

MIGRANTS AND INTEGRATION: A CHALLENGE FOR THE FUTURE



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Migrants and integration: a challenge for the future

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Foreword

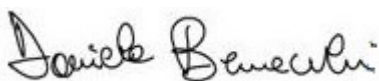
While human mobility is an inalienable right, it is also true that people should not be forced to migrate: it is, therefore, essential to work for development in countries of origin, of transit, and in those affected by South-South migration, particularly in Africa, from which a large part of the migratory flow comes, in order to create conditions that encourage food security, sustainable development, and resilience, involving the community, civil society, and the private sector, and addressing the complexities related to climate change.

The right to human mobility goes hand in hand with the right of each sovereign state to regulate migratory flows that cross its borders. Finding a sustainable balance between these rights is a challenge for all: what is certain, however, is that each country should aim to “govern” the migratory processes and not be governed by them.

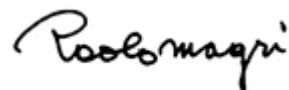
While sea arrivals continue to make the headlines, even if at a slower pace than in the recent past, it is time to stop and reflect. Since last year, sea arrivals in Italy have decreased by more than 80%, but over the last five years the number of refugees and other beneficiaries of international protection has increased by 180,000, and there are still about 130,000 asylum seekers waiting for a decision. Besides, many of those who are denied protection cannot be returned and will remain in Italy.

It is, therefore, appropriate to ask: is there an integration gap between the newly arrived and foreigners who have been in Italy for years? Should we invest in the integration of those who have arrived in Italy in recent years? And if so, with what resources?

Through this joint paper, ISPI and Cesvi aim at suggesting a possible path forward: it is not the only one, but it certainly opens new scenarios and opportunities.



Daniela Bernacchi
*Cesvi, CEO
and General Manager*



Paolo Magri
*ISPI, Executive Vice-President
and Director*

Introduction

This ISPI-Cesvi joint paper was born out of a need and a wish. The need is to shed light on migration issues, whose complexities are often lost in the everyday political debate. The wish is to understand what effect the decrease in sea arrivals is having in terms of public finance, and how much of these resources could be used to better integrate those migrants who arrived by sea in recent years and are now in Italy.

We need to understand how to manage the presence of these people on the Italian soil, both in terms of social services and access to welfare, but also to maximize their level of integration, so as to increase the net contribution that they can make to the Italian economy and society. Since last year, sea arrivals in Italy have decreased by more than 80%, but in the last five years the number of refugees and other beneficiaries of international protection has increased by 180,000, and there are still about 130,000 asylum seekers waiting for a decision. Besides, many of those who are denied protection cannot be returned and will remain in Italy.

The first chapter of this paper aims to estimate the effect on public expenditure of the drop in sea arrivals that began in July last year. Through an ad hoc forecasting model, we estimate the number of migrants who did not arrive in Italy compared to what could be the plausible expectations until the month before the beginning of the drop. The direct cost of each migrant for the public purse is then

quantified, and through this it is possible to estimate the savings (avoided costs) in terms of public expenditure generated by the drop in sea arrivals, both during the first twelve months and in the following years, assuming that this drop continues in the coming years. We show that the resources freed up are considerable.

The second chapter presents the economic and social costs of the lack of integration of foreigners in Italy. The dimensions of integration that are taken into account are four, and concern: (1) economic conditions and the labor market; (2) education; (3) access to health services; (4) social conditions such as poverty, marginalization, and crime. Throughout the chapter we compare the situation of foreigners in Italy with respect to natives, while also looking at the average situation of foreigners in the European Union. Whenever possible, we attempt to compare the situation between different types of foreigners in Italy, distinguishing between EU and non-EU migrants, and paying specific attention to refugees and asylum seekers. As shown, the integration gap, i.e., the distance that separates foreigners from Italians, is very large and becomes even larger if we focus on refugees and asylum seekers.

The third chapter, finally, takes stock of the reasons why spending on integration could and should be considered an investment. We distinguish between expenditure on reception and expenditure on activities and services that

contribute to the greater integration of foreigners. In particular, we focus on those with the highest expected return, paying specific attention on increasing the probability of access to the labor market (and a higher salary than initially expected) by refugees and asylum seekers. The teaching of the Italian language, education, training, and vocational guidance are key processes. We then move to the different integration models in Europe, and to the “micro” management of good integration in different Italian local communities. As shown, integration is an action with precise economic

effects, which can be calculated as such.

In conclusion, this paper proposes to link the financial resources freed up by the drop in sea arrivals with the need to invest in integration as swiftly as possible, so as to ensure that the presence of refugees and asylum seekers on the Italian soil is quickly converted from a cost to a net benefit for all. Therefore, integrating those arriving by sea is goal within our reach. However, it can only generate positive effects if we act now. The best local practices show us that spending on integration can really be an investment rather than a cost.

The drop in sea arrivals to Italy and public savings

1

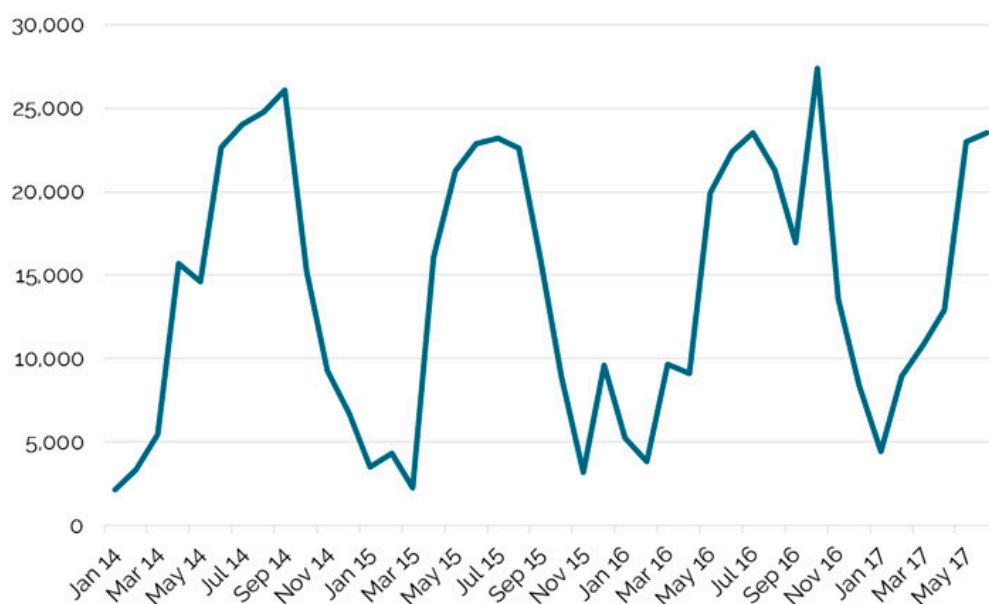
In this chapter we present an estimate of the effect on public expenditure of the drop in sea arrivals that began on 16 July 2017 and continues to this day. In particular, our aim is the development of a forecast model that allows estimating the expected arrivals by sea in June 2017 and over the next twelve months. By comparing the forecasts on arrivals with the number of people who actually landed on the Italian coast, it is possible to estimate the number of “avoided” sea arrivals, i.e., the number of all those who did not arrive in Italy by sea compared to the forecasts based on the data available before the drop in sea arrivals took place.

Estimating the direct cost to public finances related to the reception of each asylum seeker, it is possible to calculate the savings (or, better, the lower costs) generated by lower sea arrivals. These estimates, in turn, are used to calculate the “real time” savings, i.e., in the first year after the drop in sea arrivals, and the long-term yearly savings, in the years after the first.

1.1 SEA ARRIVALS TO ITALY

Between January 2013 and July 2018, about 685,000 foreigners reached the Italian coast by sea through irregular channels. Between 2014 and 2016, in particular, sea arrivals have always

Fig. 1.1 – Irregular sea arrivals to Italy, January 2014 - June 2017



Source: Ministry of the Interior, UNHCR

exceeded 150,000, and the same would have occurred in 2017 if, from mid-July, there had not been a sudden drop in departures (Fig. 1.1). The situation has radically changed compared to the period 2002-2010, when sea arrivals in Italy averaged 20,000 per year, with a peak in 2008 (prior to the signing of the Treaty of Friendship and Cooperation between Italy and Libya in August of that year) that did not exceed 40,000 (Fig. 1.2). In total, the arrivals recorded in the last five years (2013-2017) were almost 670,000, or more than three times the 220,000 recorded in the previous ten years (2003-2012).

A first peak in 2011, during the Arab Spring, which had caused a sharp increase in departures from Tunisia, was followed by a year of “stagnation” that seemed to foreshadow a return to pre-crisis level. Instead, in 2013, arrivals started to pick up again, and they settled in the following years at the highest levels ever, stabilizing around 150,000-180,000.

The 119,000 sea arrivals recorded in 2017 are not representative of what happened during the year. The real “drop in sea arrivals” began

on July 16, 2017: in the previous months, arrivals by sea were even 30% higher than in the same months of the previous year. From July 16 onwards, however, arrivals were drastically reduced, so that the period July 16 - December 31 recorded a decline of 78% compared to the same period in 2016.

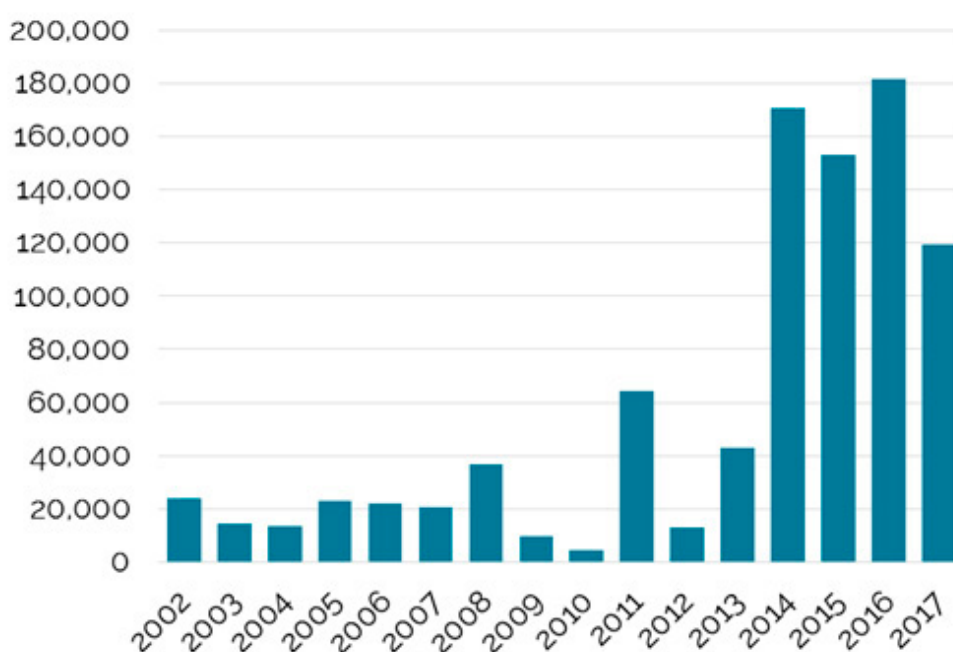
1.2 THE ITALIAN RECEPTION SYSTEM AND ITS COSTS

1.2.1 THE RECEPTION SYSTEM

Today, the Italian reception system is structured around the “National Plan to deal with the extraordinary flow of non-EU citizens, adults, families and unaccompanied foreign minors”, defined at the Unified Conference of July 10, 2014 and then implemented in Legislative Decree (DL) 142/2015¹.

According to the Plan, the reception system is divided into three phases: an initial phase of rescue, first assistance and identification; a first reception phase where identification is

Fig. 1.2 – Irregular sea arrivals to Italy, 2002-2017



Source: Ministry of the Interior, UNHCR

completed and the asylum application is recorded; and a final phase of second reception.

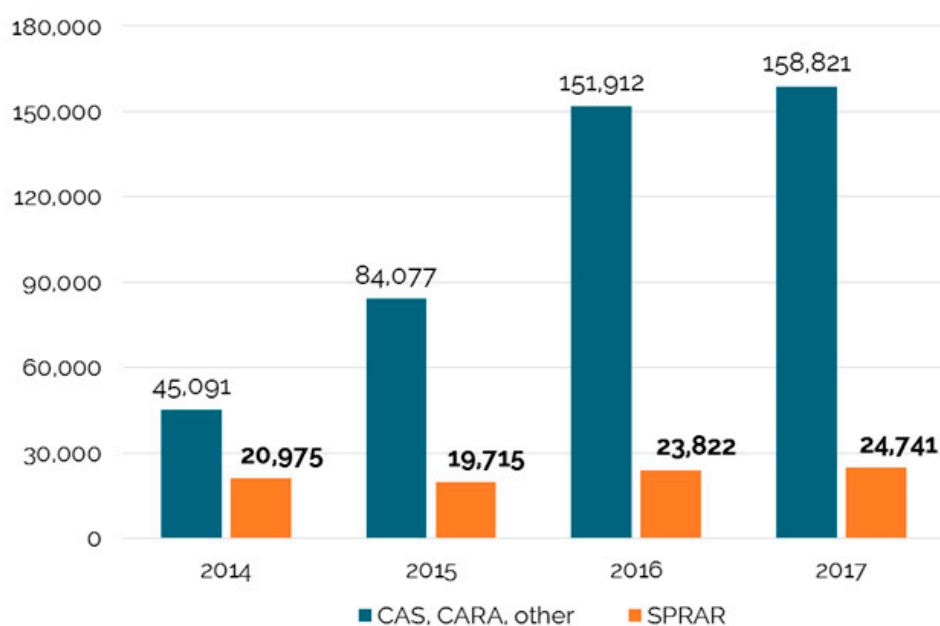
Those who arrive in Italy by sea are first of all welcomed in the hotspots, set up following the European Agenda on Migration (2015). The hotspots are **first reception facilities located near the ports of disembarkation**, where first aid and identification procedures are carried out. The time spent in these closed structures should be very short: after a maximum of 72 hours, migrants who have applied for asylum, i.e. the majority of those who arrive by sea, should be transferred to the first reception centers. If, on the other hand, no request for protection is presented, the migrant is sent to a Center for Identification and Expulsion (CIE; now renamed Centers for Residence and Repatriation, or CPR, by Decree-Law 13/2017) to start the return procedures. Similar to the hotspots are the First Aid and Reception Centers (CPSA), established by Interministerial Decree of 16 February 2006. Here, too, migrants should stay for a short time, generally no longer than 48 hours, and

then be transferred to other facilities.

The second phase of the reception system falls mainly under the remit of the governmental Centers for accommodation of asylum seekers (CARA), established in 2002 and whose legislation has developed over time, most recently with DL 142/2015 art.9 that classifies them as “governmental centers of first reception”, and that the Italian Roadmap of the Ministry of Interior (adopted in 2015 to implement the European Agenda) has renamed “regional hubs”. There are also Reception Centers (CDA), established by Law n. 563/1995, where irregular foreigners found on the territory or stopped at the border crossing are brought. These structures could be deemed to be sort of “halfway” between emergency and first reception: among the accepted in the CDAs, those who file an asylum application are then transferred to the CARAs.

The last phase, that of second reception, aimed at facilitating the integration of the migrant, consists of the Protection System for Asylum Seekers and Refugees (SPRAR), established 16 years ago by Law 189/2002 and last

Fig. 1.3 – Number of migrants in Italian reception centres, by type, 2014-2017



Source: Ministry of the Interior

reformed by DL 142/2015, art.14. The aim is to offer “integrated reception projects”. The SPRAR structures are managed by the third sector in collaboration with local authorities, which have access to funding from the National Fund for Asylum Policies and Services (FNPSA), which also includes funding from the Asylum, Migration and Integration Fund (AMIF).

In the face of the emergency arrivals of recent years and the insufficient number of places available, Article 11 of DL 142/2015 provides for the reception in temporary structures, the Extraordinary Reception Centers (CASs). These structures, administered at a national level, are picked by local prefectures after consulting local authorities (Fig. 1.4).

In theory, the CASs should be few and temporary. The often-stated goal is to make the SPRAR the only system to manage second reception, replacing CASs. The rationale is to provide, as much as possible, local, tailor-made services, thanks to the fact that only municipalities that choose to do so are involved in the program, so as to maximize opportunities for integration and move away from emergency procedures.

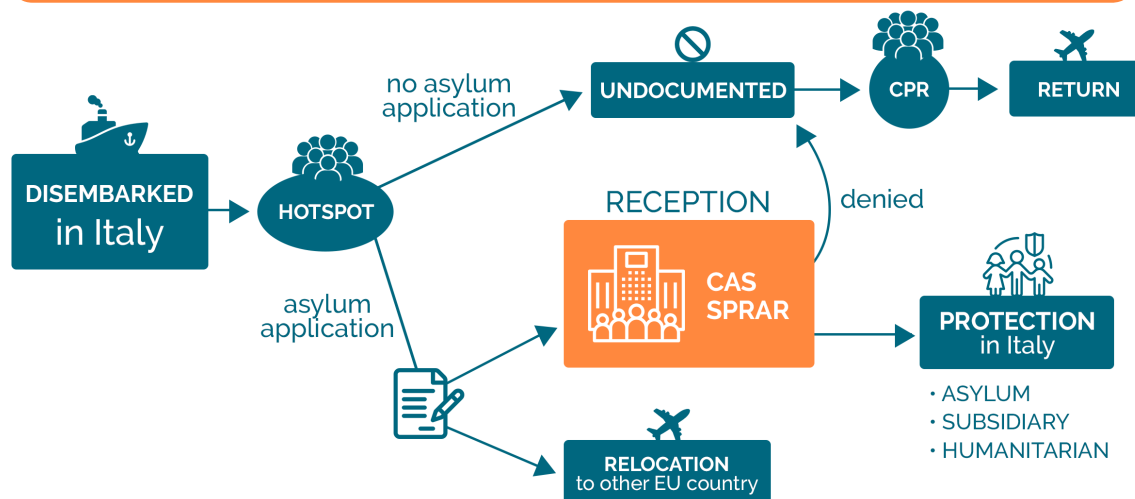
Over the years, the number of places available in the SPRAR system has actually increased, and to a significant extent: from less than 4,000 in 2012 to about 25,000 in 2017.

However, **in absolute terms, the system is still far from providing sufficient capacity to host asylum applicants.** Indeed, in 2017, 86% of the asylum seekers and refugees received by the emergency and first reception system were in non-SPRAR facilities.

Moreover, between 2014 and 2017, the gap between migrants admitted to temporary or emergency centers and those admitted to the SPRAR network continued to widen. While in 2014 about one in three migrants was hosted in SPRAR facilities, now the proportion is one in seven.

In order to encourage municipalities to join the SPRAR system, the 10 August 2016 Decree of the Ministry of the Interior sets out new guidelines for the access to FNPSA funding by local authorities. These guidelines simplify the participation to the SPRAR system for local authorities, which can apply online at any time and no longer through a call for applications. Moreover, to ensure a fair distribution of migrants on the territory and to avoid that some municipalities have to take charge of an unsustainable number of asylum seekers and migrants with international protection, on 11 October, 2016 the Ministry of Interior issued the directive for “the launch of a system of gradual and sustainable distribution of asylum seekers and refugees”, which gave rise in

Fig. 1.4 – The management system of irregular migrants in Italy



December 2016 to the Plan of distribution prepared by the Ministry of Interior together with the National Association of Italian Municipalities (ANCI). This provides a criterion for the allocation of places for each municipality per 1,000 inhabitants to be used for almost all municipalities over 2,000 inhabitants. In order to encourage the municipalities to join the SPRAR network, there is also a safeguard clause that exempts from further allocation those municipalities that are already part of the network or have expressed a willingness to join.

So as to ensure uniformity in the management of reception, on 7 March, 2017 a new scheme of specifications for the supply of goods and services, valid for first reception facilities and CASs alike was approved by Ministerial Decree. A critical point of the new plan is that it does not aspire to ensure the provision of integrated reception services such as “career guidance and job placement”, thus curbing the potential transformation of CASs into SPRARs².

1.2.2 THE COSTS OF RECEPTION

To calculate the savings generated by the decrease in sea arrivals, it is necessary to try to estimate the daily cost of the individual migrant present in the Italian reception facilities.

Based on the fact that, as we will show in paragraph 2.5, in 2017 almost all people who arrived by sea have applied for asylum in Italy, the following calculations assume that all these people enter the asylum system and not the CIE/CPRs. We assume, thus, that by filing an asylum application, none of them will receive an order to leave the country, at least until the application has been examined.

Moreover, the figures on costs used here are based on first reception centers and do not include SPRARs. This choice was made for three reasons. First, 86% of the asylum seek-

ers are hosted in non-SPRAR facilities, and therefore non-SPRAR costs would dominate any weighted cost estimate. In addition, it is plausible to expect that new arrivals would spend the first weeks or months in an emergency or first reception facility. Moreover, their stay in non-SPRAR facilities would also be the result of the limited capacity of those centers. Finally, we can assume that an estimate that only takes into account the costs of non-SPRAR centers would be more conservative, because the services offered by the SPRAR network tend to increase the average costs per migrant – especially for minors, accompanied and unaccompanied, and people with specific vulnerabilities.

This study is based on the data contained in the Economic and Financial Documents (DEF) 2016- 2018, prepared by the Ministry of Economy and Finance, adopted by the Italian Government, and approved by the Parliament in April of each year – but departs from it to a very significant extent. The DEFs report **an estimate of the “direct and indirect” costs** to be attributed to the Italian reception system. As shown in Table 1.1, **the costs related to reception increased from just over 300 million euros in 2011 to almost 3 billion euros in 2017**. In addition, the Ministry of Economy and Finance estimates that the costs of providing health services and education to migrants arriving in Italy by sea have risen from about 290 million euros in 2011 to almost 590 million in 2017.

It is possible to deduce the cost that the DEF attributes to the reception of each migrant hosted in public facilities by dividing the total costs reported by the number of migrants in the reception system, also stated by the DEF on the basis of data from the Ministry of the Interior. Table 1.2 shows precisely this calculation for the last three years of the sample (2015-2017): as shown, the estimated cost for the reception of each migrant rises in this period from about €35 to almost €45 per day.



86%

asylum seekers
and refugees in
non-SPRAR centres

Tab. 1.1 – Expenditure estimates for migration management in Italy, 2011-2017

	2011	2012	2013	2014	2015	2016	2017
Grand total	840	920	1.325	2.030	2.666	3.719	4.363
<i>of which:</i>							
<i>(in %)</i>							
Search and rescue	29.6%	27.0%	41.6%	37.0%	29.0%	18.5%	17.9%
Reception	36.4%	39.9%	34.8%	38.6%	50.3%	66.5%	68.6%
Health and education	34.0%	33.2%	23.6%	24.4%	20.8%	15.1%	13.5%
<i>(in millions)</i>							
Search and rescue	249	248	551	751	773	688	781
Reception	306	367	461	784	1.341	2.473	2.993
Sanità e istruzione	286	305	313	495	554	562	589

Source: ISPI-Cesvi, based on DEF 2018 and DEF 2016

Tab. 1.2 – Reception daily cost, 2015-2017

Year	Health and education costs (mln €)	Migrants in the reception system	Annual cost per migrant (€)	Daily cost per migrant (€)
2015	1.341	103.792	12.920	35.4
2016	2.473	175.734	14.072	38.6
2017	2.993	183.562	16.305	44.7

Source: ISPI-Cesvi, based on DEF 2018 and DEF 2016

However, as already mentioned, this is a calculation that also includes indirect costs (e.g., transport costs to the various centers, transfers from one center to another, security, etc.). It would be possible to use these estimates, but **we cannot be certain that the “avoided cost” for the State is always proportional to the number of migrants that did not make it to Italy during this timeframe.** It is therefore sensible to try to obtain a more precise estimate of the only direct cost attributable to the reception of asylum seekers on Italian soil (for a simulation using the cost estimate of the DEF, see the Box at the end of this chapter).

The direct costs of reception are included in a study published by the Italian Court of

Auditors in March 2018, which estimates the average daily cost per capita of reception in each region in 2015³. The costs are calculated on the basis of the expenditure commitments for each region and the number of persons received (or, more precisely, the person-days each migrant spent in the reception facilities). In the Italian public debate, the figure of “€35 per migrant per day” is widely circulated. In fact, this figure is simply an indicative cost, while the actual costs are established through calls for tenders, and may therefore be lower. Moreover, as far as CASs are concerned, each prefecture in Italy can change the starting auction base. This means that **the costs vary quite significantly in each region**, and

they also vary according to the capacity of the centers, or their overcrowding in relation to the planned capacity. It should be noted that, of this “indicative fee”, only between 1.5 and 3 euros per day are delivered directly to the migrant (the so-called pocket money), while the remainder is provided in goods and services.

