

What are the costs of reintroducing border controls?



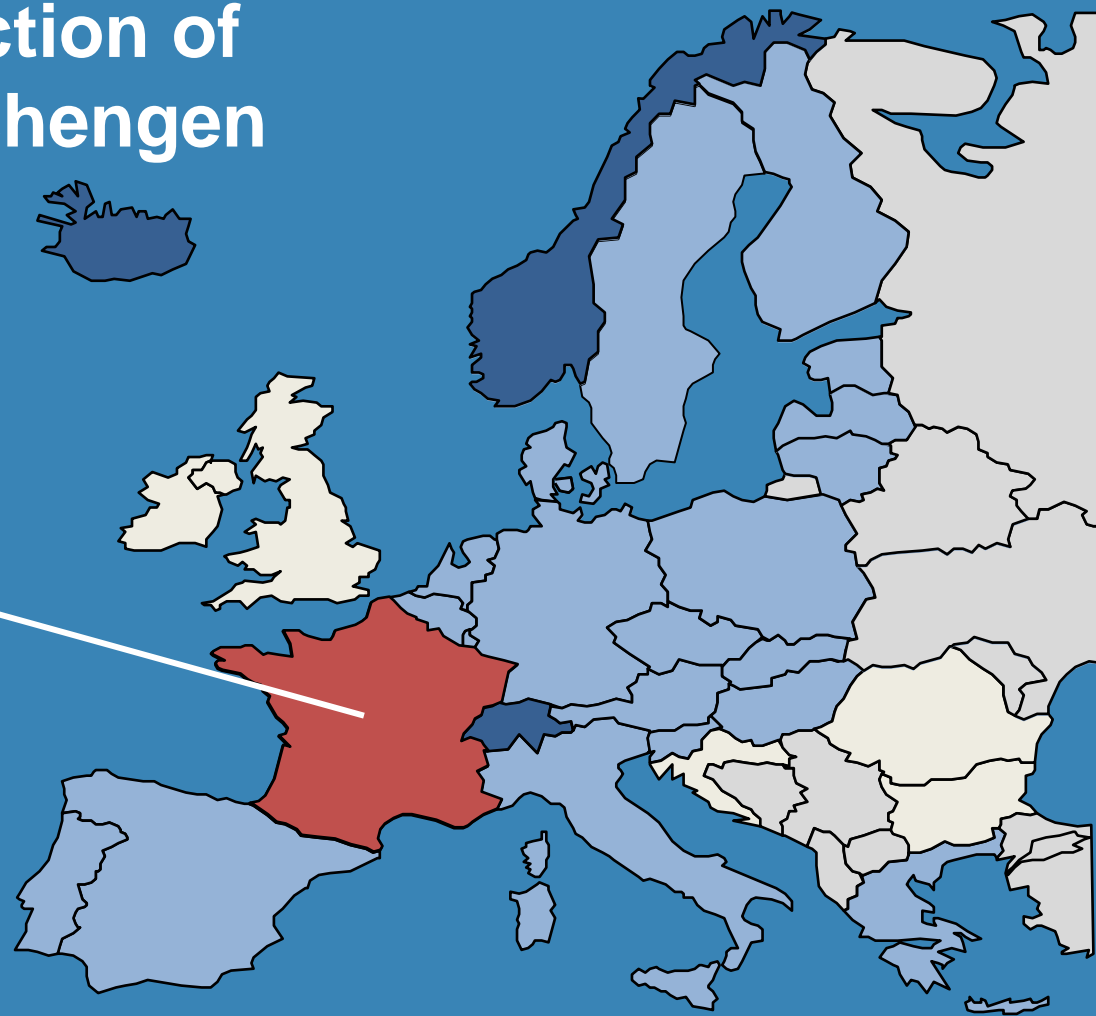
EUROPE

Marco Hafner
GLOBSEC | 3 March 2020

Temporary re-introduction of controls at internal Schengen borders

France

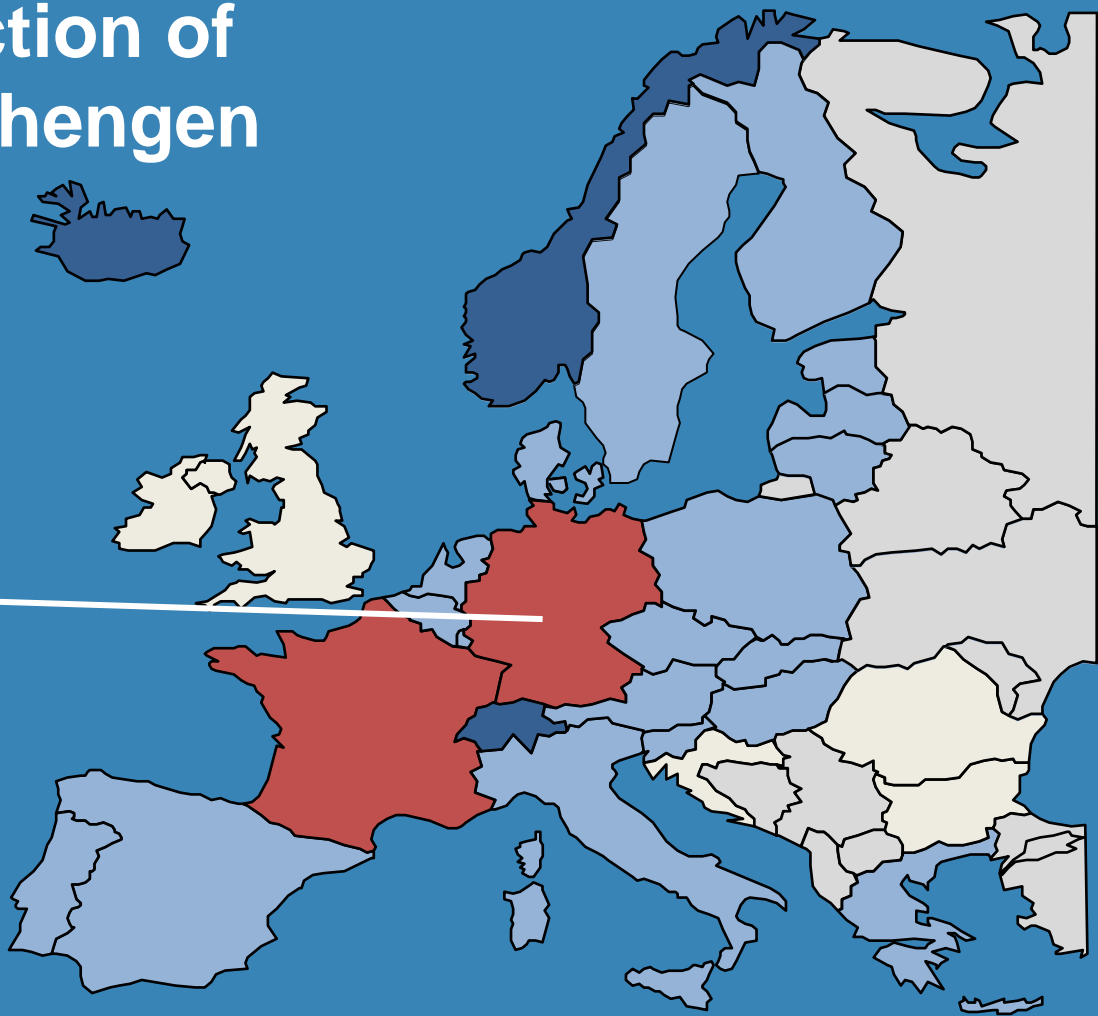
All borders:
Nov 2015 –



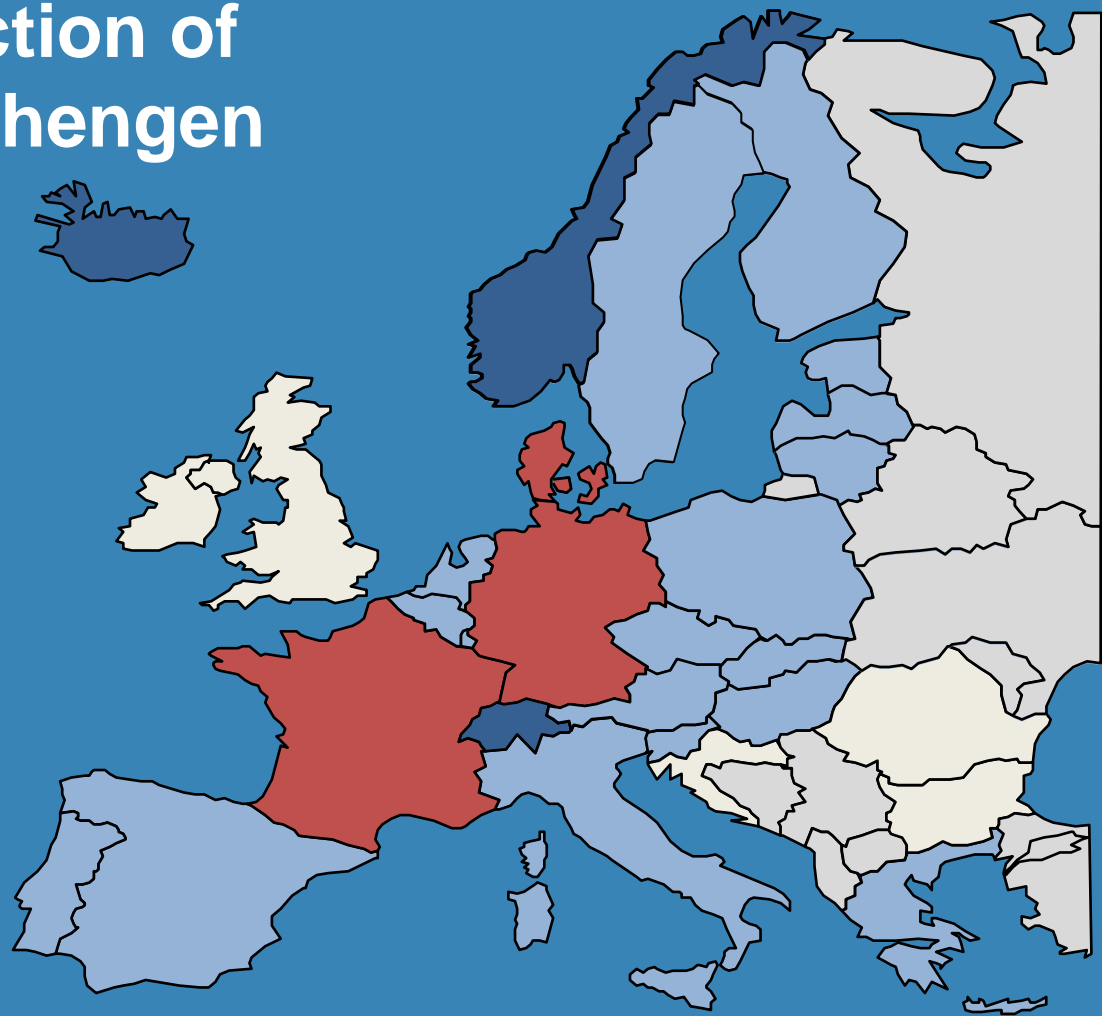
Temporary re-introduction of controls at internal Schengen borders

Germany

Land border with
Austria:
Nov 2016 –



Temporary re-introduction of controls at internal Schengen borders



But re-introducing border controls will come at a cost



Economic costs

Trade, commuting,
and tourism



Administrative costs

Costs for the public sector:
Infrastructure and managing
costs



Social and political impacts

Security, crime,
and trust

But re-introducing border controls will come at a cost



**Economic
costs**



Economic costs: commuting, trade, tourism studies

Commuting



Time delays impact on commuting workers in the Schengen area

€ 3-4 bn a year
€ 1.6 – 6.1 bn a year

Road freight/Trade



Extra time impact on trade and movements of goods and services

€ 6.5 - 13 bn a year (delays)
> € 100 bn in 10 years (trade)

Tourism



Impact on revenue from short-term visits

€ 0.5 to 1 bn a year
€ 0.02-0.05 bn a year

But re-introducing border controls will come at a cost



**Administrative
costs**



Fixed costs of re-establishing border controls



Operating and maintenance costs



What does this mean for the administrative costs?

