IS MIGRATION A PROBLEM FOR EU WELFARE STATES? WHAT ROLE CAN THE EU PLAY IN ‘MANAGING’ MIGRATION?

CLAUDIA PARASCHIVESCU*

ABSTRACT

The ‘migration problem’ is defined as the migration of people that crosses national borders, by contrasting it to social mobility. This paper considers the transformation of the Keynesian Welfare State by focusing on the notion of social citizenship which is challenged by the presence of immigrants and gives, as a result, birth to welfare chauvinism. This paper then explores the role the EU has in ‘managing’ migration by considering the common EU migration policy and its impact on member states. By analysing the notion of ‘external governance’ and the ‘safe third country’ principle, this article concludes that the current EU migratory policy resembles to a ‘fortress’.

Keywords: European Union, welfare state, ‘migration problem’, migration policy.

I interpret the ‘migration problem’ as referring to the migration of people that cross national borders, as opposed to internal migration which refers to social mobility. International migration can be perceived as challenging the welfare state because it undermines the rationale according to which provision of welfare is delivered in exchange of loyalty of its citizens.

This paper considers the transformation of the Keynesian Welfare State (KWF) focusing on the notion of social citizenship which is challenged by the presence of migrants. This triggers the distinction between welfare migrants and economic migrants. The highly politicised reaction of the state challenged by migration takes the form of welfare chauvinism. Moreover, not only the KWS can not totally prevent migration, but it also struggles to keep its citizens within national borders, enhancing the ‘brain drain’. This paper then discusses the role the EU has in ‘managing’ migration by looking at the common EU migration policy and its impacts on member states. The notion of ‘external governance’ as applied to immigration and asylum seekers is considered, in relation to the “safe third

* University of Leeds, School of Sociology and Social Policy; Department of Social Policy University of Bath Bath, UK; e-mail: claudia.paraschivescu@gmail.com; ssccp@leeds.ac.uk.

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Is Migration a Problem

I conclude that the current EU migratory policy resembles to a security-driven ‘fortress’. The foundations of the KWS were set up after the Second World War. Its main feature was the public social insurance guaranteed to all its citizens. This implied the democratic realisation of social rights. In the 1970s, the KWS welcomed the ‘guestworkers’ who at the time represented no challenge because they were excluded from both transfer payments and national insurance because of their temporary residence (Ryner, 2000: 53–60). However, because of labour shortages they stayed and became eligible for residence entitlements and social benefits, and the KWF faced a migratory challenge represented by the family reunification of the former ‘guestworkers’. In addition, the children and wives of the ‘guestworkers’ were not part of the workforce, but relied on family allowances provided by the host welfare state. Furthermore, the issue of welfare benefits was seen as a ‘pull factor’ by migrants. Migration was not beneficial anymore for the host country (Guiraudon, 2000: 76), but was seen as a challenge to its national welfare system.

Warin and Svaton (2008: 2–5) draw a comparison between welfare migrants and economic migrants. The impact of immigration on the host country is positive when the immigrants have different skills from the natives. If the country specialises in the output migrants offer, the latter will lower the price of the labour because they will receive lower wages. They argue that the main objective of the country receiving immigrants is to ensure that both the numbers and the skills of migrants match the national demands. Highly productive immigrants are therefore welcome as they are likely to generate profit for the host country. Skilled immigrants bring their education to the host country that did not pay for it. On the contrary, low skilled migrants might live on the welfare system and rely on social benefits, which triggers both social and economic marginalisation (Koopmans, 2010: 2–3). Yet, low skilled migrants are a source of precarious labour that natives refuse, jobs referred to by Favell (2008: 3) as “3D” (‘dirty, dangerous and dull’).

At the centre of the welfare state stands the idea of social citizenship, which relies on “a sense of direct community membership based on loyalty to a civilisation that is a common possession” (Marshall cited in Banting, p. 15). Hence cultural diversity weakens the idea of community and might trigger a fragmentation. Minorities could reject the dominant culture and therefore public services, while the representatives of the mainstream culture is likely to be unwilling to support social programmes are they are not included in. Nevertheless, the politics of international migration argues that the actual challenge of the welfare state comes from majorities, because minorities are likely to look for integration in the dominant culture.

Hence, the minority could face three different majority responses. Incorporation within the mainstream culture is the ideal response. Secondly, political backlash against immigrants (Banting, 2000: 21–23) possibly arising from
right-wing parties (e.g: Republicans in Germany, the British National Party, the Swiss Democrats, the Center Democrats in the Netherlands, or the Front National in France) (Koopmans, 2005: 180). The third response takes the form of ‘welfare chauvinism’.

