



Anglo-German Foundation for the
Study of Industrial Society/
*Deutsch-Britische Stiftung für das
Studium der Industriegesellschaft*

Spreading the costs of asylum seekers: A critical assessment of dispersal policies in Germany and the UK

Christina Boswell

Spreading the costs of asylum seekers: A critical assessment of dispersal policies in Germany and the UK

Christina Boswell
(European Programme, Royal Institute of International Affairs)

**Anglo-German Foundation
for the Study of Industrial Society**

SPREADING THE COSTS OF ASYLUM SEEKERS

The Anglo-German Foundation for the Study of Industrial Society was established by an agreement between the British and German governments after a state visit to Britain by the late President Heinemann, and incorporated by Royal charter in 1973. Funds were initially provided by the German government; since 1979 both governments have been contributing.

The Foundation's aim is to enhance mutual British-German understanding and co-operation by supporting joint research and discussion of the challenges presented in both countries by changing patterns of economic activity.

The views and opinions expressed in Anglo-German Foundation publications are those of their respective authors, and do not necessarily represent the views of the Foundation.

Die Deutsch-Britische Stiftung für das Studium der Industriegesellschaft wurde im Jahre 1973 auf Initiative des damaligen Bundespräsidenten Dr. Heinemann durch ein Abkommen zwischen den beiden Regierungen ins Leben gerufen und durch Verleihung einer königlichen Urkunde besiegelt. Die Mittel wurden anfangs von der deutschen Regierung zur Verfügung gestellt; seit 1979 beteiligen sich beide Regierungen an der Finanzierung.

Durch ihre Tätigkeit in Deutschland und Großbritannien sucht die Stiftung, das gegenseitige Verstehen und die Zusammenarbeit der beiden Staaten zu fördern. Sie unterstützt gemeinsame Forschungsprojekte sowie die Diskussion der Problematiken, denen sich beide Länder im Rahmen des stetigen Wandels auf dem Wirtschaftssektor stellen müssen.

Die Verantwortung für den Inhalt der Publikationen der Deutsch-Britischen Stiftung liegt bei den jeweiligen Autoren.

© 2001 Anglo-German Foundation
ISBN 1 900834 27 8

British Library Cataloguing in Publication Data.
A catalogue record for this book is
available from the British Library.

Printed by YPS, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ

**Anglo-German Foundation for the Study of Industrial Society/
Deutsch-Britische Stiftung für das Studium der Industriegesellschaft
17 Bloomsbury Square, London WC1A 2NH**

Contents

	List of figures	ii
	List of tables	ii
	Executive summary	iii
1	Dispersal as a response to the asylum problem	1
	The rationale for sharing the ‘burden’ of asylum-seekers	2
2	The evolution of dispersal policies	4
	German Verteilung	5
	Dispersal policy in the UK	8
	Summary of policy provisions and objectives	12
3	The effectiveness of dispersal in spreading costs	15
	Dispersing costs in the UK	15
	Inter-Länder redistribution in Germany	19
	Conclusion	23
4	Dispersal as a means of reducing social tensions	24
	Verteilung in the new Länder	24
	Dispersal to the North of England	25
	Alleviating the tensions generated by dispersal	26
	Conclusion	28
5	Deterrence, control, and aggregate costs	29
	Deterring asylum-seekers	29
	Control of stay and return	30
	Reducing aggregate costs	31

6	The impact of dispersal on asylum-seekers	32
	Community networks	32
	Accommodation	33
	Welfare, social assistance and education	34
	Legal services	36
	Racial harassment	37
7	Conclusions	38
	Assessing the effectiveness and impact of dispersal	38
	Burden-sharing in the EU?	40
	Bibliography	43
	Legislation and policy documents	43
	Literature	45
	Interviews	48

List of figures

Figure 1	Number of asylum applications in Germany and the UK, 1970–2000	4
-----------------	---	----------

List of tables

Table 1	Policy goals and rationale for dispersal	3
Table 2	Post-reunification distribution formula, 1991	7
Table 3	Distribution formula for asylum-seekers in the Federal Republic of Germany, 1982	7
Table 4	Asylum policy goals: Germany and the UK	14

Executive summary

Increases in the numbers of asylum-seekers in Europe have generated concerns within states about imbalances in the costs borne by different regions. Germany and the UK have responded by introducing systems of dispersal of asylum-seekers between *Länder* or regions to help redistribute the costs of reception. Dispersal has also aimed to reduce the social tensions generated by the concentration of asylum-seekers in particular areas, to deter potential applicants, and – in the case of Germany – to exercise closer control over asylum-seekers.

An analysis of German and UK policies suggests that dispersal has had mixed success in realising these goals:

1. *Redistribution of costs:* The German system is effective in redistributing both financial and social costs on the basis of the population of different *Länder*. However, the failure of the distribution criteria to take into account differentials in *per capita* income creates a disproportionate burden for poorer regions. In the UK, problems with the structure and implementation of the new arrangements have so far failed to relieve pressure on the South East as much as intended, although some of the difficulties may be transitional.
2. *Reducing social tensions:* In both countries dispersal may have helped reduce tensions in areas from which asylum-seekers are dispersed, but it has created far greater problems in new receiving areas.
3. *Deterrence and control:* There is no evidence that dispersal has had a deterrent effect. In Germany, where dispersal is combined with restrictions on free movement, it may facilitate the return of rejected applicants; however, the severity of these measures probably results in a greater number of ‘disappearances’ of asylum-seekers.

Dispersal also has a substantial impact on the rights and welfare of asylum-seekers, impeding access to community and social support and legal assistance, and in many cases making asylum-seekers more vulnerable to racist abuse. The increased social marginalisation of asylum-seekers resulting from dispersal may also have negative repercussions for race relations in general.

Drawing on this analysis, the report suggests a number of improvements to dispersal policies:

1. Germany should consider distributing asylum-seekers on the basis of income differentials between different *Länder*, rather than on the basis of population levels; alternatively, it could provide government grants for developing reception facilities in poorer *Länder*.
2. The UK could examine options for decentralising the National Asylum Support System (NASS) and enhancing the role of regional asylum consortia.
3. NASS and German *Länder* authorities should develop and implement a policy of dispersal to ‘cluster areas’ within regions or *Länder*.

4. Both countries could benefit from more extensive EU provisions for financial burden-sharing, possibly in the form of a fund distributed to sub-national regions to help spread costs and develop reception facilities.

1 Dispersal as a response to the asylum problem

As the numbers of asylum-seekers in Europe have risen over the past three decades, there has been growing public anxiety about the perceived social and economic costs of receiving and assisting people who are seeking international protection. Asylum-seekers are considered by many to place an excessive burden on welfare systems and social services. The current hostility towards asylum-seekers is exacerbated by perceived imbalances in the costs borne by different states and regions. Germany and the UK in particular have argued that they are receiving more people than other EU states.¹ These perceptions of the national costs of asylum-seekers and the imbalances in distribution between states have generated increasingly restrictive measures on the part of states and have led some to question the feasibility of retaining the standards of protection set out in international refugee law.²

One response to the problem of the ‘costs’ of asylum-seekers has been to introduce mechanisms for the sub-national ‘burden-sharing’ or dispersal of asylum-seekers. Germany, the Netherlands, Belgium, Austria, Denmark, and recently the UK have all introduced some form of dispersal, at least partly in order to allay concerns about imbalances in the costs of receiving and assisting asylum-seekers.³ In most cases the introduction of such dispersal schemes has also – at least implicitly – been aimed at achieving a number of other asylum policy goals: reducing social tensions generated by the concentration of asylum-seekers in particular areas, deterring potential applicants, and controlling the stay and return of asylum-seekers.

However, the legitimacy and effectiveness of dispersal as a response to the asylum problem have been contested on a number of fronts:

1. While different schemes vary in the degree of compulsion involved, most dispersal involves a form of state control over movement that would be considered unacceptable for law-abiding nationals. Under what conditions has this form of restriction on free movement been considered legitimate, and how does it impact on the rights and welfare of asylum-seekers?

¹ In the UK, these claims have revolved around the perception that the UK is a ‘soft touch’ for asylum-seekers, and have prompted the Home Office to call for harmonisation of standards of reception and definition of refugee status in EU states. German grievances about their disproportionate burden compared to other EU states emerged in the early 1990s and led to continued calls for a more equitable distribution of asylum-seekers between EU states.

² For example, comments by Jack Straw, the British Home Secretary, at the Institute for Public Policy Research (IPPR), 5 February 2001.

³ The specific provisions vary in each case. In Germany, the Netherlands, and Denmark, for example, asylum-seekers are obliged to live in reception centres spread throughout the country. In Belgium, applicants are free to choose their place of residence, but social and financial assistance is only available from one designated commune. In Austria, dispersal is compulsory for those under the federal care and maintenance scheme, but this only covers around one third of asylum-seekers.

2. The implementation and management of dispersal schemes raise difficult social issues related to the impact of redistribution on race relations, especially in new receiving areas. How successful are such schemes in allaying public concern, and under what conditions might they generate further hostility against asylum-seekers and other migrants?
3. There are also concerns about the efficacy of dispersal systems in spreading costs: how far can they redistribute the 'burden' of receiving asylum-seekers, and what factors account for national variations in the effectiveness of schemes?

This study aims to address these crucial issues in UK and German asylum policy. It provides a critical evaluation of the effectiveness of dispersal, or *Verteilung*, and its impact on asylum-seekers in these two states. The UK and Germany provide examples of two very different models of dispersal. Thus, despite similarities in most aspects of asylum policy, the two countries' different political structures and patterns of migration control have produced different expectations about the role of the state in controlling the stay of asylum-seekers, as well as divergent patterns of inter-regional burden-sharing. The countries therefore lend themselves to a comparison of the conditions under which dispersal systems emerge, and of the factors explaining their effectiveness.

The study is divided into seven chapters. The remainder of this chapter analyses the rationale for applying dispersal mechanisms to asylum-seekers, providing a framework for discussion in the following chapters. Chapter 2 examines the emergence of burden-sharing as a response to the asylum crisis in the UK and Germany. Chapters 3, 4 and 5 consider how successful such policies have been in achieving their self-professed goals of redistributing costs, reducing social tensions, and deterrence, control, and cost reduction. Chapter 6 explores the impact of dispersal schemes on the rights and welfare of asylum-seekers. Chapter 7 summarises the major strengths and weaknesses of the two systems and considers the implications of this analysis for the European Union's (EU) debate on burden-sharing.

The rationale for sharing the 'burden' of asylum-seekers

In its broadest sense, burden-sharing is a form of distribution between states or regions to achieve an equitable balance of costs in meeting shared goals or in implementing common policies or standards. Most international and regional burden-sharing in the area of refugee policy has taken the form of financial transfers to help states meet international standards of refugee protection.⁴ The EU has also developed mechanisms for financial burden-sharing relating to the infrastructure of states for the reception and assistance of asylum-seekers (Council of the European Union, 2000).⁵ Similarly, sub-national financial transfers can help ensure the consistent implementation of domestic legislation on asylum in different regions. National asylum policy might therefore be expected to provide for financial subsidies or redistribution to help poorer regions or those receiving a greater number of asylum-seekers.

⁴ It has, of course, also had the objective of encouraging refugees to stay in their regions of origin – see Inter-governmental Consultations, *Reception in the Region of Origin*, Geneva 1996.

⁵ The EU provisions on burden-sharing are discussed in Chapter 7.

Table 1
Policy goals and rationale for dispersal

Goal	Rationale
Redistribution of economic costs	Dispersal can achieve a balanced distribution of costs between regions
Reduction of social tensions	Dispersal can reduce hostility to asylum seekers in 'overburdened' areas
Deterrence	Compulsory dispersal could discourage future applicants
Control	Control of residence and movement can prevent disappearances and facilitate return of rejected applicants
Reduction of costs	Dispersal can discourage applications for assistance with accommodation

In practice, a more radical form of physical dispersal has emerged in many European states over the past two decades, with asylum-seekers encouraged or obliged to relocate to different areas around the country. The central logic behind this preference for dispersal is the assumption that the physical presence of asylum-seekers in particular areas creates a social burden that cannot be compensated through financial flows. Such social problems include housing shortages, as well as pressures on local schools and health services. Not least, the concentration of asylum-seekers in particular areas may be considered to generate social tensions and even racist violence. Thus dispersal may be seen as a means of rectifying economic and social inequalities, and of reducing the social tension generated by these perceived imbalances.

In addition to this redistributive aspect, dispersal may also be considered a means of deterring potential asylum-seekers and controlling their stay. In the case of deterrence, the prospect of dispersal may reduce the appeal of seeking asylum in a particular state, especially if dispersal is compulsory and some regions are less desirable as places of residence than others. Regarding control of stay, when combined with a system of reception centres or restrictions on free movement, dispersal can in theory enable authorities to exercise stricter control over the stay of asylum-seekers and the return of rejected applicants. Finally, it is also possible that dispersal can reduce the aggregate costs of asylum systems. This may be either because of its deterrent effect; or because it provides a disincentive for asylum-seekers to apply for assistance with accommodation costs, if such assistance is only available to those willing to be dispersed.⁶ The possible reasons for adopting dispersal policies are summarised in Table 1.

Chapter 2 considers the relative importance of these five sets of goals and rationales in German and UK policies, while subsequent chapters evaluate the extent to which dispersal policies have achieved these objectives in practice, and the impact they have had on the welfare and rights of asylum-seekers.

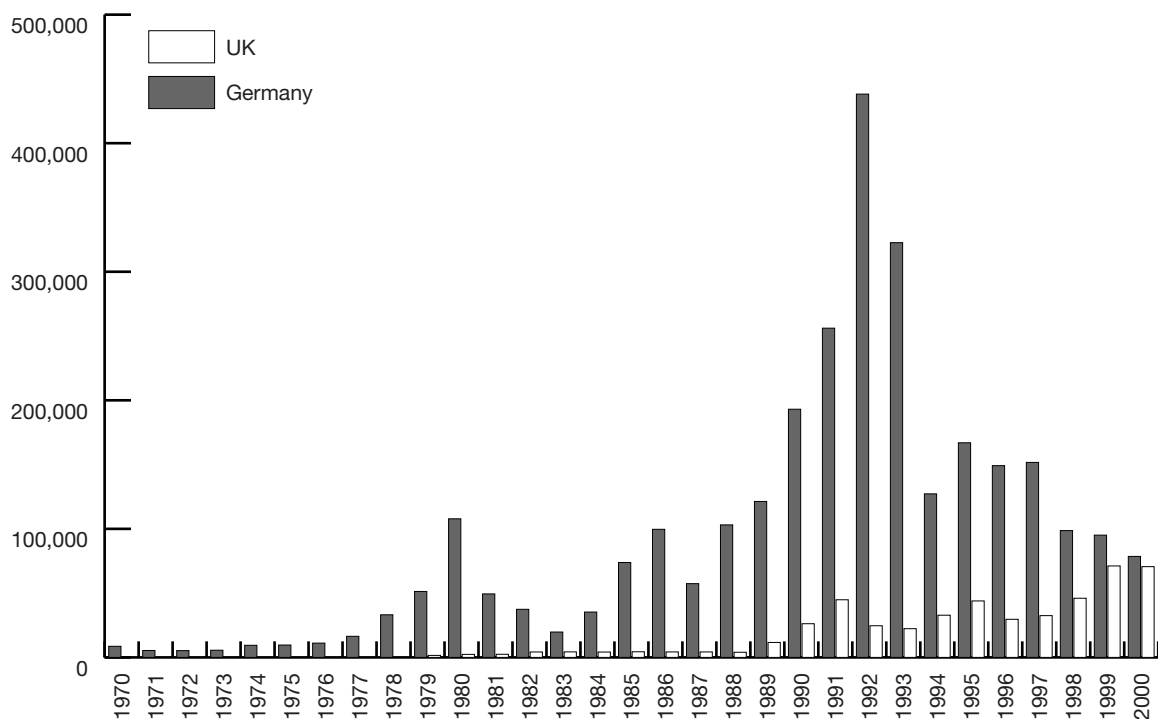
⁶ Dispersal may, however, increase costs in other areas, as discussed in Chapter 3.