Table 1.3 shows this variability: we move from a minimum cost of about €13 per day in Puglia to a maximum just short of €37 in Friuli-Venezia Giulia⁴. In order to arrive at the national average cost, the regional average cost was weighted for the person-days spent in reception by migrants in 2015. We relied on the data on attendance in 2015 because the average costs reported by the Court of Auditors are also from 2015, and therefore refer to a specific attendance in each center: this way we avoided creating a distortion due to the fact that the attendance in different centers has changed significantly with the passage of time and migratory flows.

Using this weighted average, we arrive at **an estimate of €27.1 per day**. The estimate is therefore **significantly lower than the €35-45 calculated through the DEF**.

The DEF is, however, very useful for estimating further costs incurred by the Italian public system to cope with the reception of migrants. In particular, the DEF allows to attribute to each migrant the average daily cost incurred by the State in providing health services. It also allows migrants to access the national education system (at least for minors). Despite a strong variability in 2011-2014, for 2015-2018 the DEF estimates a cost between €562 and €590 million.

Table 1.4 shows that **the cost of providing health services and guaranteeing access to the national education system** for migrants in reception facilities is rather stable, at **€8.8 per migrant per day**. The DEF 2018 estimates that this value could rise to €9.3 per day. However, as this is an estimate, we use the value of €8.8 to avoid overestimating.

Adding them to the average cost for recep-

Tab. 1.3 – Direct costs of the reception system

Region	Person-day in reception (2015, % over total)	Average cost (excluding CIE & SPRAR, in€)
Val d'Aosta	0.2%	33.00
Piemonte	6.7%	32.68
Lombardia	12.5%	31.67
Veneto	5.5%	34.26
Trentino-Alto Adige	1.1%	33.72
Friuli-Venezia Giulia	2.6%	36.64
Liguria	2.2%	36.63
Emilia-Romagna	5.6%	31.98
Toscana	5.8%	32.45
Marche	2.7%	33.48
Umbria	1.3%	33.34
Lazio	5.1%	27.66
Abruzzo	1.8%	34.18
Molise	1.3%	33.16
Campania	5.7%	28.97
Puglia	11.9%	12.85
Basilicata	0.9%	34.78
Calabria	6.3%	16.81
Sardegna	6.7%	12.98
Sicilia	14.0%	28.65

Source: Italian Court of Auditors 2018

tion of €27.1 per day, **we reach the figure of €35.9** (Fig. 1.5). This represents the basic daily cost per migrant that we will use in the rest of our analysis. Although this figure is close to the “€35 per day” mentioned above, it is important to bear in mind that **these costs include both the direct expenditure** incurred by the reception system **and the cost of providing additional welfare services** (health-care and education) to migrants. If we had estimated the costs of reception at €35 per day and added the costs for health and education,

Tab. 1.4 – Daily cost for health and education (per migrant in the reception system), 2016-2018

Year	Health and education costs (M €)	Migrants in the reception system	Annual cost per migrant (€)	Daily cost per migrant (€)
2016	562	175,734	3,198	8.8
2017	589	183,562	3,209	8.8
2018 (estimate)	590	173,150	3,407	9.3

Source: ISPI-Cesvi, based on DEF 2018 and DEF 2016

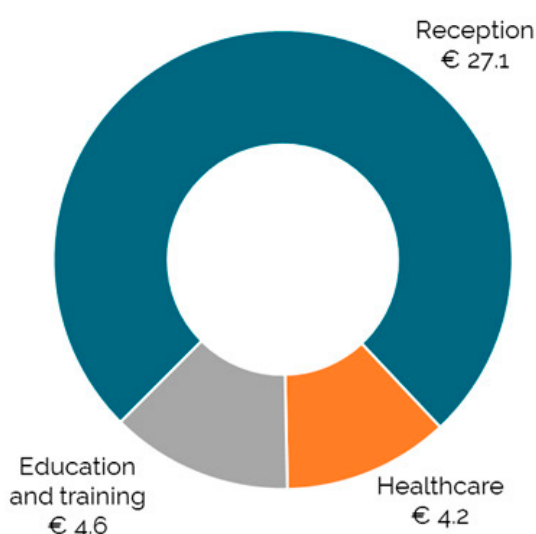
we would have reached the figure of €43.8 per day. For a simulation of the savings generated by the drop in sea arrivals that directly relies on the estimates offered by the DEF, and not the method of calculation chosen here, please refer to the Box at the end of the chapter.

Finally, there is a further cost incurred by the State in managing the reception system: **the administrative cost of the process of assessing asylum applications**, which the Italian Court of Auditors estimates at around **€204 per application**. Given that, since January 2016, around 97% of the migrants who arrived at Italian shores have been identified,

and the data suggest that almost all of them applied for asylum in Italy, we can assume that this cost has been incurred by the State for each migrant who arrived within the chosen timeframe (12 months).

It is important to underline that these administrative costs account for less than 2% of the total public expenditure attributable to the reception system, and that therefore **98% of the costs** incurred does not concern the assessment of the asylum application but **the period of stay of each migrant in the Italian reception system**. To summarize: €35.9 per day are equivalent to an annual cost of €13,104 (€1,092 per month), plus €204 for the assessment of the asylum application, bringing the total to **€13,308 per migrant over twelve months**.

Fig. 1.5 – Standard daily cost per migrant in the Italian reception system, 2017



Source: ISPI-Cesvi based on Ministry of the Interior data

1.3 THE MODEL: WHAT WOULD HAVE HAPPENED WITHOUT THE JULY 2017 DROP?

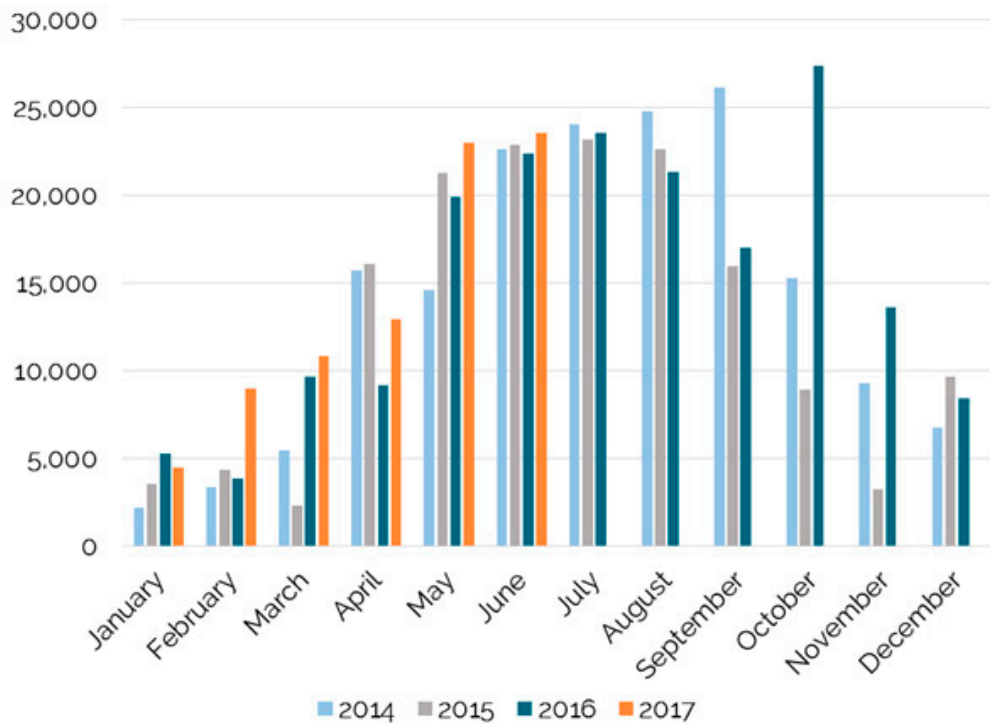
In the 2014-2016 three-year period, monthly sea arrivals were very predictable, especially during spring and summer. The seasonality of sea arrivals, i.e., the fact that the departures increase as we get closer to the summer season and thin out with the worsening of weather and maritime conditions in autumn and winter, is a characteristic feature of the route of the central Mediterranean that leads from Libya, Tunisia, Egypt, and Algeria to Italy. The reason for this seasonality include the risk of the journey: in 2013-2017, around 2% of those



€35.9

daily cost per migrant

Fig. 1.6 – Monthly sea arrivals to Italy, January 2014 – June 2017



Source: UNHCR and Ministry of the Interior

who attempted the crossing lost their lives or went missing⁵. The dangerousness of the journey increases, sometimes in a very strong way, in winter: for example, between November and December 2016, 5% of those who attempted crossing along the central Mediterranean route lost their lives or went missing.

Despite seasonality, which makes it easier to predict arrivals year by year, there is some variability, particularly in the months in which sea arrivals increase (March-April) or decrease (September-November).

That said, the substantial seasonality of flows over the year allows us to make predictions, especially once a sufficient number of months have elapsed since the beginning of the year, and in particular during or after the summer.

The decline in sea arrivals began on 16 July 2017 and continues to this day. So we have the first 6 months of 2017, together with monthly data from 2014 to 2016, to make a projection

and understand what would have happened if the sudden and prolonged drop in sea arrivals had not occurred. More technically, the years 2014-2016 and the first six months of 2017 allow us to “calibrate” a forecast model for the 12 months following the drop in sea arrivals.

To do this, **we use an Exponential Time Smoothing (ETS) forecast model**. Like all forecast models, an ETS model tries to use the past realization of a time series to predict future developments. ETS models allow to make point forecasts, but they also estimate the error that is likely to arise using the point forecasts. Basically, the ETS suggests a future prediction and also tells us what would be the probability that, provided that the causes that determined the past realizations of the series remain similar, the values realized in the future remain within a certain range from the point forecast. This distance is called “confidence interval”: in general, a confidence in-

terval of 80% is used, which means accepting that the future realization of the series falls within this range 8 times out of 10.

Figure 1.7 shows the result of the forecasting model, applied to the data on sea arrivals to Italy from January 2014 to May 2017, in order to predict the next 12 months. As shown, the forecasts adapt to the seasonality of the data, remaining high in the two summer months of July and August, declining up to a minimum in January, then rising in the spring of 2018, and returning to a maximum in the summer of 2018. The light blue area shows the 80% confidence interval. Assuming that the causal factors of sea arrivals to Italy remain stable, the expected monthly variability for the chosen timeframe is around $\pm 4,000$ sea arrivals.

This estimate of what would have happened to sea arrivals in Italy in the months following June 2017 can now be compared with what actually happened.

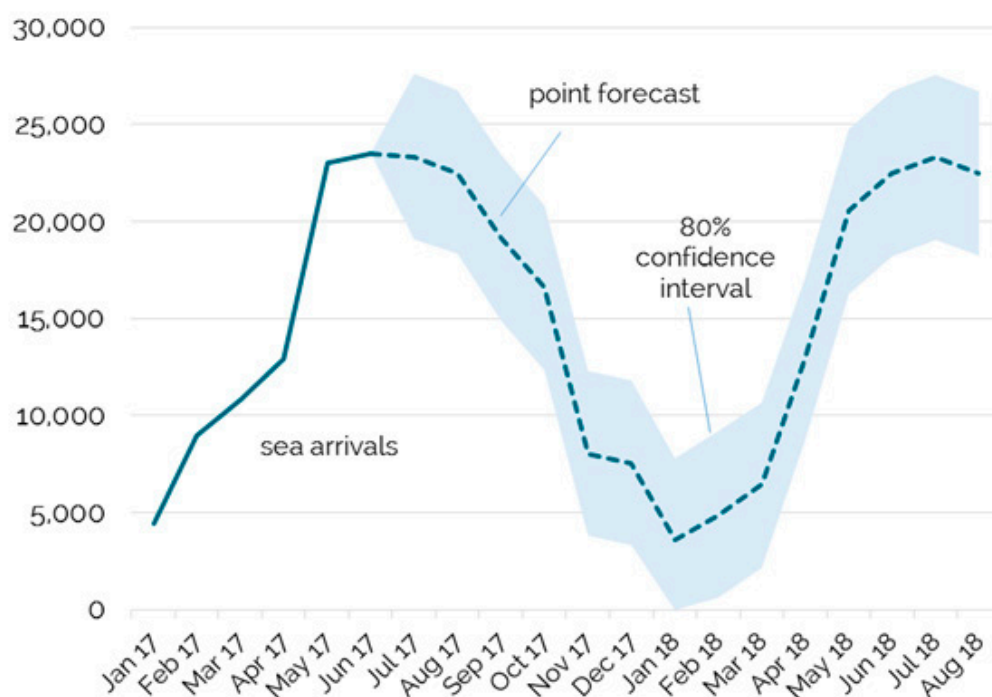
1.4 “AVOIDED” SEA ARRIVALS IN ITALY

Since July 2017, there has been a drastic reduction in departures from Libya and, as a result, in sea arrivals on the Italian coast. Using the data until June 2017, however, **the forecast model cannot predict this change** and therefore overestimates the expected arrivals over much of the timeframe.

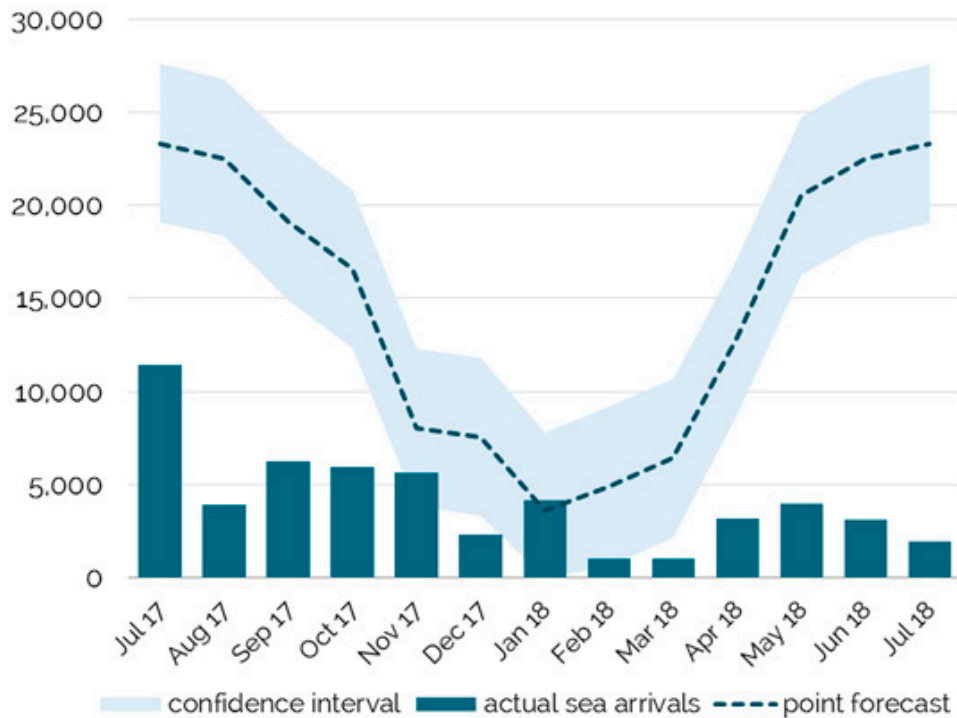
Comparing the model's forecasts with the number of migrants that actually reached Italy in the twelve months following the drop in sea arrivals, it is possible to get a sense of the effect of the drop on the Italian reception system, by calculating the extra cost incurred by the reception system had the drop not occurred.

Figure 1.8 shows that between July 2017 and July 2018 sea arrivals to Italy were so low that they were almost always very far from the model's forecasts. Only in a few cases do exceptions occur. In particular, due to the normal decrease in sea arrivals in autumn and winter,

Fig. 1.7 – Sea arrivals to Italy and forecasts, January 2017 - August 2018



Source: ISPI-Cesvi calculations, ETS forecasting model; UNHCR, Ministry of the Interior

Fig. 1.8 – Sea arrivals to Italy: forecasts vs actual, July 2017 - July 2018

Source: ISPI-Cesvi calculations, ETS forecasting model; UNHCR and Ministry of the Interior

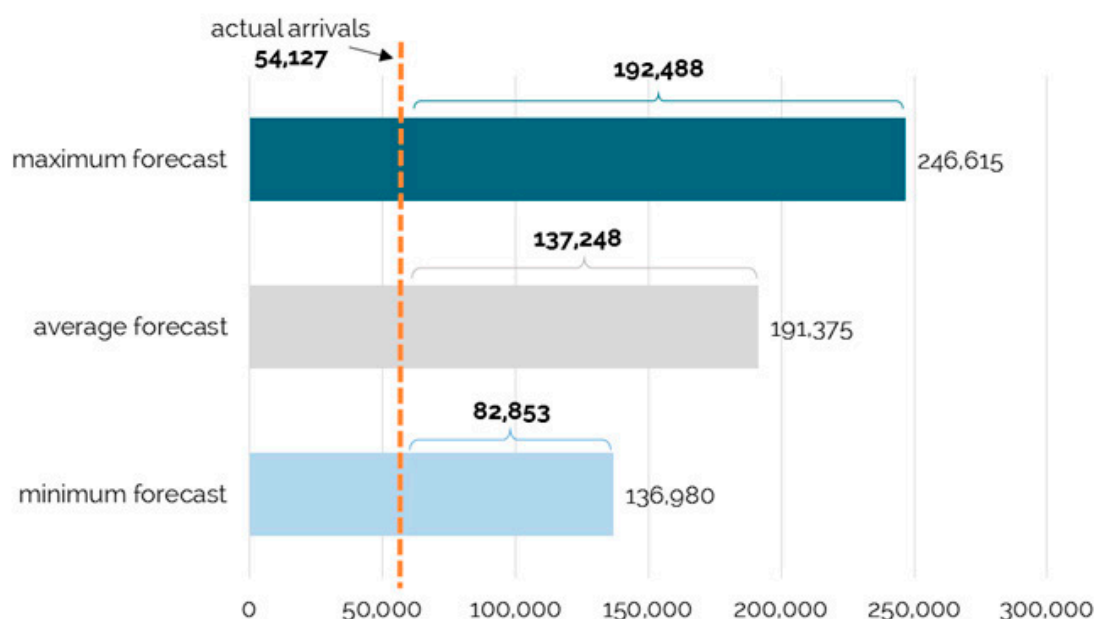
between November 2017 and February 2018 actual sea arrivals almost always fall within the confidence interval of the model, even if only the value of January 2018 exceeds the “average forecast”, while in all other cases the actual sea arrivals remain close to the lower margin of the confidence interval. With the return of spring and then summer, the model’s forecasts once again distance themselves from reality: between March and July 2018 arrivals remain very low and never exceed the quota of 5,000 per month, while the model again reaches values between 20,000 and 25,000 per month.

Figure 1.9 allows us to compare the model’s forecasts with the actual sea arrivals in Italy in a straightforward way. While the model suggests that sea arrivals between July 2017 and July 2018 would have fallen within the range of 135,000-250,000, the actual number of migrants who reached Italy by sea in the same timeframe was just over 50,000. Subtracting

the migrants who actually arrived in Italy to those forecasted by the model, we can calculate how many sea arrivals have been “avoided”, that is, how many migrants did not arrive in Italy compared to the forecasts. Referring to the average forecast, for example, we note that the number of migrants who did not arrive in Italy in the last twelve months amounted to about 140,000 ($191,375 - 54,127 = 137,248$).

To calculate correctly the savings generated by the drop in sea arrivals, however, it must be borne in mind that the number of people who did not arrive in Italy compared to the forecasts did not increase all at once, but gradually accumulated over the entire time span of twelve months. Figure 1.10 takes this aspect into account, documenting the “avoided arrivals” month by month, during the first twelve months since the drop in sea arrivals (from July 2017 to July 2018). As we can see, during the first month, the difference between

Fig. 1.9 – Sea arrivals to Italy: forecasts vs actual cumulated sea arrivals over the period July 2017 - July 2018



Source: ISPI-Cesvi calculations, ETS forecasting model; UNHCR and Ministry of the Interior

the forecasted and the actual varies between 16,157 and 7,621. As the year progresses, the cumulative monthly number of avoided arrivals starts to diverge, and the range between the maximum and minimum forecast reaches 100,000 at the end of the timeframe.

1.5 PUBLIC SAVINGS FROM “AVOIDED” SEA ARRIVALS

As shown, every migrant who arrives in Italy and applies for asylum enters the reception system. In Europe, the so-called “Dublin rules” establish which of the European countries is responsible for examining a request for international protection: although there are different criteria, in the vast majority of cases the State responsible is the country from which the migrant first entered the EU. We can, therefore, expect that, at a time when the Dublin system works correctly, almost all those who arrive irregularly in Italy will submit an application for protection in the country. Figure 1.11 compares

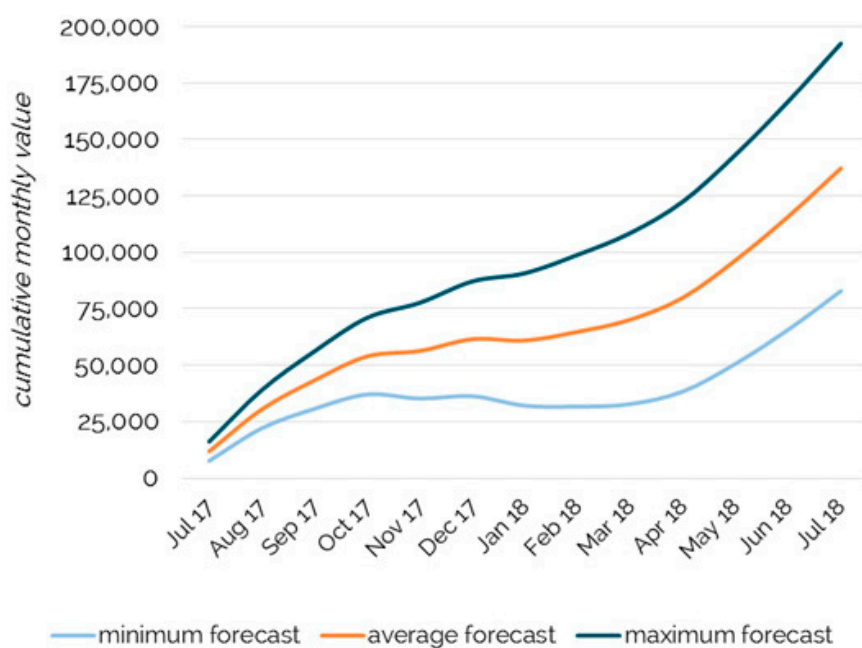
the proportion of asylum applications to arrivals by sea in Italy, showing that in the period prior to the sharp increase in migration flows in the country, the number of asylum applications submitted coincided, more or less, with that of sea arrivals.