Basing his argument on E-Andersen’s classification of welfare regimes, Banting (2000: 16–25) argues that social citizenship reaches its fullest dimension in social-democratic countries, where there are high levels of decommodification, and where immigrants are more likely to integrate. In these countries public support for the welfare state remains strong. Nevertheless, in Denmark, historically in this category, the Beveridge principle of universal rights of citizenship is being undermined.

Two other welfare regimes are the corporatist-conservative (e.g: Germany and France), and the liberal-residual (e.g: the UK), with medium and low levels of decommodification and with low and medium levels of decommodification. Koopmans (2010: 12) argues that the labour participation of migrants is higher in liberal countries. The welfare state is therefore not challenged from an economic point of view, but the notion of loyalty can be undermined by the presence of multiculturalist policies.

In an attempt to protect the welfare state, Denmark has introduced limits on immigration and also various measures that apply differently on natives and foreigners. In the case of pension rights, immigrants only receive full pension if they have lived in Denmark for 40 years between 15 and 65 years old. If not, they get entitlements based on the number of years they have stayed in the country. Nevertheless, retired immigrants have access to housing benefits and individual supplements that may replace the pension. The same goes for the disability pension, which is granted on account of citizenship and residence status. This inclusive welfare state with a high universal provision seems to have been overtaken by ‘welfare chauvinism’ and by dualism. Dualism in social policy was clear in the 2002 Law on immigration, which replaced the social assistance programme with ‘start assistance’, a lower benefit. Its aim was to get immigrants into work, but the hidden agenda was to prevent benefit-seeking migrants from going to Denmark. However, after only 16 months, unemployment rates went down by 5% (Andersen, 2007: 1–8). This confirms Koopmans’s argument (2010: 2) that easy access to welfare state arrangements has negative effects on the economic integration of immigrants, and therefore on the welfare state.

‘Welfare chauvinism’ expresses the idea that individuals are not defined by social links to the host country, but by the mode they become engaged in the nation state. This is contrary to the idea of ‘equality’ between citizens the welfare state should promote. In that respect, the main lines of conduct of the welfare state have been transformed. It has become “an institutionalised form of organisation of the political system” (Bommes, 2000: 91) and therefore produces ‘thresholds of inequality’ (Stichweh cited in Bommes, 2000: 91). It does so by encouraging
internal inclusion while promoting closure at external borders. The changing governance of the KWS is triggered by the division of population between national citizens and aliens. This is seen by Jessop (1999: 5–10) as a failure of the KWS. The KWS as a concept has been replaced by the Schumpeterian Workfare Postantional Regime, which subordinates social policy to the requirements of labour market.

An example of a welfare state that faces erosion is the Netherlands, which focuses only on the cost-benefit analysis of the residence of immigrants in order to evaluate their utility, by seeing migration as a threat to the welfare state. The notion of ‘equality’ has thus lost its significance, as economic growth of the host country seems to prevail over it. Indeed, as Mazzucato (2008: 1–12) argues in the case of Ghanaian migrants in the Netherlands, the literature presents them as a burden for the economy of the welfare states of the host country because of the remittances they send to their home country. This money that would otherwise be spent in the Netherlands have negative effects on Dutch economic growth. Nevertheless, she points out that the immigrants do spend money in the host country, for example school fees, rent, health care, make church donations, buy Dutch clothes or pay local businesses and income taxes. Her conclusion is that migration policies should have at their core the fact that migrants are actively engaged in both their home countries’ economies and host countries’ economies. She suggests a transnational migration policy which would aid development in Ghana and inclusion of migrants in the Netherlands. Transnational policies could represent a good way of sharing the ‘burden’ of the welfare of migrants. Like Denmark, the Netherlands sees the welfare state only in terms of economic growth. The second pillar of the welfare state, based on solidarity and equality, is missing from both immigration countries.

A challenge to welfare states is posed by the ‘brain drain’. The ‘brain gain’ benefits the host country when the skills of migrants are needed, but this can also trigger a ‘brain drain’, therefore challenging the welfare systems because of the lack of workforce. In the Italian case, the country faces scientific emigration to the US, the UK, Germany and France. Meritocratic system abroad, as opposed to the Italian networking-based recruitment system, improved working conditions and career opportunities, along with higher wages are the main ‘pull factors’ for Italians (Foadi, 2006: 5–7). Emigration challenges the dynamics of the welfare state in the sense that it can not keep citizens within national borders. Indeed, welfare differences between nation states represent important incentives for migrants to leave their home countries (Halfman, 2000: 43).