2 The evolution of dispersal policies

The factors shaping asylum policy in Germany and the UK since the 1970s have been similar in many ways. Both countries experienced a significant rise in the number of asylum applications from the late 1970s onwards – see Figure 1. In both cases this was largely a result of the introduction of restrictions on the possibilities for labour immigration, new waves of forced displacement from a number of developing countries, and increased mobility (Loescher, 1993, p.93–97; Gordenker, 1987, p.49–51). From the early 1970s, many who would previously have entered as labour migrants began to make use of other channels, especially family reunification and asylum, triggering claims in both Germany and the UK about ‘abuse’ of provisions, and concerns about the perceived economic and social costs of the asylum system.

Like most other European countries, Germany and the UK responded with a series of measures in the 1980s and 1990s which were designed to streamline asylum procedures, restrict access to asylum systems, and deter potential applicants. However, mainstream political elites have accepted the need to strike a balance between the restriction of unwanted immigration and the retention of at least a minimum set of duties to asylum-seekers and refugees. The focus has therefore been on measures to reduce the numbers of applicants and the costs of assisting them, while continuing to provide asylum to genuine refugees.

Figure 1
Number of asylum applications in Germany and the UK, 1970–2000



Source: UNHCR

Note: No reliable statistics on asylum applications in the UK before 1980 are available. However, figures in the 1970s were lower than those from 1980 onwards, and also lower than the numbers received in Germany over the same period.

These conditions created a high degree of convergence between asylum policies in the UK, Germany and other West European countries over the last two decades. Yet, while many aspects of asylum policy were broadly comparable, national policies on burden-sharing of asylum-seekers have diverged substantially. Thus, while Germany had already introduced a system for inter-*Länder* burden-sharing of asylum-seekers by 1974, the dispersal policy in the UK did not take effect until 2000. How can one account for this discrepancy?

This chapter highlights two main factors accounting for the divergence:

- Different historical patterns of migration and asylum policy since World War 2, which have shaped expectations and responses to the asylum issue from the 1970s onwards.
- The political systems of Germany and the UK, especially the division of authority between national and local government, and inter-regional relations.

German *Verteilung*

German migration management since World War 2

A number of features of the German political system and its migration experience after 1945 influenced the emergence of a more proactive approach to regulating the residence of asylum-seekers. First, the structure of inter-*Länder* relations and the relationship between the centre and the periphery led to distribution in the form of physical burden-sharing between the regions, rather than financial flows from the centre to the periphery. The precedent for this form of distribution was established early on, as occupied Germany struggled to cope with the reception of and assistance for millions of refugees and *Vertriebene*, or expellees. Between 1946 and 1949, the regions of West Germany had to assist almost 10 million displaced persons, around 20% of the country's residents (Schwarz, 1999, p.3). Assistance was organised differently in each region, with every *Land* establishing its own ministry for refugees. By the time the Federal Republic was founded in 1949, refugee assistance was highly decentralised and the new federal ministry essentially had a co-ordinating function (Schwarz, 1999, p.3).

The relative importance of *Länder* authority in this area was a central factor in shaping the dispersal policies that emerged in the following years. The *Länder* continued to take responsibility for receiving and assisting refugees, and further developed arrangements for promoting the geographical dispersal of refugees and displaced persons. A 1953 decree (*Verordnung*) specified that recognised Convention refugees should be distributed between *Länder* according to a formula agreed by the *Bundesrat*, and these arrangements became law in 1965 (Wolken, 1987, p.38).

This pattern of inter-*Länder* redistribution was not unique to refugee policy. It was similar to the mechanisms for financial burden-sharing established in the 1949 *Grundgesetz* (Basic Law) in the form of *Finanzausgleich*, or financial equalisation, between *Länder*. The system was designed to ensure consistent delivery of public services between the *Länder*, which were responsible for implementing most areas of national legislation. Rather than taking the form of flows from the centre to the periphery, redistribution involved the horizontal re-allocation of revenues between *Länder* (Laufer and Münch, 1998, p.222–28). In the case of refugees, the costs of reception were clearly perceived as not suitable for this form of

financial compensation. The difficulties encountered in housing and assisting millions of refugees in the late 1940s and early 1950s demonstrated the social problems that could arise from receiving refugees. The numbers of refugees were significantly lower in the subsequent two decades, but this precedent continued to provide a model for future reception.⁷

A second important factor in explaining the persistence and extension of *Verteilung* concerns more general assumptions about the legitimacy of controlling the residence and movement of non-nationals in West Germany. Like many other European countries, in the 1950s and 1960s the West German government actively recruited *Gastarbeiter* (guest workers) through bilateral agreements with a number of southern European and Mediterranean countries. Recruitment was tailored to the needs of employers, and the arrival and residence of immigrants was – at least initially – seen as something that could be controlled and altered in accordance with domestic economic demand (Joppke, 1999, p.65–66). If this form of control was acceptable for *Gastarbeiter* and refugees, it was deemed to be all the more so for the increasing number of asylum-seekers from developing countries who arrived in Germany in the 1970s. From 1973 onwards, asylum-seekers were increasingly perceived to be abusing West Germany's generous welfare system. Measures to reduce the living standard of refugees and to control their movement during their stay were increasingly seen as legitimate means of containing the problem.

The emergence of provisions for dispersing asylum-seekers

Prior to 1974, there were no provisions for the dispersal of asylum-seekers. Provisions for physical distribution had been applied to other categories of displaced persons and refugees since the 1950s, but asylum-seekers stayed in a camp, or *Sammellager*, in Zirndorf, Bayern, for the duration of the asylum procedure (Wolken, 1987, p.33). Until the 1970s, the low numbers of asylum-seekers and the relatively quick processing of cases meant that there was no perceived need for a system of dispersal for asylum-seekers. This changed in the 1970s, when the numbers of asylum-seekers began to rise, as did the proportion of those originating from developing countries.⁸ The authorities in Bayern began to complain about problems accommodating the increasing numbers of asylum-seekers, and proposed the dispersal of asylum-seekers pending status determination. A system for *Verteilung* was agreed at a conference of *Innenminister* (Home Office ministers) from the federal government and the *Länder* in Bayern in February 1974: after a short stay at the camp of the Federal Office for the Recognition of Foreign Refugees (*Bundesamt für die Anerkennung ausländischer Flüchtlinge*) in Zirndorf, asylum-seekers should be distributed between the *Länder*, following the criteria already established for distributing refugees (Thoma, 1990, p.13). However, the pressure on Zirndorf continued to create problems, and in August 1977 provisions on *Verteilung* were extended, with asylum applicants now registering applications in any *Land*. Once a particular *Land's* quota was reached, asylum-seekers would be sent to another *Land* which had not yet reached its ceiling. These provisions became law in 1982.

During the debate over the new legislation, a number of criticisms were raised about the proposed legislation on *Verteilung*. Some opposed the distribution system on practical

⁷ Between 1953 and 1968, around 70,000 people applied for asylum in Germany; between 1968 and 1978 the number was 116,000 (Martin, 1994, p.211).

⁸ Wolken (1987, p.40) points out that the origin of asylum-seekers was probably just as, if not more, important than rising numbers in triggering anti-asylum-seeker sentiment. Whereas in the past most refugees had come from the Soviet bloc, from the early 1970s many more started to arrive from the Far East and Asia.

Table 2
Distribution formula for asylum-seekers in the Federal Republic of Germany, 1982

Baden-Württemberg	15.2%	Niedersachsen	11.6%
Bayern	17.4%	Nordrhein-Westfalen	28.0%
Berlin	2.7%	Rheinland-Pfalz	5.9%
Bremen	1.3%	Saarland	1.8%
Hamburg	3.3%	Schleswig-Holstein	3.5%
Hessen	9.3%		

grounds. For example, the *Ministerpräsident* of Rheinland-Pfalz argued in the *Bundestag* that distribution would prolong the asylum procedure, thereby providing further encouragement to economic migrants to seek asylum in Germany (Thoma, 1990, p.17). Some *Länder* rejected the formula for distribution proposed in the legislation. The law therefore left open the option for *Länder* to reach agreement on an alternative system within a specified period. If no such alternative arrangements were decided before October 1982, the proposed formula would become effective (which is indeed what happened – see Table 2). Further distribution of asylum-seekers within each *Land* was to be regulated at the *Länder* level (Thoma, 1990, p.56). There was also a party-political split over the form of accommodation for asylum-seekers that should be specified in the legislation, with the CDU/CSU arguing against the SPD for collective housing (Wolken, 1987, p.232–33). Eventually it was decided that each *Land* should have autonomy in choosing the form of accommodation for asylum-seekers after the initial three-month stay in reception centres.

The 1982 legislation was accompanied by measures to lower the social conditions of asylum-seekers. Arguably, the provisions on *Verteilung* were as much oriented towards this form of deterrence and control as they were designed to spread costs. This is apparent from much of the rhetoric during parliamentary debates over the legislation, as well as the accompanying measures to restrict the free movement of dispersed asylum-seekers (Wolken, 1987, p.233).

Reunification and dispersal to the new *Länder*

The next significant development in dispersal provisions came in the early 1990s: the Unification Treaty of July 1990 allotted 20% of asylum-seekers to the new *Länder* – see Table 3 for the new breakdown. The new arrangements were phased in from December 1990, leaving little time for the preparation of adequate reception facilities. The former GDR

Table 3
Post-reunification distribution formula, 1991

Baden-Württemberg	12.2%	Niedersachsen	9.3%
Bayern	14.0%	Nordrhein-Westfalen	22.4%
Berlin	2.2%	Rheinland-Pfalz	4.7%
Brandenburg	3.5%	Saarland	1.4%
Bremen	1.0%	Sachsen	6.5%
Hamburg	2.6%	Sachsen-Anhalt	4.0%
Hessen	7.4%	Schleswig-Holstein	2.8%
Mecklenburg-Vorpommern	2.7%	Thüringen	3.3%

had very limited experience of receiving non-nationals, and the introduction of *Verteilung* came at a time of radical socio-economic and political transition. Almost immediately after the first transfers of asylum-seekers to the new *Länder*, hundreds of them travelled back to the west, with reports of bad conditions and racist attacks. Tensions between asylum-seekers and local communities escalated over the following months, and there were outbreaks of violence in Hoyerswerda and Rostock. The extent to which *Verteilung* triggered this violence is arguable, as discussed in more detail in Chapter 4, but the lack of experience in receiving asylum-seekers and managing inter-ethnic relations certainly was an important part of the problem.

The exponential rise in the number of refugees and immigrants in Germany over the next few years exacerbated concerns about anti-asylum-seeker and anti-foreigner sentiment. Following the lifting of restrictions on free movement in the former Soviet bloc, Germany was faced with a huge influx of migrants. Between 1989 and 1992, Germany absorbed around 3 million new immigrants, most of whom were *Aussiedler* from eastern Europe who were entitled to German nationality under the German *Grundgesetz*.⁹ Meanwhile, conflict in the former Yugoslavia led to an influx of over a quarter of a million displaced persons and refugees into Germany, and the numbers of asylum-seekers continued to rise. These immigrants and refugees became the target of growing social tension and apathy, with the level of racist violence and attacks on asylum-seekers growing alarmingly in the early 1990s. The issue was to a large extent conceptualised as a problem of immigration and asylum, generating widespread support for changes to German asylum law. Legislation in 1993, 1997, and 1998 introduced a series of reforms to restrict access to the asylum system and the criteria for recognising refugees, and to reduce the standards of social assistance for asylum-seekers.¹⁰

The use of *Verteilung* as a means of spreading social and economic costs is now a well-established policy response in the area of immigration and asylum in Germany. Indeed, there have been recent proposals to extend the system to cover those with ‘tolerated’ status (*Duldung*).¹¹ The distributive rationale for dispersal was set out in a recent proposal from Nordrhein-Westfalen for this extension of *Verteilung*, which stresses the need for *Länder* to share the burden of receiving displaced persons (Bundesrat, 2000a).

Dispersal policy in the UK

Immigration by default

In contrast to Germany, the UK’s post-war immigration policy was characterised by an absence of any clear strategy for managing influx. Despite labour shortages in the 1940s and

⁹ *Aussiedler* are also subject to a dispersal scheme for the first two years of their stay.

¹⁰ *Asylverfahrensgesetz (AsylVfG)*, 27 July 1993; *Asylbewerberleistungsgesetz (AsylbLG)*, 5 August 1997, modified 25 August 1998.

¹¹ This status applies to people who have not applied for asylum but cannot be returned to their countries of origin because of conflict or political instability. Those with tolerated status are not dispersed but must stay in the areas in which they have lodged their application for *Duldung*. They are entitled to minimal social security benefits.

1950s, there was only one small-scale programme to recruit non-national workers from central Europe, in 1945–47 (Kushner and Knox, 1999, pp.220–21). Apart from this, immigration occurred largely by default, as migrants from British colonies or newly independent Commonwealth countries in Asia and the Caribbean moved to the UK to look for work. Rather than actively recruiting migrants, UK policy took the form of introducing consecutive restrictions to an initially expansive, colonial conception of nationality. This absence of a Continental-style, proactive recruitment policy influenced expectations about the government's role in immigration and its capacity to manage it.

The UK has also tended to be far more passive than Germany in managing the geographical dispersal of immigrants and refugees once they have arrived. This is partly a function of the UK's reliance on border controls as the primary form of migration control. In addition, the UK's comparatively anti-state, liberal social and political culture has militated against the introduction of more active state monitoring of residence. Thus there has been widespread resistance to proposals for introducing identity cards, and the only systematic form of regulation of residence is through local authority taxation and the electoral roll.¹²

A third set of factors accounting for divergences in UK and German control of non-nationals' residence relates to the countries' political structures, and in particular relations between the centre and the periphery. First, unlike Germany, the UK has no pattern of inter-regional 'equalisation': financial flows take the form of grants from central to local government. Hence inter-regional burden-sharing is a less established method of sub-national redistribution. Second, there is no well-developed mechanism for political representation of regions in national policy formulation. Local government powers are mainly limited to levying local taxes and overseeing education, health and social services. There are only limited opportunities for influencing national policies on issues such as asylum. This has influenced the notion that the reception of refugees is primarily a central government responsibility.

The UK is also far more demographically polarised than Germany, with London typically absorbing by far the greatest proportion of asylum-seekers and refugees. This pattern has been reinforced by the economic decline of the industrial North East in the 1980s and 1990s, and by the expansion of the service industry based in London and the South East. This has meant that London has absorbed many more refugees than other regions and has developed more extensive facilities and networks for assisting and integrating new arrivals. The absorption of additional refugees and asylum-seekers has tended to be less conspicuous and socially problematic. Nonetheless, as we shall see, the concentration of asylum-seekers in the South East (especially outside London) was ultimately one of the main triggers for calls for more systematic dispersal.