The spike in sea arrivals put the Dublin system under pressure, so much so that in the period 2013-2015 less than half of the migrants landed in Italy applied for protection in the country. Many, on the other hand, avoided applying for protection and tried to cross the border to reach other destinations within the European Union, such as Germany, France, or Sweden. The submission of an application for international protection is one of the simplest ways available to European countries to verify the migrants’ country of first entry: if, for example, the Federal Office for Migration and Refugees in Germany ascertains that an asylum seeker has already applied for protection in Italy, it can start the procedures for taking back the person in charge to transfer



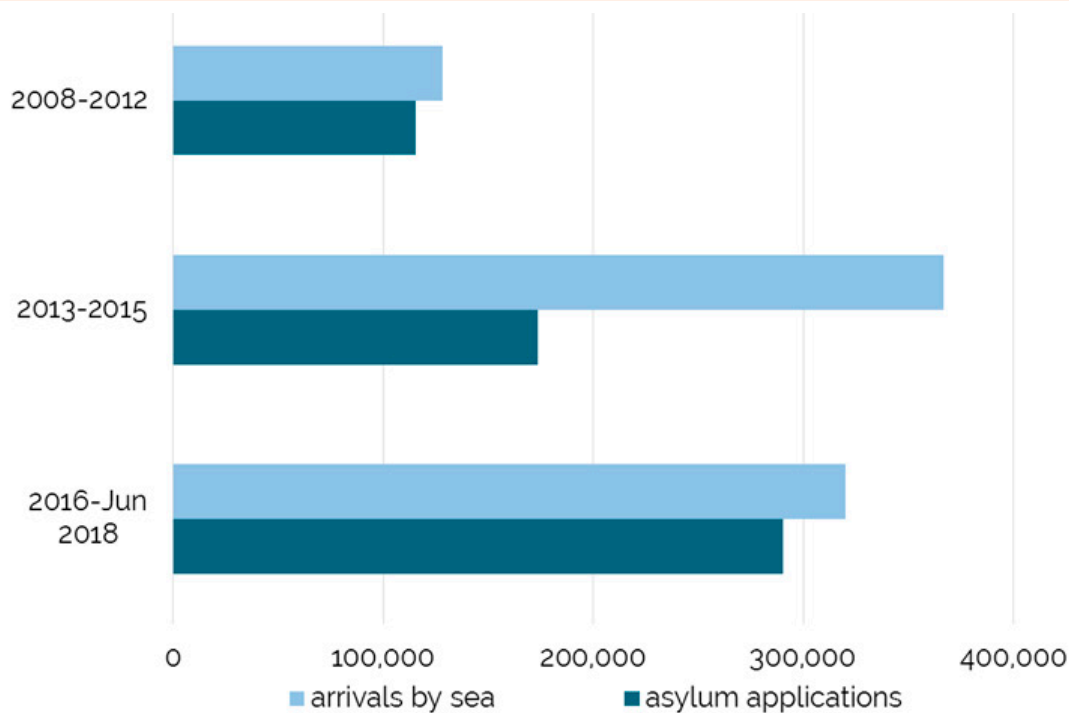
approx. 140,000
migrants not arrived
to Italy compared
to average forecast

**Fig. 1.10 – Migrants who did not arrive in Italy (compared to the model's forecasts),
July 2017 - July 2018**



Source: ISPI-Cesvi calculations, ETS forecasting model; UNHCR and Ministry of the Interior

Fig. 1.11 – Sea arrivals and asylum applications in Italy, 2008-2018



Source: IOM, Ministry of the Interior, Eurostat

the migrant back to Italian soil. It is, however, less easy to have certain evidence if the person who disembarks does not apply for asylum⁶. Also for this reason, compared to about 365,000 sea arrivals in the period 2013-2015, Italy recorded only about 175,000 asylum applications (47% of sea arrivals). From the last months of 2015 onwards, however, with the establishment of hotspots in Italy, the registration of fingerprints of almost all migrants landed, and the partial suspension of the Schengen area of free movement by France, Germany, and Austria, the situation has changed radically. Between January 2016 and June 2018, for around 320,000 people arrived irregularly by sea, Italy recorded about 290,000 asylum applications (91% of sea arrivals). In 2017, asylum applications were even higher than the number of sea arrivals, because while sea arrivals were beginning to decrease, many migrants who had entered Italy in the previous year and had not yet applied for asylum chose to do so.

Thus, we can conclude that anyone who arrived in Italy in 2017 would have applied for international protection and would have been included in the national reception system for a sufficiently long time to assess their asylum application. At the same time, in 2017, it took an average of 18 months⁷ to evaluate an asylum application. We can therefore assume with reasonable certainty that a migrant disembarked in 2017 would have remained in the Italian reception system (and therefore a cost to the Italian State) for at least the following 12 months, i.e., the timeframe of our analysis.

Using the average direct costs per migrant hosted by the Italian reception system (which, as mentioned, are equivalent to an annual cost of €13,104, or a monthly cost of €1,092; see par. 1.2), **we can estimate what are the costs “avoided” by the Italian State, every month, following the drop in sea arrivals.** To this figure we must then add, for the sake of completeness, the fixed quota of €204 per migrant, which is the estimated average cost of examining an asylum application.

Figure 1.12 shows the monthly savings generated by the drop in sea arrivals compared to the average forecast of arrivals using data up to June 2017. As shown, savings tend to increase over time, according to the total number of “avoided” sea arrivals for each specific month, and as the number of “avoided” sea arrivals of the previous months also accumulates. To better understand the Figure 1.12, it might be useful to look at the two small drops in monthly costs, which occurred in November 2017 and then again in January-February 2018.

In the first case, the costs avoided decrease from €62 million in October to €61 million in November. This is due to the fact that the month of November is one day shorter than October, and that the incremental number of “avoided” sea arrival compared to October is low, amounting to around 2,500 migrants. Moreover, precisely due to this small number of “avoided” sea arrivals, the avoided administrative cost to evaluate asylum applications is equally small: while in October the costs avoided in assessing asylum applications amounted to around €2.2 million, in November it fell to only €0.5 million, and this drop is enough to cause a small reduction in monthly costs.

Moving to January-February 2018, the savings drop from €70 million in December 2017 to €68 million in January 2018, due to the fact that, for the month of January, the average forecast of sea arrivals (3,600) was even lower than the actual arrivals (4,200). This also entails a higher cost and not a saving on asylum applications, amounting to €0.1 million. In February, the drop is only due to the fact that the number of days is much lower compared to January (28 instead of 31). The arrival of spring, coupled with the fact that actual sea arrivals remain very low compared to the forecasts, cause the monthly savings to rapidly increase, regardless of the variability due to the different number of days of the month. In order to map the total savings in public expenditure due to the decrease in sea arrivals, we must now



18 months

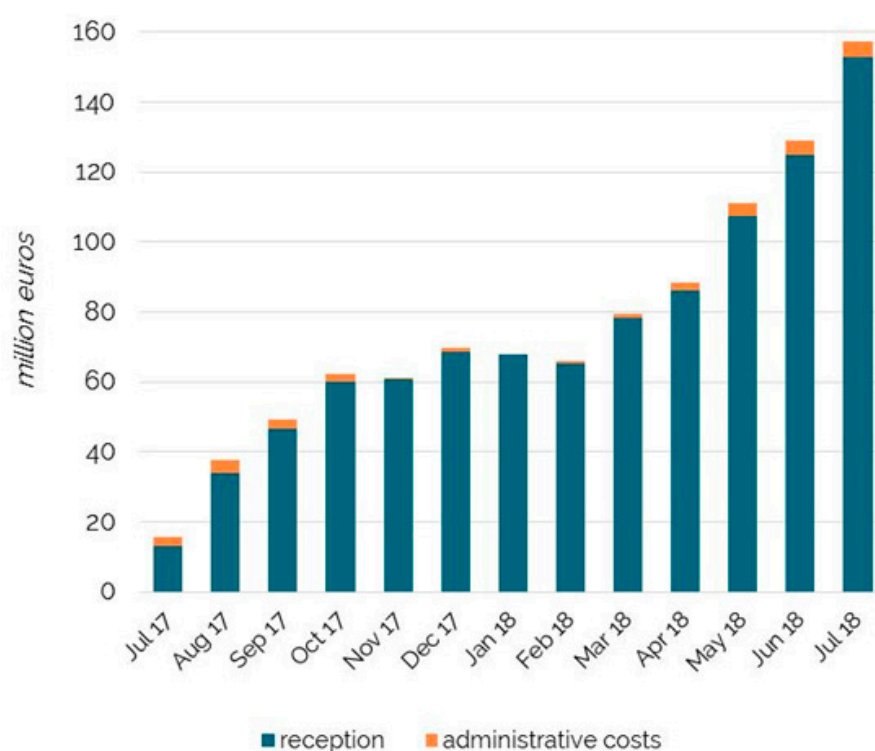
average time
to evaluate
an asylum application

add up the monthly savings that accumulate over the course of twelve months. As shown in Figure 1.13, the cumulative savings at the end of the twelve-month period vary significantly depending on whether we use the minimum, average, or maximum forecasts for sea arrivals. For example, if – in the absence of the drop that began in July 2017 – sea arrivals in Italy had settled month after month at the minimum level of the forecasts, over the course of a year the savings on Italian public expenditure would have amounted to around €570 million. If we use the maximum forecasts, the savings for the Italian state exceed €1.4 billion. Finally, **using the average forecasts, savings in public expenditure are close to €1 billion.**

From the first year onwards, assuming that the drop in sea arrivals remains constant and that the stay in the reception system lasts 12 months⁸, these savings will roll over each month and we will be able to **calculate the**

long-term savings of the drop in sea arrivals. This means that the costs not incurred in receiving a certain number of migrants in August 2018 will be related to the “avoided” sea arrivals in the previous twelve months, and so on for all subsequent months. For this reason, it is no longer necessary to calculate monthly savings and proceed to cumulate them. Instead, it is sufficient to calculate the daily savings in public expenditure achieved at the end of the first 12 months (end of July 2018) and use it to calculate the savings for the following 12 months. Figure 1.14 compares the savings (i.e. the avoided costs) accumulated during the first year since the drop in sea arrivals with the yearly long-term savings, were the drop to prove long-lasting. As shown, the long-term savings are significantly higher and range **from a minimum of €1,1 billion to a maximum of almost €2,6 billion, with an average forecast of around €1,9 billion.**

Fig. 1.12 – Monthly avoided cost based on the average forecast, July 2017 - July 2018



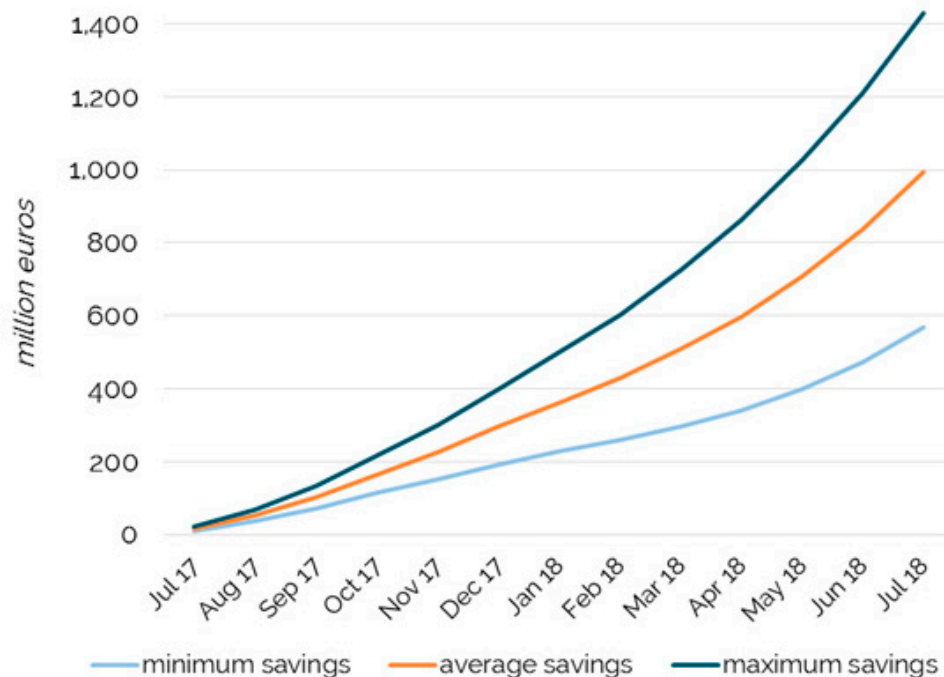
Source: ISPI-Cesvi calculations based on ETS forecasting model; Italian Court of Auditors



€ 1.9 bn

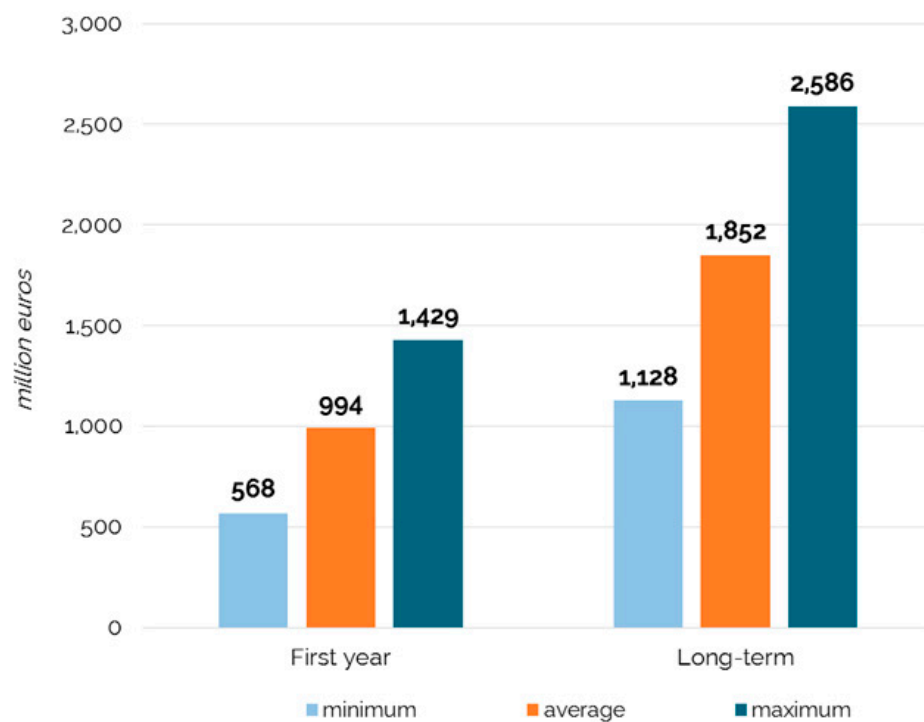
long-term annual savings

Fig. 1.13 – Cumulated savings from avoided sea arrivals, July 2017 - July 2018



Source: ISPI-Cesvi calculations based on ETS forecasting model; Italian Court of Auditors

Fig. 1.14 – Cumulated savings from avoided sea arrivals, first year vs long run



Source: ISPI-Cesvi calculations based on ETS forecasting model; Italian Court of Auditors

SAVINGS FOR THE RECEPTION SYSTEM BASED ON DEF 2018 ESTIMATES

In Par. 1.2 we used the estimated daily cost per migrant of €35.9 (equal to the sum of the average daily cost for reception of €27.1, plus the cost for health services and access to the national education system of €8.8). Using the figures proposed by the DEF, shown in Table 1.2, the cost to receive a migrant in 2017 would amount to €44.7 per day. To this figure one should add the €8.8 that the DEF calculates to be the individual cost to access health and education services. This would bring the total daily cost to €53.5 per migrant, which is almost 50% more than the estimate we used in our discussion. This difference is due to the fact that, according to the DEF, the Ministry's estimates also would also take into account a number of "indirect costs" attributable to the reception system, which do not only include the cost of hosting each migrant in the facilities, but also administrative, logistical, transport, and other costs.

Using the DEF estimates, the annual cost per migrant received would amount to € 19,528, or €1,627 per month.

As expected, the estimated savings in terms of public expenditure would increase accordingly:

- For the first twelve months, savings would range from a minimum of €840 million to a maximum of €2.1 billion (compared to the €570 million – €1.4 billion estimated in paragraph 1.5);
- Over the long-term, the yearly savings would range from a minimum of €1.7 billion to a maximum of €3.8 (compared to €1.1 – €2.6 billion calculated using our estimates).

NOTES

¹ The DL 142/2015 also transposed the EU Directives 2013/32 on common procedures for granting and withdrawing international protection, and 2013/33 laying down standards for the reception of applicants for international protection.

² AA. VV. *Rapporto sulla protezione internazionale in Italia 2017*, 2017.

³ Corte dei Conti, "La 'prima accoglienza' degli immigrati: La gestione del Fondo nazionale per le politiche e i servizi dell'asilo (2013-2016)", n. 3/2018/G, March 2018.

⁴ To draft this table we used the figures included in "Allegato 5", which shows the 2015 cost estimates for each Region, allocating them to the different facilities and the person-days each migrant spent in such facilities. Average total costs per Region have been corrected by subtracting the costs incurred for the management of CIEs. As stated, we assume that all migrants disembarked in Italy would apply for international protection,

thus being hosted in any other facilities, but not CIEs.

⁵ E. Steinhilper, R. J. Gruijters, "A Contested Crisis: Policy Narratives and Empirical Evidence on Border Deaths in the Mediterranean", *Sociology*, vol. 52, n. 3, 2018, pp. 515-533.

⁶ Not to mention that, up until September 2015, migrants who disembarked in Italy were fingerprinted only 36% of the time. See European Commission, "Communication from the Commission to the European Parliament and the Council on the State of Play of Implementation of the Priority Actions under the European Agenda on Migration", COM (2016) 85 final, 10 February 2016.

⁷ See, E. Corradi, M. Villa, A. Villafranca, "Fact Checking: migrazioni 2018", ISPI, 7 May 2018.

⁸ As stated before, in 2017, the average time to evaluate an asylum application was around 18 months. Our estimate of the long-term savings is therefore even more conservative, because it assumes that a person hosted in the Italian reception system exits it after 12 months, and not 18.

.....

The costs of non-integration

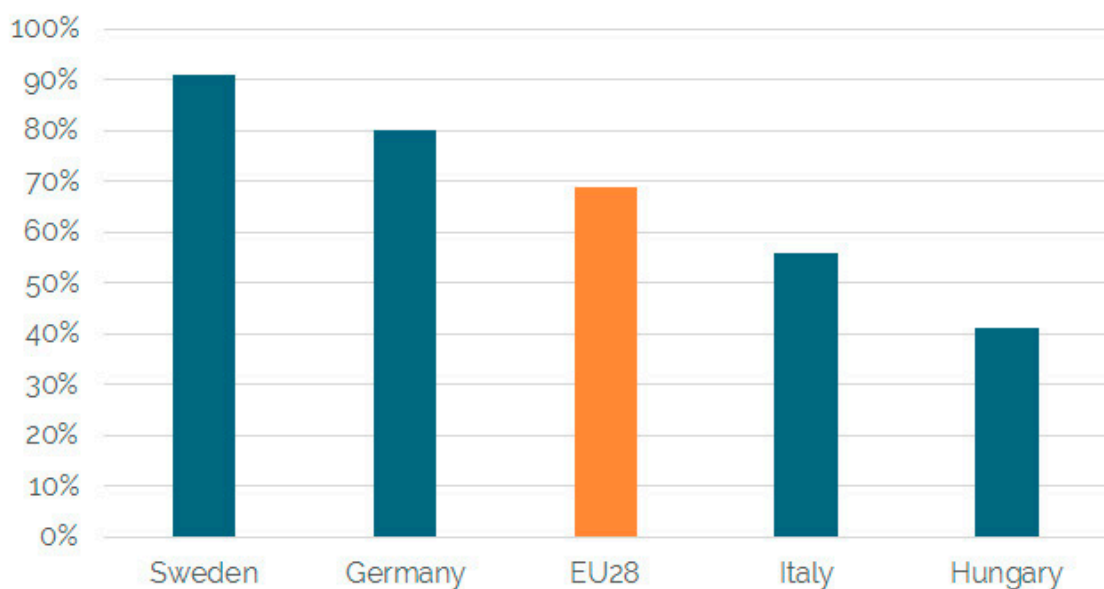
2

A special Eurobarometer survey showed that last October only 56% of Italians deemed necessary to invest in integration policies for migrants, a significantly lower percentage than the EU average (69%) (Fig. 2.1)¹. In 2015, the level of foreigners' integration as perceived by Italians was among the lowest in Europe. For example, only 3% of the citizens of Rome considered foreigners living in the Italian capital to be "well integrated" (Eurostat). Moreover, Italians always tend to overestimate the number of foreigners in Italy: they estimate it at 26% of the population, while the figure is ac-

tually closer to 9% (Ipsos 2017). Italians do not want the government to invest in integration, but at the same time, they think that foreigners on Italian soil are many and poorly integrated. In part, this can be attributed to the fact that, according to 40% of Italians, integration policies do not work (Eurobarometer 2018).

When asylum seekers arrive in Italy, especially if they do so irregularly as most of the refugees² who have arrived in recent years by sea, they have to face first of all the problems of first reception: medical screenings, identification, transfer to one of the dedicated recep-

Fig. 2.1 – Share of respondents who "totally agree" with the statement "fostering integration of migrants is a necessary investment in the long run", October 2017



Source: Eurobarometer

tion centers. Once this first and (according to Italian law) brief phase is over, those who remain in the country become part of the community in every way: they are ready to go to school, work, etc. In this sense, public policies aim to support the integration process, i.e., to shorten (and ideally eliminate) the gap that separates native Italians and foreign citizens.

The process of integration within a society is complex and involves many aspects of a person's social life. In our case, we will refer to the integration process with respect to four fundamental aspects: access and performance in the national education system; access to the labor market; health status and access to health services; and social exclusion.

This chapter aims to clarify what integration means when it comes to these four aspects, and at the same time, to paint a picture of the lack of integration – that is, the distance that separates Italian citizens from the foreign resident population, both in terms of access to rights and in terms of performance. Whenever possible, we will try to compare the gap of integration with other European countries, to understand how Italy ranks with respect to the EU average and/or other EU countries where the level of integration, measured according to that specific indicator, seems more advanced.

In particular, we will attempt to focus as much as possible on asylum seekers and beneficiaries of international protection, a group of people who generally display a higher integration gap compared to the rest of the foreign population. Given that, recently, irregular migratory flows have been high, and that refugees and asylum seekers tend to be harder to integrate, in recent years, national integration policies in Europe have been developed with this specific group of people in mind. At the same time, unfortunately, data related to beneficiaries of international protection tend to be less available (and sometimes less reliable) than data related to the entire foreign population or, more specifically, the non-EU

population. For this reason, we will often use data referring to the foreign population as a whole, and in particular the non-EU foreign population, as a proxy for the integration gap for refugees. It should be borne in mind that, in many instances, the “lack” of integration measured across the entire resident or non-EU foreign population will be an underestimate of the real integration gap for asylum seekers and refugees, who are often in a further disadvantaged position, as illustrated in all cases where data referring to this specific category are present.

2.1 INTEGRATION AND THE LABOR MARKET

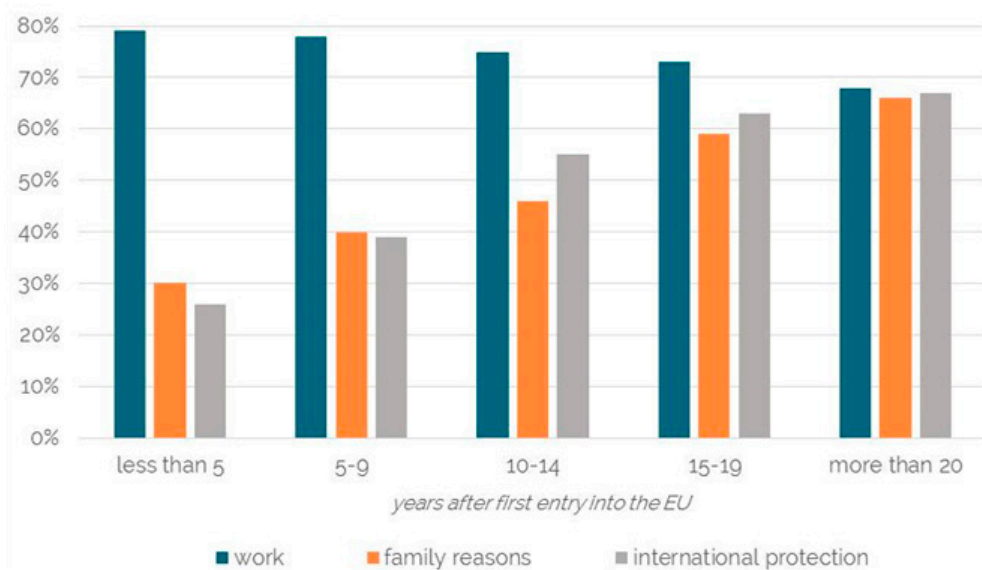
The most recent EU Labor Force Survey (LFS), published in 2014, shows that **the employment rate of migrants residing in European countries for humanitarian reasons stays low for many years after their first entry into Europe**. In particular, in the first five years since their arrival, the employment rate of migrants reached only 26% (Fig. 2.2). As can be expected, on the other hand, non-EU migrants who have come to Europe for work-related reasons (and who, therefore, for the most part already have a job offer on arrival) have a very high average employment rate, 79% in the first five years after entry.

Over time, the employment rate of refugees tends to increase, converging towards that of those who migrate for work-related reasons, but it still takes about 15 years before it exceeds 60%. These differences do not only depend on the different skills, qualifications, and predispositions of migrants, but also on the public policies chosen by the countries of arrival (which often place legal limits on the possibility of asylum seekers to seek work, see also par. 3.3) and on the propensity of national employers to use asylum seekers as workers.

