

CONTEMPORARY IMPLICATIONS OF MULTICULTURALISM POLICIES FOR EUROPEAN WELFARE STATES

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ABSTRACT

Contemporary Implications of Multiculturalism Policies for European Welfare States³

The article discusses the impact that multiculturalism policies (MCPs) have on the contemporary European welfare state. Although the empirical data shows there is no positive correlation between the adoption of MCPs and an increase in social spending, there has been a noted increase in public concerns about the decline of the welfare state system due to their adoption and increased immigration. Rather than dismissing those concerns, the authors use them as a starting point in their discussion on the changes of the concept of social solidarity in the age of globalisation.

KEY WORDS: European welfare state, multiculturalism policies, immigration, social solidarity

IZVLEČEK

Sodobne implikacije multikulturnih politik za evropske države blaginje

Prispevek obravnava vpliv multikulturnih politik na evropsko državo blaginje. Empirični podatki kažejo, da pozitivne korelacije med implementacijo multikulturnih politik in povečanimi izdatki za socialne transferje ni zaznati, vendar se kljub temu v širši javnosti priseljevanje in implementacija multikulturnih politik pogosto označujeta kot grožnja obstoječi državi blaginje. Avtorici ne zavrmeta *a priori* pomislekov, ki jih imajo državljani evropskih držav blaginje proti priseljevanju, temveč na njih gradita debato o spremembah koncepta socialne solidarnosti v dobi globalizacije.

KLJUČNE BESEDE: evropska država blaginje, multikulturne politike, priseljevanje, socialna solidarnost

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INTRODUCTION

The potentially devastating effects of immigration to European welfare states have been a popular subject of political debates for several years now. Arguably, the most worrying factor raised by the political Right, but as we will see later also increasingly by the political Left, has been the quantity of migrants and the influence of the large migration inflow on welfare provision in the era of globalisation.⁴ The question about the permitted or at least tolerated number of immigrants is inextricably linked to the debate on the attitude that a welfare state develops towards them – its willingness to accept them temporarily or permanently.⁵

This complex issue demands a thorough analysis of a number of concepts including welfare state, (social) citizenship, solidarity, social spending and redistribution, ethnic diversity and multiculturalism. Yet the objective of the article is not to explain those concepts in detail but to take a discussion further and thus assume that a reader is already familiar with the issues in question. Rather, we will try to explore their interrelatedness and test the increasingly popular belief that multicultural policies adopted and implemented by European welfare states have a negative effect on social spending⁶ and thus pose a threat to the established welfare state system.

Even though the empirical data that will be presented in the article immediately denies a positive correlation between the adoption of MCPs and an increase in social spending, we are not inclined to simply disregard the growing public (political) concerns over the connection. Thus, the aim of the article is not to *a priori* dismiss those concerns but rather to examine and critically evaluate them, and to use them as a starting point in the discussion on the changes of the concept of social solidarity in the age of globalisation.

⁴ Globalisation as a process is understood as defined by Roudometof and Robertson (1995).

⁵ Let us take a case of labour migrants as an example. In a very simplified manner: when a state decides to welcome labour migrants only temporarily we may speak of the import of the needed *labour force*, while in the case of welcoming them permanently we may speak of the willingness to welcome *people* who become employees with the possibility to integrate into the society and eventually obtain citizenship. While in the first case the ‘import’ of labourers mostly ends with sending them back to their countries of residence, in the second case a state is inclined to adopt various multiculturalism policies (MCPs) and make an effort to find a compromise between the welfare state, the needs of labour migrants and the public opinion of the majority society.