Precedents for dispersal after 1971

Although a systematic policy of dispersing asylum-seekers did not take effect until 2000, there were several earlier cases of voluntary dispersal for specific groups of refugees arriving in the UK. The first of these was the dispersal of more than 28,000 Ugandan Asians whom

¹² There have been exceptions to this passive approach in control of non-nationals' residency. UK governments have been prepared to introduce extremely stringent controls on non-nationals on grounds of national security, as in the case of internment in time of war. There has also been a substantial use of detention of asylum-seekers over the past decade. But these control measures have tended to be *ad hoc* and reactive and do not represent a systematic policy of migration management.

the UK agreed to accept after they were expelled from Uganda in 1972. The Home Office was keen to avoid refugees settling 'in areas where the housing, educational and social services were already under severe pressure', as it was considered that this would exacerbate inter-ethnic tensions (Ugandan Resettlement Board, cited in Kushner and Knox, 1999, p.274). Refugees were therefore encouraged to settle in designated 'green' areas around the country, which did not have large existing Asian populations and were thought to be more favourable towards integration. Dispersal was not compulsory, and in the end only 38% of the Ugandan Asians participating in the scheme finally settled in green areas (Kushner and Knox, 1999, p.275).

A similar dispersal scheme was attempted for around 10,000 Vietnamese refugees who came to the UK between 1979 and 1981.¹³ Here, too, the rationale was to spread the financial and social costs of receiving refugees, thus defusing racial tensions. Again, it was thought that sending refugees to areas with a low number of ethnic minority residents would avoid local antipathy and help integration. The policy was to disperse refugees in groups of four to ten families in areas with available accommodation and without large numbers of immigrants. The policy encountered similar problems to that of the Ugandan Asian scheme: refugees found themselves culturally isolated, often without adequate accommodation, and by 1986 over 8,000 had drifted back to London (Kushner and Knox, 1999, p.319).

Dispersal for short-term stay was first used for refugees from the former Yugoslavia under temporary protection. The Bosnia Project encouraged the dispersal of around 2,500 Bosnians throughout the UK, this time in clusters of at least 200 people and to urban areas, so as to minimise secondary movement.¹⁴ The policy was more successful and encouraged the Home Office to introduce a more systematic dispersal system for the reception of refugees from Kosovo in May 1999. The central rationale for this dispersal policy was growing concern over accommodation shortages and limited absorption capacity in London. The scheme was widely considered to have been very successful.¹⁵ It was generously funded by the Home Office, with the active participation of local authorities, and generally received positive responses from receiving communities.

Emergence of dispersal provisions for asylum-seekers

Justifying the dispersal of these groups of Ugandan, Vietnamese, Bosnian and Kosovan refugees was relatively unproblematic:

- All were either recognised refugees or had been granted temporary protection
- The refugees arrived *en masse* in an emergency situation, requiring special measures to ensure sufficient accommodation was provided
- None of the refugees was already settled in the UK, so most had no attachment to particular accommodation or areas.

In these circumstances, dispersal was seen as a legitimate and practical response to a mass influx of refugees. The approach was more difficult to justify in the case of asylum-seekers,

¹³ There is some controversy over the exact figures (Kushner and Knox, 1999, p.312)

¹⁴ Interview, Nick Scott-Flynn, independent consultant on refugee issues.

¹⁵ Interviews, Julia Purcell, Refugee Council, London; Nick Scott-Flynn, independent consultant on refugee issues.

who arrived individually or in families, or applied for asylum once they were already in the country.

Nonetheless, the rise in numbers of asylum-seekers in the second half of the 1990s began to create acute pressure on accommodation in London and the South East of England. In 1997/98 a number of local authorities in these areas began to pursue what has been termed dispersal 'by stealth': renting accommodation from private landlords in other regions where housing was cheaper and readily available, and sending asylum-seekers there, often without the consent of the local authorities there.

In November 1998, the Home Secretary requested the Local Government Association (LGA) to introduce a voluntary dispersal scheme to extend and systematise this practice, but take-up was limited: against a target of 10,400 asylum-seekers, only 1,910 people had been dispersed by March 2000 (Audit Commission, 2000).

The problems created by this *de facto* dispersal, as well as increasingly vocal pressure from the LGA, influenced the debate on the government's new legislation on asylum. In July 1998, the government published a White Paper, *Fairer, Faster and Firmer: A Modern Approach to Asylum and Immigration*, in which it set out a new system of support for asylum-seekers. The main feature of the proposals on asylum support was the switch to a system of 'in kind' benefits that would be outside of the normal system of welfare provision for residents. The paper also referred to the introduction of measures under which 'asylum-seekers would be expected to take what was available, and would not be able to pick and choose where they were accommodated' (Home Office, 1998, para. 8.22). The rationale was 'to relieve the burden on provision in London, where the majority of asylum-seekers are currently concentrated' (Home Office, 1998, para. 8.22).

This notion of burden-sharing was incorporated into the government's 1999 Immigration and Asylum Act, which was introduced to the House of Commons in February 1999 and came into force in March 2000. The legislation provided for the dispersal of asylum-seekers and their dependants to areas of the country with a 'ready supply' of accommodation. Indeed, the availability of accommodation is the only criteria for dispersal specified in the legislation, although in its 1999 *Process Manual for the Asylum Support System*, the Home Office set out the following more extensive priorities:

So far as possible the aim will be to find locations where there is either an established ethnic community associated with a particular group of asylum seekers, or where appropriate support arrangements are in place or can be arranged. But equally the Home Secretary is alive to the need to avoid over-concentrating asylum seekers in such a way as to jeopardise good community relations. The aim will be to develop 'clusters' of sufficient size to allow for mutual support and economies of scale, but not so large as to place undue pressure on local resources.

(Home Office Immigration and Nationality Directorate, 1999)

In explaining the dispersal policy, the government consistently stressed the problem of housing shortages in the South East of England. As Home Secretary Jack Straw argued in the House of Commons,

The pressure on housing and other services both from asylum seekers and those housed by local authorities in those areas is intense and unsustainable. It results in problems for London local authorities, and indeed for Kent local authorities, in discharging their duties

towards local homeless households under homelessness legislation. Asylum seekers themselves often end up in extremely poor conditions. No one – including some of those who oppose other aspects of the Bill – believes that such concentration of asylum seekers in one part of the country is sensible or defensible.

(Straw, 9 November 1999, House of Commons Hansard Debates, column 980)

Arguably, there was also an element of deterrence in the new provisions. The White Paper had already stressed that one of the three central objectives of the legislation was to ‘minimise the incentive to economic migration’ (Home Office, 1998, para 8.17). The main instrument for this form of deterrence was clearly the switch to benefits in kind. But the compulsory nature of dispersal – namely the statutory duty not to take into account the preferences of asylum-seekers regarding location and accommodation – suggests that this was a further means of discouraging ‘abusive’ asylum applications.¹⁶

In the course of discussion on the Bill, most Members of Parliament (MPs) accepted the need for measures to ease pressure on accommodation in the South East. Criticism of the Bill focused mainly on provisions for replacing cash payments with benefits in kind, but a number of doubts were raised as to the practical feasibility of dispersal. Concerns were expressed about the lack of consideration of asylum-seekers’ preferences, which could result in asylum-seekers ‘drifting back’ to London (Clappison, 16 June 1999, House of Common Hansard Debates, column 420). Some MPs foresaw problems with the use of private housing suppliers without consultation with local authorities. One MP expressed concern that ‘the situation will be chaotic’, with local authorities and the voluntary sector ‘picking up the pieces for people who are desperate’ (Allan, 9 November 1999, House of Common Hansard Debates, column 994). Voluntary agencies also criticised dispersal on the grounds that it would deny asylum-seekers access to adequate welfare and legal services, which were much less developed in areas not accustomed to receiving asylum-seekers.

The new provisions were phased in from April 2000, with accommodation being provided by a combination of private housing suppliers and local authorities.

Summary of policy provisions and objectives

Policy provisions

The main provisions of German *Verteilung* are as follows:

- Asylum-seekers initially report to one of the 34 branches of the Federal Office for the Recognition of Foreign Refugees (*Bundesamt für die Anerkennung ausländischer Flüchtlinge*), which then refers them either to a reception centre in the *Land* in which the branch is located, or – if that *Land* has already filled its quota – to a reception centre in another *Land*.

¹⁶ A recent paper on migration commissioned by the Home Office cites deterrence of economic migrants as a primary goal of the scheme (Glover *et al.*, 2001, p.3).

- Asylum-seekers stay in these reception centres for a period of up to three months and are then dispersed to accommodation in different districts or *Kreise*.
- Asylum-seekers have no say in choosing their place of residence and must live in the designated centres. The only exception to this is for close family members (spouse, and children under 18), who are allowed to stay together.
- Asylum-seekers are confined to the *Kreis* in which they are staying and must apply for a special permit if they want to travel outside of this area.
- The costs of reception and assistance are paid by the *Länder*, which also have considerable autonomy in defining standards for reception.

The main provisions of British dispersal are as follows:

- The scheme only applies to destitute asylum-seekers who cannot afford their own accommodation. Those who are able to pay for their own housing or stay with family or friends cannot participate in the dispersal scheme but are entitled to assistance with living expenses.
- The legislation specifies that the preferences of asylum-seekers regarding location of accommodation should not be taken into account.
- If a person applies for support under the scheme, the provisions allow him or her to stay in emergency housing for up to seven days while the application is considered. If the person is judged to be destitute, he or she will then receive one offer of accommodation. The asylum-seeker must either accept this offer or fund their own accommodation outside of the scheme.
- Asylum-seekers will be dispersed to 'cluster areas' in which there is a sufficient supply of suitable accommodation and 'the potential to construct a sound base for the support of asylum-seekers'.¹⁷
- The Act contains provision for the reimbursement of local authorities for any additional costs incurred in accommodating and supporting asylum-seekers.

Policy objectives

The objectives of German and UK asylum policy are as follows (and summarised in Table 4):

- *Distributing costs*: In both countries the central rationale for dispersal is the distribution of the social and economic costs of receiving asylum-seekers. In Germany, both economic costs (payment of social benefits and services) and social costs (pressure on accommodation, health, education and social services) are distributed through dispersal of asylum-seekers between the *Länder* according to population. In the UK, central government should in theory reimburse all economic costs, and dispersal is aimed at spreading social costs, especially pressure on accommodation.
- *Easing social tensions*: This is a more or less explicit goal of both dispersal policies, the assumption being that avoiding the over-concentration of asylum-seekers in particular areas will defuse inter-ethnic tensions.
- *Deterrence*: Deterrence is one of the objectives of dispersal in both cases, and dispersal policies go hand in hand with a series of other measures for reducing the standard of

¹⁷ This is taken from the explanatory notes to the Immigration and Asylum Act 1999, not the legislation itself.

Table 4
Asylum policy goals: Germany and the UK

Policy goal	Germany	UK
Distribute costs
Ease social tensions
Deterrence	. .	.
Control	. .	
Reduce aggregate costs		.

welfare of asylum-seekers. Deterrence is more central to German than to UK policy, given the compulsory nature of dispersal and restrictions on free movement.

- *Control*: Again, this is a more important consideration in German *Verteilung*, with dispersal accompanied by restricted freedom of movement and usually collective accommodation or reception centres.
- *Reducing aggregate costs*: The UK system requires asylum-seekers to prove that they are destitute in order to qualify for assistance with accommodation, which implies a goal of reducing the costs of receiving asylum-seekers.

3 The effectiveness of dispersal in spreading costs

The foremost goal of dispersal in both Germany and the UK is to achieve a more equitable distribution of the social and economic costs of receiving asylum-seekers. As we have seen, dispersal in the UK is designed predominantly to ease pressure on local infrastructure and services, in particular accommodation. In Germany, *Verteilung* is intended to achieve an even distribution of economic and social costs between *Länder*. This chapter examines to what extent these distributive goals have been realised.

Dispersing costs in the UK

Around 16,600 asylum-seekers were dispersed in the period from the introduction of the dispersal scheme in March 2000 until December 2000, mainly to the Midlands and the North of England (Roche, 29 January 2001, House of Commons Hansard Debates, column 78W). Unlike in Germany, the geographical spread of dispersal has not been even: most asylum-seekers have gone to the North West and North East of England, Yorkshire, Scotland, and the Midlands. Areas with more expensive accommodation, such as the South West, have received far fewer than originally expected (Refugee Council, 2000b, p.5). This contrasts with original plans to disperse around 7,000 to each of the ten regions. The limited extent of dispersal to date makes a definitive assessment of the success of dispersal impossible. Nonetheless, there has been sufficient progress to evaluate some of the effects of the new National Asylum Support System (NASS) arrangements in spreading the social costs of receiving asylum-seekers.

The UK has a different structure of financial distribution between its regions from that of Germany. Financial flows take the form of grants from central to local government, and the limited tax-raising powers of local government mean that it is largely dependent on these flows for covering the costs of receiving and assisting asylum-seekers. Therefore dispersal should be understood more as a means of easing pressure on infrastructure and social services in areas receiving larger numbers than as a way of achieving an equitable distribution of financial costs, which are in any case meant to be covered by central government. Thus the purely financial costs of reception (rent for accommodation, council tax, and welfare benefits) are not in principle affected by dispersal. Social costs – such as pressure on scarce accommodation, health, and education services – are more likely to be affected by the scheme, with dispersal in principle redistributing these pressures between different regions.

Spreading the location of accommodation

Probably the single most important goal of the dispersal scheme was to ease pressure on accommodation in the South East. Prior to dispersal, London was estimated to house up to

100,000 or around 90% of asylum-seekers.¹⁸ This created immense pressure on already scarce accommodation, as well as conflict between the housing needs of asylum-seekers and the local population. Dispersal was intended to relieve this pressure, in the hope of alleviating social tensions associated with receiving asylum-seekers.

The scheme introduced in 2000 disperses asylum-seekers to 'cluster areas' outside of London and the South East. Asylum-seekers apply to NASS for accommodation support, and if they can show that they are 'destitute', NASS will allocate accommodation in one of the cluster areas on a 'no choice' basis. For the duration of the NASS application procedure, asylum-seekers are accommodated in emergency housing in the place where they lodged their application – usually in Dover or London for port applications, or London for in-country applications.

A number of problems with NASS have meant that dispersal has not relieved pressure on the South East as much as was hoped. First, many asylum-seekers – possibly up to two-thirds – choose to stay with friends and relatives rather than take up accommodation in other parts of the country.¹⁹ Thus a large proportion are likely to have chosen to stay in London, forgoing assistance with accommodation and opting instead for the more limited maintenance support package. While in most cases this does not create additional demand for accommodation in these areas (it can be assumed that asylum-seekers mainly stay with people who already have accommodation), it does create a number of other problems for local authorities. Local authorities still have to cope with pressures on services such as health and education, and where asylum-seekers choose to stay with friends and relatives there is also concern about cramped living conditions and environmental health problems.

Second, there have been huge delays in the processing of NASS applications and in the physical dispersal of those under the scheme. NASS's original goal was to disperse people within seven to ten days of their lodging an application for NASS support, but the average waiting time in February 2001 was estimated at around 41 days.²⁰ This placed immense pressure on emergency accommodation, especially in London, where around 3,000 people were in emergency accommodation at that date, and the system is said to be on the verge of collapse.²¹ One recent response to the pressure on emergency accommodation has been to send NASS applicants to cluster areas before their applications have been assessed. On arrival in these areas, voluntary agencies in regional asylum consortia such as that of Yorkshire and Humberside have provided emergency accommodation and subsequently dispersed asylum-seekers to accommodation in cluster areas within their region.²² This may be a good model for speeding up dispersal and helping to relieve pressure on emergency accommodation in London.

