent in 2009, rebounding to 1.7 percent in 2010), government budget deficit (5.8 percent of GDP in 2009), or debt-to-GDP ratio (60.8 percent in 2009). During coalition talks, the caretaker government set out overall budget cuts of 3.2 billion euros for 2011, but the final coalition deal outlined cuts of up to 18 billion euros between 2011 and 2015.

The informal coalition deal heralds a change in approach in the Netherlands, which was already becoming more hard-line toward immigration and integration policy. The deal includes a proposed ban on the wearing of the burqa, and further curbs on immigration inflows. The cuts to integration financing are dramatic. The Ministry for Housing, Communities, and Integration, which coordinates integration programming (and financing devolved to municipalities) will see its budget for the integration of non-Western foreigners drop by nearly 80 percent over the next five years, from 501 million euros in 2010 to a projected 111 million euros in 2015. It is notable that the projected spending has shifted dramatically from the 2010 budget forecast to 2011 (see Figure 4).

Figure 4. Projections for Budget Line “Integration of Non-Western Immigrants” within the Ministry of Housing, Spatial Planning, and Integration, 2009-2011



Source: Dutch Ministry of Finance, information accessed January 15, 2011.

The funds for civic integration — language and orientation courses — have been particularly hard hit, and resources will drop to one-tenth of what they were in 2010 (44.6 million euros in 2015, down from 439.7 million euros in 2010). This is partly due to the fact that much of this money was directed at immigrants who had been living in the Netherlands for some years, most of whom have now taken the courses. But it also reflects the government goal that immigrants will now pay for these courses themselves (with a social loan system for those with insufficient resources). Whether this is sustainable (and whether sufficient courses will still be offered given the education budget reductions) remains to be seen.



States, like immigrants themselves, will be asked to pick up more of the cost of integration programs, with specific state-level integration subsidies reduced to zero over the coming years. Instead, integration will be mainstreamed into the general state-level funding for education, health, and other social policies. NGOs will be negatively affected, as financial support for them will be rejected unless a strong rationale for funding can be made.

Overall, cuts to integration programming seem disproportionately affected by Dutch austerity measures and stand in contrast to the political concern that immigrants are increasingly segregated from mainstream communities. It would seem that the politics of integration are increasingly disconnected from the practice, with a shift in philosophy towards immigrant “self help.” While the idea that immigrants should pay their own way may be politically attractive, it may not make any strides towards resolving social divisions.

F. Portugal

Despite serious reductions to public spending, the Portuguese government has maintained a strong commitment to its migrant population. While administrative budgets are under pressure, the government has outlined measures to bolster immigrant access to the labor market as well as reduce the worst impacts of the recession. It is notable that immigration and the integration of migrants are not politically “hot” topics in recession-battered Portugal.

Portugal has been considered one of the most economically vulnerable countries in Europe since the downturn, with a debt-to-GDP ratio of over 75 percent in 2009 and a government deficit of 9.4 percent.²⁹ As a result, the government put in place an austerity budget package in late 2010, which aimed to save 5 billion euros through spending cuts and tax increases.

While a number of government departments are involved in integration programming, the High Commission for Immigration and Intercultural Dialogue (ACIDI), has had central responsibility for coordinating integration since 2007. ACIDI’s National Immigrant Support Centers (known by the Portuguese acronym, CNAI) serve as one-stop shops for integration services provided by representatives of numerous ministries and government departments, from housing information to recognition of qualifications. Other relevant programs include the *Portuguese For All* language program, a joint initiative between the presidency of the Council of Ministers, the Ministry of Labor and Social Affairs, and the Ministry of Education, with a seven-year budget of 11.4 million euros.

