



UiO : **Faculty of Social Sciences**
University of Oslo

DIVERSITY, SOLIDARITY AND REDISTRIBUTION

Immigration and the Challenges to the European Welfare State

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Gary Freeman 1986:

- Is there a fundamental contradiction between inclusive and generous welfare policies and comprehensive international migration?

The EU dimension

Divergence and new tension:

- EU policies and institutions impact on the nation's ability to solve national problems.
- Mismatch between established institutions/organizational traditions and the new internationalized forces – European and global.

Social citizenship as «institutional stabilizers»

- “National social citizenship, backed by state authority, has played a crucial integrative role in domestic politics not only as a mechanism of (efficient and equitable) redistribution, but also as a basis for group formation and group persistence, for voice structuring and loyalty generation” (Ferrera 2005:51).

A basic assumption

Social citizenship rests on boundaries,
distinguishing insiders from outsiders.

Due to tense question of material redistribution.

Raising dilemmas on equity, justice and
reciprocity

Changing membership boundaries

- Changing the interplay between external closure and provision of rights: weakening the link between rights and territories
- Europeanization of social sharing through **benefit cumulability** and **exportability**
- New opportunity structure for individuals
- Potentially undermining old institutions and their mutual complementarity
- Stretching the scope of solidarity – willingness to pay tax
- Tendency: Dualization of labour market and welfare provision

Regime attribute	Liberal	Conservative	Social Democratic
Basic entitlement	Means tested	Insurance	Universal
Main beneficiaries	The poor	Earners	All residents
Benefit construction	Flat rate	Earnings related	Flat rate/earnings related
Type of funding	Taxation	Contributions	Taxes/contributions
Sources of funding	State/market	Earner/employer/ state	State
Social service	Family/market	Family/inter- mediary groups	Family/state
Objective	Poverty alleviation	Income maintenance	Equality/income maintenance

Source: Adapted from Diane Sainsbury 2012:11

Immigration – the added dimension

The three kinds of welfare systems

- 1) Produce different structures of interest in relation to immigration
- 2) Immigration have differential impact on the three systems
- 3) Different social conditions for immigrants

Dynamic variation

- 1) Welfare/Labour market regimes
- 2) Different types of immigrants
- 3) Differences in immigration policy regimes
(only related to TCN)

The Nordic model

- Tax- based
- Extensive labour rights and social security entitlements
- Compressed wage structure
- Strong tradition for collective bargaining between unions and employers
- Well-developed system of social services and public education
- Gender equality policies

EEA/EU migrants

- Entitled to six months job search.
- Are granted residency if they find a job, og can prove sufficient means of subsistence
- Access to same social benefits as citizens
- Coordination rules implies easy access
- Social benefits can be exported

Labour market

Low cost competition induced by labour immigration has caused pressure on traditional means of labour market governance: Yet labour market regulation – the **only** instrument towards EEA-immigrants. (no immigration regulation nor integration measures).

Migrant intensive niches undergone significant changes:

- -ethnic segmentation (construction; manufacturing; low-skilled services and agriculture)
- -casualization of labour relations
- -new forms of inequality between native and migrant workers