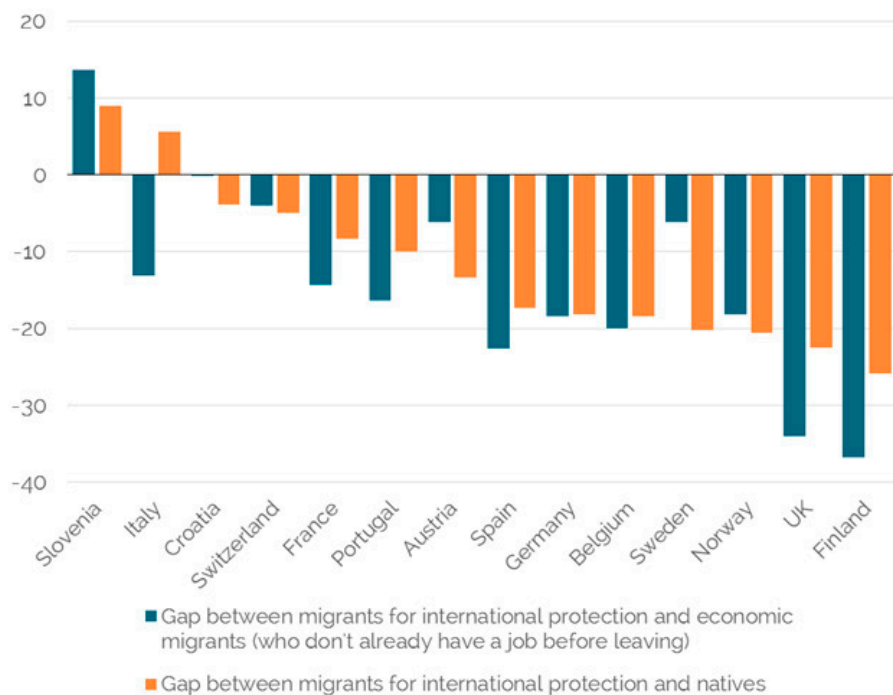
According to Legislative Decree (DL) 142/2015, asylum seekers can start working in Italy 60 days after submitting their asylum



15 years in EU
before refugees'
employment rate
reaches 60%

Fig. 2.2 – Employment rate of 15-64 years old non-EU migrants, by reason for migrating, 2014


Source: EU Labour Force Survey

Fig. 2.3 – Gap in employment rates between refugees, foreigners, and natives, 2014


Source: EU Labour Force Survey

application. Once the assessment of the application has been completed, if the migrant obtains international protection, he or she receives a residence permit and can, therefore, continue to work (if he or she has found a job, see also par. 3.3). In practice, an asylum seeker encounters many difficulties in finding a job: in addition to those encountered by foreigners in general, the lack of knowledge of the Italian language and the uncertainty about the outcome of the application for protection often drive employers to choose people with similar qualifications, but who are not asylum seekers.

To facilitate access to the labor market for asylum seekers and refugees, the SPRAR network provides “integrated reception” services including “career guidance and orientation”³. However, as explained in chapter 1, the number of beneficiaries of these services is currently very low: in 2017, only 14% of asylum seekers and refugees were accommodated in SPRAR facilities.

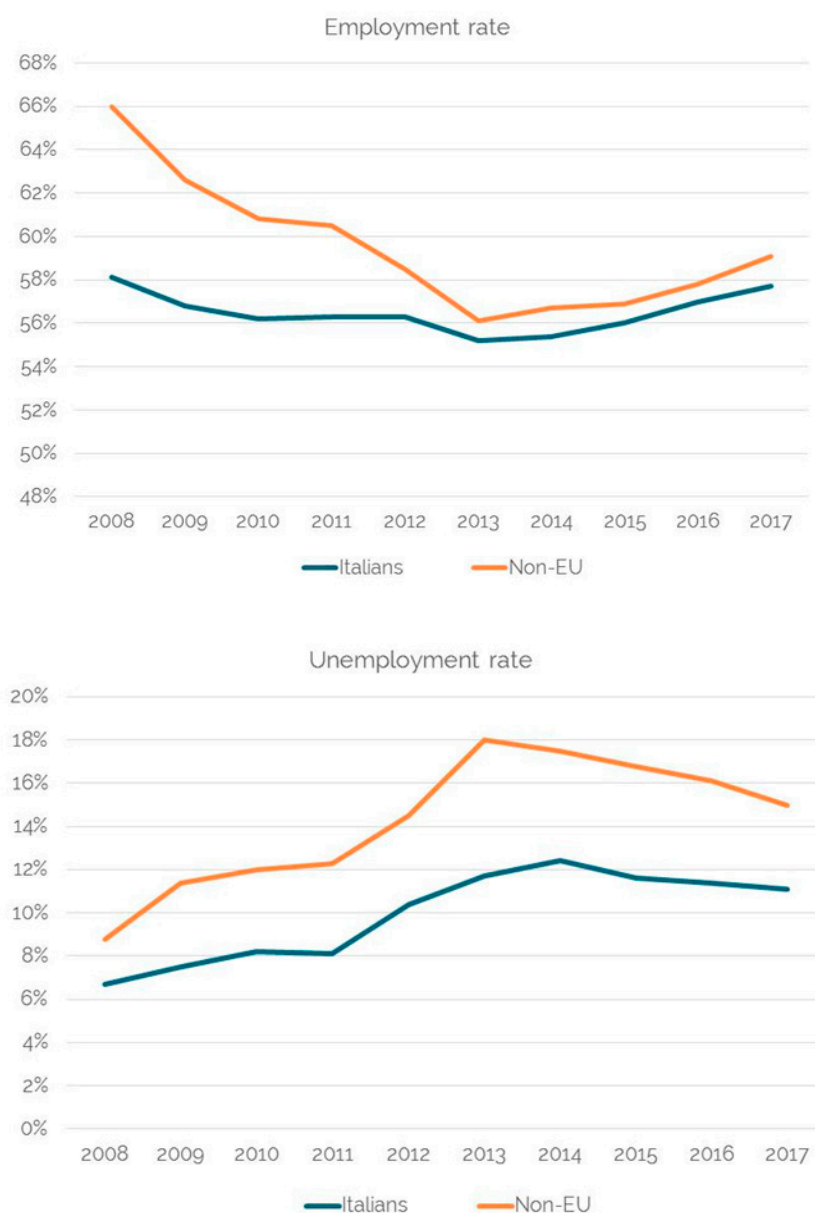
In general, in the EU, the employment rate of beneficiaries of international protection (beneficiaries in short) tends to be lower than that of natives, and much lower than the employment rate of those who migrate for work-related reasons without having already found a job before leaving. In Italy, the gap between beneficiaries and those who migrate for work-related reasons is a little smaller than that of many other EU countries, although it is still higher than 10% (i.e., the employment rate of those who migrate for work-related reasons is about 10% higher than that of beneficiaries). If, on the other hand, we focus on the difference in the employment rate between beneficiaries and Italians, the gap becomes negative, implying that the employment rate of beneficiaries is higher than that of Italians. However, this is a peculiarity of the Italian economic system, in which the employment rate of the entire population is much lower than the EU average (59% in Italy, against an EU average of 72%).

Relying on Eurostat data (Fig. 2.4), we notice that **the employment rate of non-EU migrants is slightly higher than that of Italians**. What we observe, however, is that it is precisely non-EU employment that has been particularly affected by the crisis, shrinking close to the (already low) level of Italian natives. This remarkable volatility shows that non-EU migrants do have good access to the Italian labor market, but their jobs are also those that disappear faster during an economic crisis. At the same time, **in the last decade the unemployment rate of non-EU migrants has always been higher than that of Italians**.

The fact that both the employment and the unemployment rate of non-EU foreigners exceed those of Italians is not surprising: having fewer social connections and a lower access to public subsidies, foreigners have an activity rate that always exceeds 70% (Eurostat). This is indicative of the scarce “rescue networks” available to foreigners in Italy: an unemployed foreigner cannot afford to remain inactive, i.e., not to go in search of a new job, while a native citizen can do so more easily (and consequently the latter can more easily be included among the “inactive” percentage).

The unemployment rate of non-EU foreigners has increased significantly during crisis years. In fact, it has almost doubled. This indicator also shows that foreigners’ jobs are, on average, more flexible and vulnerable to a contraction in the economic cycle than the jobs of natives.

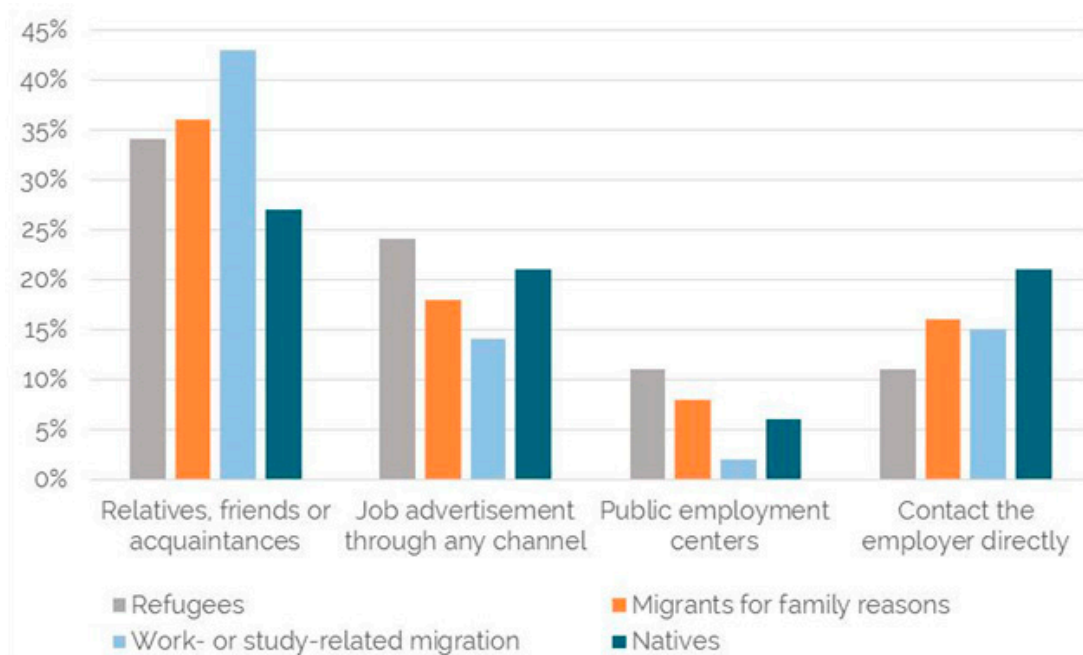
Moreover, more than 60% of first-generation migrants find work thanks to a relative, friend, or acquaintance, while foreigners born in Italy appear to use channels similar to those of the natives. The differences that become apparent when the sample of foreigners is broken down according to the reason for their migration are interesting. Figure 2.5 shows how, in EU countries, the importance of the “relatives, friends, or acquaintances” for beneficiaries falls considerably compared to those who migrated

Fig. 2.4 – Employment and unemployment rate in Italy by citizenship, 2008-2017

Source: Eurostat

for work (from 43% to 34%), while the role of job advertisement through any channel and, above all, of public employment centers rises, becoming five times more important, from 2% for an economic migrant to 11% for a refugee. The same figure also shows how few refugees contact the employer directly: while this is done by 21% of natives, only 15% of economic migrants, and 11% of refugees do so.

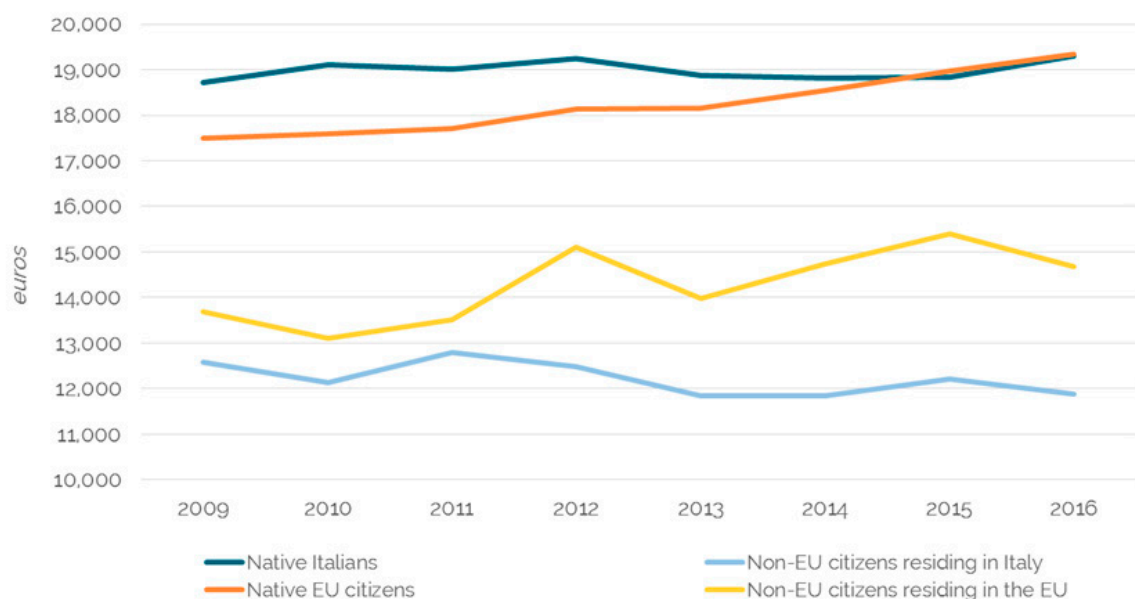
Refugees are also those who look for work using more formal methods (job advertisement and employment centers): this is evidence of their weaker social ties, probably due to their lower social connections in the country of arrival, and their lower knowledge of the Italian language. Of course, it is not only the possibility of finding a job that counts but also the wage level. Figure 2.6 shows the average

Fig. 2.5 – Most commonly used method to find a job, 2014

Source: Fieri

income of natives and foreigners, in Italy and, on average, in European countries. In both cases, the average income of natives tends to

be significantly higher than that of non-EU foreigners. But there are at least two major differences. First of all, the income differen-

Fig. 2.6 – Mean net income in Italy and the EU by citizenship, 2009-2016

Source: Eurostat

tial between natives and non-EU foreigners is much lower in the whole EU (varying between €4,500 and €3,000) than in Italy (between €6,000 and €7,500). Moreover, in the EU this differential has remained rather constant, at around 22%, while in Italy it has widened, going from 33% in 2009 to 39% in 2016. In short, **not only a non-EU foreigner has an average net income more than a third lower than a native**, but over the years this gap has not narrowed and has even increased.

Similar data are reported in the Istat study “Household living conditions, income and tax burden”, which shows that in 2015 the average net income was €30,901 for households in which all members were Italian, and €21,410 for households with at least one non-Italian member. A study by the Centro studi Luca D’Agliano and Collegio Carlo Alberto (2018), based on Istat data for 2014–2017, also shows that income differences between natives and non-EU foreigners decrease very slowly in the years following their entry into Italy, so much

so that after twenty years of residence there is still a 20% pay gap.

Figure 2.7 shows, first of all, that income differences do not disappear by separating non-EU natives and foreigners according to their qualifications. The differences between native and non-EU graduates are particularly marked. Data shows that, while non-EU graduates earn an average of €1,251 net monthly, Italian graduates earn an average of €1,816 net monthly or 45% more.

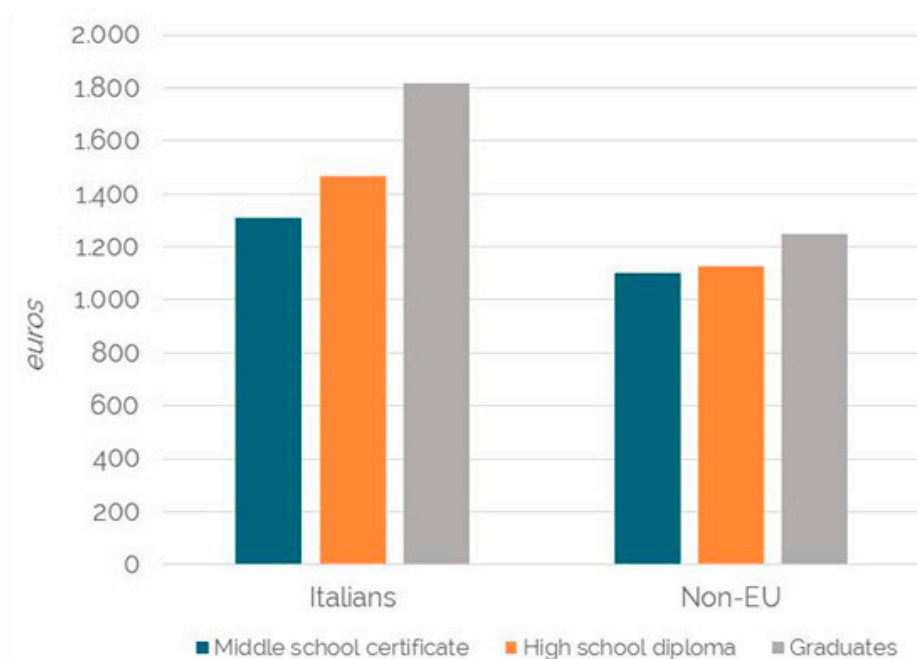
The abovementioned study also shows that the probability of employment for immigrants depends mainly on the sector (52%), while other aspects, such as the level of education, play a less important role in the likelihood of finding a job. This is all the more evident if we refer to the data of the Ministry of Labor and Social Policies, which shows that 21% of foreign graduates are employed in unskilled manual work, compared to 0.5% of Italian graduates, while the ratio is reversed as regards the managerial, intellectual, and technical profes-



-39%

net income of non-EU
foreigners vs Italians

Fig. 2.7 – Mean net monthly incomes by educational attainment level, 2016



Source: Ministry of Labour and Social Affairs

sions, in which 83% of Italian graduates and only 36% of non-EU graduates are employed. This **occupational segregation** explains, to a large extent, also **the differences in income for persons with equivalent qualifications**.

So it is not surprising that, in Italy, foreign-born residents declare themselves overqualified for the work they do and their perception of overqualification increases with their qualifications (Fig. 2.8). In particular, about 50% of foreign-born residents who hold at least a bachelor's degree think they are employed in a job that they could do even without holding that degree. The (perceived) level of overqualification is important: on the one hand, it denotes **a possible mismatch** in the labor market, i.e., the possibility that the education system is not suited to the production and economic system of the country. On the other hand, it causes **a lower "return on investment"** in education, because the most qualified jobs are, on average, also those with a higher productivity, and gen-

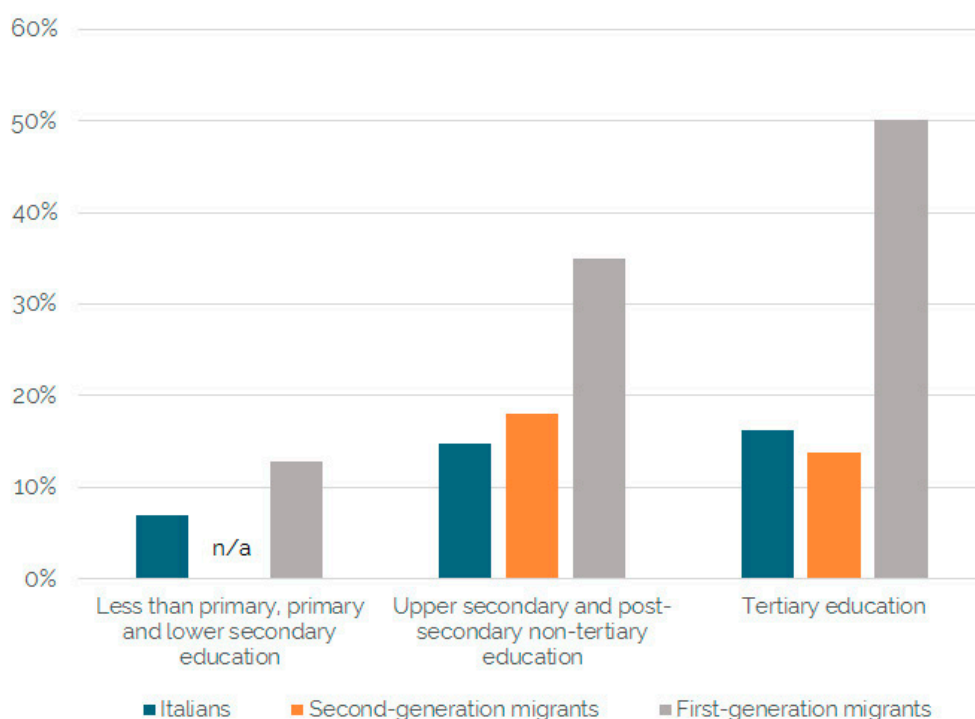
erate a higher value added per hour worked.

In short, in Italy many more first-generation migrants declare themselves to be overqualified compared to Italians, and **this gap grows as their schooling proceeds**. On the contrary, second-generation immigrants who have achieved secondary or tertiary education declare a much lower level of overqualification, much closer to that of Italians, pointing at the fact that the integration process only kicks for the second generation of migrants⁴.

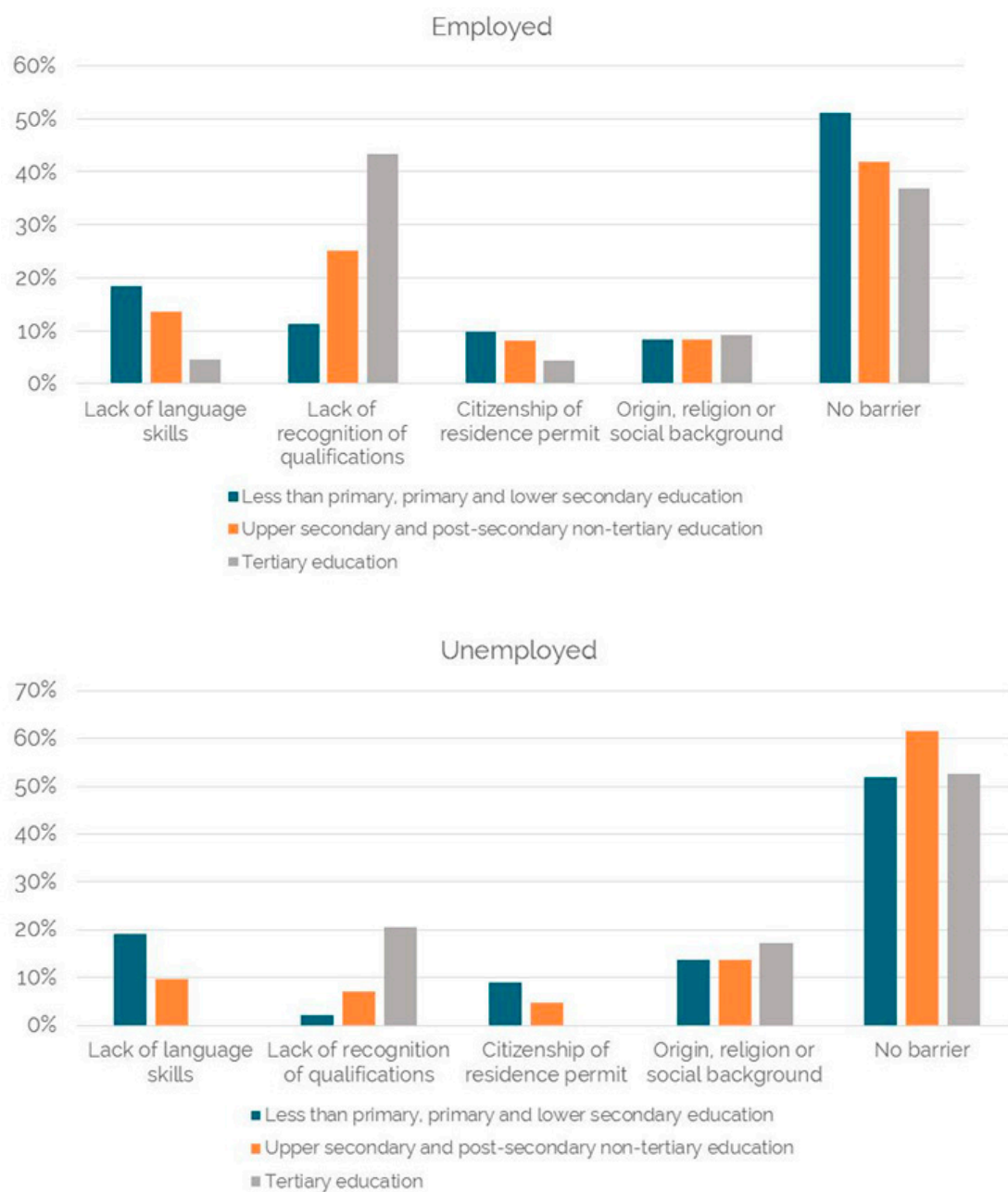
Finally, Figure 2.9 shows the difficulties foreigners face in finding employment and the extent to which these obstacles differ according to both their level of education and their employment status at the time of response (i.e., whether or not they are already employed).