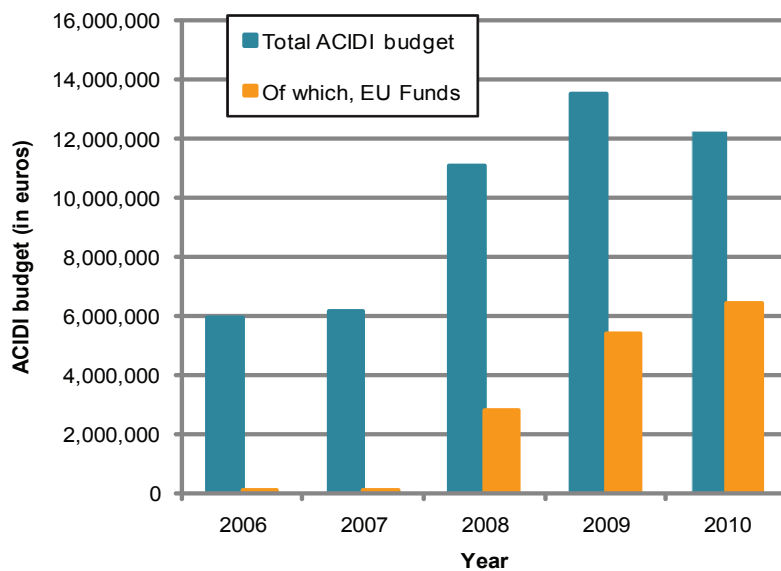
During its short life, ACIDI’s budget has more than doubled, from just over 6 million euros in 2007 to 13.5 million euros in 2009, reflecting the importance of integration policy in Portugal. However, this rise comes from more than an increase in national funding. EU monies represented 40 percent of the total in 2009 (5.4 million euros). ACIDI’s 2010 budget was slightly smaller, at 12.1 million euros, and EU funding represents more than half of the projected spending. It is also worth noting that ACIDI in 2009 transferred approximately half its funds (6 million euros) to nonprofit organizations that work directly with immigrants, acting similarly in 2010.³⁰

29 European Commission, *Economic Forecast: Autumn 2010*; Eurostat, “General government debt as a percentage of GDP,” accessed February 22, 2011, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb090&plugin=1>.

30 Figures provided by High Commission for Immigration and Intercultural Dialogue, June 2010.



Figure 5. Budget of High Commission for Immigration and Intercultural Dialogue, 2006-2010



Source: Information provided by ACIDI.

Looking forward, the Portuguese government has actually increased ACIDI's budget by 4.7 percent for 2011, largely due to an effort to relocate Lisbon's CNAI in a new building, and no integration projects have been cut.³¹ The Second Plan for Immigrant Integration,³² approved in August 2011, set out 90 measures, a number of which focused on providing support to immigrant citizens who, for different reasons, find themselves in more vulnerable socioeconomic situations. Specific measures include:

- Making immigrants eligible for the basic literacy training offered to beneficiaries of Social Insertion Income
- Development of an Immigrant Entrepreneur Program and Mentor Program to encourage immigrants to start new businesses
- Ensuring social assistance for immigrants living in situations of extreme poverty, regardless of residence status.

Other immigration measures undertaken include a simplification of the family reunification process, and allowing immigrants to request an extension of stay in Portugal if unemployed or in a situation of unstable temporary employment.

G. Spain

The severity of the economic crisis in Spain has had an effect on immigrant inflows, immigrant unemployment, and, perhaps inevitably, spending on integration. At the same time, the government has increased investment in broader activities to combat racism and xenophobia, as well as to address the situation of Roma in Spain.

While Spain has so far managed to avoid reaching out to its European counterparts for financial support, the country was badly hit by the recession. While GDP growth in 2009 contracted less than the

³¹ Portuguese questionnaire response, received February 2011.

³² Presidency of the Council of Ministers, *Resolution of the Council of Ministers, No. 74/2010, Second Plan for Immigrant Integration (2010-2013)* (Lisbon: Presidency of Council of Ministers, August 12, 2010), www.acidi.gov.pt/_cfn/4d346c9b80687/live/Resolucao-de-Conselho-de-Ministros+n%74%2F2010.



EU average (3.7 percent versus 4.2 percent), the public deficit reached 11.1 percent of GDP, necessitating cuts in public spending. In September 2010, the Spanish government put in place cuts which included an overall reduction in public spending of 7.7 percent.

Immigrant populations have been particularly hard-hit during the recession, with the unemployment rate soaring to over 30 percent for foreign-born workers vs. 18 percent for native workers. Perhaps due to the reduced economic demand, the number of new arrivals in Spain has also decreased significantly.