Structural challenges to LM/WS-nexus

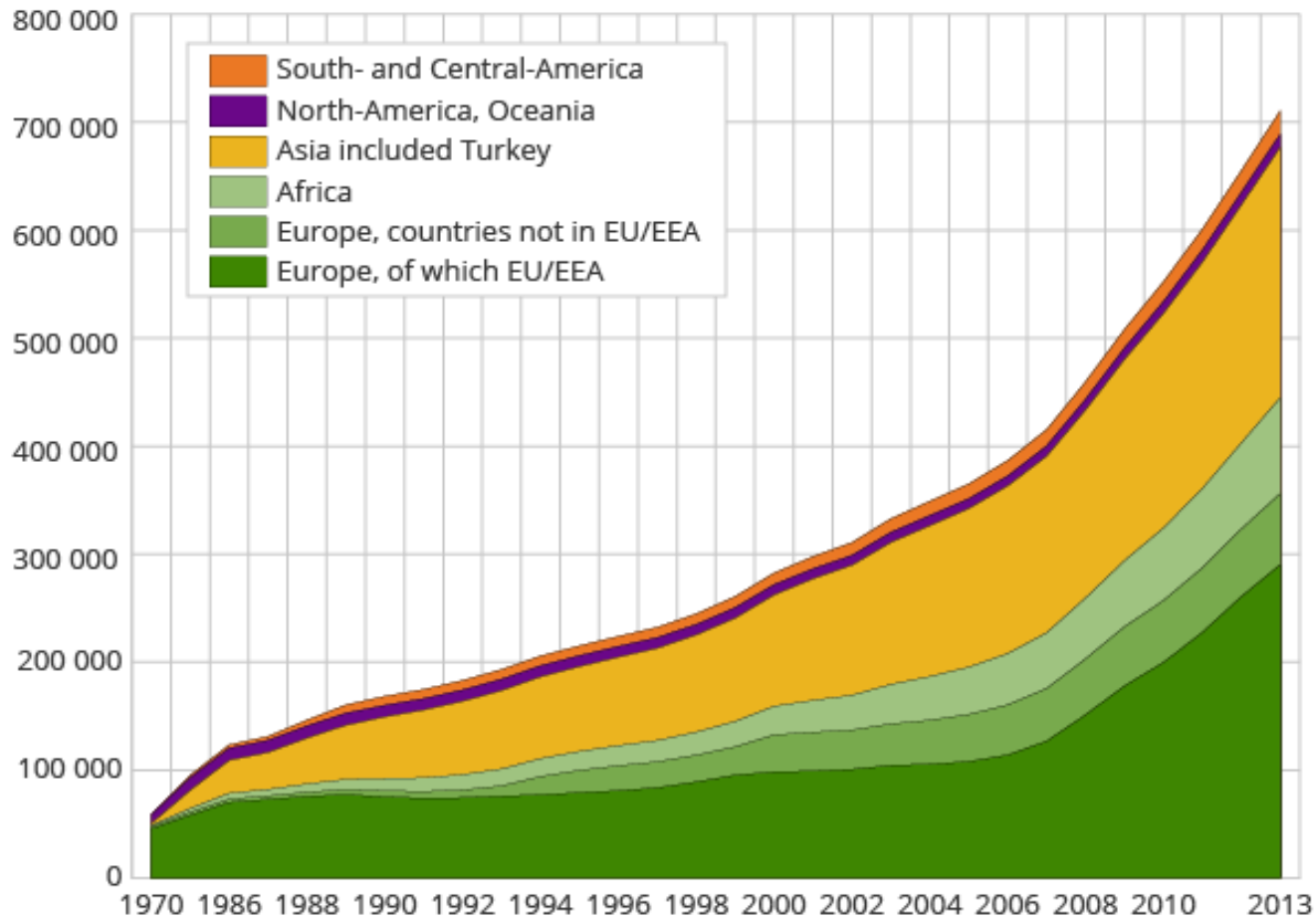
- Future viability of the Nordic model:
- **Regulatory erosion – dualization of labour market**
- Increased inequality; low wage competition; increasing job instability
 - Combined with ageing of the population
 - Falling employment rates
 - Growing share of population on welfare

At stake in Scandinavia

Universal social protection/preserving the egalitarian structure of distribution.

Comprehensive low skill immigration is challenging the balancing mechanisms of the welfare model. Essential for the model to have work pay. If the wage level is pressured downwards through low wage competition, the level of welfare compensations will also be pressured – to maintain the incentives to work. In practice: Playing weak groups off against each other.

Immigrants and Norwegian-born to immigrant parents, by country background. 1970-2013



Source: Statistics Norway.