Scenario 1

2-year suspension
5 countries

FIXED COSTS



OPERATING COSTS



< €0.2 bn

Scenario 2

2-year suspension
all countries

€0.06 bn – €0.1 bn

€2.2 bn – €3.6 bn

Scenario 3

Indefinite suspension
all countries

€7.4 bn – €19.7 bn

< 0.16% of GDP

€2.2 bn – €3.6 bn

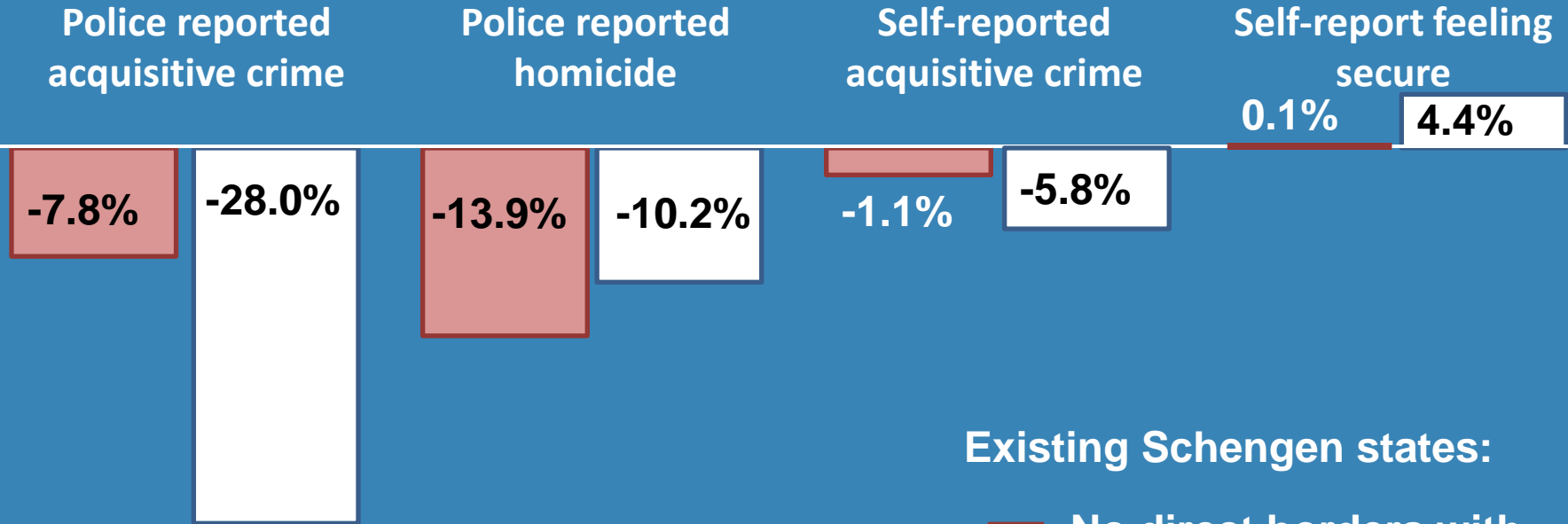
< 0.03% of GDP

But re-introducing border controls will come at a cost





What about cost
of crime?