Integration policy is coordinated within the Ministry for Employment and Immigration, though its practice involves a wide range of government departments as well as the autonomous communities (regions) and municipalities. Following a lengthy consultation process started in 2005, the ministry published its Strategic Plan on Citizenship and Integration (2007-2010).³³ Based on this plan, the budget of the General Directorate for the Integration of Immigrants increased between 2005 and 2009, reaching a peak of 308.5 million euros in 2009. However, the crisis has had a significant impact on this funding stream: in 2010, funding was reduced to 166 million euros,³⁴ and in 2011, it is set to further reduce to 141 million euros.³⁵

Within the general budget, the Spanish Integration Fund forms the bulk of spending, much of which is disbursed to municipalities and regions. The Spanish government began allocating funding to autonomous communities, such as Madrid, reaching a plateau of 200 million euros by 2009.³⁶ Regional communities took the lead on many aspects of integration and cofunded integration policies from their own budgets. In February 2009, the Spanish government reduced this fund from 200 million euros to 100 million euros in 2010, dropping further to 70 million euros in 2011.

To some degree, a new general funding framework between the government and communities, through which support for public service provision such as health and education has increased, has offset these cuts. Additional money is allocated based on criteria including population density and linguistic needs, which mean those regions with higher numbers of immigrants should receive more funding.³⁷ However, it remains up to each region to determine how much is then earmarked for specific integration policies. So far, funding for NGOs (engaged in providing language programs, informal education, access to employment, housing etc.) has not been reduced by the General Directorate for Integration, and remained at 19 million euros between 2008-2010.

The Ministry of Employment and Immigration is in the process of developing a second Strategic Plan on Citizenship and Integration (2011-2014), which foresees a shift in strategy away from reception policies (as arrivals have dropped), but maintaining a focus on education and employment. In addition, the strategic plan will highlight the challenge of diverse districts (to support community development in areas with high immigrant density) and combating racism and xenophobia. A special action plan has been developed to address social inequality within the Roma population. These developments reflect a shift in Spain towards longer-term integration policies. While funding for integration has been reduced by over half within the last couple of years, it is to be hoped that broader initiatives can mitigate the loss somewhat.

33 Ministry for Employment and Integration, *Strategic Plan on Citizenship and Integration* (Madrid: Ministry for Employment and Integration, 2007), www.mtin.es/es/sec_emi/Integralmigrantes/PlanEstrategico/Docs/PEClingles.pdf.

34 TCM questionnaire response, received February 2011, on file with MPI.

35 Ministry of Employment and Immigration, *General Budget 2011* (Madrid: Ministry for Employment and Integration, 2010).

36 Andrew Davis, "Multi-nation building? Immigrant integration policies in the autonomous communities of Catalonia and Madrid" (paper for the Economic and Social Research Council workshop "Narratives of societal steering to promote integration and inclusion," March 14, 2008, Sheffield, United Kingdom), www.sps.ed.ac.uk/_data/assets/pdf_file/0017/13094/Andrew_Davis_Multination_building_Madrid_Catalonia.pdf.

37 TCM questionnaire response, received February 2011, on file with MPI.



H. Sweden

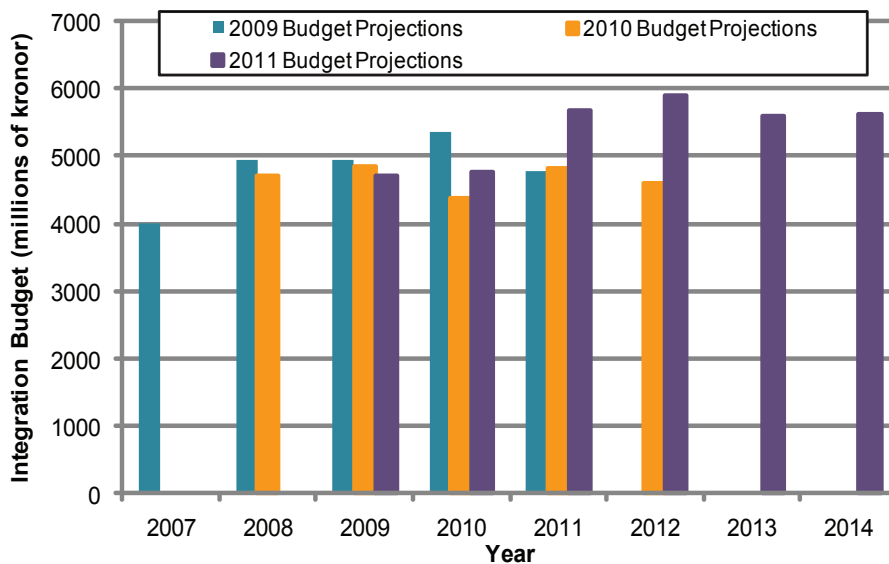
Despite experiencing economic slowdown in 2009 and a general election the following year, Sweden has stayed the course with its earlier approved integration strategy and has actually increased its investment in integration, with a particular focus on improving access to the labor market for newly arrived migrants.