A third set of problems with accommodation is linked to the system of contracts between NASS and private housing suppliers. Under NASS, asylum-seekers are housed in accommodation provided by housing suppliers under contract to NASS. Housing providers may be either private suppliers or local authorities. Contractees are obliged to provide

¹⁸ Interviews with Home Office officials, NASS, and Bharti Patel, Refugee Council, London.

¹⁹ Interview with Bharti Patel, Refugee Council, London.

²⁰ Interview with Bharti Patel, Refugee Council, London.

²¹ Interviews with Bharti Patel, Refugee Council, London, and Alison Harvey, Medical Foundation for the Care of Victims of Torture, London.

²² Interview with Liz Westmorland, Regional Asylum Consortium, Yorkshire and Humberside.

suitable accommodation, 'facilitate access' of tenants to relevant health, education, and social services, and to visit the tenants regularly. However, local authorities and voluntary agencies have expressed concerns that much of the accommodation provided by private suppliers is either of an unacceptable standard, or is located in unsuitable areas. Regional asylum consortia only have the right to be consulted on accommodation in properties with six or more bed spaces. Where the property offered is unsuitable, local authorities may be required to find alternative housing for asylum-seekers.

There are also concerns that many of the private housing suppliers are not providing adequate social support for asylum-seekers. The contractual obligation to facilitate access to services has in some cases taken the form of simply distributing a list of contact addresses. Again, local authorities and non-governmental organisations (NGOs) have found they may need to intervene to provide additional services and assistance to asylum-seekers who have been allocated residence under NASS contracts with private housing suppliers. Thus, while accommodation costs themselves are covered by central government, the mechanism for allocating accommodation may create imbalances in the distribution of costs between different regions.

Some of these difficulties with accommodation and dispersal may well be transitional problems which can be rectified through improving the administrative and logistical arrangements for dispersal. More efficient processing of cases or an immediate dispersal scheme pending the review of NASS applications could considerably relieve pressure on emergency accommodation in London. Likewise, a more thorough system of inspection of properties offered by private accommodation suppliers could reduce the social problems and costs to local authorities generated by problems with unsuitable accommodation. Other problems, such as the low participation rate in the dispersal scheme, may be more difficult to counter. However, it is also possible that in the longer term, as groups of asylum-seekers begin to create stronger communities and networks outside London, there may be a greater willingness to move away from London.

Welfare benefits

Maintenance support for asylum-seekers is funded directly by central government. Since the 1999 legislation this support has been separated from the regular national welfare benefit scheme and is managed by NASS. Maintenance takes the form of vouchers distributed to asylum-seekers in voucher books or collectable from local post offices around the country. Asylum-seekers also receive a small weekly cash allowance of £10. The level of support depends on family status and any special needs; it is roughly equivalent to 70% of the support UK citizens receive. Single adult asylum-seekers receive the equivalent of £36.54 per week, and a family with two children receives £110.57 per week.

As in the case of accommodation, the centralised system should in principle mean that central government covers the costs of maintenance, thus making the question of distribution of costs largely irrelevant. However, there have been considerable problems with the management of the new voucher system for people who have been dispersed. Voluntary agencies have pointed to problems of long delays in the time taken for vouchers to reach asylum-seekers, causing them 'severe hardship' (T&G *et al.*, 2000, p.19). Where the new support arrangements have failed to meet basic needs, other support bodies have had to assume responsibility for assisting asylum-seekers. The combined effect of dispersal and the introduction of the voucher system is therefore likely to have created additional costs for local authorities and NGOs in the areas to which asylum-seekers have been dispersed.

Education

Local education authorities in the UK have a statutory obligation to provide primary and secondary school education to the children of asylum-seekers, and they are obliged to find school places for children living within their jurisdiction within a reasonable period of time. It is illegal to discriminate between children on grounds of ethnic or national origin, so asylum-seekers' children have equivalent rights to those of UK citizens. The costs of educating the children of asylum-seekers are reimbursed to local education authorities roughly 18 months after the provision of annual estimates, or 'standard spending assessments'. This makes for a fairly rigid system of compensation which does not take into account a high turnover of pupils and is unable to compensate flexibly for sudden fluctuations in the numbers.

Over time, additional costs should be largely covered by central government reimbursement. Moreover, insofar as these costs were already incurred by authorities in the South East, dispersal has served to spread costs away from areas with a high concentration of asylum-seekers. In 2000, the Department for Education and Employment dedicated a special grant of £1.5 million to help cover some of the extra costs. Local education authorities may apply for an extra £500 for each child dispersed under NASS.

Health and social services

In the UK, asylum-seekers are entitled to free health treatment under the National Health Service, including free prescriptions, dental treatment, eye tests, and glasses, as well as free travel to hospitals. Treatment is normally administered through local general practitioners (GPs). GPs reclaim the costs of treating asylum-seeker patients on the same *per capita* basis as other patients. GPs are also responsible for providing interpretation services where required. In practice, this has meant that a number of GPs have been reluctant to treat asylum-seekers because of the extra costs of interpretation, or because of the additional time involved in treating patients without adequate English language skills.²³ The Department of Health provides no special grant to cover these extra costs, which implies that health authorities in regions receiving a large number of asylum-seekers incur additional costs. As with education, these extra costs for health were previously concentrated in London and the South East. Dispersal may therefore be said to have spread the extra health costs for GPs of treating asylum-seekers.

Other social assistance provided by local authorities to asylum-seekers includes services for older people and people with disabilities, chronic illnesses, or mental health problems. In principle, the cost of these services is reimbursed through standard spending assessments. Voluntary agencies are also involved in providing advice and support for asylum-seekers through 'one stop centres', financed through NASS. However, in most cases there is only one centre for each region, making it difficult for many asylum-seekers to access this form of assistance. Voluntary agencies have also expressed concern about a lack of resources and under-staffing for the centres.²⁴ Moreover, dispersal often means that asylum-seekers are isolated from personal contacts, community, and refugee networks. These personal and social networks would otherwise be an important source of support and advice. Dispersal can

²³ Interview with Alison Harvey, Medical Foundation for the Care of Victims of Torture, London.

²⁴ Interviews with Ali Bassett, Refugee Council, London, and Alison Harvey, Medical Foundation for the Care of Victims of Torture, London.

therefore result in local authorities and voluntary agencies in dispersal areas outside London assuming more responsibility in providing support.

Administrative costs

The dispersal system established a new administrative structure for co-ordinating reception and assistance in 'cluster areas'. The 1999 legislation divided the UK into ten regions, each comprising around ten local authorities.²⁵ NASS liaises with the local authorities within these regions through specially established 'regional asylum consortia', which are responsible for co-ordinating the activities of local authorities participating in the dispersal scheme within the relevant region. The regional asylum consortia serve as the focal point for negotiating contracts with NASS concerning the provision of local authority accommodation and support for asylum-seekers. They are also responsible for managing financial flows between NASS and local authorities, collecting and disseminating information on dispersal, and generally co-ordinating regional dispersal policy.²⁶

In principle, NASS should cover the costs of establishing and running regional asylum consortia. Any additional staff and administration costs incurred should be factored into the contracts between NASS and regional asylum consortia. However, costs incurred by local authorities during contract negotiations with NASS are not reimbursable, and to date the only central government contribution towards expenditure has been an annual enabling grant, set at £50,000 in 1999/2000 and £100,000 in 2000/01 for each consortium. There is a problem of delays in reimbursement, as well as one-off costs for setting up the scheme. In the longer term, regions receiving large numbers of asylum-seekers are unlikely to receive significant additional costs linked to the administration of the dispersal scheme.

In summary, despite the limited scale of dispersal to date, the move of some 16,600 asylum-seekers away from the South East has probably helped to spread some of the pressures on accommodation, health, and education. However, the scheme remains hindered by the structure of the NASS system and problems with implementing the scheme. The centralised NASS application procedure creates excessive delays, resulting in continued pressure on emergency accommodation in London. Moreover, the lack of consultation with local authorities and reliance on private sector housing suppliers have led to additional costs for regions which must find secondary accommodation and shoulder increased responsibility for social support. Finally, the lack of developed services and community groups outside London has led to a low participation rate and also implies a greater role for local authorities and voluntary agencies in providing support for asylum-seekers cut off from community networks.

Inter-Länder redistribution in Germany

As noted in Chapter 2, German *Verteilung* was intended to redistribute both the economic and the social costs of receiving asylum-seekers. Since the *Länder* are responsible for the costs of receiving and assisting asylum-seekers, the physical *Verteilung* of applicants should,

²⁵ The regions were not demarcated on the basis of any established political or administrative units, but were defined so as to facilitate contacts between NASS and local authorities and to co-ordinate dispersal.

²⁶ Interview with Liz Westmorland, Regional Asylum Consortium, Yorkshire and Humberside.

in theory, create an even spread of these costs between different regions. At the same time, *Verteilung* is designed to spread social costs such as pressure on health, social services, and education, as well as limiting public hostility linked to the concentration of asylum-seekers in particular areas.

The central criterion for distribution is population level rather than wealth, or availability of accommodation or other resources. This implies that the prime aim is to respond to the concerns of populations in receiving areas by limiting the numbers of asylum-seekers in any one region, rather than to distribute costs on the basis of the financial capacity of different *Länder*. The relative importance of social rather than economic distributive considerations is also reflected in the policy of *Verteilung* within each *Bundesland*. After the initial reception period, most *Länder* distribute asylum-seekers between *Kreise* (districts), although they usually reimburse local authorities for the costs of reception and assistance.

In evaluating the effectiveness of *Verteilung* in spreading costs, it is therefore important to consider not only how far the system has been efficient in distributing economic and social costs in the way intended – i.e. in proportion to population – but also whether distribution on the basis of population size can achieve an equitable distribution.

Spreading the burden of accommodation

All *Länder* initially accommodate asylum-seekers in reception centres, usually for the first three months following their application, and then disperse them between *Kreise*. The criteria for dispersal vary between *Länder*: in most cases dispersal is based on the population of different *Kreise*, although the city states Berlin, Hamburg, and Bremen have more flexible criteria. In Berlin, for example, dispersal can also depend on the size of the foreign population in different districts and the availability of accommodation.

After dispersal, the *Land* in principle continues to cover the costs of accommodation during the asylum-seeker's stay, although there have been cases where *Länder* authorities have refused to reimburse the full amount or have stopped payments to the *Kreise* after two or three years. In Nordrhein-Westfalen, for example, the *Land* has been refunding only 50% of the costs of reception of those with *Duldung* (tolerated status) to the *Kreise*, arguing that the federal government should pay the remaining half.²⁷ *Länder* may also refuse to reimburse *Kreise* for the full cost of accommodation where they consider the standards of housing to be too high.²⁸

The type of accommodation provided for asylum-seekers varies between different *Länder*, which have a high degree of autonomy in setting standards. National law stipulates that all asylum-seekers must be housed in reception centres for the first three months, but after this period *Länder* and *Kreise* can choose which form of accommodation to use. In some cases, asylum-seekers must remain in collective accommodation (*Gemeinschaftsunterkunft*) or reception centres for the duration of the application procedure. Mecklenburg-Vorpommern and Berlin, for example, accommodate most asylum-seekers in collective accommodation even though this is in most cases more expensive than private housing.²⁹ In some *Länder*,

²⁷ Interview with Georg Classen, *Flüchtlingsrat*, Berlin.

²⁸ Interview with Volker Grosse, *Ausländerbeauftragter*, Mecklenburg-Vorpommern.

²⁹ In Berlin, it costs DM 3,500 per month to house a couple with three children in *Gemeinschaftsunterkunft*, whereas a private flat could cost around DM 1,200.

such as Mecklenburg-Vorpommern, asylum-seekers can move into private accommodation after a certain period.³⁰ These disparities in standard and type of accommodation between *Länder*, as well as marked variations in the price of accommodation, can create some imbalances in costs. Thus the average cost of accommodation per person per night in Brandenburg is DM 12–15, in Berlin it is around DM 21.50, while in Hamburg it may cost as much as DM 40–50 per night.³¹

Welfare benefits, health, social assistance, and education

As with accommodation, the costs of welfare benefits and other social assistance are in principle covered by the *Länder*. Again, the mechanism for distributing costs between *Länder* is the physical *Verteilung* of asylum-seekers rather than financial reimbursement from central government. The level of welfare benefits is set nationally but *Länder* and even *Kreise* can choose whether to pay this in kind (through meals, clothing, etc.) or vouchers. After the first three months, they can also decide to pay benefits in cash, which is the policy of Bremen, Hamburg, and Schleswig-Holstein. Other *Länder* are stricter: for example, Bayern continues to provide most benefits in the form of goods rather than vouchers. All asylum-seekers in Germany receive a small cash payment, set at DM 80 per month per adult and DM 40 per child. However, while the level of benefits is set nationally, welfare costs may vary significantly depending on how many asylum-seekers find employment. Asylum-seekers are entitled to work a year after they first file their asylum applications, providing it can be shown that no German or EU candidate was available to fill the job. This means that in areas of high unemployment asylum-seekers will have problems finding work, and authorities will consequently face higher costs for welfare payments.

The standard of social assistance varies between *Länder*. New *Länder*, such as Mecklenburg-Vorpommern, have limited experience of receiving asylum-seekers and hence less developed facilities for interpretation or social services targeted to the special needs of asylum-seekers. For example, there is no specialised counselling service or assistance for refugees with mental health problems. The costs of social assistance are therefore likely to be lower in the new *Länder* than in *Länder* such as Hamburg, Bremen, and Berlin, which have relatively well-developed services. Conversely, national legislation sets out the basic level of health care to which asylum-seekers are entitled: this is restricted to an initial medical examination, and subsequent treatment only for emergencies or serious illnesses. There are no significant variations between *Länder* in the level and costs of health care.

All children of asylum-seekers have a right to attend school, but practices on compelling or facilitating attendance vary between *Länder*. In Brandenburg, Berlin, and Mecklenburg-Vorpommern attendance is compulsory for all children (this is known as *Schulpflicht*); in Hamburg it is only compulsory for unaccompanied children, and in other *Länder* not at all. *Länder* also offer different levels of language assistance, again implying a divergence of costs depending on special provisions within *Länder*.

³⁰ The period is two years for families and three for single people, although in practice it is often difficult to find accommodation in rural *Kreise*.

³¹ Interview with Georg Classen, *Flüchtlingsrat*, Berlin.

Evaluating the criteria for dispersal

In general, *Verteilung* can be judged to be largely effective in distributing the costs of asylum-seekers according to the population of *Länder* and *Kreise*. Most variations in costs are attributable to the varying provisions in different *Länder*, which are in any case within the competence of *Länder* to modify.

However, it is questionable whether the emphasis on population size as the determinant of distribution leads to the balance of distribution and costs intended. First, the population-based formula takes no account of the relative economic strength of different *Länder*. Thus the new *Länder* and less wealthy old *Länder* are obliged to allocate a higher proportion of their budget to assisting their quota of asylum-seekers. In addition, *Länder* with higher levels of unemployment will face far greater costs than those in which asylum-seekers can more easily find work. This factor is likely to become increasingly significant following the decision in December 2000 to reduce the restriction on employment to one year. In Bayern, for example, figures from 1995 showed that 85% of Bosnians with tolerated status had found work and so were not claiming welfare benefits.³² In Mecklenburg-Vorpommern, on the other hand, high levels of unemployment meant that even those asylum-seekers entitled to work were still dependent on welfare benefits.