For those who have found a job and have an elementary education, the biggest obstacle is the lack of language skills. On the other hand, almost 45% of first-generation migrants with tertiary education in employment have had

Fig. 2.8 – Self-declared overqualified employees by citizenship, 2014



Source: EU Labour Force Survey

Fig. 2.9 – Obstacles to getting a suitable job for employed and unemployed, 2014


Source: EU Labour Force Survey

problems getting their qualifications recognized. For those who are still unemployed, on the other hand, the difficulty of getting their qualifications recognized is less often mentioned, while the percentage of people who feel hindered for cultural, religious, social, and origin reasons is slightly higher.

2.2 INTEGRATION AND EDUCATION

In 2017, more than 60% of non-EU immigrants residing in Italy had a pre-primary, primary or lower secondary education level. Only 10% of them had also completed tertiary education, the lowest percentage among all EU countries. Such a low level of education is not surprising:

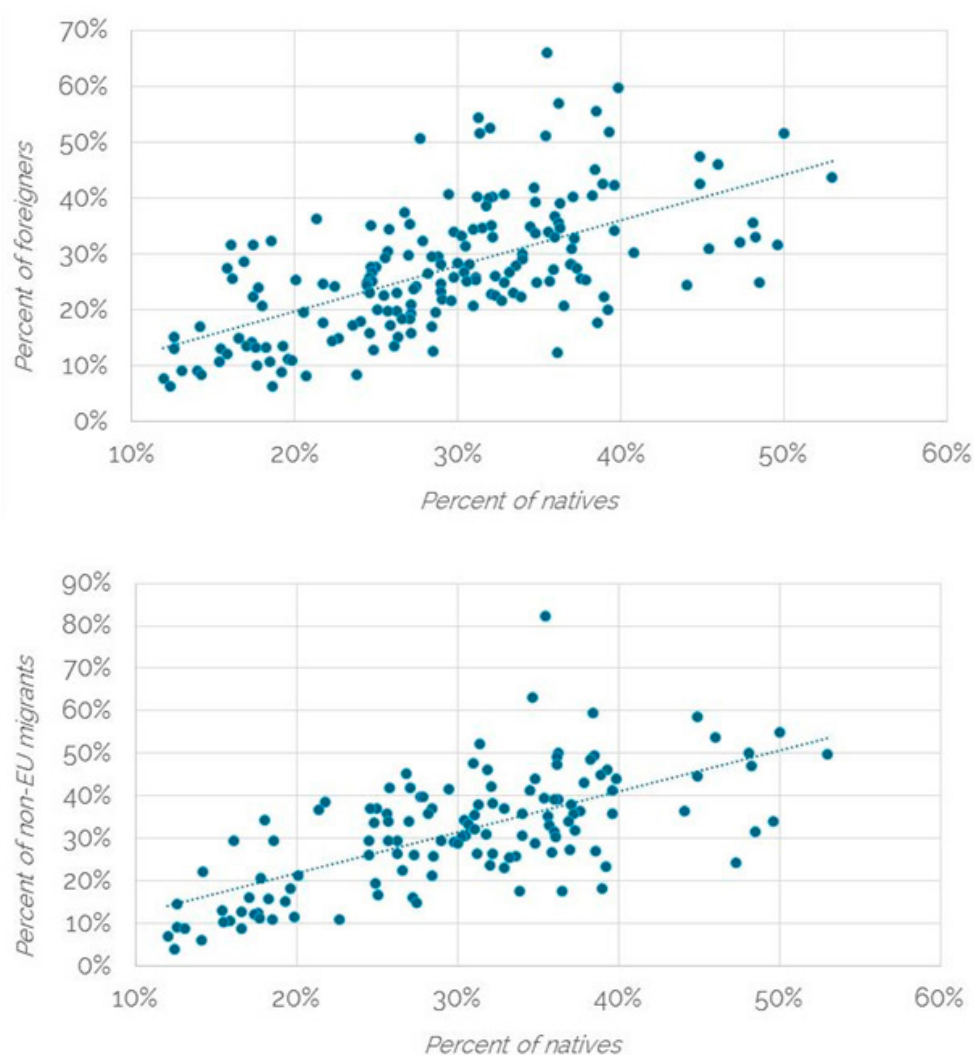
many studies show that **foreigners in a country tend to have levels of education that correlate with those of natives**.

Eurostat data on the 28 EU countries shows a somewhat positive relationship between the tertiary education levels of natives and foreigners in each EU country. This relationship becomes even stronger if, as shown in an OECD study (2018), the national figure is broken down into regional figures within the various European countries (Fig. 2.10). In essence, the higher the percentage of native graduates,

the higher the percentage of foreigner graduates. It is as if the latter “self-selected” themselves: that is to say, in the case of first-generation immigrants, they choose a destination in Europe where the level of education of the natives is a little more similar to their own; while, in the case of second generation foreigners, the latter seem to adapt to the average schooling of the natives of the country in which they are located.

With specific regard to Italy, the rate of graduate population is among the lowest in

Fig. 2.10 – Correlation between the percentage of tertiary education attainment among natives and foreigners (as a whole and non-EU) in the different EU regions, 2015



Source: OECD

Europe (17% in 2017, ahead of Romania alone), and foreigners “adjust” to this level as well, with a percentage of foreign population holding a bachelor’s degree equivalent to 10.7% for EU foreigners, and 9.9% for non-EU.

Besides the overall level of education there are two issues of great importance for first-generation foreigners in general, and asylum seekers and refugees in particular: their **language proficiency** and their **performance within the Italian school system**. The latter includes, on the one hand, the level of school integration of minors who have arrived irregularly and who find themselves having to adapt to a study program that is already well under way, and on the other hand, the gap that separates foreign and Italian students in terms of the repetition of grades and the even more worrying phenomenon of school drop-out.

As far as the former is concerned, Istat data referring to the years 2011–2012 (the latest available) show that 41% of non-EU foreigners in Italy found at least some difficulty in understanding the Italian language, while 43% had

at least some difficulty in being understood. Moreover, only 20% of foreigners had attended a supplementary language course. The SPRAR Annual Report (2017) shows that, in 2016, out of the 19,263 SPRAR beneficiaries who attended at least one Italian language course, more than two-thirds attended a pre-literacy course (24%), or a basic language course (42%) (Fig. 2.11). These figures attest to the difficulty of foreigners, and in particular those from non-EU countries, to learn the Italian language, something which should be considered the first useful tool to facilitate integration into the Italian social and economic fabric.

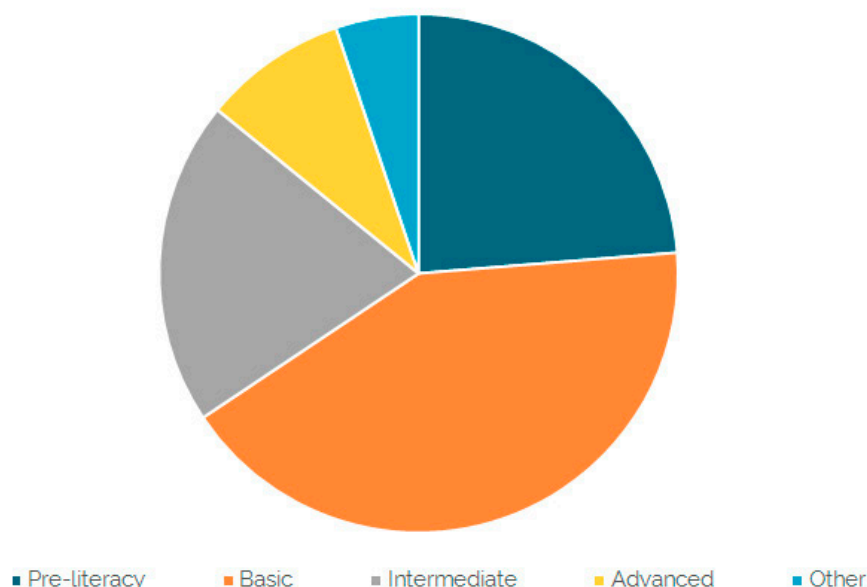
As to the school system: before analyzing the differences in performance, there is a clear discrepancy in the course of study undertaken by Italian and foreign students. Specifically, a study by the Ministry of Education, University and Research (2018) shows that foreign students born abroad tend to enroll more frequently in technical and professional institutes (37% and 38% respectively) than in high schools. On the contrary, 50% of Italian



66%

SPRAR students
in Italian classes
at or below basic level

Fig. 2.11 – Level of Italian class attended by SPRAR users, 2016



Source: SPRAR

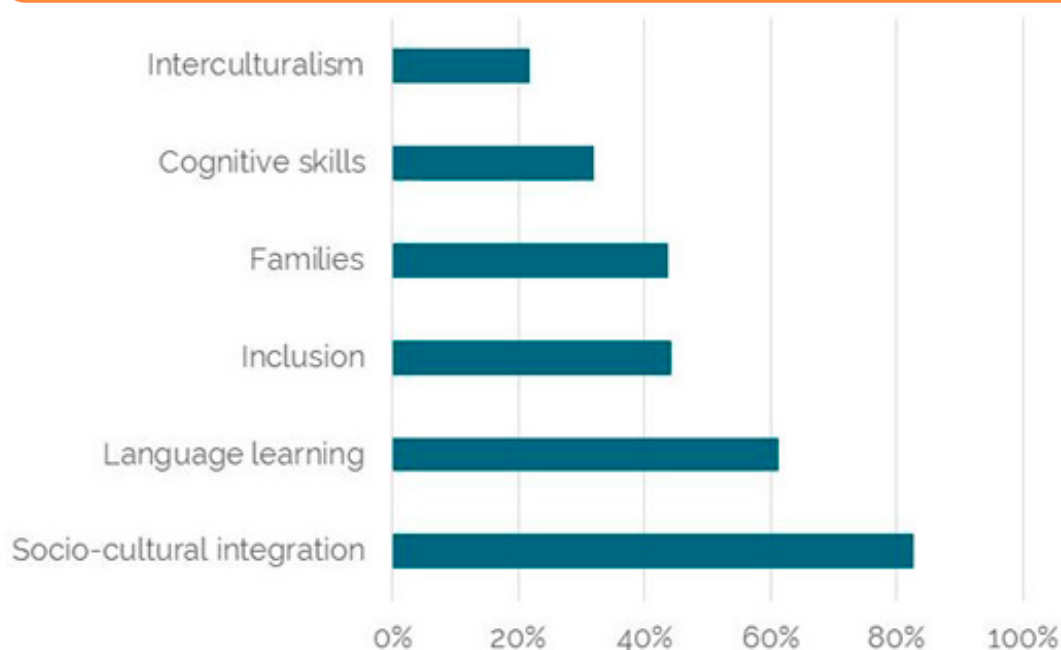
students attend a high school. Foreigners born in Italy are more or less in the middle of these two extremes, even if their enrolment rate in high schools (34%) is closer to that of foreigners born abroad than to that of Italian students (Miur, 2016-2017). Access to the school system by minor asylum seekers or refugees is a crucial point. Often, those who arrive in Italy by sea have taken more than two years to make it to the country, and in that period of time they have hardly received an education. Moreover, the lengthening of the technical time between arrival in Italy and entry to school risks wasting further precious time to begin to fill the gaps and benefit from at least a few months or years of schooling. **The rapid transfer of minors to SPRAR projects is essential to facilitate this crucial phase of transition.**

Data collected from SPRAR projects (2017) (Fig. 2.12) show how important schooling is. The results show that 83% of minors enrolled in school benefited from better socio-cultural integration in everyday life, 61% was facilitated in language learning, and 44% benefited in

their path to inclusion. Data shows the importance of school in the process of integration not only of minors but also of their families: 44% of the minors included indicate a greater involvement of their families in the local society and that they were facilitated in building their own social and friendship network.

Despite these benefits, as mentioned above, the procedures for asylum applications can cause delays, while the period of time elapsed between the beginning of the journey and the arrival in Italy often leads to the loss of a significant number of school years. Moreover, the quality of the education received may not be judged up to the Italian minimum standards. For all these reasons, over time, foreign minors can experience delays in their course of study. According to DPR n. 394/99, minors should normally be enrolled in the class that corresponds to their age. However, the Ministerial Circular 7/03/92 dictates that the school may decide to place the minor in a class other than that provided for on the basis of age, following other criteria. According to an Istat survey

Fig. 2.12 – Main positive effects observed by minors attending school, 2016



Source: SPRAR

(2016), in 2015 only 58% of foreign students in lower secondary education was placed in a class corresponding to their age, and less than a quarter (23%) was placed in such a class in upper secondary education.

This is not to say that the Italian integration system has a problem: on the opposite, it is almost natural to think that the foreign minor should be guaranteed a long-enough period of study to allow him to try to make up for the time spent without having access to educational services or having only sporadic and fragmentary access during the migration process. On the other hand, it is inevitable that minors that need to make up for a higher number of school years are more exposed to the risks that will be discussed below.

The Miur (2018) study shows that in the school year 2016/2017 the percentage of foreign students who were late in their studies already exceeded 10% in primary school, rose to 30% in lower secondary education and ex-

ceeded 50% in upper secondary education (Fig. 2.13). In all three cases, the percentage of foreign students late in their studies is more than double than that of natives. Moreover, the label “foreigners” often is applied to second-generation migrants: their much less linear course of study can be interpreted as a sign of poor integration that continues in the second generation.

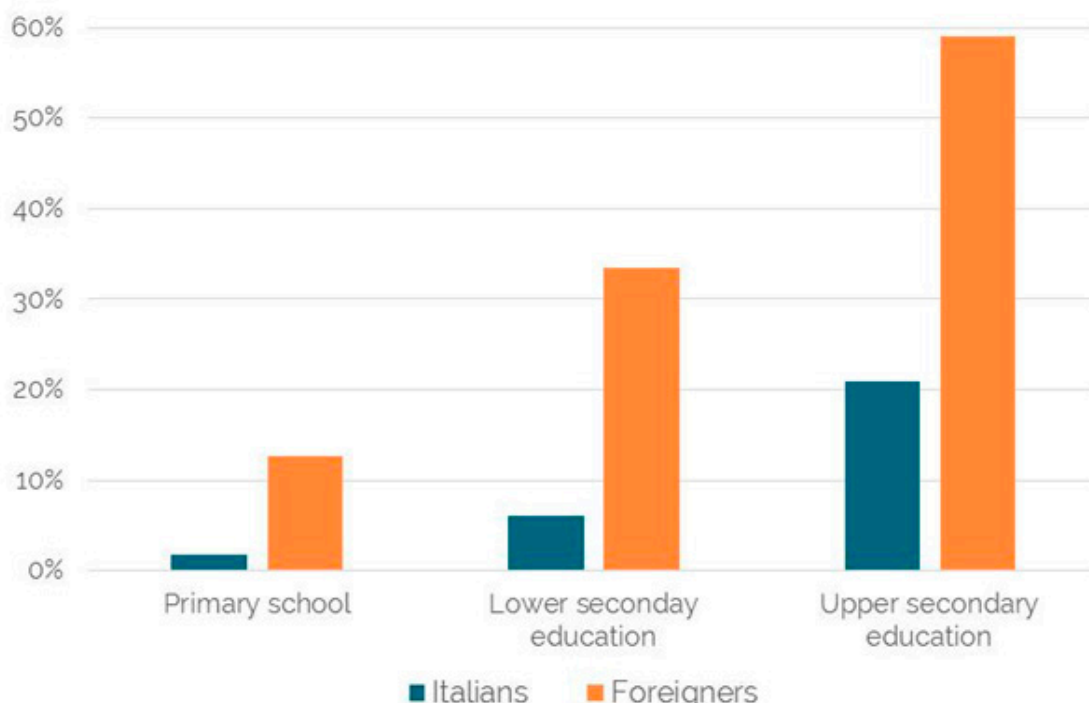
A similar figure, although slightly more comforting, can be found in an Istat survey (Fig. 2.14) which take stock of the students who had to repeat at least one school year, dividing them by nationality, and breaking down the foreign students into first and second generation. The first significant finding is that Italian pupils had to repeat at least one year in less than 15% of cases, while foreign-born pupils had to do so more than twice as often (31%, of which 7% had to repeat two or more years). Instead, as it often happens, foreigners born in Italy have results that are similar to native



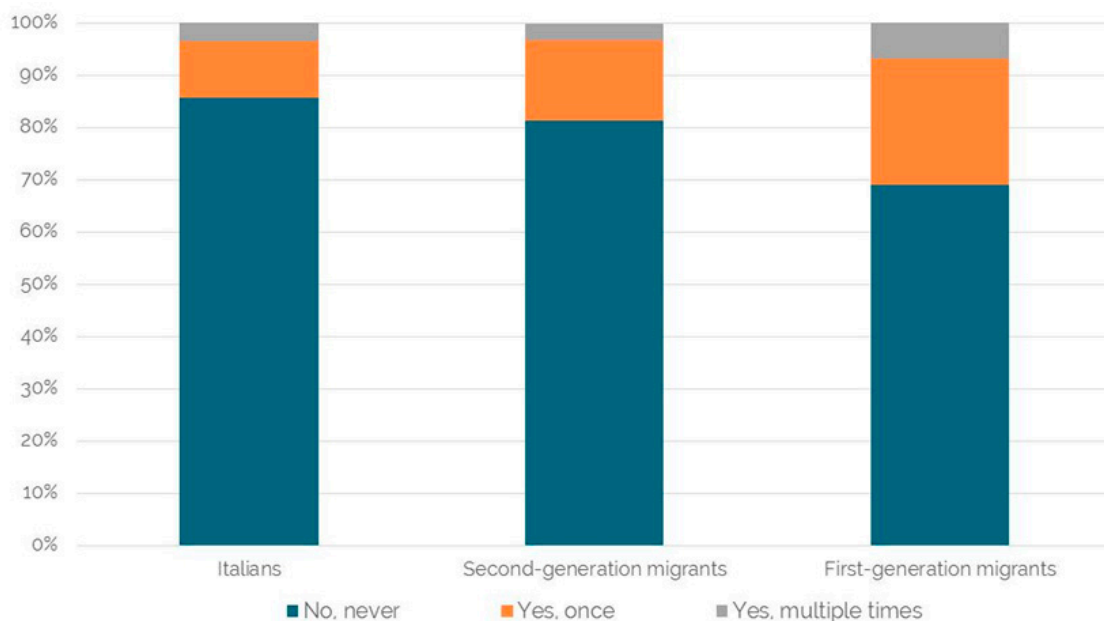
59%

foreign students
in upper secondary school
late with their studies

Fig. 2.13 – Students who are late with their studies, academic year 2016/2017



Source: Ministry of Education, University and Research

Fig. 2.14 – Students who had to retake at least one academic year, 2015

Source: Istat

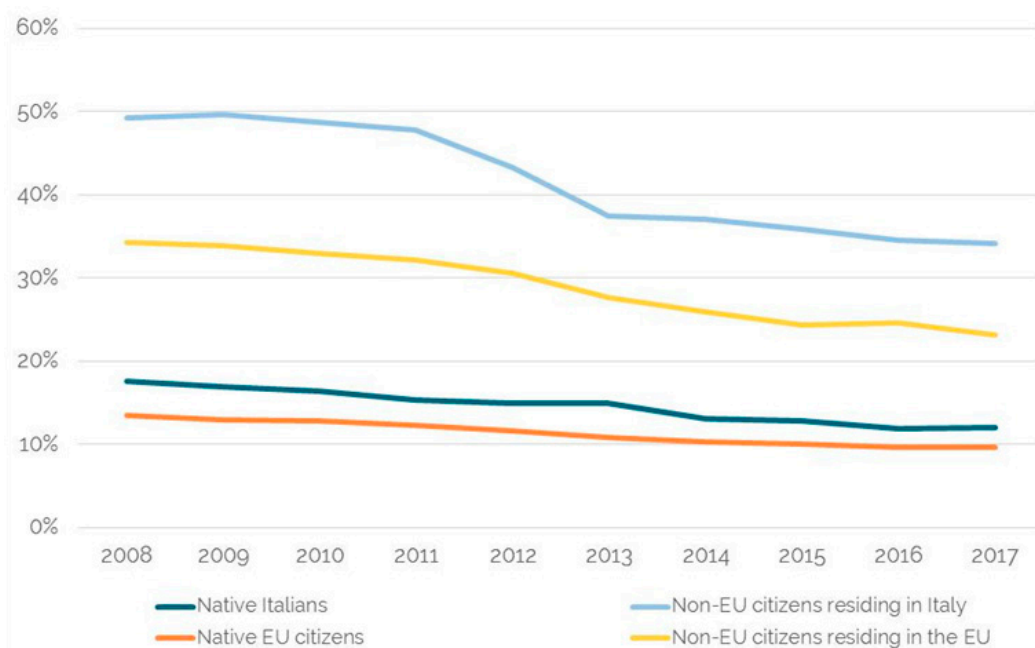
Italians, with about 19% repeating at least one year. Foreign students born in Italy have a performance more similar to that of Italian students than to that of foreign-born pupils, which is evidence of some progress in the integration process. However, there is still much to do to allow these students to achieve the same results as Italian pupils.

A final element, decidedly more alarming than the delay in studies, is the rate of early school leavers. In high schools, the rate of early leaving among foreign born students is more than three times that of Italian students (12.6% compared to 3.8%), while in the case of foreigners born in Italy is still double that amount (8.3%), showing that the rate of for the second generations is still lagging behind.

A further cause for concern is the number of foreigners who abandon their studies at the beginning of secondary school: the rate of school drop-out is equivalent to one drop-out for every 170 Italian students, rises to one drop-out for every 45 foreign students born in Italy,

and almost reaches the rate of one drop-out for every 24 foreign born students. It is clear that such a high drop-out rate for foreigners already in lower secondary education will not allow these boys and girls to compete on an equal footing in the labor market, and is a further indicator of the gap that separates people fully integrated into the educational fabric from others for whom progress is still needed.

Finally, Eurostat data compare Italy with the rest of the EU (Fig. 2.15) and show that the level of early school leaving in the last ten years has decreased both for native Italians (from 18% in 2008 to 12% in 2017) and for non-EU citizens residing in Italy (from 49% in 2008 to 34% in 2017). In the face of this progress, it should be noted that the gap between native Italians and foreigners remains substantial, with a rate of drop-out by non-EU foreigners still almost three times that of Italians. In 2017, in the whole EU, natives had a drop-out rate of 10%, while 23% of non-EU foreigners abandoned education or training prematurely. Not

Fig. 2.15 – Early leavers from education and training, 2008-2017

Source: Eurostat

only is the gap smaller, but the distance between the performance of non-EU residents in the EU is decidedly better than in Italy (34% versus 23% drop out in 2017). In other words, only in 2017, i.e., after a decade, the rate of early school leaving by non-EU foreigners residing in Italy fell to reach the European average rate of 2008.

2.3 INTEGRATION AND HEALTH

In Italy, there is also a lack of integration in terms of access to health services. In theory, foreigners, refugees, and asylum seekers should have the same right of access to health services as Italians. Article 32 of the Italian Constitution provides that health is both a matter of public safety and an “individual right”; the same article states that the Italian Republic “guarantees free treatment to the most deprived”.

This principle is now implemented in the Consolidated Act on Immigration (Legislative

Decree 286/1998, art. 34), according to which foreign citizens with a regular residence permit, once registered with the National Health Service (SSN), “have the right to equal treatment and the same rights and duties of Italian citizens”. In addition, Article 35 states that foreign citizens illegally living on Italian soil “are insured [...] emergency outpatient and hospital care or any other essential care for illness and injury and they can also benefit from preventive medicine programs to protect the individual and collective health”. In particular, it guarantees the protection of pregnancy and maternity, the protection of the health of the child, vaccinations, and the treatment of infectious diseases. These services “are provided without charge to the applicants if they lack sufficient economic resources”. To further protect irregular foreigners, Article 35, paragraph 5 establishes that access to health facilities by irregular foreigners “may not involve any kind of reporting to the authority, unless the report is mandatory”.



