

THE MIGRATION CRISIS

A Case for a “Merzi” Leadership

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GERMANY AND ITALY share common interests in tackling the migrant crisis—perhaps the greatest challenge in EU history. Regrettably, in responding to the unprecedented developments at Europe's borders, most national governments have shown an appalling absence of solidarity and strategic ambition. Germany and Italy are best-placed to contribute to solving the collective action problem that is crippling Europe's response to the crisis.

The failings in crisis management have much to do with Chancellor Merkel's “*Alleingang*” — her lack of coordination when it came to opening borders and strategizing to close them through a special arrangement with Turkey. Merkel's initiatives have a three-pronged nature: they are intrinsic to her domestic political agenda; though well intended, they disregard any coordination with the partners and stir staunch opposition and harsh criticism from a majority of European governments. As a consequence, the German plan has weak political foundations and threatens to backfire. Slovenia and Hungary, for instance, have reacted to the agreement with the Turkish government by rekindling their plans for closed borders within the European space.

Berlin and Rome now have both the duty and the opportunity to constructively change the way decisions are made in matters of common European concern. After abandoning a logic of confrontation with Berlin, the Italian government should harness Merkel's leadership, mend its evident flaws, and turn it into a driving force for the common interest. In order to do this, Matteo Renzi must make a proposal for improved governance of migration policies. Below is a possible design for the proposal.

1. Merkel's *Alleingang* at risk of backfiring

Tackling the migrant crisis is the real test of political leadership in Europe for Angela Merkel. Apparently, the chancellor was confident she could resume the undisputed pivotal role she had played during the euro-crisis, when she made decisions that were later supported by the other governments. However, her leadership does not seem to work as well outside the financial context.

The plan developed by Merkel, alongside Dutch Premier Mark Rutte and Turkish Prime Minister Ahmet Davutoglu, to turn back every migrant from Europe and resettle Syrian

refugees directly from Turkey in a “one-to-one” trade-off, stunned the other European leaders, who had been left out of the loop on the proposal. Merkel, it seems, had made the deal behind the backs of most of her partners.

Apart from being materially difficult to enforce and potentially illegal under EU and international law, Merkel's plan hit raw nerves in many other countries. Eastern European countries were eager to announce that the so-called Balkan route was closed. But Merkel's plan involved leaving interstate European borders as open as possible. Slovenia's reaction was to close them within hours of the plan's announcement. Hungary swiftly followed. This may be only the tip of the iceberg, as the Schengen agreement is undermined. Secondly, a number of countries are reluctant to absorb Syrian refugees as planned under the obscure procedures of the EU-Turkey agreement. Finally, other countries are disturbed that, in her desperation to strike an accord, Merkel abandoned constraints that have framed European relations with Ankara for a long time.

2. Merkel does “whatever it takes” to remain in power

Angela Merkel seemed confident she could resume her role as Europe's leader, as was the case during the euro-crisis, when her decisions were largely imposed on the other countries. However, Merkel's management of the euro-crisis hinged on different premises. In particular, she had the ability to surreptitiously leverage two powerful non-political institutions, with financial markets acting as an enforcer of fiscal discipline and the German Constitutional Court defining strict terms that Berlin exploited when negotiating with its partners.

The ECB's bold correction of market influence since 2012 reduced Berlin's main political leverage. Similarly, the German Constitutional Court took a backseat to the European Court of Justice. In fact, after the ECB's interventions, Merkel's strategies for rescuing the European economy gradually became less pivotal. Formally, Merkel's leadership remained intact, but her leverage on other governments has substantially waned.

At the advent of the refugee crisis, Merkel assumed a leading role once more. Her famous claim “We can do it,” addressed at the German public, was actually predicated on consent from other countries that she had taken for granted. She did not bother to consult, not to mention coordinate, with the area's other leaders.

Most of the other governments declined to cooperate with Merkel's vow to open Europe's doors to all Syrians searching for a haven. Merkel suddenly appeared powerless, unable to tackle what had become her biggest challenge and the most vital political issue.

One analogy with the euro-crisis is, however, striking. Once again, as was the case in May 2010, Merkel is under pressure for three important regional votes in Germany. Exactly as in 2010, a domestic priority is dictating her European strategy. Six years ago, it was the heated internal debate on fiscal austerity (the German National Stability Pact and the debt-brake) that had shaped Merkel's policies for Greece and the other ailing countries. Now, Merkel's priority is to calm German public opinion, which had turned against her when she committed to welcoming Syrian refugees into the country.

Merkel was ready to do “whatever it took” to stem the flow of migrants, without waiting for a European compromise. She designed a very expensive plan without consulting with the partners, mainly aiming at obtaining support from the Turkish government—the gatekeeper of the migration routes. Her initiative is either a demonstration of real political leadership or stubborn, misguided persistence. Although the short-term effect on domestic politics is of paramount importance for Merkel, it is still very doubtful that the compromise will prove solid and durable. This will be the real test of Merkel's European leadership. If it fails, Europe

may finally discover that it needs a true sharing of political sovereignty instead of individual leaders.

3. What Renzi should call for

Italy has a lot at stake in the debate on migration. Apart from humanitarian considerations, Italy, alongside Greece, is a primary destination for migration flows. If flows were to divert through Libya or through the Adriatic Sea, Italy would be only one step away from being easily cut off from the Schengen area by Austria and Slovenia.

In its recent document, *A Shared Policy Strategy*¹, the Italian government calls for a strategy based on a shared responsibility for the management of European external borders that would require “different funding sources and would justify the recourse to a mutualized funding mechanism which could entail issuance of common bonds”.

In many ways, this is an interesting and valuable proposal. However, concentrating on the funding before spelling out the decision making process is not entirely convincing. The governance issue needs to be solved before tackling the difficult issue of eventually sharing funds.

The goal is to create a set of incentives aligned with the functioning of collective action. In this regard, Italy and Germany can learn from the experience of the euro-crisis. In that case, the leading country was able to leverage both financial power (actually calling on financial markets to impose discipline on the others) and pre-existing legal commitments.

Managing the migrant crisis could require similar leverages. However, the EU Commission, as guardian of the Treaties, needs to take center stage, calling on others to respect the fundamental principles underlying the European Treaties—solidarity and freedom of circulation above all. The European Court of Justice needs to be called into action to objectively enforce appropriate countermeasures.

Secondly, European financial resources, solidarity and cohesion funds, need to be administered consistently. Countries refusing to adhere to the principles of the Treaty need to be financially punished by diverting to more cooperative countries. This would constitute a “solidarity spread” that would be measurable in terms of numbers of assisted migrants.

Thirdly, a long-term strategy for European engagement in foreign and security issues need to be designed with special attention to the African continent. This long-term commitment is actually consistent with a funding system that has an adequate financial horizon. Unlike the containment of a contingency, a long-term geopolitical strategy would justify the issuance of common bonds for investment in physical, industrial, and civic infrastructures.

Finally, Italy and Germany, sharing the same humanitarian goals, could take a leading role in developing a supranational policing force for European external borders. No single country, by definition, can do it. Not even Germany. Italy has the greatest interest in harnessing the willing countries.

¹ www.governo.it/sites/governo.it/files/ASharedPolicyStrategy_20160222.pdf