Trends in crime statistics since 2007 Schengen expansion

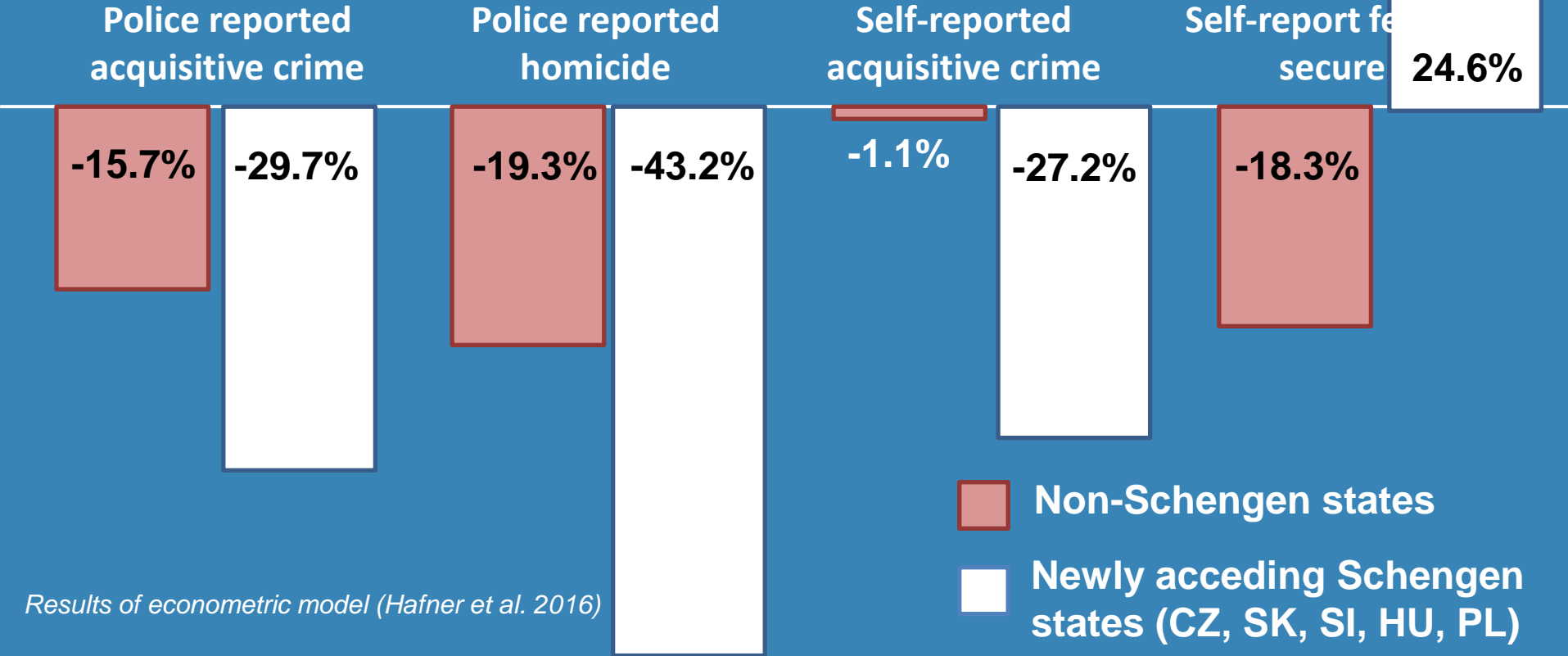


Existing Schengen states:

-  No direct borders with acceding states
-  Direct border with acceding states (AT, DE, IT, FI or SE)

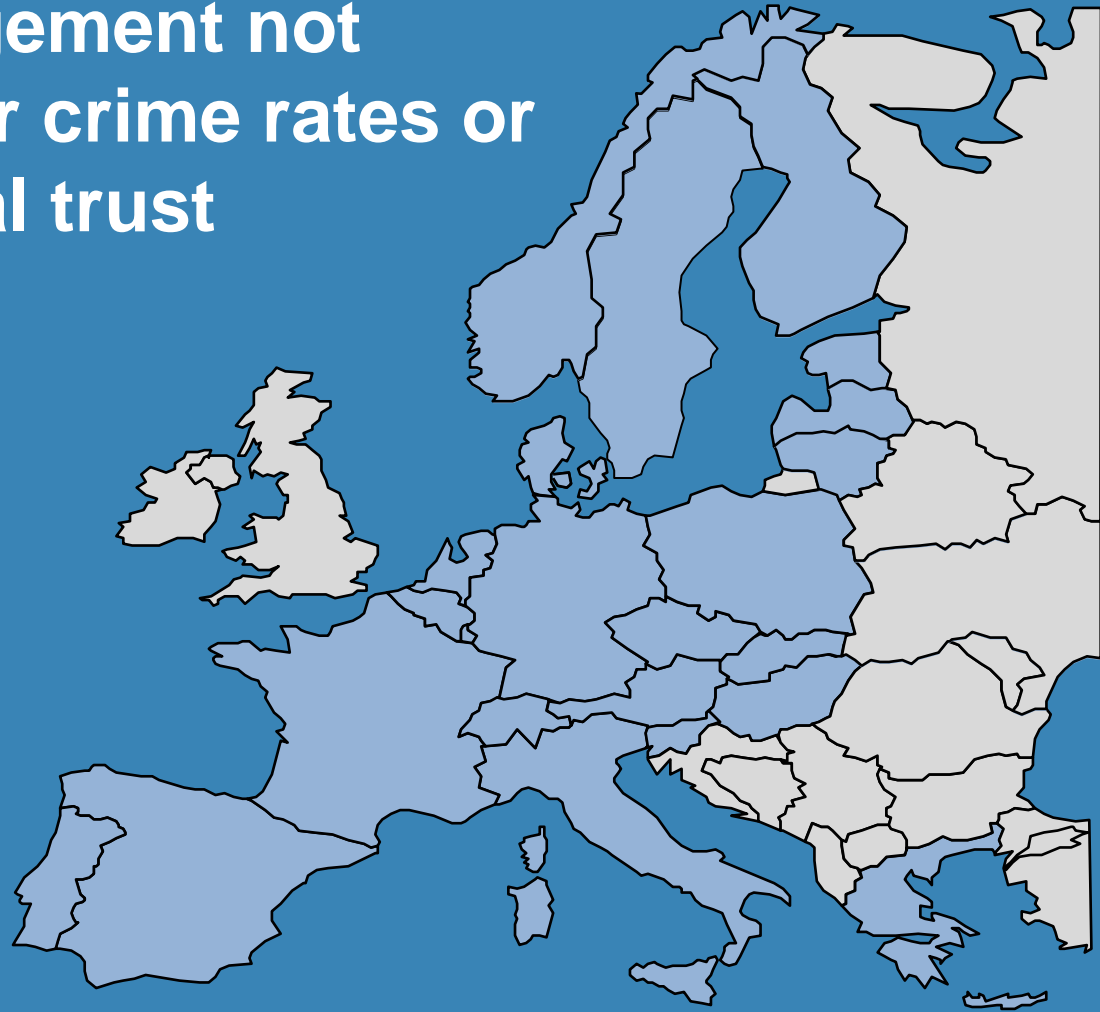
Results of econometric model (Hafner et al. 2016)