3.3 times
high-school dropout rate
of foreign students born
abroad vs Italians

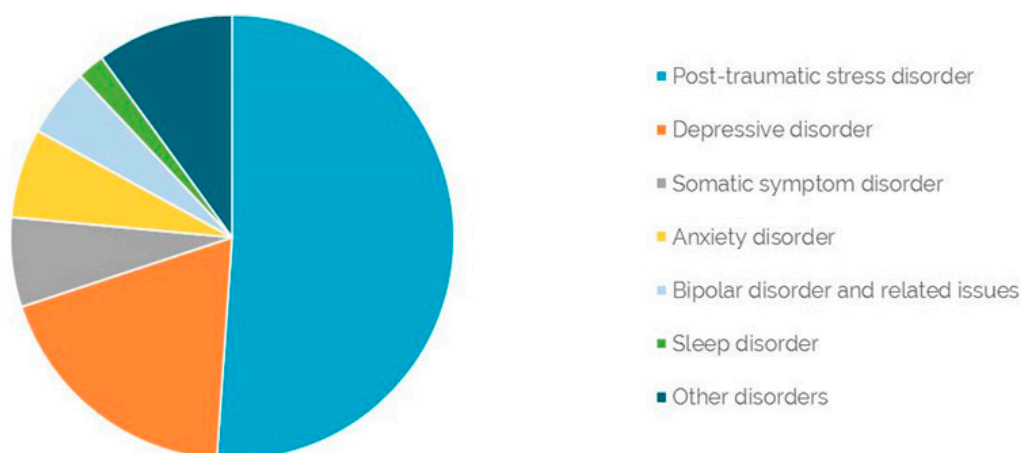
In general, however, this right is exercised to a lesser extent due to a number of problems that arise at the time of access to health services. This means that foreigners tend to use these services to a lesser extent for the same perceived health conditions of natives. However, it should be noted that, on average, 88% of foreigners in Italy claim to have a positive perception of their health status – a higher share, albeit marginally, than natives (83.5%, Istat 2014). Moreover, with regard to foreigners who have arrived in Italy by sea in recent years, the stages of their migratory journey – and in particular the lag through Libya – expose them to a greater number of health risks, especially from a psychological point of view.

According to estimates by *Medici per i diritti umani* (Medu, 2017), between 2014 and 2017 85% of migrants from Libya were victims of torture and inhuman treatment, including detention in overcrowded and dirty places, deprivation of basic necessities to survive, violence, burns, electrical shocks. In addition, the “Esodi” project (Medu, 2018) finds that those who are kidnapped, often by militias, are generally detained for a period ranging from one to five months. Traumatic experiences both before and during the migration

process may cause mental disorders. Most of the migrants cared for by Medu “for the rehabilitation of victims of violence and torture” suffer from post-traumatic stress disorder (PTSD), depression disorders, and anxiety disorders (Fig. 2.16). It is inevitable that such disorders hinder, and even risk compromising, the integration process. In order for those arriving in Italy to be able to integrate within society as soon as possible, to study or work, it is essential that they obtain help to deal better with the traumas they suffered.

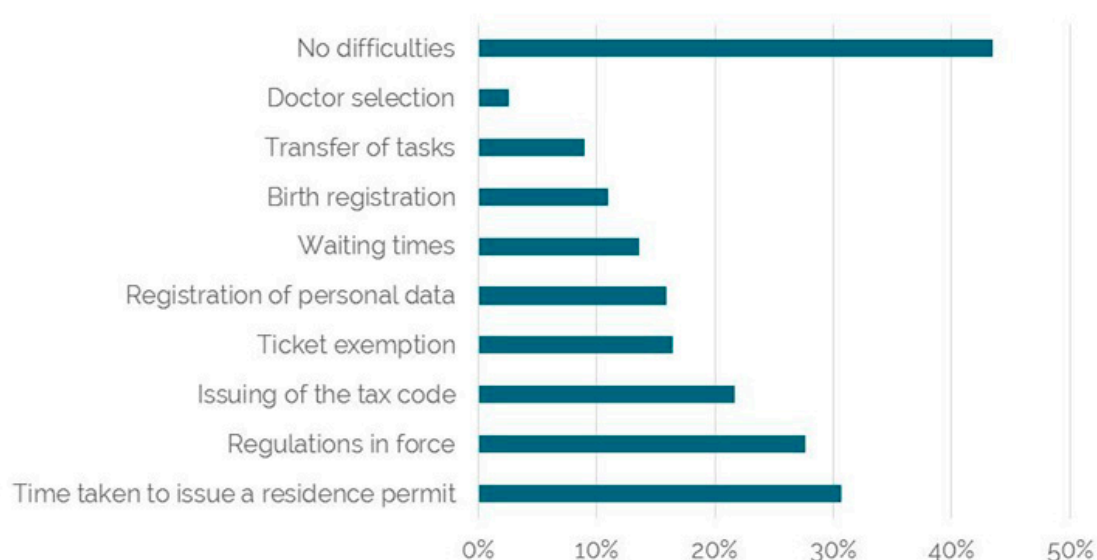
Moving on to all legally resident foreigners, according to the Consolidated Act on Immigration, foreigners with a residence permit can access health services like Italian citizens, but they have to register with the SSN. However, access to the SSN is not always easy (Fig. 2.17). According to the SPRAR Annual Report (2017), in 2016 about 56% of the beneficiaries accepted into the SPRAR network experienced difficulties in enrolling in the SSN. The main difficulties encountered concern the time taken to issue a residence permit, the difficulties in understanding the regulations in force, and the waiting times for the issuing of the tax code. This shows that, overall, slow bureaucracy and administrative difficulties

Fig. 2.16 – Mental illnesses of asylum seekers treated by Medu, 2017



Source: Medu

Fig. 2.17 – Main difficulties faced when registering with the Italian NHS, 2016



Source: SPRAR

are among the most common problems. What should be a right and a duty becomes an issue: if the people hosted in the SPRARs, and who, therefore, benefit from integrated and personalized reception paths, are struggling to obtain registration, it can reasonably be expected that even those migrants hosted in other reception centers will find it difficult to obtain access to health services.

The problems and the bureaucratic slowness would not be relevant if the SSN actually guaranteed everyone equal or similar access to health services. Instead, there is a gap that separates foreigners from natives, which can be measured, for example, with **the number of services that were not accessed because of their cost** (Fig. 2.18). As shown, first of all, there is an initial gap that separates access to care by those living in Italy from those living in the EU. In particular, Italian natives declare a lower access to health services even compared to non-EU foreigners residing in EU countries. This differential remains quite constant over time, but it is still small: while in the EU about 2% of the natives cannot

access medical examinations deemed necessary because of their cost, this percentage rises to 5–6% in Italy. But as far as non-EU foreigners residing in Italy are concerned, in some years the number of persons who do not have access to medical examinations because of their costs reaches 10% and, in 2015, almost 14%. The gap with respect to access by Italian citizens also remains quite high – despite the fact that, after a long period in which the gap widened, in 2016 it returned to lower values.

Finally, it is important to emphasize how access to health services changes over time, according to the time spent in Italy by the migrant: only in this way we can have a more precise measure of the duration of the integration process, so as to be able to assess how much it would be necessary to invest in order to make it faster.

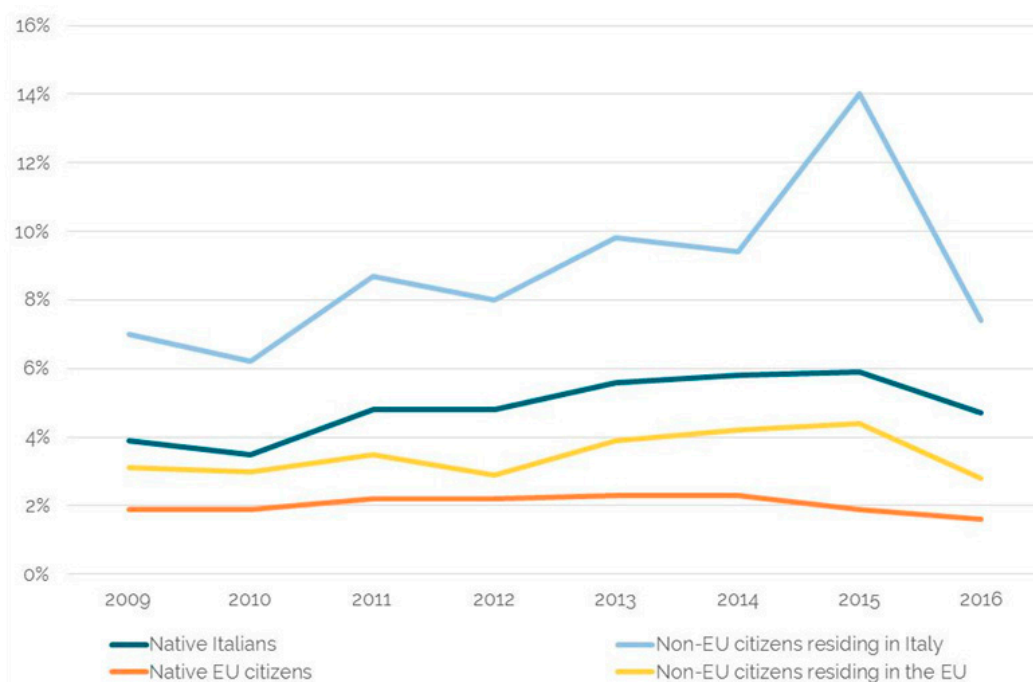
According to a study by the Ministry of Health and Istat (2014) on data from 2011–2012, the main difficulty faced by foreigners upon arrival is to understand what is said by the doctor, followed by that of having to report their disorders or symptoms, and carry



ca. 10%

non-EU foreigners
without access
to medical examinations
due to their cost

Fig. 2.18 – Unmet needs for medical examination because of their excessive cost, 2009-2016



Source: Eurostat

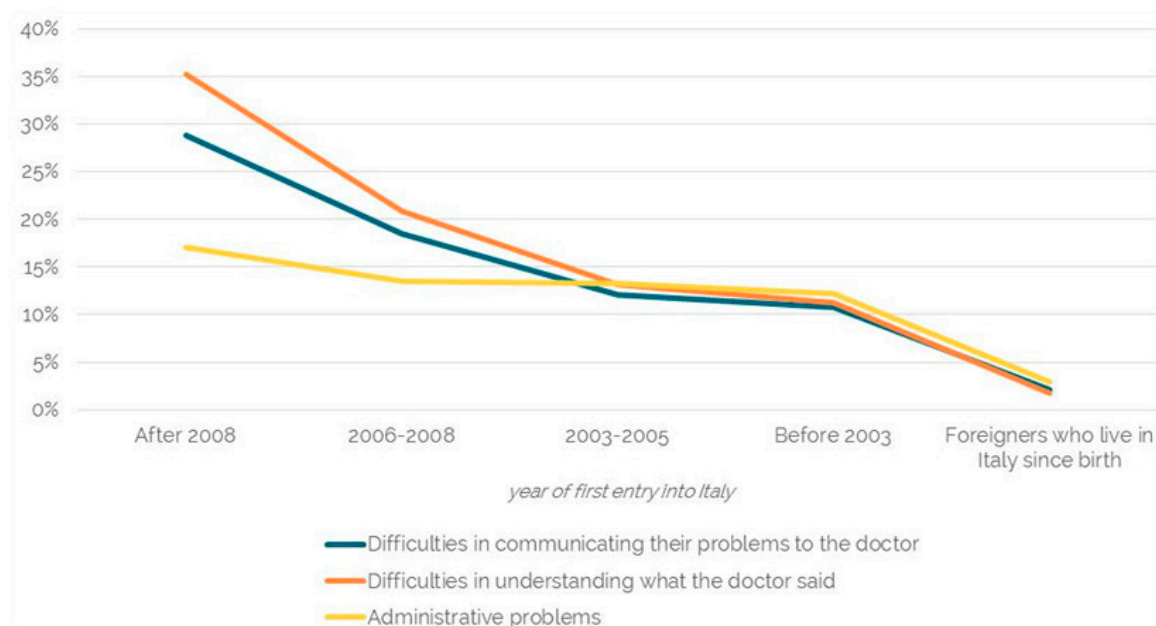
out administrative procedures. Comparing these difficulties with those encountered by foreigners living in Italy since birth, we can have a parameter to measure the process of integration of first-generation foreigners.

As shown in Figure 2.19, more than a quarter of foreigners who arrived in Italy after 2008 (and who, therefore, in 2012 had been in Italy for 1–3 years) had difficulties in communicating their problems to the doctor or in understanding what the doctor said. This figure falls to around 20% for people who arrived in Italy between 4 and 6 years before the survey, and is further reduced to about 13% for those who have lived in Italy for 7–10 years. However, **for those who have been in Italy for ten years or more, the problems tend not to diminish further**, indicating a significant gap from the low level of problems encountered by foreigners born in Italy. A second and important finding concerns administrative prob-

lems: although for newcomers this is ranked only as the third more pressing issue, for 17% of respondents the issue remains prevalent regardless of the year of entry into Italy, and even for foreigners who have been to Italy for more than ten years, administrative issues are problematic in 13% of cases. While it is true that for all problems the downward slope of the curves indicates an ongoing integration process, in which the increase in time spent in Italy reduces the difficulties in accessing health services, it is equally true that this process appears rather slow, and that it could be decisively improved.

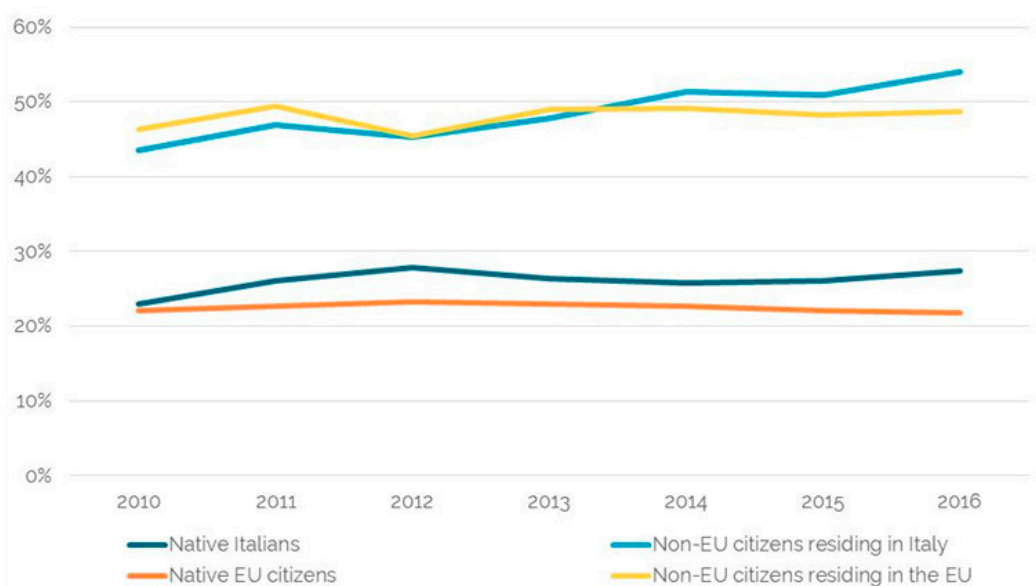
This improvements should stem from the fact that the right to health is a right for everyone, but also that a healthier resident, whatever his or her citizenship, has a better individual chance of contributing to the economy of a country, and presents a lower risk to public health.

Fig. 2.19 – Share of foreign citizens older than 14 who have difficulties accessing healthcare, by type of difficulty, 2011-2012



Source: Italian Ministry of Health and Istat

Fig. 2.20 – People at risk of poverty or social exclusion, 2010-2016



Source: Eurostat



54%
non-EU foreigners
at risk of poverty
or social exclusion

2.4 INTEGRATION AND SOCIAL COSTS: POVERTY, EXCLUSION, CRIME

According to Eurostat data (Fig. 2.20), in 2016 more than half of the population of non-EU foreigners residing in Italy (54%) was at risk of poverty or social exclusion. **In Italy, non-EU migrants are twice as likely as natives to be at risk of poverty or social exclusion.**

Only in 2010, 44% of non-EU residents in Italy were at risk, 10% less than today. In addition, the gap in the risk of poverty between non-EU migrants and natives has also increased over time, so much so that, while in 2010 the gap in Italy was still smaller than that recorded throughout the EU, in 2016 the Italian gap reached the European one (settling at 27%).

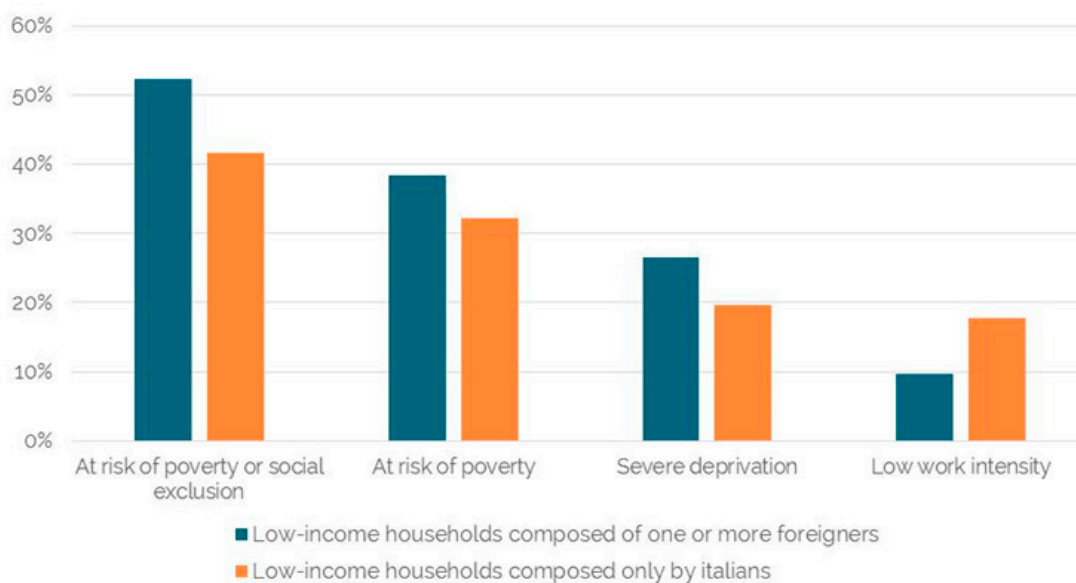
Similarly, the rate of material and social deprivation experienced by non-EU foreigners, already high ten years ago, has also increased, while that of non-EU residents throughout the EU has been decreasing since 2013. Also, in this case, the gap between non-EU residents in Italy and Italians has widened: in 2016 it

reached 15%, compared to the 8% EU average.

According to an Istat survey (2017) (Fig. 2.21) that takes into account only low-income households and, therefore, a social stratum even more directly comparable, in 2015–2016 families composed of one or more foreigners were at greater risk of poverty, social exclusion, and severe deprivation than families composed only by Italians (between 6% and 10% more). The only indicator in which low-income families of Italians outperform foreign families is that of families with a “low work intensity”: as already mentioned in paragraph 2.1, foreigners generally have a higher employment rate than Italians. Despite this, it is precisely the families with foreigners that are poorer or deprived, and this holds true even if we only observe low-income families. It is an indication of the low wage level of foreigners, who tend to work more frequently than Italians, but do not earn enough to avoid the risk of poverty or other phenomena of social exclusion.

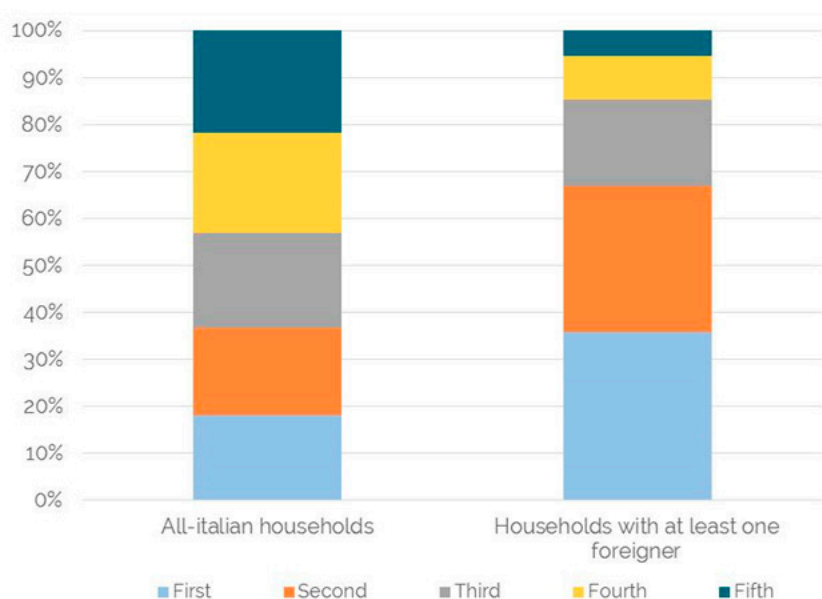
If we extend the observation from low-income households to the entire sample of Ital-

Fig. 2.21 – Poverty or social exclusion indicators, 2015–2016



Source: Istat

Fig. 2.22 – Income quintiles of households in Italy, 2015



Source: Istat

ian households, it is clear that the distribution of income is conditioned by the presence of at least one foreign member in the family. The same Istat survey (2017) (Fig. 2.22) shows that while about 37% of Italian households falls within the two lowest income quintiles, these applies to two families with foreigners out of three (67%). On the contrary, the relative majority (22%) of all-Italian households is in the highest income quintile versus 6% of the families with foreigners.

Job insecurity inevitably restricts housing choices of foreigners, and in particular of asylum seekers and refugees. The data collected in the SPRAR facilities (2017) (Fig. 2.23) show that in 2016 almost 80% of those who benefited from their services indicated job precarity as the main obstacle in finding accommodation, followed by the mistrust of agencies (46%), and excessively high rents (32%).