Second, population-based distribution overlooks the social problems linked to reception and integration of asylum-seekers in some parts of the country. In areas with a high level of racial tension and anti-foreigner violence, authorities will shoulder a far greater burden in terms of policing and social costs.³³ Population-based *Verteilung* fails to take such factors into consideration. This was clearly seen with disastrous consequences arising from the extension of *Verteilung* to the new *Länder* in 1990/91, which overlooked the lack of reception facilities, as well as existing levels of racism and xenophobia.

These factors suggest that a more equitable distribution of costs should take into account *per capita* income, as well as the capacity of *Länder* to absorb and assist asylum-seekers. Interestingly, Germany proposed this type of more complex distribution system in its proposal for an EU burden-sharing system in 1994, which included criteria of GDP and land mass. But it has failed to incorporate such considerations into its own national dispersal scheme.

One obstacle to any amendment along these lines would be the difficulty of gaining consensus between *Länder*, especially wealthier ones. Even recent proposals to modify the distribution formula to reflect changes in population levels are controversial.³⁴ One could expect far more opposition to proposals to change the criteria themselves. If such a modification proves unfeasible, some consideration should be given to forms of financial assistance for poorer *Länder*. This could take the form of a special grant for assisting *Länder* in developing reception facilities and subsidising the costs of assistance. Those *Länder* with the greatest problems are precisely those with the fewest financial resources for investing in such schemes. Again, this is a model which is already being developed at the EU level in the form of a European Refugee Fund.

³² Interview with Georg Classen, *Flüchtlingsrat*, Berlin.

³³ Quite apart from these problems of costs, dispersal to areas of high inter-ethnic tension can create immense problems for asylum-seekers, as discussed in Chapter 6.

³⁴ A recent proposal by Sachsen-Anhalt to change the quotas to take into account the fall in population caused by emigration from the new *Länder* is highly contested (Bundesrat, 2000b).

Conclusion

Unlike the UK dispersal system, German *Verteilung* has on the whole been implemented effectively and has been successful in its goal of dispersing costs according to population. The central question in terms of distribution of costs remains whether the population-based distribution between *Länder* is appropriate. The UK system, by contrast, has a more modest redistributive goal of easing social pressure on areas with a high concentration of asylum-seekers, with financial redistribution in principle achieved through local government grants. The main distributive questions in the UK are whether dispersal is sufficiently relieving pressure on the South East and whether central government is adequately reimbursing costs to local authorities.

4 Dispersal as a means of reducing social tensions

Alleviating social tensions caused by the concentration of asylum-seekers in particular geographical areas has been a second important goal of dispersal policies. Arguably, dispersal could help to reduce these tensions by relieving pressure on accommodation and services, which can generate local resentment. It could also render asylum-seekers less conspicuous by avoiding concentration in large groups. Yet in practice the relationship between dispersal and anti-asylum-seeker sentiment is far more complex. Experience in both Germany and the UK suggests that, while dispersal may ease tension in areas from which people are dispersed, it has usually created far more acute problems in new receiving areas.

Verteilung in the new Länder

The most striking example of dispersal exacerbating social tensions was the extension of *Verteilung* to the new *Länder* in 1990/91. As outlined in Chapter 2, the Unification Treaty determined that 20% of asylum-seekers were dispersed to the former GDR from December 1990. However, east Germany had extremely limited experience with non-nationals: the Vietnamese, Cuban, Angolan, Mozambican, and Palestinian migrant workers they had received before 1989 were housed separately from the local population and integration was discouraged. After restrictions on free movement were lifted in 1989, there was a substantial flow of Roma and other central European refugees into the new *Länder*, many of whom applied for asylum. There were problems with housing and assisting these applicants.³⁵ When *Verteilung* was introduced, the infrastructure for receiving asylum-seekers in the former GDR was quite patently inadequate, and the timing of the measures allowed insufficient time for developing better facilities. *Land* and *Kreis* authorities had almost no experience of assisting non-nationals and were in any case preoccupied with a range of other urgent social problems.

At the same time, social conditions in the new *Länder* were highly unstable. The currency reform and economic restructuring were creating unemployment, insecurity, and hardship for many east Germans. The rapid social and political change that followed reunification had challenged existing notions of east German identity, contributing to the rise of nationalism and xenophobia. During 1990, new forms of far right and racist violence were emerging, often targeted at asylum-seekers. This was certainly not helped by the tone of the national and local political debate and media coverage of the asylum issue, which frequently portrayed asylum-seekers as '*Schmarotzer*' (parasites), who were abusing Germany's generous welfare system (Knopp, 1994, p.125).

35 Interview with Annette Köpinger, *Flüchtlingsrat*, Schwerin, Mecklenburg-Vorpommern.

Soon after the dispersal of asylum-seekers to the new *Länder*, large numbers of asylum-seekers began to escape back to the west. Most reported intolerable conditions in reception centres – inadequate food or accommodation, reception centres located in former army barracks away from towns and amenities, plus a lack of assistance and services (Schuster, 1991). Many asylum-seekers had been racially abused and attacked. Some of these so-called ‘*Rückflüchtlinge*’ (returning refugees) were permitted to remain in the old *Länder* or were given sanctuary by churches or by student and refugee organisations (Schuster, 1991). In one Münster court case in October 1991, an asylum-seeker was allowed to delay his return to the east for three months, as the court ruled that the authorities in Sachsen could not guarantee his security (Oberverwaltungsgericht Nordrhein-Westfalen, 1992, p.34). Most, however, were given instructions to return. As a result, hundreds of people simply ‘disappeared’ from the asylum system rather than relocate to the east.

The precarious situation of asylum-seekers was dramatically brought to public attention by events in Sachsen in September 1991, when local residents in the town of Hoyerswerda laid siege to a block of flats housing asylum-seekers, throwing fire bombs and wounding 34 asylum-seekers. The police were unable to control the rioters and, after three days of violence, 230 asylum-seekers were evacuated from the town. Months later a similar attack occurred against a reception centre in Lichtenhaven, Rostock, with asylum-seekers again being evacuated.

Länder authorities have since improved their reception facilities and are gaining more experience of receiving asylum-seekers and reducing tensions with local communities. In Mecklenburg-Vorpommern, for example, the Interior Ministry established a special working group to define standards for reception, with emphasis on recruiting properly trained social workers and people with relevant language skills, providing better assistance and information for asylum-seekers, and reviewing the location of reception centres. Nevertheless, major problems remain, with many reception centres located in remote areas, most asylum-seekers accommodated in collective housing for the duration of their application procedure, and limited capacity and resources for social services and assistance. While local residents are becoming more accustomed to the presence of asylum-seekers, reception conditions have contributed to social and economic marginalisation. Problems with inadequate accommodation, welfare payments through vouchers, refusal to promote German language training, and highly restricted employment opportunities have all hindered the development of positive interaction between asylum-seekers and receiving communities.

Dispersal to the North of England

Dispersal in the UK was introduced more gradually and has not coincided with the sort of social and political upheaval experienced in Germany after reunification. Nonetheless, there have been problems with reception in many of the areas participating in the dispersal scheme, and a tangible rise in incidents of racial harassment in new cluster areas in the UK. Although government policy aimed to distribute asylum-seekers to areas with resident minority communities, in practice dispersal has been largely accommodation-led. Thus asylum-seekers have tended to be sent to areas with a ready supply of inexpensive housing, without full consideration of other criteria originally set out by the Home Office, such as existing ethnic communities or the availability of adequate support. The almost exclusive emphasis on accommodation is particularly problematic in the case of those sent to privately

supplied housing, where local authorities and voluntary agencies have little input in defining which areas are suitable for housing asylum-seekers. As a result asylum-seekers have often been concentrated in inner-city areas with high levels of unemployment and deprivation, and where there is little experience of integrating other ethnic groups.

One example of this is Hull in the Yorkshire and Humberside region. Dispersal to Hull started before the introduction of the NASS scheme in February 2000, when Kent local authority signed a contract with private housing suppliers to provide accommodation for 300 asylum-seekers. Since the introduction of the dispersal scheme, private suppliers have bought up a large stock of cheap accommodation in Hull and made this available to NASS, which has now sent over 1,000 asylum-seekers to Hull.³⁶ Accommodation for this predominantly Iraqi Kurd community is concentrated in a particularly run-down area of central Hull, which has high unemployment and little history of receiving other ethnic groups. The relatively rapid increase in numbers of asylum-seekers and their concentration in a particularly deprived area have contributed to a sharp rise in racist violence. There have been reports of verbal and physical attacks, and one in five asylum-seekers in Hull reported being the victims of violence in the second half of 2000 (Refugee Council, 2000b, p.9). Local police figures show that one racially motivated incident was reported in Hull every other day, compared with just a handful of similar incidents in 1999 (Regan, 2000). In response, many asylum-seekers have returned to London or Leeds, preferring to forgo NASS assistance with accommodation rather than remain in Hull.

Tensions associated with dispersal are, of course, not limited to Hull. The Refugee Council has been collecting reports of similar incidents in all parts of the UK, and NASS now operates a police liaison function to collect information on racial incidents linked to dispersal.³⁷

Alleviating the tensions generated by dispersal

These experiences point to a number of conclusions. First, there is no straightforward link between the level of anti-asylum sentiment in receiving areas and the number of asylum-seekers present. The most extreme cases of racial tension have occurred in areas with relatively small ethnic communities. Far more important in explaining tensions are the community's experience of receiving and integrating other ethnic groups, and the quality of interaction between ethnic groups. Where communities are relatively ethnically homogeneous, a sudden and visible increase in numbers of asylum-seekers can provide a trigger for resentment and aggression.

Clearly, the underlying causes of such anti-asylum resentment lie at another level. Sociological research into far right anti-foreigner violence in Germany points to the role of economic modernisation and social fragmentation, which disrupt traditional family structures and social groups and threaten notions of self-identity (Rethmann, 1996, p.108–21; Minkenberg, 1997, p.66–80; Merkl, 1997, p.34–38). For those affected by this form of fragmentation – and many in east Germany experienced these changes in a particularly stark

³⁶ Interview with Liz Westmorland, Regional Asylum Consortium, Yorkshire and Humberside.

³⁷ Interview with Home Office officials, NASS.

and sudden way – racist ideas may offer a means of defining membership and reinforcing a sense of social status. Instability caused by the disruption of existing social structures may therefore be channelled into anti-foreigner sentiment and violence. Perpetrators tend to be male adolescents and young adults with low levels of education (Merkl, 1997, p.26). While such forms of racist violence are not directly caused by the presence of ethnic groups, the likelihood of asylum-seekers becoming targets may be increased if dispersal is not handled sensitively.

Problems of racial violence suggest that dispersal policies need to be sensitive to socio-economic conditions in receiving areas, and to their history of receiving and integrating other ethnic groups. This may be an obvious point, but it was overlooked in the introduction of burden-sharing provisions in the UK and Germany. Dispersal should also pay special attention to the quality of interaction between asylum-seekers and local communities. Research on inter-ethnic relations points to the importance of frequent and positive contact between ethnic minorities and other residents in promoting good race relations (Rethmann, 1996, p.123–25; Stein *et al.*, 2000). The most constructive forms of interaction are through joint community projects or professional contacts. These types of contact are, of course, difficult to promote given restrictions on employment: asylum-seekers are not allowed to work in the first six months of their application in the UK, and the first year in Germany. However, contact could be encouraged through other forms of interaction, such as cultural events or community projects bringing together local residents and asylum-seekers.

Other important determinants of the frequency and quality of contact between asylum-seekers and other residents include the location and type of accommodation, and the level of social assistance provided to asylum-seekers. Policy-makers in the UK and Germany have tended to emphasise the importance of limiting welfare benefits and standards of accommodation as a means of allaying local resentment at the costs of receiving asylum-seekers. However, experience in both countries suggests that the policy of reducing benefits and replacing cash with vouchers has contributed to the social marginalisation of asylum-seekers and made them more visible as a group (T&G *et al.*, 2000, p.21–23). As many commentators on UK policy have pointed out, this can have a serious knock-on effect for race relations in general (Commission for Racial Equality, 2000). On the question of accommodation, the policy in many German *Länder* of housing asylum-seekers in large reception centres and collective accommodation, often far away from towns, has consciously sought to minimise interaction between asylum-seekers and local residents. Yet the separation of asylum-seekers can contribute to local suspicion and hostility, increasing inter-ethnic tensions.

Public statements and media coverage on asylum issues also play an important role in shaping local attitudes towards asylum-seekers. Claims about ‘bogus’ asylum-seekers or ‘misuse’ of the system can encourage or appear to legitimise anti-asylum hostility. While the UK and German governments both continue to reiterate a commitment to protecting *bona fide* refugees, the constant rhetoric on abuse of the asylum system and ‘floods’ of economic migrants effectively undermines this message (Refugee Council, 2000a).

The deficiencies of current policies in terms of promoting good inter-ethnic relations reflect tensions between government policy goals:

1. It has already been pointed out that governments are eager to demonstrate that asylum-seekers are not receiving overly generous benefits and assistance. Both Germany and the UK are concerned that raising standards of assistance would not only exacerbate

local resentment, but would provide an incentive for potential asylum applicants to apply for asylum in the UK or Germany.

2. There is also a conflict between the goals of minimising social tension and discouraging the integration of asylum-seekers. Governments are concerned that where asylum-seekers become integrated in receiving communities, it becomes far more difficult to return them after a rejection of their application – hence the emphasis on speeding up the processing of applications (although this is also a question of costs), the restriction on access to employment, and (in the case of Germany) the discouragement of language training. In fact, as discussed in subsequent chapters, there is no firm evidence that reducing assistance deters asylum-seekers or facilitates return.

Conclusion

The assumption that burden-sharing will reduce social tension requires qualification. The degree of hostility towards asylum-seekers is not simply related to the numbers of asylum-seekers present in a particular area or the perceived costs of receiving them. It can more plausibly be attributed to a combination of underlying socio-economic insecurity generated by economic modernisation and social fragmentation, and the channelling of these insecurities into racism and xenophobia, mainly through media coverage and political mobilisation. Where this is the case, a sudden increase in the number of asylum-seekers to areas with little experience of inter-ethnic relations can increase the likelihood that asylum-seekers will be a target of resentment. Likewise, the degree and quality of interaction between asylum-seekers and receiving communities can influence the level of anti-asylum sentiment. Where dispersal is not sensitive to these factors, it is likely to create more social tensions than it solves.

5 Deterrence, control, and aggregate costs

In addition to the distributive and social goals already discussed, dispersal may be perceived as contributing to other goals of asylum policy, notably deterring potential asylum-seekers from applying, controlling stay and return, and reducing aggregate costs of the asylum system. How effective have German and UK systems been in achieving these goals?

Deterring asylum-seekers

One important consideration running through recent asylum legislation in both the UK and Germany has been the goal of discouraging potential asylum applicants, although governments have been reticent about explicitly endorsing dispersal as a way of deterring potential asylum-seekers. In the case of welfare benefits, the level of assistance may arguably be considered to be an important 'pull factor' for asylum-seekers, and so reducing benefits may be seen as a direct deterrent. No equivalent argument about 'pull factors' applies to the freedom to choose one's place of residence. In this sense, it is more difficult to justify dispersal as a deterrent measure.

Nonetheless, the importance of deterrence as a policy goal can be gauged from the policy debate in both countries, as well as from the structure of legislation as discussed in Chapter 2. In the case of Germany, the clearest indication of a deterrent goal is the compulsory nature of *Verteilung*: even where asylum-seekers have friends or relatives who could provide free accommodation, they are obliged to live in *Länder*-financed housing, implying that deterrence is considered more important than cost reduction. In the UK, there is a statutory obligation not to take into account asylum-seekers' accommodation preferences, even though doing so could facilitate the development of support networks and thus relieve the burden on social services.