Migration challenges European welfare states in at least two ways. The distinction between nationals and immigrants challenges the notion of loyalty and solidarity which stands at the basis of the welfare state. Secondly, the presence of unproductive migrants who can ‘free ride’ the system of social security. The welfare state has been therefore transformed, its top bottom approach being undermined by both the presence of migrants that can not be fully controlled, and by the nationals who leave, thus creating ‘brain drain’. Given the challenges to the
nation of the welfare state, the EU has tried to implement a EU migration policy which can be described, as we shall see, by the creation of external barriers while removing the internal ones.

25% of the world’s migrants (15 million) are in Europe (Lahav, 2004: 1). The fact that migration is seen as a solution to counter economic needs, leads to its politicisation in order to either promote it internally (with few exceptions, as the accession countries) or counter it, regarding the TCNs.

Since the 1957 Treaty of Rome which created a common market, the free movement of people within the EU has been at the core of EU migration policies. Nevertheless, free movement has been a right only for those people having the financial means to support themselves. The importance of civil rights, with no emphasis on social and political rights, means that ‘economic citizenship’ prevails over ‘civil citizenship’ (Geddes, 2008: 129).

Indeed, the aim of EU policy has not been the harmonisation of social entitlements, but their co-ordination (Geddes, 2000: 156–157). Member states still have the power of determining the welfare provisions that go to specific categories of migrants (Dweyer, 2005: 5). In that respect, the welfare of migrants can represent a burden for the host country (Lahav, 2004: 54).

It follows that the nation state is ‘losing control’. This is shown in the erosion of the powerstates have to control their borders and the free movement on their territory (Geddes, 2008: 127). On the other hand, the ‘escape to Europe’ hypothesis (ibid.) refers to the fact that EU co-operation can have positive outcomes on the member states, allowing them to attain national policy objectives by avoiding various legal constraints. EU policies can be used as ‘blame avoidance’ by political parties to gain legitimacy and jurisdiction or to transfer policy responsibility to supranational institutions (Lahav, 2004: 54). The ‘losing control’ hypothesis might be more pertinent in the case of the welfare state because of the supranational dimension of the migratory policies which undermines the control over its territory and jurisprudence.

The control exercised by the EU is not only on member-states, but also on neighbouring third countries. External governance refers to ‘the shift outwards’ (Lavenex, 2006: 1). It addresses the third countries neighbouring the EU, and it can be seen as a way to control various policy developments (Lavenex, 2004: 4–6). The external dimension of EU asylum and immigration policies was stated in 1999, during the Special European Council on Justice and Home Affairs (JHA) in Tampere. It empowers the EU with the control of its external borders and the right to sign readmission agreements with countries from which people emigrate. This has been achieved through the Euro-Mediterranean Partnership, Bilateral Co-operation Agreements signed with Algeria, Morocco and Tunisia and Action Plans with Russia and Ukraine on combating organized crime. The institutional dimension of the JHA has been achieved through the establishment of Europol which can conclude co-operation agreements with third countries (Geddes, 2008: 53–54).
This considers the threats from outside the EU that the member states could face (Lavenex, 2004: 10).

The central element of EU asylum policies has been the institutionalization of “negative redistribution” built on the principle of “safe third country”, which are countries deemed to be safe. This principle, established by the Dublin Convention (1990), adopted under the 3rd pillar of the Maastricht Treaty (1992) and reaffirmed by the Treaty of Amsterdam (1998), aims at the devolution of domestic asylum procedures to the member states through limitation of access. According to this rule, the only country which is responsible for the examination of asylum claims is the first country the asylum-seekers enters. However, if the applicant has links with another member state, he may be required to apply for asylum in that state (Niesen and Rowlands, 2000: 19). The involvement of third countries in the control of migration reduces the verification member states would operate at their borders and was intended to reduce unwanted migrants entering EU territory. This principle is a mechanism for the EU to ‘manage’ migration, as it prevents access to the common territory to refugees by extending the list of ‘safe’ countries. Nonetheless, this rule is not compatible with the international law, which states that the state only has the right to take back its own citizens, thus there is no legal basis for the safe third country to accept a TCN. Another problem raised by this resolution is that it does not take into account the status, hence the needs of an asylum seeker, as opposed to an illegal immigrant when returned, which is the right to fair and equitable asylum procedures for the refoulement to be avoided (Lavenex, 1998: 6–9).