Trends in crime statistics since 2007 Schengen expansion



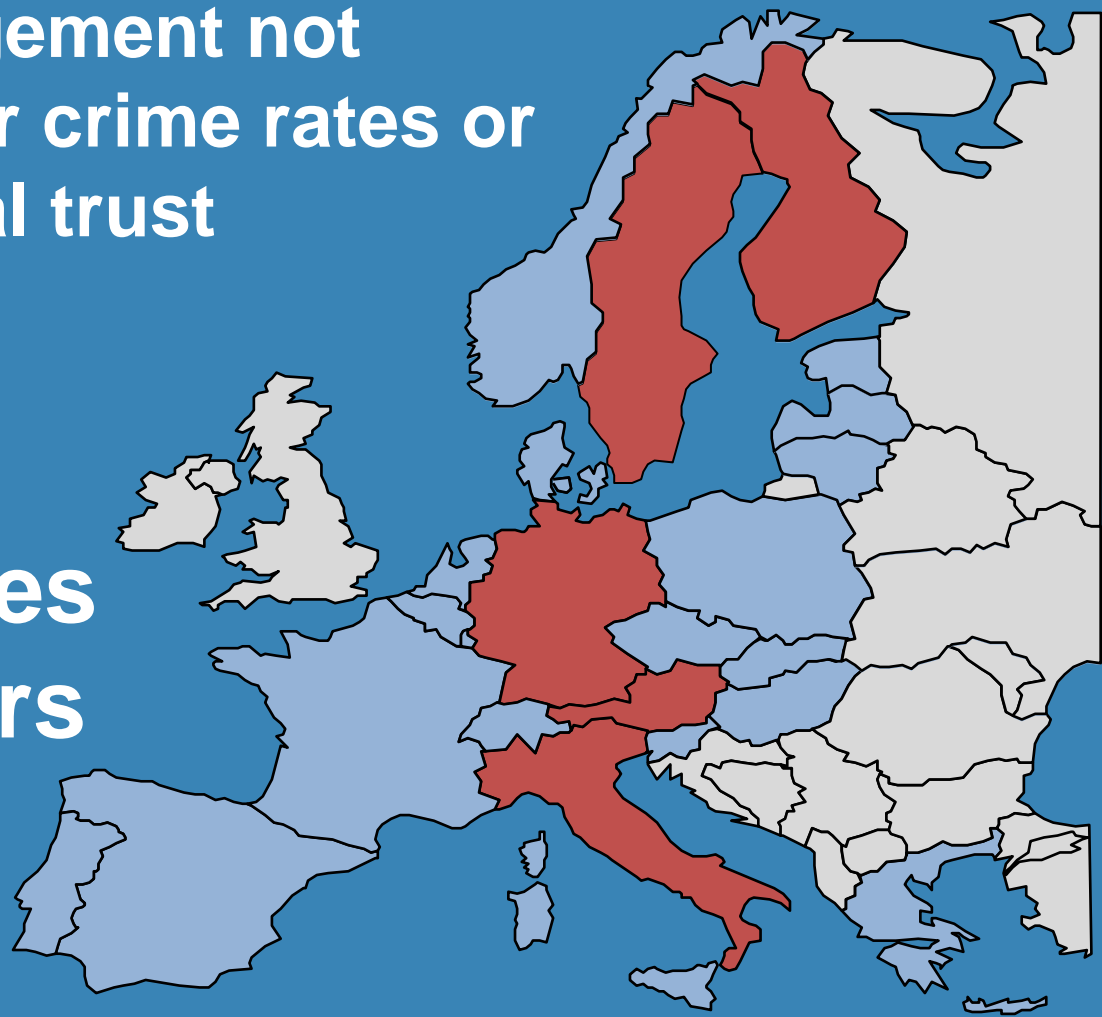
Results of econometric model (Hafner et al. 2016)

