What are the costs of reintroducing border controls?
A brief history of Schengen

1st agreement
Allowing for the gradual abolition of checks at their common borders

1985
Implementation starts
Removal of borders and common visa

1995
1997
2000
2001
Further development

Adoption of the Schengen Borders Code
Schengen today
Schengen today

EU Schengen states
Schengen today

Non-EU Schengen states
Schengen today

Non-Schengen EU states
A brief history of Schengen

Further development

Adoption of the Schengen Borders Code

2006  2007  2008  2011
Reform
New Schengen Governance System
2013
Challenges to Schengen
Temporary re-introduction of controls at internal Schengen borders

All borders:
Nov 2015 – Jul 2017

France
Temporary re-introduction of controls at internal Schengen borders

Germany

Land border with Austria: Nov 2016 – Feb 2017
Temporary re-introduction of controls at internal Schengen borders

As of January 2017
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 have been estimated in other 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

**Fiscal costs**
- Segmentation of the single capital market: implications for bond yields
  - € 12.1 - 30.2 bn a year

References:
- Europe Economics (2016)
But re-introducing border controls will come at a cost
Fixed costs of re-establishing border controls
Operating and maintenance costs
What does this mean for the administrative costs?

<table>
<thead>
<tr>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
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<tbody>
<tr>
<td>2-year suspension</td>
<td>2-year suspension</td>
<td>Indefinite suspension</td>
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<tr>
<td>5 countries</td>
<td>all countries</td>
<td>all countries</td>
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<td>Fixed costs</td>
<td>Operating costs</td>
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<td>€0.06 bn – €0.1 bn</td>
<td>€7.4 bn – €19.7 bn</td>
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<td>&lt; €0.2 bn</td>
<td>&lt; 0.16% of GDP</td>
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<td>€2.2 bn – €3.6 bn</td>
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<td>&lt; 0.03% of GDP</td>
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But re-introducing border controls will come at a cost.
Results of econometric model (Hafner et al. 2016)

Existing Schengen states:
- No direct borders with acceding states
- Direct border with acceding states (AT, DE, IT, FI or SE)
Trends in crime statistics since 2007 Schengen expansion

Police reported acquisitive crime: -15.7%, -29.7%
Police reported homicide: -19.3%, -43.2%
Self-reported acquisitive crime: -1.1%
Self-report feeling secure: -27.2%, -18.3%
Non-Schengen states
Newly acceding Schengen states (CZ, SK, SI, HU, PL)

Results of econometric model (Hafner et al. 2016)
Trends in trust since 2007 Schengen expansion

General trust
Trust in criminal justice system
Trust in national institutions
Trust in European institutions

Existing Schengen states:
- No direct borders with acceding states
- Direct borders with acceding states

Results of econometric model (Hafner et al. 2016)
Trends in trust since 2007 Schengen expansion

- General trust: 13.6%
- Trust in criminal justice system: 6.3%
- Trust in national institutions: 1.4%
- Trust in European institutions: 3.6%

Results of econometric model (Hafner et al. 2016)

Non-Schengen
- General trust: -5.3%
- Trust in criminal justice system: -5.4%
- Trust in national institutions: -8.9%
- Trust in European institutions: -11.7%

Newly acceding Schengen states
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
In sum
There are challenges to Schengen that led Member States to (temporary) suspension
Re-introducing border controls will come at a cost

- Economic costs
- Administrative costs
- Social and political impacts
Reintroducing border controls would not necessarily address the challenges to the Schengen system.
For more information, see:

Cost-of-non-Schengen report:  

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