Finally, one can expect that people with a higher rate of poverty, a higher likelihood of social exclusion, and a lower level of social protection are more likely to engage in criminal

activities. However, to properly discuss this, it is important to bear in mind that crimes cannot be measured directly: the only way to estimate them is to observe the number of criminal charges and that of people in prison. From Eurostat data, it emerges that, compared to a presence of foreigners in Italy equivalent to 8.3% of the population in 2016, criminal charges against foreigners in the same year amounted to 29% of the total (excluding charges towards unknown perpetrators), while 34% of the prison population consisted of foreigners. In other words, out of 1,000 foreigners on Italian soil about 3.8 are in prison, while out of 1,000 Italians 0.6 are. **It seems that a foreigner is six times more likely to be arrested than an Italian.**

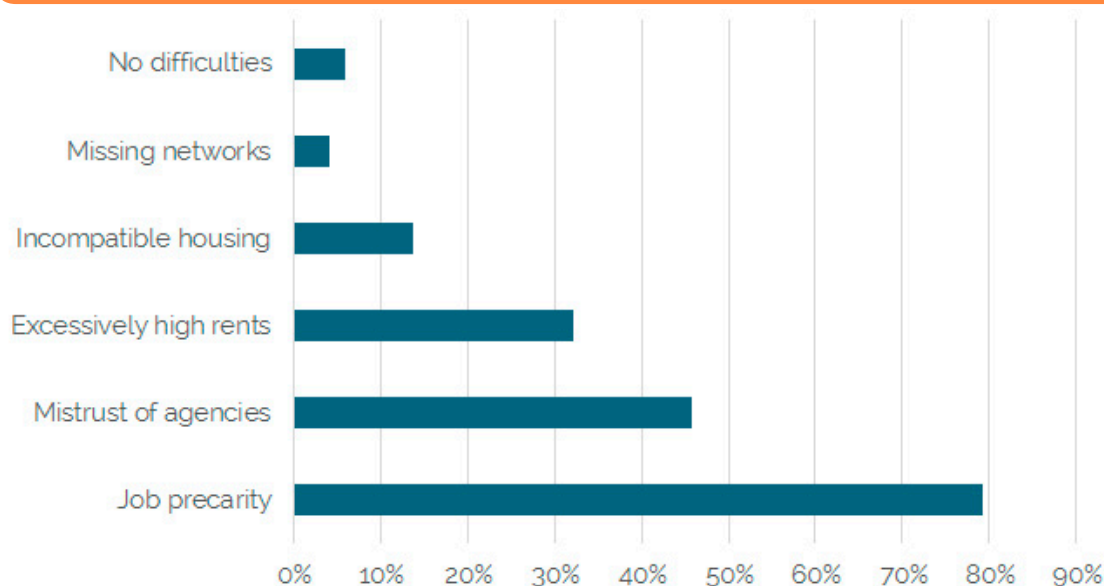
However, these data hide a more complex reality. First of all, while foreigners and Italians are imprisoned at similar rates for certain types of violent crimes, such as assault and battery (5.5% of crimes for both nationalities), foreigners are imprisoned to a greater extent for crimes related to the production and sale of drugs (45% against 36%). Moreover, it should



1.3 times

frequency of criminal
complaints towards regular
foreigners vs Italians

Fig. 2.23 – Main difficulties faced when approaching the housing sector, 2016



Source: Sprar

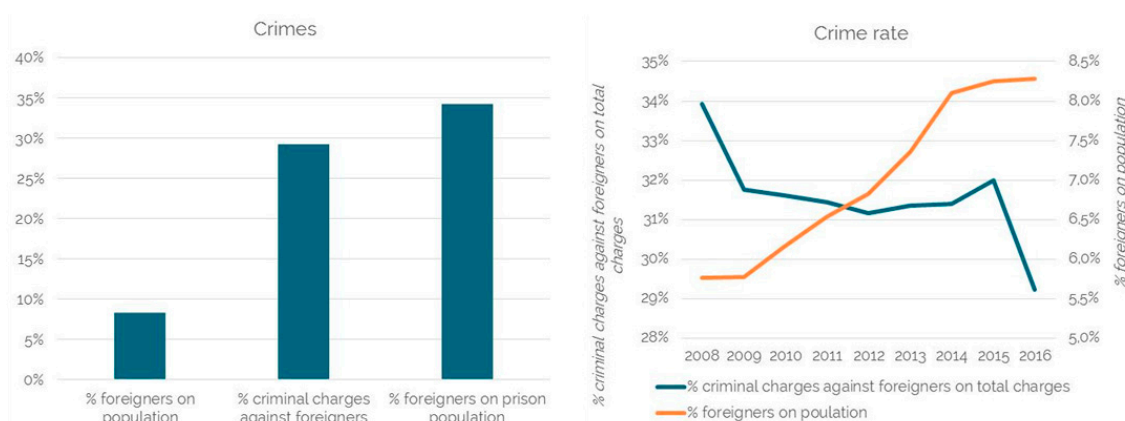
be remembered that some of the foreigners in prison have been convicted for crimes related to their own irregular status and that they have less access to alternative measures (such as for example, house arrest).

It should also be noted that, despite the fact that indicators of poverty and social exclusion for foreigners remain high and have often worsened over time, the gap between crimes

committed by foreigners and those committed by Italians tends to narrow over time. Between 2009 and 2015, against an increase of 47% of foreign residents, the foreign prison population fell from 37% to 33% of the total.

Finally, despite the fact that the time series stop in 2009 and no more updated statistics are available, it is crucial to point out that **the differences in the crime rate between Ita-**

Fig. 2.24 – Proxies for crime rate, 2016, and criminal complaints filed against foreigners, 2008-2016



Source: Eurostat

lians and foreigners are largely explained by the status of regularity or not of the latter.

In particular, in 2009 aggregate data showed that foreigners were about 5.3 times more likely to be charged than Italians (Ministry of the Interior, 2010). But if we break down the foreign population into regular and non-regular, we find that irregular foreigners tend to be charged about 20 times more often than Italians, while **regular foreigners are charged just 1.3 times more than natives, which is only slightly higher.**

NOTES

¹ Eurobarometer, “Integration of Immigrants in the European Union”, Special Eurobarometer 469, April 2018.

² For brevity, in this chapter we use the words “refugee” or “beneficiary” to refer to beneficiaries

of international protection. The Italian legislation provides that asylum applications may have four different outcomes: refugee status, subsidiary protection, humanitarian protection, or denial. Each of these outcomes is associated with a different level of rights and protections, personal duties and obligations. For further details see, for example, AA VV., *Rapporto sulla protezione internazionale in Italia 2017*, 2017.

³ Thanks to the support of foundations and companies, since 2015 Cesvi has been cooperating with public and private entities engaged in the reception of unaccompanied foreign minors and foreigners who just turned 18 at the local level with the aim of contributing to strengthening, through a person-driven approach, the socio-economic and housing inclusion pathways of young single migrants, with particular attention to the delicate phase of transition to adulthood. For further information on Cesvi projects on inclusion and integration, see www.cesvi.org.

⁴ In comparison with other EU countries, only Spanish citizens declare to be overqualified more frequently than Italians. When it comes to secondary education, Italy ranks third after Spain and Sweden.

.....

Integration as investment

3

The integration of foreigners is a fundamental value for both the European Union and Italy. In particular, in 2004, European States developed the “Common Basic Principles for Immigrant Integration Policy in the EU”¹, and in 2011 the Commission published a “European Agenda for the Integration of Third-Country Nationals”².

Although the concept repeatedly shows up in official statements and commitments, describing what foreigner integration is in practice is not easy: in the Common Basic Principles, the EU defines it as a “dynamic, two-way process of mutual accommodation”, in which immigrants and those who have resided in a territory for a longer period adapt to each other: a rather vague definition that leaves much room for interpretation. In concrete terms, however, experts agree in recognizing that integration cannot ignore the effective, long-term inclusion of the migrant into the labor market and, more generally, into the socio-economic fabric of the country.

For this reason, **integration is not only an ethical or political goal: it is an action with a clear economic impact, which can be calculated**. As already mentioned in Chapter 2, foreigners have more difficulty than natives in entering the socio-economic and cultural fabric of the host country. And, among foreigners, asylum seekers and refugees face specific problems that make them an even more vulnerable category, with a structural disadvantage compared to those who migrate for

other reasons (such as work, study, or family reasons).

Integration policies are therefore important both to guarantee the social stability of a country and to ensure that the arrival of foreigners has a positive socio-economic impact. As we will see, higher expenditure on integration today is an important factor in increasing the likelihood that foreigners will be able to find work, causing positive repercussions from an economic and fiscal point of view but also for the host society as a whole. As shown in Chapter 1, moreover, the drop in sea arrivals that began in July 2017 and continues to this day has led to significant savings in terms of public expenditure, paving the way for a reflection on how many of these resources could be used to increase expenditure on integration.

This Chapter aims to explain in more detail why expenditure on integration policies should be interpreted as an investment in the future, and to differentiate between more or less virtuous models of integration policies. In essence, it will show how greater spending on integration tends, in the medium term, not only to repay itself but also to generate greater positive spillovers over the working life of a migrant.

3.1 THE FISCAL CONSEQUENCES OF (NON-)INTEGRATION

Figure 3.1 is a good place to start to measure the fiscal impact of non-integration. Although

it refers only to Australia, the same trends are often found, albeit with some variations, in the economic literature on migration in various European countries.

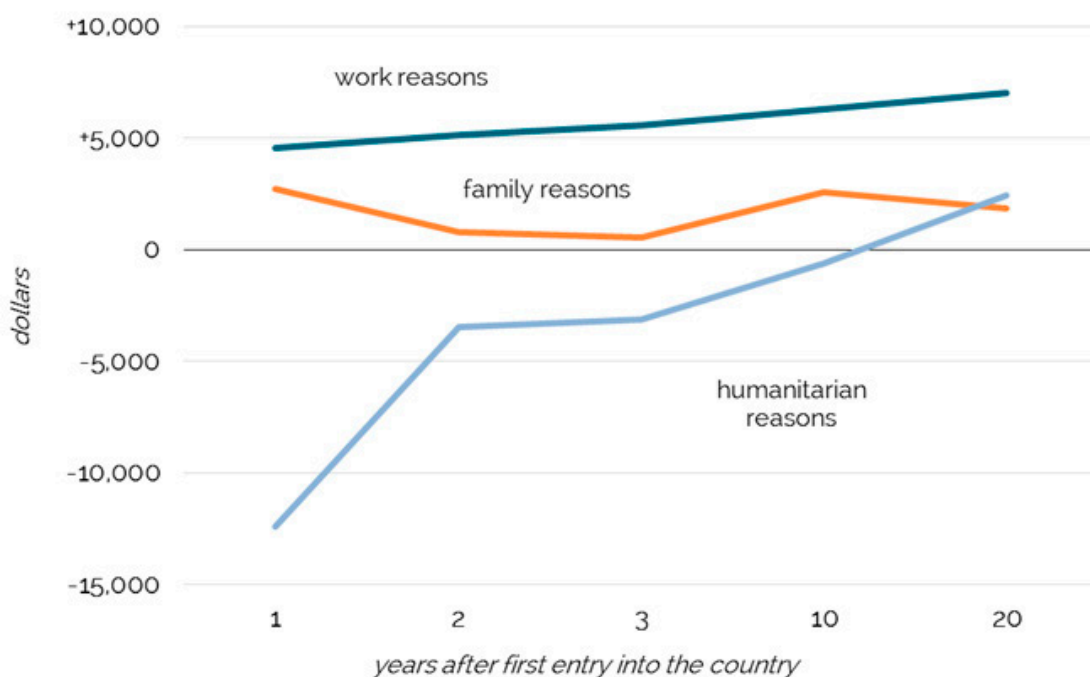
The figure shows, first of all, that, on average, people who migrate for work reasons constitute a net revenue for the state from year one. On the one hand, this is due to demographic characteristics, since economic migrants tend to be younger and healthier than the average resident population, and therefore to weigh less on health services and be more active on the labor market. On the other hand, this is also facilitated by the legal context, because those who migrate for work-related reasons tend to be the recipients of lower social protection measures than the resident citizens. Therefore, an “economic” migrant tends to pay more taxes and contributions than those levied by the central State.

On the other hand, humanitarian migrants (refugees and asylum seekers) tend to

weigh on the state for a very long period of time. In the Australian case, the impact on the economy tends to be negative even ten years after the first entry into the country. The reasons for this are quite clear: on the one hand, when these persons move they do not do so (or they do not just do so) to look for a job, and therefore their profile may not be particularly suited to the national or local labor market. Moreover, the act of emigrating due to traumatic conditions in the country of origin, coupled with possible traumas suffered along the migration route, makes these persons more vulnerable. Finally, the protection system of the host country has a cost, and this cost cannot be avoided because asylum seekers and refugees are beneficiaries of international rights as persons in need of protection.

This means that, for example, in Sweden, the net cost for the State starts from €14,000 in the first year of arrival and, despite the fact that it tends to decrease as the years go by, af-

Fig. 3.1 – Migrants’ net fiscal impact on the Australian balance sheet, by type of migration and years of residence



Source: Oecd - Diac

ter seven years it is still around €4,000 per year (Fig. 3.2).

Findings on the subject seem to point all in one direction: refugees and asylum seekers are a net cost to the State coffers. But is this really always the case? Are we to expect that the recent inflow of asylum seekers in Europe will also have negative fiscal consequences on countries of destination?

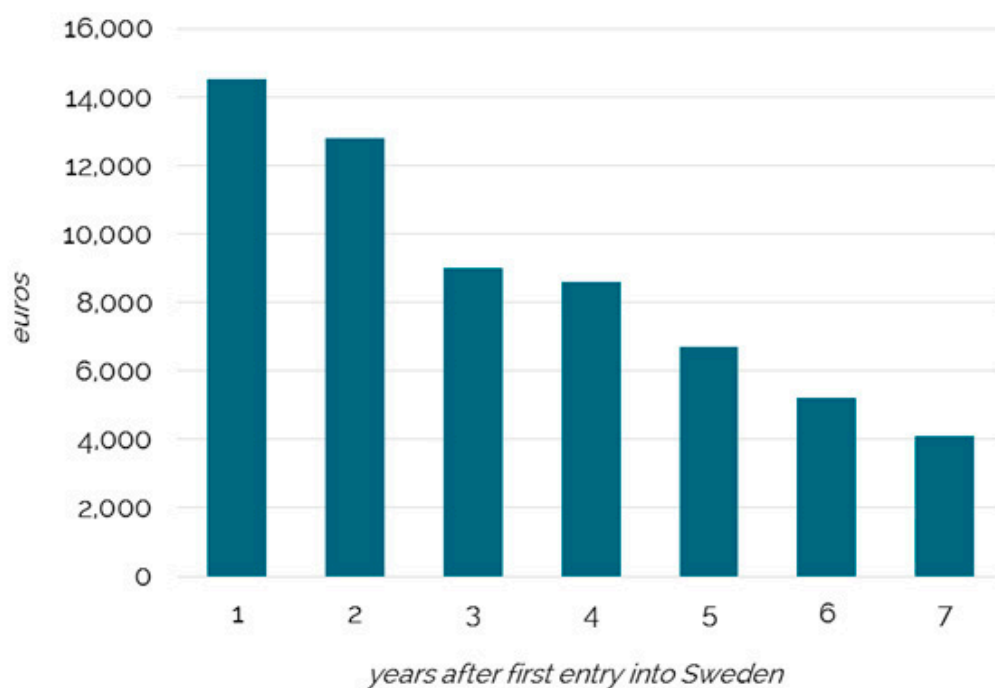
As discussed in the following paragraphs, the reality is very different and multifaceted. It will be shown, in particular, that the “net fiscal cost” of humanitarian migrants depends largely on the integration policies that are put in place, and that therefore an important role is played by the way in which the central government decides to manage reception and integration. Namely, only those integration policies that are well-financed from the outset can prevent refugees and asylum seekers from weighing heavily on the state budget for a long time. Well-balanced integration policies could lead to refugees and asylum seekers

representing, over time, a benefit both for tax revenues and for the country as a whole.

3.2 EXPENDITURE ON INTEGRATION AS AN INVESTMENT

By definition, investment is an expenditure item whose effects can only be measured later in the years to come. It is certainly neither automatic nor predictable to expect that greater spending on the integration of foreigners today will produce positive net effects in the future. Indeed, it is possible that higher spending today could not generate sufficient savings or higher future revenues to be justified. As several important studies have argued, this risk is amplified by the fact that the expenditure incurred for the integration of forced migrants (refugees and asylum seekers) in the labor markets of host countries is more onerous than that for the integration of economic migrants³. For this very reason, it is necessary to ask whether spending on in-

Fig. 3.2 – Estimate of the net fiscal cost of a refugee by length of stay in Sweden



Source: Swedish Fiscal Policy Council

tegration today can generate sufficient future benefits, such as to cover the costs incurred in the present, or even exceed them.

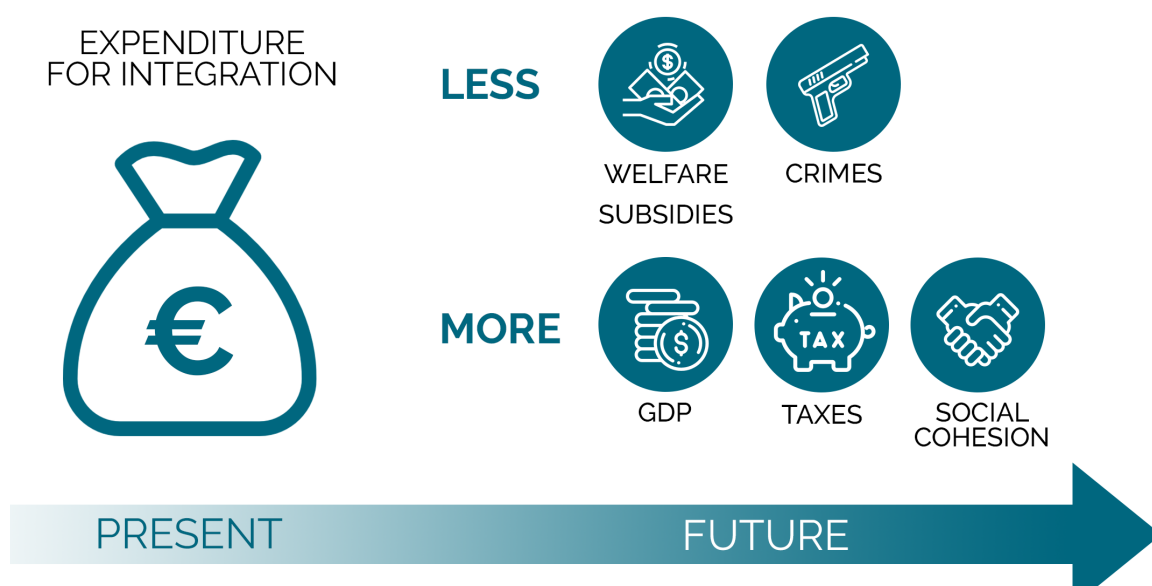
To understand the impact that integration expenditure can have, it is useful to refer to Figure 3.3. As shown, **it is to be expected that an increase in integration expenditure today will have two effects in the future: lower costs and greater benefits.** Lower costs are determined by a lower need to use unemployment benefits, lower reliance on economic support in case of poverty, and further lower social costs such as, for example, a lower crime rate. Among the greatest benefits, we find instead a higher average wage level for foreign workers, higher per capita consumption that supports the national GDP, a higher level of tax revenue for the state, and intangible benefits such as better social cohesion.

It is not always easy to estimate these types of costs and benefits. For this reason, the current analysis focuses on tax revenues and expenditures for the State. It is **a conservative analysis**, for two reasons:

- should we find out that even at the level of tax flows integration generates a benefit, we could assume that these benefits would only increase if we also include further lower costs or social benefits that are more difficult to quantify, such as those generated by a reduction in crime levels;
- this analysis has as its sole object the level of integration of the first generation of foreigners who enter the country. As will be shown below, recent research finds a strong intergenerational correlation in the levels of socio-economic integration, i.e., the results achieved by parents significantly influence the opportunities of their children. A more precise calculation of the effects of integration expenditure should, therefore, take into account its intergenerational impact.

When trying to estimate the possible future effect of an expenditure made in the present, we need to reflect on the value that we as people attribute to future and uncertain events.

Fig. 3.3 – The costs and benefits of integration



All human beings tend to “discount” the future: that is, **we tend to assign a lower value to a future event (cost or benefit) than to a present one**. In the case of a benefit, for example, it is expected that, if this comes in the future, the person who proposes the expense will give us a greater justification than if the benefit had come in the present. Another way to say the same thing is that human beings tend to give a cost to the passage of time. For this reason, in economic assessments, future benefits are reduced by a certain percentage for each year that passes between the time when we make an expense and the time (in the future) when we observe the effects of this expense. Economists call this percentage a “discount rate”.

The academic debate generally focuses on what is the correct (or, rather, socially plausible) level of discount rate. Although the debate on the subject is not yet over, there is nevertheless sufficient consensus that it should be around 3% per year for the first 50 years after the investment⁴.

Using the discount rate, **we can estimate the “net present value” (NPV) of the integration expenditure, considering that the future benefits will all be discounted by 3% per year compared to the value they would have had if they had occurred in the present**.

In a nutshell: if the net present value of the expenditure for integration in a certain time frame is positive, it means that the investment has been worthwhile, i.e., it has generated a sufficient return to be justified today. If, on the other hand, the net present value remains negative, the investment is not worthwhile.

In a very recent work that is also one of the first on the subject, two scholars from the European Union Joint Research Center simulate the impact on public finances of a change in spending on the integration of foreigners throughout the European Union⁵. In particular, they ask how an increase in integration expenditure would impact on the public purse

today, in case this integration expenditure results in a greater likelihood that refugees and asylum seekers access the domestic labor market⁶. To do so, they build an EU-wide economic model and then consider three different scenarios for integration spending and its effects:

- status quo: expenditure on integration at today’s levels, resulting in similar levels of refugees’ participation in the labor market and their wages;
- advanced integration: expenditure on integration almost twice as high as today, resulting in a halving of the gap in labor market participation between refugees and natives, but no impact on wages;
- full integration: expenditure on integration five times as high as today, resulting in the closing of the gap between refugees and natives both in access to the domestic labor market and in wages.

In order to establish the plausible costs of integration and their effect on the ability of foreigners to integrate into the labor market, the authors consider first of all the fixed costs for the reception of asylum seekers (board and lodging, health services, subsidies, daily allowances, etc.), regarding them an unavoidable cost. To these costs, they add two types of additional services considered very important for integration: language teaching and costs for upper secondary, vocational and/or university education.

The results of the simulation show that, **in the event of higher investment in integration, the EU GDP would be between 0.6% and 1.5% higher than in the status quo scenario**. But it is even more interesting to consider what would happen to the net present value, which gives us an indication of the convenience of investment in integration. The results are presented in Figure 3.4.

As the figure shows, higher expenditure on integration initially generates a negative



+1,5%

increase in EU GDP
in full integration
scenario

shock in the national economy, because, by increasing public expenditure, it causes a higher tax burden (or lower transfers) on the rest of the population, which can, therefore, afford to spend a little less. After a few years, however, in each scenario, the costs reach a peak. In all cases except the status quo, the trend is reversed as foreigners integrate into the labor market and pay more and more taxes and contributions, while they make less use of national welfare services.

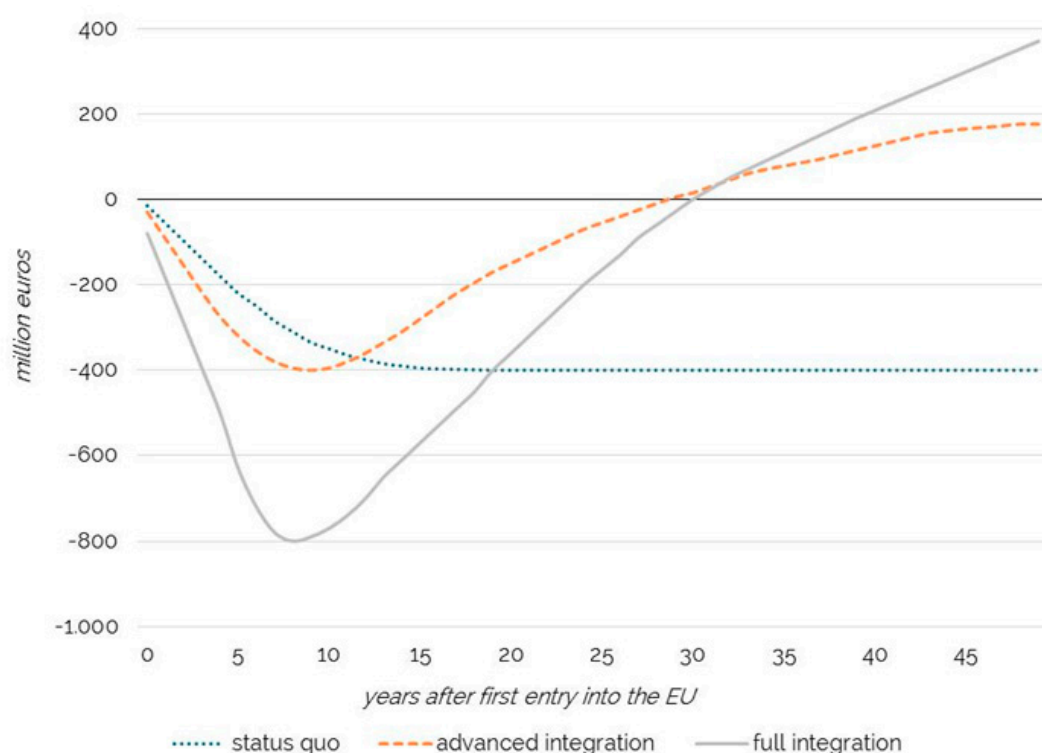
The most important thing to note is that, according to the results of this simulation, expenditures in the status quo scenario, and, therefore, those already carried out to date by European countries, will not generate any positive return. On the contrary, these costs will continue to weigh on the community in the years to come. It is sufficient to take into consideration the advanced integration scenario to

see the effects of an increase in integration expenditure. In just a few years, these effects will be so strong that they will bring the net present value of the investment not only in neutral but also positive territory, generating favorable outcomes for all citizens. Finally, the full integration scenario has even greater benefits but requires considerable expenditure and, in all likelihood, is politically unsustainable.