**2007 Schengen enlargement not
associated with higher crime rates or
break-down of political trust**



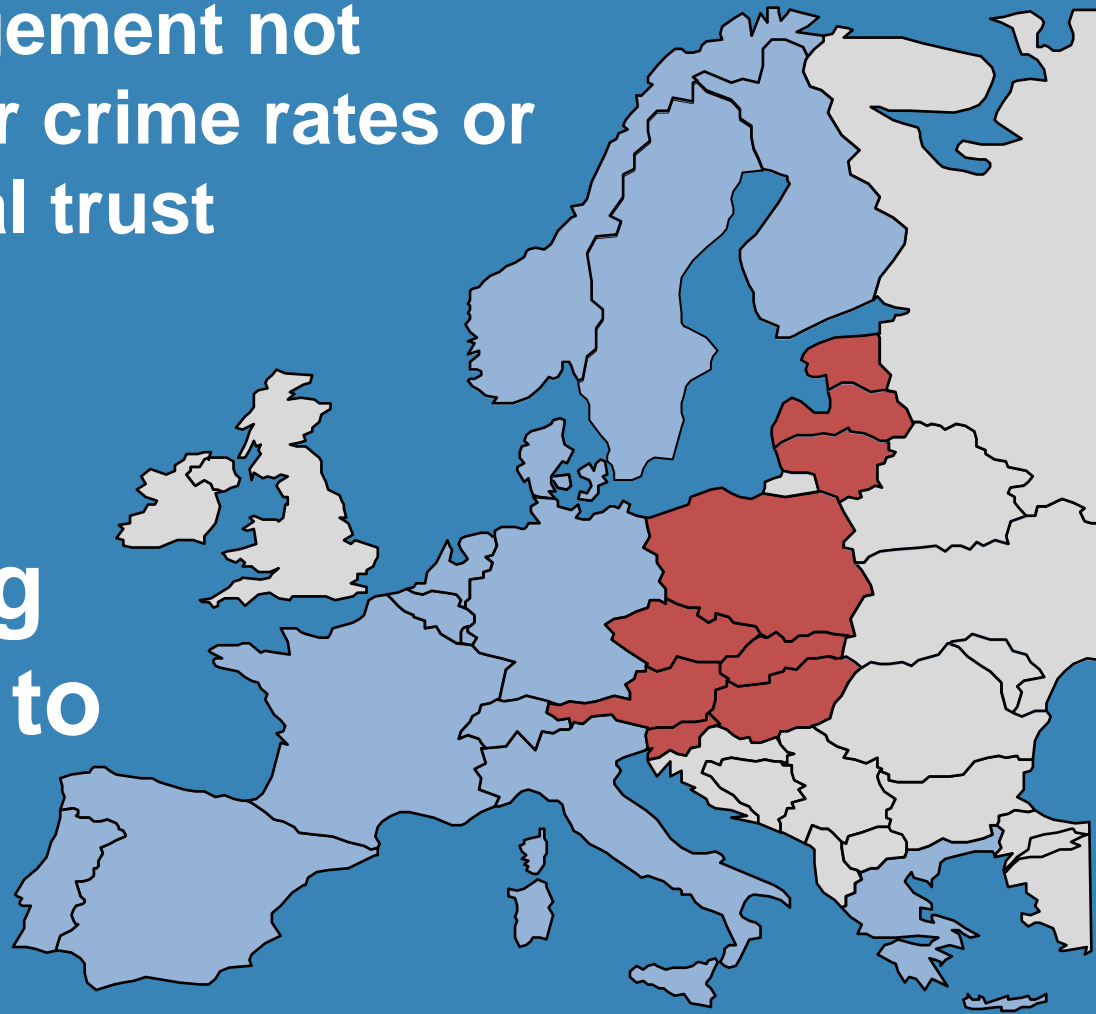
**2007 Schengen enlargement not
associated with higher crime rates or
break-down of political trust**