The task of evaluating the effectiveness of dispersal in deterring potential asylum-seekers is fraught with difficulties. Statistics on asylum-seekers reveal little about the impact of dispersal. In Germany, the number of asylum-seekers rose dramatically in the late 1980s and 1990s, several years after the introduction of *Verteilung*. The relative fall in numbers since 1996 may be attributed to any number of factors:

- The end of conflict in the former Yugoslavia
- Re-admission agreements to facilitate the return of asylum-seekers to 'safe third countries'
- A stricter interpretation of the definition of 'refugee' since 1993
- Reductions in welfare benefits introduced through legislation in 1993, 1997, and 1998.

Likewise in the UK, there is no evidence so far that dispersal has had an impact: the numbers of asylum-seekers have continued to rise since the Immigration and Asylum Act came into

force in 2000. Thus no clear correlation can be established between the introduction of dispersal measures and numbers of asylum applications.

Clearly, any comprehensive assessment of the deterrent effect of dispersal would need to be based on a more thorough analysis of the multiple determinants of choice of country for asylum-seekers, and how these factors may be affected by national policies. Most of the limited number of research studies in this area point to the central role of migrant networks, historical and linguistic ties, employment opportunities, and available trafficking routes. Reception provisions in receiving countries play a less important role (Böcker and Havinger, 1997; Crisp, 1999; Morrison, 2000). Where knowledge of asylum legislation does influence choices, it is in any case usually filtered through migrant community networks and may be inaccurate or exaggerated (Crisp, 1999, p.4).

Many of the factors influencing choice of country are not influenced by national provisions on asylum:

- Migrant networks are almost by definition closed to influence by national authorities
- Linguistic and historical ties are irreversible
- Employment opportunities depend on the general labour market situation.

At most, governments might be able to reduce some incentives for economically motivated applications by cracking down on illegal employment, or by running information campaigns in sending countries to explain conditions for asylum-seekers. But the general problem with all forms of deterrence is that they simply shift the problem onto neighbouring European countries. Efforts to introduce ever stricter asylum regimes generate a downward spiral of standards between European states, each competing to impose harsher conditions. This is one of the main arguments for developing common EU standards, in combination with some provision for redistributing costs between states. These ideas will be re-visited in Chapter 7.

Control of stay and return

One reason for concerns about the costs of asylum-seekers in the UK and Germany is the problem of those who disappear or stay on after their application has been rejected. The British Home Office recently reported that only around 10% of rejected asylum applicants are returned (7,600 in 1999 and in 8,965 in 2000 – Migrant News, 2001). Other asylum-seekers disappear during the asylum procedure.

Arguably, dispersal can help control the stay and return of rejected asylum-seekers. Some commentators have suggested that this is one of the goals of *Verteilung* in Germany, and especially provisions restricting freedom of movement to *Kreise* and accommodation in collective houses or reception centres. This form of restriction undeniably allows for closer observation and control of asylum-seekers and would probably not be feasible if asylum-seekers were concentrated in large cities and in private accommodation. On the other hand, the harsher system of control almost certainly results in a greater number of people opting out of the system, or ‘disappearing’. There are frequent cases of asylum-seekers not turning up on the day of travel to new accommodation in other *Länder*. People often prefer to withdraw their application rather than face insecurity or inadequate conditions in reception

areas. This type of disappearance implies that asylum-seekers may have escaped into neighbouring countries or, more likely, are supporting themselves through personal contacts or illegal employment. Germany does not issue statistics on disappearances, but asylum statistics show that around 30% of applications do not receive final decisions, in most cases because of withdrawal of application, disappearance, departure from Germany, or some other change of status (for example, obtaining residence status through marriage or employment) (BAFL, 2000, p.31). Most cases are likely to be attributable to departure or disappearance. Thus those who remain in the system may be better controlled, but a greater number opt out of it altogether, precluding the possibility of any form of control.

In the UK, the problem of control takes a different form. Since the introduction of the new arrangements there have been serious problems with keeping accurate records of asylum-seekers who are dispersed, suggesting that the scheme may have impeded rather than enhanced control. Voluntary agencies report frequent problems of incorrect information on those arriving in dispersal areas, people being sent to the wrong place, private suppliers failing to register arrivals with NASS, and NASS sending vouchers or travel documents to the wrong addresses (Refugee Council, 2000b and interviews with NASS, Refugee Council and Medical Foundation for the Victims of Torture). These problems may well be temporary, although some critics have argued that the difficulties reflect the cumbersome centralised structure of NASS, rather than transitional problems with implementation.

Reducing aggregate costs

Since the introduction of dispersal in the UK, a high proportion of asylum-seekers have chosen to forgo assistance with accommodation rather than be dispersed. This implies a considerable reduction in reception and assistance costs. Dispersal to housing outside the South East is also likely to reduce housing costs. Against these savings in aggregate costs, the introduction of the NASS system has created a number of new costs. NASS employs over 600 members of staff, and the new regional asylum consortia system creates additional staffing and administration costs.³⁸ Further costs have been incurred through grants to help develop regional voluntary agency run services, as well as transport and logistical costs associated with the dispersal of asylum-seekers, travel to interviews, and dispersal of vouchers.

While no comprehensive figures on these costs exist, it is likely that the savings on accommodation have led to a net reduction in the aggregate costs of the asylum system. However, it should be stressed that cost reductions due to low participation rate in the scheme imply a failure to reduce pressure on social costs in the South East. Thus the goals of cost redistribution and reduction are likely to conflict.

³⁸ As discussed in Chapter 3, these are in principle covered through the contract with NASS and additional grants of £50,000 in 1999/2000 and £100,000 in 2000/01 for each consortium.

6 The impact of dispersal on asylum-seekers

German and UK experience suggests that dispersal can lead to a significant decline in the quality of support and assistance received by asylum-seekers. It has a substantial impact on almost every aspect of asylum-seekers' welfare and rights, affecting access to personal and community contacts, welfare and social assistance, legal advice, as well as living conditions. For this reason, numerous voluntary agencies in Germany and the UK have challenged the legitimacy of physical dispersal. This chapter outlines some of the main ways dispersal affects the lives of asylum-seekers.

Community networks

Migrant networks – whether in the form of extended family and friends, or refugee and ethnic community groups – play a critical role in providing support and advice and are usually the first point of reference for asylum-seekers. The role of extended family or friends is clearly of central importance in providing psychological and social support, accommodation or employment, help with language, and advice on accessing legal and social assistance. Dispersal schemes in the UK and Germany isolate asylum-seekers from this source of support. In Germany, dispersal away from such personal contacts is compulsory – the only exception being the case of spouses or children under 18, who are permitted to stay together, or unaccompanied children who are not subject to *Verteilung*. In the UK, asylum-seekers are allowed to stay with extended family or friends but must then forgo assistance with accommodation.

In most cases dispersal also means separation from refugee community organisations. In the UK, the vast majority of these organisations are located in London, with only a few branches for some communities in large cities such as Leeds, Birmingham, or Newcastle. People from relatively under-represented communities are particularly affected, although community organisations from almost all ethnic groups have pointed to problems faced by those dispersed.³⁹ The lack of regional community groups may be in part a temporary problem until larger numbers of ethnic groups accumulate in new cluster areas and refugee community organisations are decentralised. However, the process of decentralisation will be contingent on available resources, as well as NASS's choice of areas for dispersal. The original policy on cluster areas sought to ensure that asylum-seekers would be dispersed to areas with existing ethnic communities or with the potential to develop community support. At present, the emphasis on procuring cheap accommodation means that this is often not the case. Some regional asylum consortia have attempted to rectify this, employing their own criteria for dispersing asylum-seekers within their region. Yorkshire and Humberside Regional Asylum Consortium, for example, tries to accommodate people in the same language or ethnic

³⁹ The Refugee Council's monthly magazine *InExile* provides overviews of problems faced by different communities.

groups.⁴⁰ However, those in private accommodation may remain cut off from community support as a result of NASS's accommodation-led approach.

In Germany, refugee and community groups have traditionally been more decentralised between *Länder* (Soysal, 1994, p.108–9), although certain communities are especially concentrated in a number of cities. For example, there is a strong Afghan community in Hamburg, a Palestinian community in Berlin, a Roma community in Cologne, while many Bosnians and Kosovans have settled in Bayern or Baden-Württemberg. However, Germany has no policy of promoting cluster areas, and population-based *Verteilung* creates particular difficulties for those dispersed to remote and rural areas, or to the new *Länder* which have less developed immigrant community groups. The practice of housing asylum-seekers in reception centres for the first three months and subsequently dispersing them between *Kreise* can further cut social links established during this initial period.

Moreover, asylum-seekers' freedom of movement is restricted to the *Kreis* in which they live. Movement outside this area is only possible with a travel permit, which can take several weeks to procure. The strictness in interpreting these provisions varies between *Länder* and *Kreise*, with some authorities only granting permits in exceptional cases – for example, if a close relative resident elsewhere is sick. Even where asylum-seekers are able to get a permit, they must finance any journey from the DM 80 per month they receive.

Accommodation

As Germany has no nationally defined minimum standards for accommodation of asylum-seekers, the quality and type of housing varies significantly between different *Länder*. *Verteilung* therefore means that some asylum-seekers have a much lower standard of housing than others. For example, Berlin and Brandenburg allow a minimum space of 6m² per person in reception centres; in Baden-Württemberg the minimum is 4.5m², and in Hessen there is no specified minimum at all. Reception centres and shared accommodation in some *Länder* house several hundred people together, sometimes in former army barracks cut off from the local population.

Shortly after the extension of *Verteilung* to the new *Länder* in 1990, asylum-seekers in Sachsen-Anhalt were accommodated in camps of up to 2,000 people. In Mecklenburg-Vorpommern, some asylum-seekers were housed in centres in the middle of forests, while in Lichtenhaven, Rostock, conditions were so over-crowded – 2.5m² space per person – that some asylum-seekers had to sleep outside in the grounds of the reception centre. Conditions in the new *Länder* have since improved, but serious problems remain with the standard of accommodation in many areas. There are also no national specifications on safety standards such as fire exits or smoke alarms, with each *Land* responsible for introducing their own provisions.⁴¹

⁴⁰ Interview with Liz Westmorland, Regional Asylum Consortium, Yorkshire and Humberside.

⁴¹ This has led to tragic incidents, such as the case of twelve people killed after a fire bomb attack on a reception centre in Lübeck in 1997: the victims were trapped in the building, which had no fire escape.

In the UK, there have been widespread problems with the standard of accommodation since the introduction of dispersal. Much of the housing supplied by private agencies has been sub-standard, with problems of overcrowding and buildings in a state of disrepair. The legal obligations of private suppliers are less developed than those for local authorities, and as yet there is no effective mechanism for registering complaints about property. The lack of security of tenure also means that asylum-seekers are often hesitant about complaining about conditions.⁴² Since summer 2000, NASS has been obliged to consult local authorities on properties with more than six bed spaces, but some private suppliers are able to evade this control by purchasing chains of smaller properties. The NASS provisions for inspection (carried out by its Croydon-based performance monitoring inspection team with a staff of 25, responsible for covering the whole of the UK – Roche, 29 January 2001, House of Common Hansard Debates, column 78W) are considered inadequate by voluntary agencies. Clearer standards for private accommodation, a more effective complaints procedure, and systematic local authority or NASS inspection of properties could address many of these problems.

Welfare, social assistance and education

As in the case of accommodation, there are significant variations in the quality of welfare and social assistance received in different German *Länder*. While *Verteilung* does not generally affect ease of access to benefits as such, it may result in wide discrepancies in the form of payment. Chapter 3 described how some *Länder* and *Kreise* provide assistance in the form of goods, others in vouchers, while others again switch to cash payments after three or more months.

Similarly, access to other forms of social assistance and support varies between *Länder*, with services generally better in places such as Hamburg and Bremen. The new *Länder* in particular have poorly developed facilities for counselling and mental health, and there is a serious lack of voluntary agencies specialised in providing advice and support to refugees. Asylum-seekers with critical mental health problems in Brandenburg or Mecklenburg-Vorpommern therefore have to rely on getting support from specialists in Berlin or Hamburg, which is not always possible given travel restrictions and failure to diagnose problems in the place of stay. Those with particularly critical mental or physical health problems may apply for *Umverteilung*, i.e. re-dispersal to another place where there is better access to support, but procedures are lengthy and subject to agreement by both *Länder* or, failing this, a successful legal appeal by the applicant. One exception concerns unaccompanied minors, who are not subject to *Verteilung* and reside in the area in which they lodged their application.

Health care is also generally more easily accessible in towns. In some remote rural areas, such as parts of Mecklenburg-Vorpommern, asylum-seekers may have to travel up to 50km to the nearest social services office (*Sozialamt*) to obtain a health certificate (*Krankenschein*) which enables them to get access to medical services.

⁴² Interviews with the Refugee Council, London.

Access to schooling also varies, as noted in Chapter 3. In *Länder* such as Mecklenburg-Vorpommern, which has a relatively low number of asylum-seekers, schools have limited experience of integrating non-nationals. Some schools have only one or two pupils from non-German backgrounds, and additional German teaching is not provided for pupils registering in the middle of a school year. Again, the situation tends to be better in towns, where there is usually a higher concentration of non-nationals. However, in some *Länder* with a relatively high proportion of non-nationals, schools have been reluctant to integrate asylum-seekers' children into their classes. Bayern has set up separate facilities for teaching asylum-seekers, while in Neumünster in Schleswig-Holstein children receive ten hours of teaching per week separately from other pupils, and in two age groups. In most *Länder*, children in reception centres have been considered to be exempt from *Schulpflicht*. In almost all *Länder*, children have financial difficulties with travel to school and affording adequate clothing and school materials.⁴³

In the UK, as in Germany, the level of welfare assistance for asylum-seekers is set nationally, so in principle dispersal should not affect the level of assistance. However, there have been major problems in the distribution of vouchers to asylum-seekers following dispersal. In many cases, booklets for collecting vouchers have been sent to the wrong address or have arrived several weeks late. Asylum-seekers in emergency accommodation pending review of their NASS applications only receive assistance in kind and have no right to benefits or other forms of social support. The long delays in allocating accommodation – usually more than 40 days – therefore create serious welfare problems for asylum-seekers who have no access to cash or vouchers, health care or social services.

All regions in the UK should, in principle, provide consistent levels of social services support to asylum-seekers. In practice, dispersal has led to a deterioration in the level of support for many asylum-seekers, including inferior access to health services, with some doctors turning asylum-seekers away, and a lack of staff specialised in the mental health problems of refugees. There have been moves to rectify some of these problems. For example, the Medical Foundation for the Care of the Victims of Torture and the Refugee Council have launched a programme called 'Breathing Space' to train medical staff on the mental health needs of refugees and victims of torture. But the development of decentralised services and training of personnel is hindered by the lack of resources.

Other problems arise because of poor communication with particular areas regarding the needs of asylum-seekers. Local authorities and voluntary agencies have complained that information on the physical and mental health and the special needs of asylum-seekers is insufficient. Voluntary agencies are often overstretched, with NASS-funded services provided by non-governmental organisations usually operating with around five staff in each of the ten regions. These one-stop centres are intended to provide a range of social support services for asylum-seekers, including legal and social services, language training and recreational activities, and distribution of clothes and food parcels. In practice, they are limited to responding to problems with accommodation and advising refugees on where they can gain access to support. They also have difficulties covering the whole of their regions. Access to social services is often especially problematic for those dispersed to privately supplied accommodation, with some landlords simply distributing lists of contact addresses.