Overall Sweden fared better during the economic crisis than many other European countries, and the economy bounced back quickly in 2010 to grow by a projected 5.5 percent. This is accompanied by a very small public deficit (0.9 percent, projected to become a surplus of 1 percent by 2012), and comparatively low debt-to-GDP ratios (41.9 percent in 2009). However, Sweden's labor market is characterized by a large gap between native and foreign-born employment levels (8 percent versus 19.2 percent in 2010), which widened slightly between 2008 and 2010 (see Figure 6). Addressing levels of employment, and within this the persistent gap between native and foreign-born employment outcomes, has been the primary concern of the Swedish government during the crisis, rather than making cuts to the public budget.

While the Swedish government did not change following the September 2010 elections (though now rule as a minority coalition), the far-right Sweden Democrat party won parliamentary seats for the first time. Swedish public opinion remains positive and stable towards immigration, but attitudes towards some groups are hardening, according to the *Mangfaldsbarometern*, an annual study conducted by Uppsala University.³⁸

The Ministry of Integration and Gender Equality coordinated integration policy until early 2011, when the new Swedish government decided to move the portfolio to the Ministry of Employment, giving it a stronger link to labor market policy. In December 2010, an Introduction Act was passed, giving the Swedish Public Employment Service stronger responsibility for the welcome of new migrants, specifically the development of “introduction plans” outlining civil orientation, language classes, and labor market preparation according to the needs of each individual migrant.³⁹ It is expected that, once the Introduction Act is fully operational, government expenditure will increase overall by about 900 million SEK per year (103 million euros), an increase of roughly 15 percent over 2010.

Figure 6. Sweden's Integration Budget (Projections), 2007-2014



Source: Swedish Ministry of Finance, accessed January 15, 2011.

³⁸ TCM questionnaire, received February 2011. On file with MPI.

³⁹ Swedish Ministry of Integration and Gender Equality, “New Policy for the introduction of newly arrived immigrants,” accessed December 13, 2010, www.sweden.gov.se/sb/d/12485/a/157688.



In addition to labor market access, the Swedish government is reviewing policies to improve language skills and raise educational achievement in schools for migrant children, as well as looking at more specific issues such as neighborhood regeneration and citizenship values. It would seem that, despite some mild shock within government at the success of the Sweden Democrats, integration policies, and approaches, are holding fast and responding to the economic crisis with more, rather than less investment.

I. United Kingdom

The UK government has made serious cuts to public spending as a result of the recession and mounting public debt, yet integration program decreases run deeper than average and reflect a decline in community support and a change in political philosophy and prioritizing with respect to the integration of migrants.

The United Kingdom was strongly affected by the global recession. Real GDP growth in 2009 was -4.9 percent, while unemployment rose to 7.8 percent, (9.2 percent for non-nationals). In May 2010, the new coalition government announced a GBP £6.2 billion budget cut as an initial first step towards addressing a mounting national deficit and has since set out its plans for reduced public spending through to 2014-2015.

An analysis of the UK integration budget over the recession period is a difficult undertaking in the absence of an easily identifiable budget line or indeed a clear integration policy. Formally, responsibility for integration policies was transferred from the Home Office in 2006 to the newly created Department for Communities and Local Government,⁴⁰ yet programs directed at the integration of immigrant groups have been funded from a variety of government sources. This fragmentation is due to the range of policy frames which overlap regarding immigrant integration, from social inclusion and welfare policies to broader equality and human-rights provisions and a major dedicated strand for refugee integration.