**In Schengen states
with direct borders**



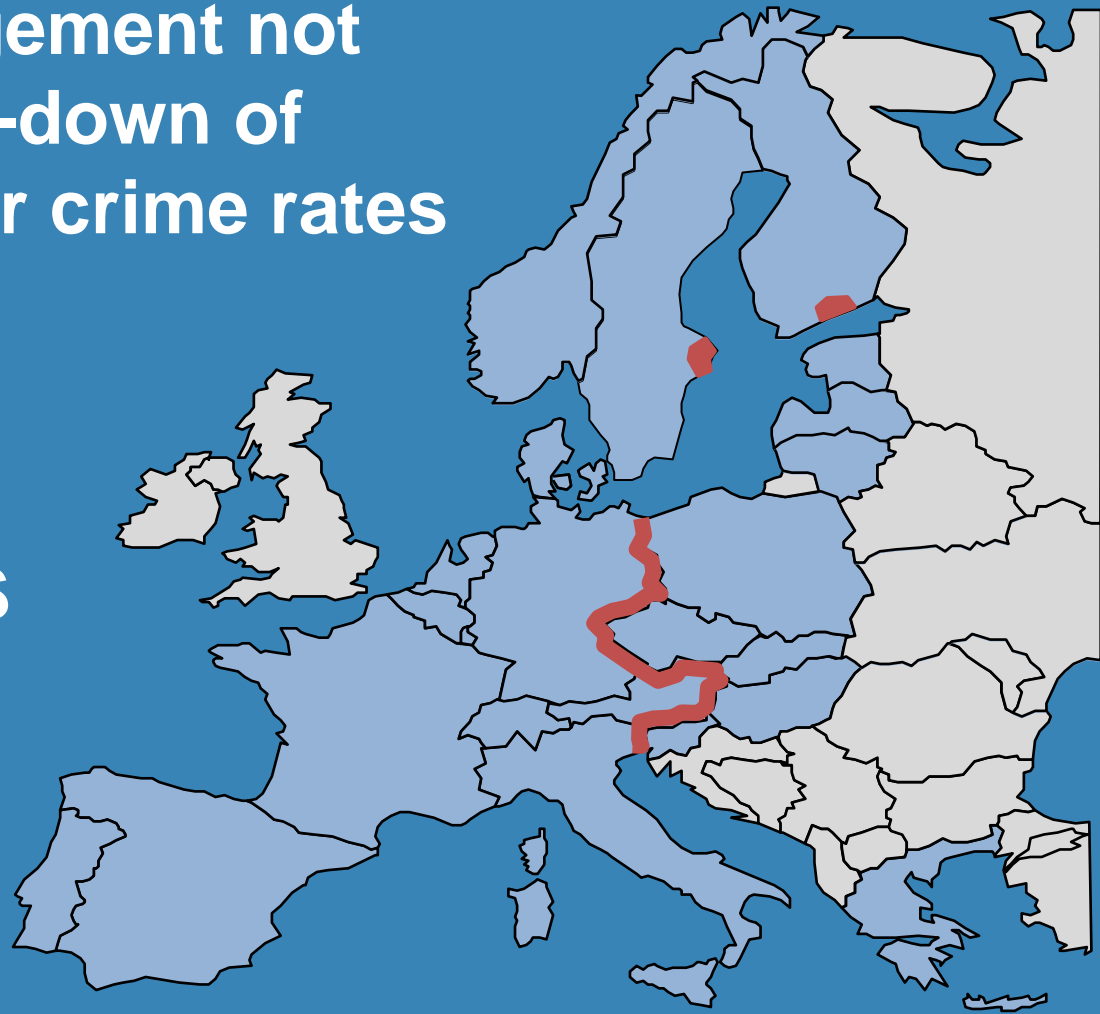
**2007 Schengen enlargement not
associated with higher crime rates or
break-down of political trust**

**In newly acceding
states compared to
non-Schengen
states**



**2007 Schengen enlargement not
associated with break-down of
political trust or higher crime rates**

**In border regions
with newly
acceding
Schengen states**



Possible explanations



**There are challenges to Schengen that led
Member States to (temporary) suspension**

In sum



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Co-funded by the
Erasmus+ Programme
of the European Union