⁴³ Interview with Georg Classen, *Flüchtlingsrat*, Berlin.

Legal services

One of the most serious consequences of dispersal are the obstacles it creates to accessing adequate legal support. In Germany, asylum-seekers are in principle entitled to legal assistance, but in practice most need to find their own funds to cover legal expenses, with state reimbursement only possible after an application has been successful. Only high-profile cases or those with a high likelihood of being successful are taken up by UNHCR or refugee organisations.

Verteilung makes access to legal assistance even more problematic. Most qualified refugee lawyers are based in large cities such as Berlin, Frankfurt, or Hamburg, and legal services in rural areas and the new *Länder* are still underdeveloped. Asylum-seekers may be allowed to register with a lawyer in another *Kreis* or *Land* – for example, around 90% of asylum-seekers in Brandenburg who have legal support are registered with lawyers in Berlin.⁴⁴ Given the fact that asylum-seekers are obliged to stay within the *Kreis* or *Land* in which they are staying (*Residenzpflicht*), they need to obtain a travel permit to attend meetings or risk travelling illegally, and there are no funds provided for travel expenses.

While compliance with rules on *Verteilung* and *Residenzpflicht* cannot, in principle, affect asylum-seekers' applications for refugee status, it can nonetheless create problems with various aspects of the procedure. Dispersal usually involves at least one or two changes of address, which can mean that the authorities lose track of where applicants are staying and letters do not arrive on time or fail to arrive at all. This can be especially problematic in the case of letters informing the applicant of a rejection of their application, as the deadline for registering an appeal is limited to one week.

In the UK, access to legal advice is rendered more difficult by the move from emergency accommodation – often in London – to dispersal areas. The NASS provisions originally foresaw that asylum-seekers would spend seven to ten days in emergency accommodation, creating problems with getting legal advice for lodging applications. So-called 'statement of evidence forms' must be submitted within the first two weeks of requesting asylum, so in theory asylum-seekers would have to move away from the place of legal support in the middle of preparing an application. In practice, delays in dispersal have obviated this problem, but have hindered access to lawyers at subsequent stages of the asylum procedure. Where asylum-seekers are unable to register with lawyers in dispersal areas, NASS has agreed to fund asylum-seekers' travel to meetings with lawyers in other parts of the country. In practice, refugees and voluntary agencies have reported widespread problems with the delivery of travel vouchers, which in up to seven cases out of ten do not arrive on time or are sent to the wrong address (Refugee Council, 2000b). Partly as a result of these problems dispersal has created, the rate of rejections on grounds of non-compliance – for example, failure to appear on time to an interview – has risen dramatically. While in 1999 non-compliance accounted for only 1–4% of refusals, non-compliance refusals increased to over 35% between August and October 2000 (Refugee Council, 2000b).

⁴⁴ Interview with Georg Classen, *Flüchtlingsrat*, Berlin.

Racial harassment

Greater exposure to racist abuse is also a problem for asylum-seekers under dispersal schemes. As discussed in Chapter 4, dispersal to areas with serious socio-economic problems and communities not accustomed to receiving other ethnic groups often triggers racist attacks, for reasons outlined earlier. Victims of such attacks often receive inadequate assistance. In the UK, an asylum-seeker who has been abused must stay where he or she is until NASS investigates the complaint – even if the abuse continues – otherwise he or she will lose the right to assistance with accommodation (Refugee Council, 2000b). There are also reports of victims of attacks who have returned to London in a severely traumatised condition but receive no subsequent counselling or social support (Refugee Council, 2000b, p.21–23).

Germany has legal provisions for victims of attack to obtain financial compensation, and the law does in principle apply to asylum-seekers after the first six months of their application. However, victims of racial attacks are only allowed to move to another area in exceptional cases. There is a counselling centre for victims of racial attacks in Brandenburg, but no equivalent service exists in other *Länder*. Thus in most cases victims must stay in the place where they have been attacked, with no access to additional social support.

7 Conclusions

This report has examined the impact of dispersal policies from two main perspectives: their effectiveness in achieving asylum policy goals and their impact on asylum-seekers. Drawing on the analysis of Chapters 3 to 6, what conclusions can be drawn about the effectiveness and desirability of dispersal policies?

Assessing the effectiveness and impact of dispersal

Evaluating the effectiveness of German *Verteilung*

German provisions on dispersal and free movement of asylum-seekers are among the most restrictive in Europe. It is difficult to establish to what extent they serve to deter asylum-seekers, although they probably facilitate control over stay and return. The severity of *Verteilung* has adverse effects not only on the rights of asylum-seekers, but also on inter-ethnic relations. Where asylum-seekers are dispersed to remote areas with little experience of living with other ethnic groups, or to areas with high unemployment and poverty, they are far more likely to become the object of racial harassment. Moreover, the policy of accommodating asylum-seekers in reception centres and collective housing is more costly than private accommodation, and makes asylum-seekers more visible and thus a target of hostility.

While *Verteilung* in Germany certainly does not reduce social tensions, it does serve to distribute costs between *Länder*. This reduces pressure on accommodation and other social services in larger cities where asylum-seekers would otherwise be concentrated. However, inter-*Länder* dispersal is based solely on population levels, ignoring the relative wealth of different regions and their capacity to receive asylum-seekers. This creates disproportionate pressure on poorer *Länder*, which often have greater problems providing adequate reception facilities and managing social tensions caused by the presence of asylum-seekers. These imbalances are likely to become more pronounced as labour shortages in some of the wealthier *Länder* mean that asylum-seekers will be more likely to find work, and thus relieve pressure on the welfare system.

Recommendations

1. One way of redressing these imbalances would be to incorporate *per capita* income in the *Länder* into the distribution criteria. Alternatively, some form of financial grant could be considered to help with receiving and providing assistance to refugees in less wealthy *Länder*.
2. *Länder* could also consider developing some concept of clustering in towns rather than dispersal to remote *Kreise*, as well as greater use of private accommodation. This would reduce costs and the number of disappearances, as well as helping to alleviate social tensions.

Assessing the UK dispersal system

In principle, the UK dispersal system should help reduce the pressures created by the concentration of asylum-seekers in the South East. Under the right conditions, dispersal to cluster areas could also allow asylum-seekers to have better access to accommodation and services. However, problems with the new NASS arrangements mean that many asylum-seekers are not receiving adequate support in dispersal areas, and dispersal has not yet significantly reduced pressure on the South East. Some of these deficiencies may be transitional and some problems – such as inaccurate information on asylum-seekers who have been dispersed; poor communications between NASS, regional asylum consortia and voluntary agencies; and inadequate provisions for inspecting property – are capable of being improved. However, other problems – for instance pressure on emergency accommodation and dispersal to unsuitable accommodation – are linked to the structure of NASS and dispersal procedures. In particular, the centralised procedure for applications for NASS support creates substantial delays. NASS contracts with private suppliers have also proved to be problematic, leading to difficulties with the standard and location of accommodation, and to inadequate support for asylum-seekers.

Finally, the low participation rate in the scheme has meant that over half of all asylum applicants opt to stay in London. This has had the effect of reducing costs, but fails to ease pressure in the South East. The situation may improve as dispersal facilitates the development of communities of asylum-seekers and refugees outside London, thus providing more of an incentive to move. However, this is likely to be a fairly long-term process.

Recommendations

1. The Home Office could consider alternative options for implementing dispersal, such as organising for applicants to travel to dispersal regions immediately following the submission of their application. Regional asylum consortia and voluntary agencies could then house people in emergency accommodation pending review of applications, and subsequently disperse asylum-seekers to appropriate cluster areas. This would mean administering dispersal via the consortia, which would liaise with local authorities and private accommodation suppliers to arrange accommodation. This would represent a move towards the German structure of initial stays in reception centres and subsequent dispersal within regions.
2. NASS should implement the ‘cluster area’ approach as originally developed, taking into account the existence of ethnic communities and support arrangements in areas of dispersal. Additional funding could also be made available to assist in developing voluntary agency, legal and ethnic community groups in dispersal areas.

The impact of dispersal on main policy goals

This report has illustrated the impact of dispersal in Germany and the UK on the main goals of the two countries’ asylum policy:

- *Spreading socio-economic costs:* Dispersal can be successful in spreading the costs of health, education and local government services, as well as reducing pressures on accommodation. However, physical dispersal is not the most efficient means of redistributing costs that are financially reimbursable, such as cash benefits or vouchers and rent.

- *Reducing social tensions.* If dispersal is not sensitively handled, it can create substantial additional tensions in new receiving areas. On balance, dispersal systems are likely to augment rather than reduce social problems related to the reception of asylum-seekers.
- *Deterrence:* There is little evidence that dispersal has a deterrent effect, although any comprehensive assessment would need to be based on more extensive research.
- *Control of stay and return:* Dispersal combined with restricted freedom of movement or accommodation in reception centres can allow local authorities to exercise more control over asylum-seekers. However, the harsh nature of these restrictions leads to a greater number of disappearances.
- *Aggregate costs:* Where asylum-seekers are given the choice to opt out of a dispersal system if they forgo housing support, dispersal can reduce the costs of accommodating asylum-seekers, although this can also create extra costs for local authorities where they are concentrated.

Burden-sharing in the EU?

The possibility of sharing the costs associated with receiving asylum-seekers between EU states has been debated in various forms since the mid-1990s. While the issue of inter-state burden-sharing raises somewhat different issues from those raised by national policies, it is worth considering what lessons can be drawn from experiences in Germany and the UK.

Discussions at the EU level have tended to emphasise two main rationales for an inter-state burden-sharing system:

1. Burden-sharing is seen as a way of redressing the perceived imbalances between member states in receiving asylum-seekers and refugees. Some states have argued that burden-sharing would be a good means of redistributing the costs of reception and assistance between countries – an argument which echoes the rationale for dispersal at national level.
2. It has been argued that burden-sharing would help reduce the phenomenon of ‘country shopping’, i.e. asylum-seekers moving illegally between member states in order to select the country with the best reception conditions or prospects for recognition. Apart from the problems linked to trafficking and irregular movement, country shopping is perceived to have encouraged competition between states to reduce standards of reception and tighten recognition criteria, potentially undermining standards of international refugee law.

Proposals to address these two problems of distribution and country shopping have taken three main forms:

- Measures to disperse asylum-seekers or those under temporary protection between EU states
- Financial flows to assist countries receiving a large number of asylum-seekers
- Common standards to ensure a ‘level playing field’ between states in terms of reception conditions and criteria for recognition.

Germany in particular was keen to promote some form of physical burden-sharing in the 1990s, although progress has been limited. German plans were originally quite ambitious: in July 1994, while holding the presidency of the EU, Germany proposed a resolution under which people under temporary protection would be dispersed between EU states according to three criteria: population, size of territory, and GDP (Council of the European Union, 1994). The proposal in its original form proved too controversial, with states reluctant to agree to a fixed formula for distribution. There was also substantial criticism from UNHCR and voluntary agencies over the human rights implications of physically dispersing asylum-seekers or displaced persons between different states. The proposal did, however, lead to a considerably diluted Council Resolution in September 1995, which outlined some of the considerations to be taken into account in determining how displaced persons could be 'shared on a balanced basis in a spirit of solidarity' (Council of the European Union, 1995).

Progress has been somewhat greater in developing EU funds to assist states in the reception and integration of asylum-seekers and refugees. In 1997, the EU established a modest fund for distributing grants to member states to support projects for asylum-seekers, refugees and displaced persons. This was extended in September 2000 to establish a European Refugee Fund with a budget of Euro 26 million. The fund is designed to provide financial support proportionate to the numbers of asylum-seekers and refugees received by states, and to assist states with less developed facilities in improving their reception infrastructure and services. It aims to respond to the two main rationales for EU burden-sharing: compensating states which receive a disproportionate burden, and promoting the convergence of reception standards in EU states to minimise country shopping.

Developing common standards is currently high on the EU agenda. The Amsterdam Treaty and subsequent European Councils have stressed the need to 'promote a balance of efforts between Member States' in the reception and treatment of asylum-seekers and displaced persons, focusing primarily on measures to harmonise EU asylum policies.⁴⁵ The UK is a strong advocate of such harmonisation, believing that common standards will reduce incentives for asylum-seekers to choose the UK as a destination. Germany has also supported such measures in the past, but has recently become more reticent in its support – arguably because harmonisation would now imply raising reception standards and possibly expanding the criteria for recognising refugees.

However, it should be stressed that common standards will not in themselves guarantee a 'balance of efforts' between states. This report has argued that the most significant determinants of choice of country are probably unrelated to national legislation: networks, labour market conditions, and linguistic or historical ties are likely to be more important considerations than standards of reception. This implies that countries like the UK and Germany, which are now receiving a relatively high number of asylum-seekers, might do well to consider more extensive provisions for financial redistribution based on numbers of asylum-seekers and refugees.

⁴⁵ Treaty of Amsterdam, October 1997; Presidency Conclusions of the Vienna and Tampere European Councils, December 1998 and October 1999 respectively .

In sum, the possibility of physical dispersal of asylum-seekers between EU states has rightly been side-lined as a possible form of European burden-sharing.⁴⁶ Not only would it imply immense hardship for asylum-seekers, it would also create huge administrative and logistical problems, higher aggregate costs and a substantial rise in disappearances. Measures to harmonise standards are less controversial, and should be welcomed as a means of avoiding a downward spiral of standards between states. However, harmonisation of standards needs to be combined with more substantial redistribution of costs between states based on the numbers of asylum-seekers and recognised refugees. Criteria for cost distribution should take into account both the total numbers of asylum-seekers and refugees and national GDP. Given the trend towards sub-regional dispersal in many EU states, cost distribution could also take the form of assistance to regions rather than central government. This would help rectify some of the imbalances in costs, both between EU states and between sub-national units.

⁴⁶ One exception may be the physical dispersal of those under resettlement or humanitarian evacuation schemes, arriving in Europe for the first time after being granted temporary protection or refugees status. This type of approach was adopted for the 1999 Kosovo humanitarian evacuation programme, which was based on a loose, voluntary concept of burden-sharing. The UK's Home Secretary, Jack Straw, has also recently proposed some form of quota distribution system for candidates for resettlement.

Bibliography

Legislation and policy documents

Audit Commission for Local Authorities and the National Health Service in England and Wales (2000) *Another Country: Implementing Dispersal under the Immigration and Asylum Act 1999*. Abingdon: Audit Commission.

Brandenburg Ausländerbeauftragte (1994). *... und es kamen Menschen: Bericht der Ausländerbeauftragten 1991–94*. Potsdam: Brandenburg Ausländerbeauftragte.

Bundesamt für die Anerkennung ausländischer Flüchtlinge (2000). *Asyl in Zahlen*. Berlin: Bundesamt für die Anerkennung ausländischer Flüchtlinge.

Bundesrat (2000a) *Entwurf eines Gesetzes zur Änderung des Ausländergesetzes*. Gesetzesantrag des Landes Nordrhein-Westfalen, Drucksache 706/00 (8 November). Berlin: Bundesrat.

Bundesrat (2000b) *Entwurf eines Gesetzes zur Änderung des Ausländergesetzes*. Gesetzesantrag des Landes Sachsen-Anhalt, Drucksache 706/2/00 (20 December). Berlin: Bundesrat.