It is nonetheless clear that integration funding has been chipped away in numerous ways, notably:

- The Department of Communities and Local Government (CLG) was ordered to trim £1.116 billion in 2010⁴¹ and is set to lose over half its resource budget by 2014-2015 (which includes a transfer of funding to local government). This has resulted in the termination of several community cohesion programs, such as Connecting Communities, which included core integration funding. Indications from the government suggest that funding will be more strongly linked to a counter-radicalization agenda.
- Also within CLG, the £50 million Migration Impacts Fund, raised through a levy on immigrant visa fees, has been scrapped. This money was used to fund numerous nongovernmental and local government projects, with a view to easing the impact of new immigrants in communities. The government has not formally announced how the levy monies will now be used, but the October 2010 spending review states that “the fees will strike the right balance between maintaining secure border controls and ensuring the UK continues to attract migrants and visitors who make a valued contribution to the UK economy.”⁴²
- English for Speakers of Other Languages (ESOL) programs are facing both budget cuts and limitations on eligibility during 2011, including the loss of a £4.5 million Learner Support Fund, to help low-income migrants with course fees. This corresponds with a shift towards migrants paying for their own language tuition, but with corresponding cuts to educational institutions,

40 Will Somerville, *Immigration under New Labour* (London: Policy Press, 2007).

41 UK Department of Communities and Local Government, “Government sets out further detail on local government savings,” (press notice, June 10, 2010), www.communities.gov.uk/news/newsroom/1611369.

42 HM Treasury, *Spending Review 2010* (London: HM Treasury, 2010.): 55, http://cdn.hm-treasury.gov.uk/sr2010_complete-report.pdf.



there are concerns that the availability of language classes will diminish and their costs will rise.⁴³ Similarly, the Ethnic Minority Achievement Grant (EMAG), which was frequently used to support the integration of new arrivals, has been mainstreamed into general education allocations, which has already led to local staffing cuts for schools' language support.⁴⁴

- NGOs have been particularly hard hit by cuts in funding, some affecting core support, others directed at service provision. For example, refugee integration support services are under severe pressure, with the Refugee Council highlighting that its state funding will be reduced by 62 percent in 2011. In addition, the Refugee Integration and Employment Service will cease to exist after September 2011.

The integration cuts reflect both the broader fiscal tightening and the change in government leadership, but also a shift in philosophy towards integration policy. Changes in budget have left NGOs and local governments under pressure to find alternative financing, potentially within the framework of the flagship “big-society” initiative set out by the coalition government to encourage greater community activism. Whether this laissez-faire concept fits together with the proclaimed “death of multiculturalism” is yet to be seen.

V. Conclusions

A. Drivers of Change

Several things are clear. First, investments into integration have been cut at exactly the moment when immigrant populations are most vulnerable. Second, European governments continue to come under significant pressure to make cuts across the board. Even those countries that have held fast in terms of integration programming may not be able to do so in the future. Third, while political changes and economic recession have strongly contributed to policy changes over the past three years, they are insufficient to explain the highly diverse reactions of the various Member States.

It is clear that elections across Europe in 2009 shifted the political landscape, particularly with respect to immigration. In the Netherlands, it seems almost inevitable that the political rhetoric questioning the integration of immigrants, particularly Muslims, would affect spending, though perhaps not to such a severe degree. However, if political debate were the only driver for reduced spending, then the 2010 debate on Islam in Germany would have led to very different policy outcomes.

Similarly, recession is not a consistent indicator. In Spain, integration budget cutbacks in light of lower inflows and deep economic recession were also to be expected, as were cuts in Ireland. However, Portugal is being forced to make severe public spending cutbacks, yet has maintained its commitment to immigrant integration and a system it considers to be European best practice.

But if politics and economics alone seem to be insufficient factors to explain the divergence in approach across Europe, what might also be at play? Based on the evidence collected for this report, three possible drivers may be tentatively identified:

43 Rob Peutrell, “Coalition announces cuts in ESOL funding,” (news release, Institute for Race Relations, December 16, 2010), www.irr.org.uk/2010/december/ha000017.html.