In conclusion, the study shows that increasing today's expenditure on integration in EU countries is really an investment in the future, and it would not be a "useless" expenditure. On the opposite, **for every euro spent today, not only will the State receive one euro in the future, but also more than the 3% interest expected from the investment.** In the future, this higher return may, therefore, be spent on other public policies.

As mentioned above, this study only takes

Fig. 3.4 – Net present value of the expenditure in integration in the EU



Source: Kancs and Lecca 2018

into account economic benefits and does not estimate non-economic ones, such as the effects in terms of crime levels and social cohesion⁷. Quantifying these social benefits would bring the expected value of the investment to an even higher level, proving that greater spending on the integration of refugees and asylum seekers would be convenient for all.

Moreover, as mentioned above, the calculation of the net present value of the expenditure for integration carried out by Kancs and Lecca includes the benefits that come directly from the integration of the first generation of migrants, i.e., those who arrive in the country and were not born there. The educational and work path of these people, which began long ago, may have been interrupted or have significantly changed during irregular migration before arriving in Italy. Moreover, these people have most probably been exposed to trauma, inhuman or degrading treatment, and they may even have suffered torture whose effects, even when not completely disabling, will have a certain impact on their possibility to fully and effectively access the labor market of the host country⁸. The integration process will never be complete, and the effects of integration policies could accumulate over time, particularly affecting the career and employment prospects of the second generation of migrants. Several studies show that the **work performance of a person** (time in employment, average wage level, etc.) **affects the performance of their children**, as well as crime rates and social deviance⁹.

3.3 WHICH INTEGRATION MODEL?

The study shown in Paragraph 3.2 seeks to estimate the value of investing in integration today. However, the study can only find average effects, which may vary on a case-by-case basis. Therefore, once it is acknowledged that it would not only be useful but desirable to double integration expenditure in the Eu-

ropean Union, one can ask which integration models and policies seem to work best, so as to maximize results.

For example, at the single country level, **an important role seems to be played by the welfare systems in force**. A study by Hinte and Zimmermann (2014) calculates the life-long fiscal effects of immigration in Germany and Denmark¹⁰. These two countries were chosen because they both have a well-developed welfare state and rather similar cultural and economic backgrounds. However, looking at the total of contributions paid and transfers received from natives and migrants, it turns out that in Germany migrants tend to make a net contribution (thus “financing” natives), while in Denmark migrants tend to be a net cost (absorbing funding from natives). The reason for this can be found in the differences that exist in the welfare state system for migrants, which in particular concern two variables: (a) its cost per capita; (b) its likelihood to encourage or discourage foreigners from entering the labor market. Specifically, in Denmark, social support policies do not include sufficient incentives for foreigners to achieve economic self-sufficiency, while in Germany they do. It is therefore important to be aware that expenditure on integration, which in general, according to the model presented in section 3.2, has a clearly positive effect, must be directed towards the most efficient integration models. Luckily for the Italian system, the level of social subsidies is closer (and lower) to the German case than to the Danish (or Nordic) one. Italy is in line with the German system with respect to the duration and terms of the unemployment benefit and other income support policies. On the other hand, however, Italy is still lagging behind Germany in terms of active labor market policies¹¹. Despite the fact that in recent years some reforms have been carried out on the employment centers front (with the launch of Anpal, the National Agency for Active Policies), apprenticeships



NPV > 0

under the advanced
integration scenario

have been strengthened, and the alternation between school and work has been introduced, much remains to be done¹².

A second difference between Italy and Germany concerns more specifically the levels of territorial governance and the way in which responsibility in the administration of reception and integration services are distributed. For example, in Germany, active labor policies are among the areas of competing legislation between the federal state and the different Länder. Although in Italy such policies are also within the remit of both national and regional administrations, the Italian and German systems are very different. In the German system, the federal responsibility is alternative to that of the federated states: if the federal government legislates on a matter, the federated states can no longer exercise their discretion. This implies that during the 2015-2016 “refugee crisis”, Berlin has been able to centralize decision-making, in the attempt to systematize the system of access to subsidies and interventions, introducing common policies, and monitoring and evaluating them at the central level. In Italy, on the other hand, Regions maintain a much wider power and regulatory autonomy. This “decentralized” system has the advantage of being able to better adapt to the differences in local labor markets (and social contexts), but at the same time, it makes it less easy to monitor and assess the impact of different integration policies¹³. Moreover, decentralization also has an effect on the distribution of costs, which in turn can impact on the services offered to asylum seekers and refugees. A number of EU countries stipulate that regional administrations directly finance the costs of integration and that they will be reimbursed by the State at a later stage: this leads to a risk of delay in reimbursement by central administrations and, consequently, to a risk that local administrations will be forced to interrupt or limit the provision of services given the uncertain-

ty of the timing of reimbursement¹⁴.

A third difference in rules among European countries regards **the time that must elapse between the submission of an asylum application and the possibility of starting to look for a job**. For example, in December 2017, the minimum time that had to elapse after the application for protection for the applicant to enter the national labor market ranged from zero days in Sweden to 365 days in the United Kingdom and Malta. For Italy, the minimum time is 60 days, for Germany, 90 days and for Spain, 180 days (Table 3.1)¹⁵.

These differences are further amplified by the fact that some countries, such as Germany, have imposed a limit on the number of applications that can be submitted each month. This has forced migrants to apply for international protection with significant delays, but the formal lodging of the application remains the starting point to proceed with the formal search for a job. Moreover, in many countries and within them, in many regional contexts, there is still a strong mistrust on the part of potential employers, which tends to make it more difficult for asylum seekers to find employment with respect to both natives and migrants for work-related reasons¹⁶.

Finally, **a further difference lies precisely in the intensity of the provision of integration services** – be they specific programs aimed at the needs of asylum seekers and refugees within active labor market policies, or more generally the services offered within integration programs. For example, according to a study by the European Commission in Italy, there is still a wide gap between the services that should be guaranteed by law and the actual situation. While refugees and asylum seekers are technically granted access to services for active policies (after the 60 days mentioned above), and on paper there are integration services such as language courses and vocational training courses, in reality, access to these courses is severely limited, while active labor

market policies often do not provide language support or cultural mediation to facilitate the use of these services by foreign users¹⁷.

3.4 THE ‘MICRO’ LEVEL OF GOOD INTEGRATION

Finally, at an even more fine-grained level, we move to good practices for reception and integration. As shown, macroeconomic simulations call for a doubling in integration spending (Par. 3.2), and a comparison of different models of integration policies already gives us a good indication of which are more likely to maximize the expected return on investment (Par. 3.3). But **it is also important to take into account the experience accumulated from the bottom-up, at the local level**, which takes into account both what has been learned in recent years of strong expansion of the reception system in Italy, and the specificity of local reception experiences.

After three years of much higher flows than in the past, in 2016 the Ministry of the Interior, the National Association of Italian Municipalities (ANCI), and the Alliance of Italian Social Cooperatives¹⁸ signed the “**Charter for the Good Reception of Migrants**”¹⁹. The document, which aims to promote “good expenditure” on migrant reception, was signed by representatives of the Government, the municipalities, and that part of the third sector that deals with the management of the Italian reception system. The Charter contains a number of commitments and recommendations aimed at improving the governance of reception – i.e., the procedures and tools with which the various actors involved interact, dialogue, and negotiate with each other – but also offers a list of good practices to ensure services aimed at maximizing the likelihood of integration by asylum seekers and refugees in the system.

First of all, **the Charter highlights a preference for the model of widespread reception,**

Tab. 3.1 – Minimum time period that has to elapse from the presentation of an asylum application before having access to the national labour market, 2017

EU Countries	Minimum time period
Greece, Norway, Portugal, Sweden	0 months
Italy	2 months
Austria, Bulgaria, Germany, Romania	3 months
Belgium	4 months
Czech Republic, Cyprus, Denmark, Estonia, Finland, Luxembourg, Netherlands, Poland, Spain	6 months
Croatia, France, Latvia, Malta, Slovakia, Slovenia, Hungary	9 months
United Kingdom	12 months
Ireland, Lithuania	Cannot access the labour market until protection is granted

Source: European Commission

as opposed to concentrated reception, i.e., reception on the basis of centers hosting a large number of migrants. The only advantage of large centers is that they offer opportunities for “economies of scale”, given that they are able to concentrate in a single place a sufficient number of people who can be recipients of services such as Italian language courses, education, training, and cultural mediation. But the first crucial problem is that the services offered can be difficult to customize, for example by adjusting them to the actual level of the migrants’ knowledge of the Italian language, their source language, their knowledge and level of education. A second disadvantage, moreover, is that it becomes more difficult to keep track of the costs and effectiveness of the supply of services, exposing large centers to a greater risk of abuse by the managing bodies.

Second, **the Charter puts emphasis on quality**. This call is similar to that for higher expenditure on integration (Par. 3.2), but is much more detailed in its founding elements. According to estimates by various analysts, even the current per capita cost per migrant would not allow the necessary services to be provided, and cost-cutting assumptions would reduce the possibility of offering even basic services²⁰. In 2016, the Charter called all the parties involved to structure a reception service that would focus on the quality of the offer, providing “at each stage of the reception the presence of qualified socio-educational staff”. At the same time, among other things, the Charter recommended to provide:

- access to cultural mediation courses with qualified personnel;
- Italian language courses for a minimum of 10 hours per week to be delivered by personnel holding a Ditals degree (i.e., a degree to teach Italian to foreigners);
- a correct and adequate accompaniment to the knowledge of the services offered by the territory;
- an investment in professional training, or

work scholarships, or internships for at least 20% of the migrants who have been in reception for at least six months;

- the development of a “certification” of the skills of each migrant, so as to facilitate their selection by employers²¹.

Third, according to the signatories of the Charter, **each service should be tailor-made for the territory**. This is useful to avoid emphasizing or exacerbating situations of social tension in the interactions between the people received and the local population, given that it is in the local context that the integration process takes place most concretely.

In a recent study, the OECD has tried to establish which good practices work best to maximize the results of investment in integration. One of these is the recognition by central and regional administrations that, in policies for the territorial distribution of migrants, it is crucial to consider the employment prospects of each person. Therefore, one should not only use “classic” quotas that only take into account the total population of each Region or Municipality, but base redistribution choices on specific socio-economic criteria, such as the local unemployment rate, the concentration of a certain type of industry, and the shortage or excess of a certain type of workforce. More generally, reception needs to be based more on predictive models that take into account as systematically as possible the factors that facilitate or complicate the integration of individual migrants.

Finally, going back to the Charter, the document repeatedly calls **for reception strategies to be constantly analyzed, monitored, and evaluated**. It is precisely this process of ex-post evaluation of what has or has not worked that is generally missing in reception systems (not just the Italian one, but also those in many European countries). The Charter recalls that “it is preferable to have a careful and shared verification of the current stand-

ards, also through the work of a joint Technical Table”, but also periodic monitoring of the services provided. Such monitoring should include the design of common protocols and standardization of the procedures to verify and collect data within the individual centers as a crucial step for the evaluation of the practices implemented and services offered by the centers. The ultimate aim would be to draw up an inventory of good practices, accompanied by an assessment of how useful each of them has been along some of the parameters through which the integration of the migrants received is measured, even months or years after leaving the centers (thus providing for follow-up measures). Despite the fact that monitoring and evaluation tend to require higher initial costs, this is one of the expenses that is universally recognized as an “investment on investment”: it allows to redirect resources to what has proved most useful, and to gradually eliminate those services (or, more often, those practices within individual services) with a lower cost-benefit ratio.

In conclusion, as the Charter reminds us, the challenge is to find solutions to the “current policies that are not able to identify specific paths and sufficient resources”. In a context in which the resources allocated to reception and integration remain limited, it is increasingly necessary to recognize that only by investing now can benefits be obtained in the future, and that one of the best ways of reforming the reception system is not to look at the current cost per capita, but rather to understand how much current expenditure can generate a sufficient return to be fully repaid in the future.

NOTES

¹ Council of the EU, “Immigrant Integration Policy in the European Union – Council conclusions”, in

“Main Results of the Council”, 14615/04, 19 November 2004

² European Commission, “European Agenda for the Integration of Third-Country Nationals”, SEC(2011)957 final, 20 July 2011.

³ OECD, “How will the refugee surge affect the European economy?”, Migration Policy Debates, n. 8, 2015.

⁴ M. A. Moore et al., “‘Just Give Me a Number!’ Practical Values for the Social Discount Rate”, *Journal of Policy Analysis and Management*, vol. 23, n. 4, 2004, pp. 789-812.

⁵ D. Kancs, P. Lecca, “Long-term Social, Economic and Fiscal Effects of Immigration into the EU: The Role of the Integration Policy”, Joint Research Centre (JRC) Technical Reports, 2017/4.

⁶ As shown in Chapter 2, the gap in the level of access to the labor market between refugees and asylum seekers, on the one hand, and economic migrants, on the other, is quite wide and, although it is narrowing over time, it tends to persist.

⁷ M. Benton, P. Diegert, “A Needed Evidence Revolution: Using Cost-Benefit Analysis to Improve Refugee Integration Programming”, Migration Policy Institute (MPI) Europe, July 2018.

⁸ See, for instance, A. Zorlu, “Occupational Adjustment of Immigrants in The Netherlands”, *Journal of International Migration and Integration*, vol. 14, n. 4, 2013, pp. 711-731. For a classic study on this topic see H.O. Duleep, M.C. Regets, “Immigrants and Human-Capital Investment”, *American Economic Review*, vol. 89, n. 2, 1999, pp. 186-191.

⁹ See, for instance, R.G. Rumbaut, “Turning Points in the Transition to Adulthood: Determinants of Educational Attainment, Incarceration, and Early Childbearing among Children of Immigrants”, *Ethnic and Racial Studies*, vol. 28, n. 6, 2005, pp. 1041-1086.

¹⁰ H. Hinte, K.F. Zimmermann, “Does the Calculation Hold? The Fiscal Balance of Migration to Denmark and Germany”, IZA Policy Paper, 87, July 2014.

¹¹ According to Eurostat data, in 2015 Italy spent €6.8 billion on active labor policies, compared to Germany’s €8.2 billion (but also to an unemployment rate about half that of Italy) and France’s €14.7 billion (with an unemployment rate similar

to that of Italy); Eurostat, “LMP expenditure by type of action - Total LMP measures (categories 2-7)”.

¹² F. Pastore, M. Pompili, “Politiche attive sì, ma solo se creano competenze”, *lavoce.info*, 8 August 2018.

¹³ T. Grossi, “Uno sguardo alle politiche attive in Germania: tra similitudini e dissonanze”, *Bollettino ADAPT*, 13 November 2017.

¹⁴ OECD, “Who bears the cost of integrating refugees?”, *Oecd Migration Policy Debates*, 13, February 2017.

¹⁵ These data are collected by the Asylum Information Database of the European Council on Refugees and Exiles (Ecre), and are constantly updated. The above numbers refer to 2017.

¹⁶ European Commission, “Challenges in the Labour Market Integration of Asylum Seekers and

Refugees”, *European Employment Policy Observatory (EEPO) Ad Hoc Request*, 2017.

¹⁷ *Ibidem*, p. 10.

¹⁸ That is, the coordination of the social cooperatives sector within the Alliance of Italian Cooperatives. The coordination represents more than 9,000 social cooperatives and consortia, or 90% of Italian social cooperatives in terms of number of people employed and turnover.

¹⁹ Ministero dell’Interno, Anci, Alleanza delle cooperative italiane sociali, “Carta per la buona accoglienza delle persone migranti”, 18 May 2016.

²⁰ L. Bagnoli, “Migranti, un rifugiato in Italia: nei Cas pochi corsi di lingua o lavoro, poi finisci in strada. Sistema non crea integrazione”, *Il Fatto Quotidiano*, 18 July 2018.

²¹ Carta per la buona accoglienza, *op. cit.*, p. 6.

Conclusions and recommendations

Due to their complexity, migration flows to Italy require an equally complex response, comprising different levels of policy making. The empirical evidence and analyses allow us to identify the most effective interventions with the most positive impact: not only for beneficiaries but the community as a whole.

The present study, through the analysis of the available data and ad hoc forecasting models, aimed to provide elements of evaluation on the costs and benefits that would derive from a more systematic and advanced process of integration of migrants in Italy. Chapter 1 showed that with the decrease in sea arrivals to Italy, an important window of opportunity for the country has opened up. On the one hand, the lower number of foreigners arriving in Italy by irregular means allows shifting the attention to those who are already present there and to assess the best ways to integrate them. On the other hand, the drop in arrivals has generated significant savings (i.e., avoided costs) in terms of public spending, which according to the average estimate presented in this publication are around €1 billion in the first year and €1.9 billion per year in the long term.

Data in Chapter 2 show that much remains to be done to bridge the gap between foreigners (in particular, refugees and asylum seekers) and natives in their level of socio-economic integration. This has consequences not only for the foreigners themselves, but for the entire Italian population: in particular, a lower level of foreigner integration depresses economic

growth and tax revenues, and risks making refugees and asylum seekers a net cost for the public coffers for the years to come.

However, there is a solution. In Chapter 3, it was shown that higher spending on integration policies in the present would have a multiplier effect, generating a cascade of future benefits that go far beyond the scenario in which integration spending remained similar to today's. In essence, a significant increase in the resources dedicated to policies and services related to the integration of foreigners could generate so many benefits in the future that the cost of investment would not only be repaid (while this would not happen with expenses similar to those of today), but would have positive effects on public finances and, hence, on the entire Italian population.

In short, not investing in the integration of migrants who have come to Italy in recent years means wasting human capital, with the consequent loss of economic and tax revenues, and more generally of the country's wealth. On the contrary, allocating more resources today would maximize future returns.

The time to invest is now because waiting would mean first of all prolonging the period in which the reception remains a cost and does not generate positive effects for all. However, it would also have the downside of contributing to a further loss of skills and knowledge on the part of those who have already spent too much of their lives on a difficult and dangerous journey. For this reason, planning the fu-

ture together with those who have arrived in our country in recent years does not only respond to a constitutional and legislative duty that derives from existing international agreements, but – as demonstrated in this paper – it is convenient for the State, and therefore for citizens, because it generates economic growth and development. In short, Italy's future depends on the integration of migrants on the Italian soil. From these conclusions and the analysis developed in the previous chapters, we can draw a series of recommendations, mainly addressed to national policy makers, for the definition of policies that could be implemented at both national and local level.

- **Increase direct expenditure on integration policies.** The “National Plan for the Integration of Beneficiaries of International Protection”, approved in September 2017, provides for specific actions to put integration policies in place. However, the Plan does not envisage an increase in resources for its implementation, advocating instead for a better use of the financial resources available to date. The present study (Chapter 3), on the other hand, shows that only determined action now, committing higher resources, would be able to shift the trajectory of the beneficiaries of international protection towards an increasingly virtuous integration, with clearly positive repercussions for the public coffers and, therefore, for all citizens. On the other hand, the drop in sea arrivals mentioned in Chapter 1 and the corresponding avoided cost, free up resources compared to the public finance expenditures of previous years. These resources, when in part allocated to the integration of migrants, would generate a return in the medium term that would not be present in a *status quo* scenario.

- **Improve the quality of services for integration.** The higher expenditure on integration should be directed towards those policies that have proved to be the most useful in favoring and maximizing the process of integra-

tion of foreigners. Particular attention should be paid to the teaching of the Italian language to foreigners, to their education and professional training, and more generally to all active employment policies. As shown (Chapter 2), the integration gap recorded in Italy between migrants – in particular asylum seekers and refugees – and natives (including second and subsequent generations who have already obtained Italian citizenship), generates higher social costs that affect and weigh on the entire population. A monitoring and evaluation of the best practices in Italy would be appropriate and necessary to better orient policy choices and planning.

- **Studies, models, and analyses to shape integration policies.** Today, evidence shows that it is increasingly desirable and feasible to define and base public policies on studies and models that take into account prior knowledge of what works or not. These models must be sufficiently flexible to adapt to the diversity of specific contexts, and capable of evolving as new knowledge accumulates. Systematic integration policies would make it possible to develop training and work orientation pathways based as much as possible on the profile of the individual migrant. This would make migrants more autonomous (less dependent on welfare), maximizing the likelihood of an employment pathway suited to their aspirations and skills. To do this, however, it is necessary to systematically record and carefully evaluate the foreign qualifications and degrees held by migrants and their work experience and skills, in order to identify solutions that are appropriate to their profile, bringing supply and demand closer and thus benefiting society as a whole.

- **Evaluate integration services: an investment on the investment.** To understand what works and what doesn't in integration policies, a more careful and rigorous monitoring and evaluation process is needed. Those who manage reception must guarantee trans-

parency, while public administrations should demand certainty in the provision of services and rigor in assessing their impact on the levels of integration achieved by individual migrants. After five years of high irregular migration flows to Italy, the data accumulated by the national reception system could be sufficient to draw up an initial assessment of which policies and services, provided in which way, seem to work best. This balance will only be partial and open to further developments, but it would be an essential starting point to better direct new resources towards those aspects and elements of the system that “increase the multiplier”, i.e., that amplify the economic returns from integration spending.

- **Work for a mainstreaming of integration.**

In the debate on social policies, there has been much discussion about whether ad hoc policies towards certain disadvantaged groups are to be preferred to those directed at the whole population according to specific thresholds of need (i.e., mainstreaming). Moreover, mainstreaming integration would ensure a systematic implementation of policies and related measures to be adopted in all relevant sectors for the integration process (e.g., housing, education, employment, health services, and welfare). While some services and measures could be addressed to the specific needs of migrants, mainstreaming involves the design of programming policies whose goals are matters of public interest. The present analysis has highlighted how special policies involuntarily tend to segregate (and sometimes marginalize) the segments of the population to which these policies are directed. In perspective, however, foreigners should not be recipients of services as foreigners per se, but as citizens, and on the basis of a set of general socio-economic criteria (such as income or number of household size). This implies defining a common programmatic reference framework that is shared and coordinated at the central level efficiently and effectively. Moreover, since the needs are

multiple and diversified, but all part of a single integration path, the policy and programs should be multi-sectoral and involve several ministries with different competencies. As evidence that cross-cutting approaches are needed to address multisectoral issues, the European Commission is also encouraging a *mainstreaming* approach.

- **Protect the vulnerable and acknowledge their long-term costs.** Although spending on integration is an investment that has been shown to bring future benefits for all, it should be recognized that some very vulnerable groups, or those with very low skills, qualifications, and education level, need longer-term support. In this respect, it is crucial to better identify the issues that can appear more frequently both at a psychological and physical level, so as to ensure immediate responses and support, and reduce the impact of trauma or illness on migrants, and on society as a whole.

- **Rethink the policies of territorial distribution.** Using “quotas” to distribute of migrants and asylum seekers on the national soil on the basis of regional GDP and population, may seem a politically neutral system to manage reception. However, the distribution criteria sometimes do not take into account equally important factors, which would allow to estimate more accurately the evolution of the regional absorption capacity of a new workforce with certain qualifications, or to consider the presence of dedicated facilities to deal with particular vulnerabilities (age, gender, gender identity and sexual orientation, trauma, or mental distress). As studies and knowledge on migration and its management increase, it would be appropriate to review the criteria and parameters of territorial redistribution to individual regions and municipalities, calibrating them according to well-defined criteria through technical tables involving local authorities. The local unemployment rate, the territorial distribution by type of industries and/or services, and the demand for labor in

specific sectors are among the most relevant criteria to be taken into account.

- **Enhance the role of private actors.** In order to increase the likelihood to access the labor market, in particular for those foreigners looking for their first work experience in Italy, it is necessary to raise awareness among entrepreneurs and the management of private companies, so that they are open and receptive to the possibility of hiring foreign workers. Given the particular characteristics of foreigners who benefit from international

protection and their proven greater difficulties in finding work, it is necessary for employers to be encouraged to make a proactive choice. This could be done by using part of the integration expenditure to introduce subsidies or tax breaks with the aim of encouraging the integration of asylum seekers and refugees into the company. However, these measures should go hand in hand with impact assessments to understand their distorting effects on the labor market and, if necessary, to take action to minimize them.

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In the complex scenario of migration flows, Cesvi works both in the countries of origins and transit and in those affected by South-South migration as well as in Italy, to combine mitigation actions with development interventions. Particularly, in Italy Cesvi implements projects for the integration and socio-economic inclusion of unaccompanied foreign minors. Winner of three Annual Report Oscars, Cesvi is a member of the Alliance2015 European network.



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