The conclusion of readmission agreements signed with Central and Eastern European Countries set up by the Schengen and the Dublin Conventions was based on the “safe third country” principle. Its aim, as Lavenex (1998: 9) argues, is to “pass the buck” of the protection of refugees further away to the East, by extending the rule to non-EU member states. This type of agreement was signed in 1991 with Poland, when the latter was not part of the EU, and later with Moldova and the Ukraine (Europa Portail).

The “safe third country” rule has side effects on the neighbouring countries and therefore on the relations between the EU and them. At a national level, the countries involved in the asylum and immigration co-operation have to adjust their policies to a new set of rules negotiated with the EU, which weakens the jurisprudence of the welfare state. At a European level, the lack of potential membership could undermine the EU external governance (Lavenex, 1998: 13–17).

The measures taken by the EU in order to restrict the free movement of TCNs by promoting a community of security seem to be against the normative aim of welfare policies, which are based on social integration (Bank, 2000: 159). Moreover, another dimension of EU external governance which is contrary to the principle of the modern state is the externalisation of the place of the immigration control, even if the asylum procedures and the choice to grant asylum remain in the hands of the member states. Asylum-seekers would be kept in reception centres
(e.g: the Region of the Lakes), while their demands are being evaluated (Lavenex, 2006: 14–15). These measures create a dissipated welfare state, because of the lack of unity of its territory and legal framework. By trying to find a balance between the realistic frame of internal security and the liberal frame of human rights (Lavenex, 2001: 3), the EU tries to protect its welfare states and does so by affecting the others.

This security-driven agenda towards the TCNs by focusing on asylum seekers and extending the EU migration policy to “safe third countries” which are either countries of origin or transit, has led to policing, fortification or even shutting down of the external borders in order to protect the ‘inside’ and control ‘threatening’ migration. This has made the EU migration policy to resemble a “fortress Europe” (Geddes, 2008: 28–31) or a “gated community” (Houtum and Pijpers, 2007: 2). The oppressive desire to protect the “contort zone” represented by economic welfare, public security and social identity has taken the form of strong migration controls which are not sustainable from the point of view of global justice and equal economic opportunity (Bauder, cited by Houtum and Pijpers, 2007: 294). Yet, since social entitlements are granted on the basis of nationality, a more tolerant Europe would trigger even more challenges to the very notion of welfare state which, at its core, has the social citizenship. A way to end the ‘battle of social entitlements’ would be by recognition of differences, hence the creation of a citizenship which would rely on diversity.

This paper has argued that migration is, indeed, a challenge to the modern welfare state. If migrants are low skilled, they can ‘free ride’ the system of social security and the response of the host country could take the form of welfare chauvinism. However if they are highly skilled, they can benefit the host country. Either way, the sending country can experience brain drain, which could represent a problem to its economic growth. Nevertheless, this cost-benefit analysis does not seem to take into account the eradication of poverty. Indeed, in that respect, there will always exist the core/periphery dualism. By its external governance, the EU tries to ‘manage’ the migration in order for the latter not to be a burden on the welfare state of the receiving countries. Nevertheless, the rule of the “safe third country”, even if it reduces the migratory flows, seems to pose a problem to some welfare states, while protecting others. This has made various scholars to refer to the EU as a ‘fortress’ or ‘gated community’, which promotes the ‘survival of the fittest’.

Since the problem at the core of the welfare states relies on the distribution of welfare entitlements, a solution to counter it could be the creation of a transferable European benefit. Indeed, the free movement of people has only enhanced economic rights, but no social rights. In an ideal world, where all the markets would be economically well off, migration would have a positive impact on the receiving country, because there would be no ‘forced’ migration. As it is unlikely to happen, migration will represent a challenge as long as social entitlements are distributed by the host country. Another recommendation is that social entitlements
should not be linked to pure nationality, but to the ‘quality’ of being an individual. Welfare states should focus on equity and promote the idea of ‘social equity in cultural diversity’. However, this latter recommendation undermines the welfare state as such, which is based on citizenship. Given all these recommendations and the challenges faced by the welfare state, it is my view that its transformation should be seen as an evolution, and thus its definition should be more diversity-orientated.

BIBLIOGRAPHY