44 NALDIC, National Ethnic Minority Achievement Grant, Summary of Findings (London: NALDIC, February 2011) www.naldic.org.uk/docs/resources/documents/NUTNALDICSurveyreport060211.pdf.



Philosophy. A number of countries demonstrate an underlying philosophical commitment to integration, based on a belief that immigrants play an important role in European society. For these countries, the approach and priorities may shift over time, but only after a deep assessment of needs and objectives. Germany, Denmark, Sweden, Portugal, and to some extent Spain, fall in this category.

Other governments, however, have made a serious change in direction with respect to integration policy. In the Netherlands, language learning and testing have been flagship elements of settlement into Dutch society (and made a requirement for some migrants predeparture) yet now language acquisition funding is disappearing. Danish policymakers have adopted a broadly similar policy approach over the past decade — focused on language testing and active citizenship policies — and here, again, a strong anti-immigrant party participates in government, yet financial allocations for language and orientation actually increased during the recession.

Embeddedness. The extent to which integration policies — and the institutions and infrastructure for their delivery — are intertwined within the broader panoply of government policies, may explain why some countries have held fast to integration programming in the midst of recession. Here, Portugal, Spain, and Ireland may be contrasted. Portugal has put in place a strong infrastructure and delivers policy in close cooperation with a range of government departments through its “one-stop shops,” in contrast with the still-emerging infrastructure in both Spain and Ireland. However, one has the sense that in Spain, at least, the development of anti-discrimination strategy and focus on longer-term challenges such as neighborhood policy suggest that integration is becoming more deeply embedded despite the current fiscal crisis.

Here, too, length of time plays a role. All three countries above are relatively new to the integration game, and when the economic crisis hit, most of the newer Member States were just beginning to develop integration policies focused beyond the refugee and Roma populations (as highlighted earlier by the Czech Republic). The economic crisis has thus served to shelve or reduce more expansive integration plans, and delay their “embedding.”

For example, in Latvia, the Office of Citizenship and Migration Affairs was restructured in 2009 to improve delivery and reduce expenditures.⁴⁵ Similarly, in Lithuania, the Migration Policy Department in the Ministry of the Interior was dissolved in November 2009 and replaced with a new Division of Migration Affairs with half the staff. At the same time, within the Ministry for Employment, the Economic Migration Division was dissolved entirely.⁴⁶ These changes, made under tight budgetary constraints, reflect the fact that in the Baltic region, emigration is rising while return migration is decreasing, but also that integration policy has yet to become a core policy element for newer Member States.

Fatigue. The United Kingdom and the Netherlands have long worked to integrate migrant populations, and while their approaches differ strongly, both have invested deeply in various aspects of integration over the past couple of decades. By contrast, most of the other countries in this report have really only begun to develop integration policies within the past ten years. Yet it is in these two countries that one can discern the deepest dissatisfaction with the status quo, and a swing towards self-help approaches focused on the migrant taking responsibility for his or her own integration process. Is this hardening of attitude a form of integration “fatigue”? If so, then this may portend a deeper crisis of confidence in integration policy in the future, if clear signs of success are not perceived by either governments or in broader society.

45 Ilze Siliņa-Osmāne and Diāna Safonova, *Policy Report on Migration and Asylum Situation in Latvia: Reference Year 2009* (Riga: Latvian National Contact Point of the European Migration Network and the European Migration Network, 2009), <http://emn.sarenet.es/Downloads/download.do;jsessionid=9C4724FC020A7CB06A847063715653E9?fileID=979>.

46 National Contact Point for the Republic of Lithuania, *Annual Policy Report: Migration and Asylum in Lithuania in 2009* (Vilnius: National Contact Point for the Republic of Lithuania and the European Migration Network, 2010), <http://emn.sarenet.es/Downloads/download.do;jsessionid=9C4724FC020A7CB06A847063715653E9?fileID=974>.



If these factors are indeed relevant, then the European Union may have an important role to play, both in normative and financial terms, to help embed integration policy into national policy and bolster wearying governments. For those countries less intrinsically committed to integration of migrants or wavering with respect to their approach, the common basic principles set out by the European Union in 2004 offer a baseline of components that need to be respected, including employment policy, language learning, and anti-discrimination initiatives. For those countries that lack the financial resources (or migrant populations) to develop large-scale integration programs, the European Union becomes a catalyst for action through its funding support, primarily the European Integration Fund. For many newer Member States, the cofunded EU projects are the sum total of integration programming.