Commission for Racial Equality (2000) *Asylum-Seekers and Race Relations: The Commission for Racial Equality's View*. Accessed at <http://www.cre.gov.uk/misc/Asylnote.html>

Council of the European Union (1994) *Draft Council Resolution on Burden-Sharing with Regard to the Admission and Residence of Refugees 7773/94 ASIM 124* (July). Brussels: Council of the European Union.

Council of the European Union (1995) *Council Resolution on Burden-Sharing with Regard to the Admission and Residence of Displaced Persons on a Temporary Basis ASIM 204* (25 September). Brussels: Council of the European Union.

Council of the European Union (2000) *Council Decision Creating a European Refugee Fund 2000/596/EC* (28 September). Brussels: Council of the European Union.

Danish Refugee Council (2000) *Report on Legal and Social Conditions for Asylum-Seekers and Refugees in West European Countries*. Accessed at <http://www.ecre.org/policy/drc>

European Justice and Home Affairs Council (1999) *Presidency Conclusions* (October). Tampere: European Justice and Home Affairs Council.

Home Office (1998) *Faster, Fairer, Firmer: A Modern Approach to Asylum and Immigration*, White Paper (July). London: The Stationery Office.

Home Office (2001) 'International Asylum System Needs Reform – Straw', news release (6 February). London: Home Office.

Home Office Immigration and Nationality Directorate (1999), *Process Manual for the Asylum Support System* (17 February). London: Home Office Immigration and Nationality Directorate.

House of Commons, *Hansard Debates*. Accessed at <http://www.parliament.the-stationery-office.co.uk>

Migrant News (February 2001) – email newsletter, home page <http://www.migration.ucdavis.edu>

Oberverwaltungsgericht Nordrhein-Westfalen. Beschluss 17B 1462.91.A, 10.10.91. Published in *Informationsbrief Ausländerrecht*, 1, 1992.

Inter-Governmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia (1996) *Reception in the Region of Origin*. Geneva: Inter-Governmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia.

Inter-Governmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia (1997) *The Concept of Burden-Sharing: A Preliminary Study*. Geneva: Inter-Governmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia.

Kontakt- und Beratungsstelle für außereuropäische Flüchtlinge (1991) 'Schluss mit der Zwangsverteilung', *Zeitungsprojekt antirassistischer und antifaschistischer Gruppen*. Berlin: Kontakt- und Beratungsstelle für außereuropäische Flüchtlinge.

Koordination Flüchtlinge (1998) *Schwarzbuch Asyl: Lager, Verteilung, Abschiebung*. Hamburg: Koordination Flüchtlinge.

Refugee Council (1998) *Briefing on the Government's Immigration and Asylum White Paper*. London: Refugee Council.

Refugee Council (2000a) *Annual Report*. London: Refugee Council.

Refugee Council (2000b) *InExile*, December 2000. London: Refugee Council.

Refugee Council (2000c) *InExile*, Refugee Council journal, October – November 2000. London: Refugee Council.

Refugee Council/Breathing Space (2001) *Social Policy Bulletin*, January 2001

T&G, Oxfam, Refugee Council, the Asylum Rights Campaign and Body Shop (2000). *Token Gestures: The Effects of the Voucher Scheme on Asylum-seekers and Organisations in the UK*. Submission to the Home Office Review of the voucher system.

United Nations High Commission for Refugees (2000) *United Kingdom Country Survey* (July). Accessed at <http://www.unhcr.ch/issues/asylum/eustandards0007/>

United Nations High Commission for Refugees (2000) *Germany Country Survey* (July). Accessed at <http://www.unhcr.ch/issues/asylum/eustandards0007/>

United Nations High Commission for Refugees (2001) *Asylum Applications Submitted in Europe, 2000* (January). Accessed at <http://>

Literature

Angenendt, S. (1999) 'Migration weltweit', *Internationale Politik*, 4, 54, 1–10.

Baumüller, P., Brunn, B., Fritz, R. and Hillmann, B. (1983) *Kommentar zum Asylverfahrensgesetz vom 1. August 1982*. Neuwied and Darmstadt: Luchterhand.

Blanke, B. (ed) (1993) *Zuwanderung und Asyl in der Konkurrenzgesellschaft*. Opladen: Leske und Budrich.

Böcker, A. and Haviger, T. (1997) *Asylum Migration to the European Union: Patterns of Origin and Destination*. Brussels: European Commission.

Bosswick, W. (2000) 'Development of Asylum Policy in Germany', *Journal of Refugee Studies*, 13, 1, 43–60.

Boswell, C. (2000) 'European Values and the Asylum Crisis', *International Affairs*, 76, 3, 537–58.

Classen, G. (2000) *Menschenwürde mit Rabatt: Leitfaden und Dokumentation zum Asylbewerberleistungsgesetz*. Karlsruhe: PRO ASYL, Loeper Verlag.

Crisp, J. (1999) 'Policy Challenges of the New Diasporas: Migrant Networks and their Impact on Asylum Flows and Regimes', *UNHCR Working Paper 7* (May). Geneva: UNHCR.

Gegenwart, M. (1998) *Die Sozialrechtliche Stellung des Asylbewerbers in Frankreich und Deutschland*. Frankfurt am Main: Peter Lang.

Glover, S., Gott, C., Loizillon, A. Portes, J., Price, R., Spencer, S., Srinivasan, V. and Willis, C. (2001) *Migration: An Economic and Social Analysis*. Home Office Research, Development and Statistics Directorate, Occasional Paper no. 67. London: Home Office.

Göbel-Zimmermann, R. (1999) *Asyl- und Flüchtlingsrecht*. Munich: C. H. Beck'sche Verlagsbuchhandlung.

Gordenker, L. (1987) *Refugees in International Politics*. London: Croom Helm.

Hainsworth, P. (ed) (2000) *The Politics of the Extreme Right: From the Margins to the Mainstream*. London and New York: Pinter.

Heitmeyer, W. (1993) 'Die Maßnahmen gegen Fremdenfeindlichkeit gehen an den Ursachen vorbei', in Blanke, B. (ed) *Zuwanderung und Asyl in der Konkurrenzgesellschaft*, 151–180. Opladen: Leske and Budrich.

Hofmann, T. (1984) *Abgelehnt, Ausgewiesen, Ausgeliefert: Dokumentation zum Hearing über die soziale und rechtliche Lage der Asylbewerber in West Berlin (20–22 January 1984)*. Göttingen: Gesellschaft für bedrohte Völker and Flüchtlingsrat Berlin.

Ignazi, P. (1997) 'The Extreme Right in Europe: A survey', in Merkl, P.H. and Weinberg, L. (eds) *The Revival of Right-Wing Extremism in the 1990s*, 47–64. London and Portland, OR: Frank Cass.

Joly, D. (1996) *Haven or Hell? Asylum Policies in Europe*. Basingstoke and London: Macmillan Press.

Joppke, C. (1999) *Immigration and the Nation-State: The United States, Germany, and Great Britain*. Oxford and New York: Oxford University Press.

Knopp, A. (1994) *Die deutsche Asylpolitik*. Münster: Agenda Verlag.

Kushner, T. and Knox, K. (1999) *Refugees in an Age of Genocide*. London: Frank Cass.

Laufer, H. and Münch, U. (1998) *Das föderative System der Bundesrepublik Deutschland*. München: Wilhelm Fink.

Loescher, G. (1993) *Beyond Charity: International Cooperation and the Global Refugee Crisis*. Oxford and New York: Oxford University Press.

Marrus, M. (1985) *The Unwanted: European Refugees in the Twentieth Century*. Oxford and New York: Oxford University Press.

Marshall, B. (1996) *British and German Refugee Policies in the European Context*. London: Royal Institute of International Affairs.

Martin, P. (1994) 'Germany, reluctant land of immigration', in Cornelius, W.A., Martin, P.L. and Hollifield, J.F. (eds) *Controlling Migration: A Global Perspective*. Stanford, CA: Stanford University Press.

Marx, R. (1991) *Asylrecht Band 3: Rechtsprechungssammlung mit Erläuterungen*. Baden-Baden: Nomos Verlagsgesellschaft.

Melotti, U. (1997) 'International migration in Europe: Social projects and political cultures', in Modood, T. and Werbner, P. (eds) *The Politics of Multiculturalism in the New Europe: Racism, Identity and Community*. London: Zed Books.

Merkl, P.H. (1997) 'Why are they so strong Now? Comparative reflections on the revival of the Radical Right in Europe', in Merkl, P.H. and Weinberg, L. (eds) *The Revival of Right-Wing Extremism in the 1990s*, 17–46. London and Portland, OR: Frank Cass.

Merkl, P.H. and Weinberg, L. (eds) (1997) *The Revival of Right-Wing Extremism in the 1990s*. London and Portland, OR: Frank Cass.

Minkenberg, M. (1997) 'The New Right in France and Germany: Nouvelle Droite, Neue Rechte, and the New Right radical parties', in Merkl, P.H. and Weinberg, L. (eds) *The Revival of Right-Wing Extremism in the 1990s*, 65–90. London and Portland, OR: Frank Cass.

Morrison, J. (2000) *The Trafficking and Smuggling of Refugees: The End Game in European Asylum Policy* (July). Geneva: UNHCR.

Mudde, C. and Baches, U. (2000) 'Germany: Extremism without successful parties', *Parliamentary Affairs* 53, 457–68.

Oberndörfer, D. (2000) 'Rückkehr zum Gastarbeitermodell? Weichenstellungen in der Einwanderungspolitik', *Blätter für Deutschland und internationale Politik* 11, 1335–44.

Pfahl-Traughber, A. (2000) 'Die Entwicklung der Rechtsextremismus in Ost- und Westdeutschland', *Aus Politik und Zeitgeschichte*, vol 39, 3–14.

Piotrowicz, R. (1998) 'Facing up to refugees: International apathy and German self-help', *International Journal of Refugee Law* 10, 3, 410–43.

Rediske, M., Seibel, A. and Worm, T. (1993) 'Rostock, Mölln, Solingen: Nachbarn und Mörder', 1/93. Frankfurt am Main: Taz-Journal.

Regan, S. (2000) 'Every day lives of city's refugees', *Hull Daily Mail* (9 November).

Rethmann, A.-P. (1996) *Asyl und Migration: Ethik für eine neue Politik in Deutschland*. Münster: Lit Verlag.

Rittstieg, H. (ed) (2001) *Deutsches Ausländerrecht*. Munich: Deutscher Taschenbuch Verlag.

Rotte, R. (2000) 'Immigration control in united Germany: Toward a broader scope of national policies', *International Migration Review*, 357–89.

Schuster, H. (ed) (1991) *Dokumentation zur Flucht von Asylsuchenden aus den ostdeutschen Bundesländern*, vols 1 & 2. Frankfurt: Frankfurter Flüchtlingsbeirat.

Schwarz, T. (1999) 'The reception of refugees in the Federal Republic of Germany: An example of a decentralized system', paper presented at the Refugees in the Region conference, Cardiff, 11–12 November 1999.

Soysal, Y.N. (1994) *Limits of Citizenship: Migrants and Postnational Membership in Europe*. Chicago and London: University of Chicago Press.

Stein, R.M., Post, S.S. and Rindon, A.L. (2000) 'Reconciling context and contact effects on racial attitudes', *Political Research Quarterly*, 53, 2, 285–303.

Thoma, A. (1990) *Die Verteilung und Unterbringung von Asylbewerbern in der Bundesrepublik Deutschland unter besonderer Berücksichtigung der Lage der Kommunen*. Mainz: Johannes-Gutenberg-Universität.

Witte, R. (1996) *Racist Violence and the State: A Comparative Analysis of Britain, France and the Netherlands*. London and New York: Longman.

Wolken, S. (1987) *Das Grundrecht auf Asyl als Gegenstand der Innen- und Rechtspolitik in der Bundesrepublik Deutschland*. Frankfurt am Main: Peter Lang.

Wollenschläger, M. and Beitz, W.G. (1981) *Handbuch des Asylrechts*, vol 2: *Verfahren, Rechtsstellung und Reformen*. Baden-Baden: Nomos Verlagsgesellschaft.

Interviews

Alison Basset, Refugee Council, Leeds.

Georg Classen, *Flüchtlingsrat*, Berlin.

Peter Durbin, Head of Policy, and Lesley Duff, Principle Research Officer, National Asylum Support System (NASS), Home Office, London.

Volker Grosse, *Referent für die Belange der Ausländer und Aussiedler*, Büro des Bürgerbeauftragten des Landes Mecklenburg-Vorpommern.

Alison Harvey, Advocacy Officer, Medical Foundation for the Care of Victims of Torture, London.

Anette Köppinger, *Flüchtlingsrat*, Schwerin, Mecklenburg-Vorpommern.

Michael Maier-Borst, *Büro der Ausländerbeauftragten der Bundesregierung*, Bundesministerium für Arbeit und Sozialordnung, Berlin.

Bharti Patel, Policy Advisor – Social Welfare, and Julia Purcell, Inter-Agency Co-ordinator for Kosovo, British Refugee Council, London.

Dr. Thomas Schwarz, European Migration Centre, Berlin.

Nick Scott-Flynn, independent consultant on refugee issues, London.

Liz Westmorland, Asylum Services Manager, Regional Asylum Consortium, Yorkshire and Humberside.

Also published by the Anglo-German Foundation

Performance-related pay and the public services: A comparison of recent approaches to reform in Germany and Great Britain

David Marsden, Dieter Sadowski, Stephen French and Karin Richertz

In Germany and Great Britain, public sector pay systems, pay determination and public management have been put under severe pressure by the drive to increase efficiency and the squeeze on public expenditure. This study examines the nature and effectiveness of the new policies on pay systems and performance management in helping to achieve these objectives in the two countries.

April 2000 ISBN 1-900834-21-9 39pp £12.00

Unpaid work in the workplace: A comparison of Germany and the UK

David N.F. Bell, Alessandro Gaj, Robert A. Hart, Olaf Hübler and Wolfgang Schwerdt

There is a widespread belief that British workers spend more time at work than their Continental counterparts. This study confirmed the belief at least for comparisons between Germany and the UK. The research concentrated on unpaid overtime which is an important phenomenon in the UK, where there are approximately as many unpaid overtime hours worked as there are paid overtime hours.

March 2001 ISBN 1-900834-22-7 59pp £12.00

The public interest and the company in Germany and Britain

Shawn Donnelly, Andrew Gamble, Gregory Jackson and John Parkinson

The study focuses on the question of how the public interest has been defined in relation to the company in Britain and Germany. The report compares the different political and legal assumptions on which the company has been based in the two countries and linking this to different understandings of the public interest with regard to company behaviour and regulation.

March 2001 ISBN 1-900834-24-3 75pp £12.00

Economic restructuring, urban change and policy in the Ruhr and Merseyside, 1978-1998

Edited by Chris Couch and Hermann Bömer

Over the last three decades, both the Ruhr and Merseyside regions have experienced substantial economic restructuring and urban change. Whilst there have been significant differences in policy responses, governments in both regions have sought to promote urban regeneration and enhance the environment. It is the nature of these policy responses that is reviewed and compared in this publication.

April 2001 ISBN 1-900834-23-5 97pp £12.00

Unemployment and the insurance compensation principle in Britain and Germany

Andreas Cebulla, Hubert Heinelt and Robert Walker

The report examines whether risk perceptions and knowledge about national welfare provisions influence preferences for the private or public provision of social security. Whilst policies of curtailing public welfare and of 'crowding in' private provision have met with some success in Britain, private welfare has been more difficult to implement in Germany.

May 2001 ISBN 1-900834-23-5 £12.00