B. Observations for the Future

As the experience from many countries of immigration has shown, migrants are particularly vulnerable in times of economic crisis.⁴⁷ Yet the data the Transatlantic Council on Migration collected from several European governments in 2010 and 2011 suggest that the European integration landscape remains at a critical juncture. A number of countries have reconfirmed their primary integration objectives in the midst of economic turmoil and, in some cases, bolstered integration policies in core areas, such as access to employment. But for several other key countries, the economic crisis has catalyzed a series of dramatic changes in policy, both in terms of budget and priority.

While it is too early to evaluate how these divergent approaches will affect immigrant populations — and indeed, such an evaluation may be decades away — it is clear that investment in integration programming has a significant effect on immigrants, as well as the communities in which they live.

In the interim, a number of observations can be made:

- **Commitment to long-term policy priorities.** Despite pressure, many governments have remained committed to funding immigrant integration programs and have not adjusted national priorities. This commitment was reinforced at the most recent European Ministerial Conference on Integration, held in Zaragoza, Spain in April 2010. Furthermore, by addressing immigrants' access to the labor market, several governments have turned their attention to one of the most immediate effects of the recession.
- **Greater importance of European funding.** For many countries, particularly those with limited independent resources for integration programs the European Integration Fund has become ever more necessary to prop up investment, although the fund's inflexibility could undermine its potential to help. Projects falling under the aegis of the fund must be cofunded, which secures a minimum of national government support, but will need to be more wide-ranging in the future. As discussions for the European Union's budget beyond 2013 begin in Brussels, closer evaluation of the role and future potential of the Integration Fund (and other social funds) will be critical to ensure that not only it continues, but that it receives greater support.
- **How to use mainstreaming approaches.** Governments are beginning to discuss how to increase the impacts of integration programs and run them at sustainable funding levels. Integration policymakers fear they will lose influence if integration is mainstreamed into other policy areas, such as employment, education, or health. However, current budget constraints may make mainstreaming the best option for governments looking to sustain integration investments, balancing a necessary trade-off between expensive targeted policies and the need to find economies of scale.

⁴⁷ Papademetriou, Sumption, and Terrazas, "Recovering from Recession: Immigrants and Immigrant Integration in the Transatlantic Economy."



Mainstreaming approaches are emerging in several countries, notably the United Kingdom and the Netherlands, though there is skepticism as to whether this is intended to reinforce integration policy whilst economizing, or reduce investments through stealth. Mainstreaming integration into other policy areas may offer a way of maximizing support for immigrants, but should be implemented primarily to enhance policy outcomes, rather than ask already overstretched services providers to incorporate a new target group using existing resources.

- **Highest impact at the local level.** Initial analysis suggests that integration funding has a trickle-down effect. While national governments respond primarily to overall fiscal constraints and national politics, actors lower down the food chain may be more deeply affected by the crisis yet unable to cut programs given the rising demand for services. The ongoing tension between the national and regional authorities in several countries — such as Spain, the United Kingdom, and the Netherlands — highlights the fact that for regions, high immigrant unemployment has local effects that communities cannot ignore. In this context, clear programmatic responsibility is critical.
- **The importance and vulnerability of civil society actors.** Similarly, NGOs are often the central service provider at the grassroots level but depend on stable sources of funding for their own institutional survival. Drops in government and foundation support for NGOs leaves these organizations in a deeply vulnerable position. Foundations and other actors (such as the European Union) are likely to have to play a stronger, and more strategic role, to ensure that key services can still be offered.
- **More meaningful evaluation.** As long as money is tight, there will be calls for evaluation of policies, and government actors will come under pressure to find the most efficient paths to integration. While core policies for employment and training are being reinforced, there is little spare money for policy experimentation or innovative approaches to integration. Evaluations should be welcomed as an investment, but they should not be pursued to the exclusion of new ideas. However, in an era of reduced funding, exchange of ideas and experience across Europe will become ever more important.

*It is clear that investment in integration programming
has a significant effect on immigrants,
as well as the communities in which they live.*



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