⁶ “In general terms, public social expenditure includes expenditures on health, income transfers, and social services (but not education). In specific terms, the category includes: old age benefits, disability cash benefits, occupational disease/injury benefits, sickness benefits, services for elderly and disabled people, survivors, family cash benefits, family services, active labour market programmes, unemployment benefits, health, housing benefits, and other contingencies.” (Banting, Johnston, Kymlicka, Soroka 2006: 89)

THE NATURE OF POST-WAR WELFARE STATES

The modern, post-war welfare state is based on an idea of equal citizenship, understood to include social and economic rights that are to be enjoyed equally by every member of a particular political community (Miller 2006: 323). The idea was implemented after World War II, when a majority consensus emerged in favour of it. The post-war climate linked with the booming economy of European states made it easy for left-of-centre governments to upgrade existing social policies. This was largely so because at the time no trade-off was required between social security and economic growth, or between employment growth and generous egalitarian social protection (Esping-Andersen 1996: 3). A popular discourse supported the conviction that capitalism should be tamed by enhancing workers' rights, redistributive taxation, and the provision of essential services on a non-market basis (Miller 2006). Therefore, welfare states would offer a more universal, more classless justice and solidarity to their citizens and thus exist hand in hand with a so-called social citizenship, as theorised by T.H. Marshall.⁷

Yet welfare states do not only strive to provide social security and to ensure a more just and egalitarian society. As Esping-Andersen (1996: 2) notes, the welfare state is also a political project of nation-building. He stresses that "many countries became self-proclaimed welfare states, not so much to give a label to their social policies as to foster national social integration" (ibid.). The key term from the last quote would be *national*. The national perspective offers a new component to the previous understandings of solidarity, especially labour solidarity. The interrelatedness of welfare state, nation-state and solidarity have generated an altered understanding of the latter, as solidarity now increasingly includes the ethnicity/culture element, leaving the social element in the background.

For the purpose of the discussion in this article it is absolutely essential to understand the process of nation-state building of modern European states in order to grasp the essential idea of both social and ethnic national integration in the context of welfare states, and its importance for welfare provision. This article will not go into details of the respective processes. A good insight can be found in, for example, Lukšič-Hacin (1999). But regardless of the different ways and principles according to which nation-states developed, the fact remains that they were all socially constructed. A number of different mechanisms must therefore have been employed by the state to ensure the integration of its citizens. Playing the card of 'inherent national identity' is the essential one, but social integration is also of great importance in order to keep the state strong and competitive in the global economy and to avoid social anomie. The welfare state is an important mechanism through which the state provides its citizens with social security and a number of services, thus buying their loyalty.

⁷ "According to T.H. Marshall (1950), modern citizenship is the fruition of a democratisation that spans three centuries. In the eighteenth century the foundations were laid with the principle of legal-civil rights; political rights emerged in the nineteenth century; and as a preliminary culmination of the democratic ideal we see the consolidation of social citizenship in the twentieth century." (Esping-Andersen 1996: 1)

The contemporary welfare state, based on the 'Keynesian consensus', seems to be in crisis. It seems that the consensus has disappeared. As noted by Esping-Andersen (1996: 3): "non-inflationary demand-led growth within one country appears impossible; full employment today must be attained via services, given industrial decline; the conventional male breadwinner family is eroding, fertility is falling, and the life course is increasingly 'non-standard'". Moreover, the increasingly heterogeneous population structure in welfare states leaves the minorities, in the sociological meaning of the term, more exposed and vulnerable to the rejection of the citizens of the European welfare states. In this respect, members of ethnic/cultural minorities draw the shortest straw, especially those individuals who have not been assimilated into the majority society.

WELFARE STATES, CITIZENS' SOLIDARITY AND MULTICULTURALISM POLICIES

As already stated, the welfare state is of course not only concerned with redistribution in terms of progressive taxation but also implements social security mechanisms that protect citizens e.g. in the case of an illness or loss of income. In this sense it redistributes resources horizontally between the healthy and the sick. Miller (2006) notes that self-interest alone will lead people to support policies that insure them against unpredictable hazards such as illness. It is only logical to pay taxes in order to ensure a safety net for yourself. However, vertical redistribution is another issue. The majority of taxpayers who are skilled workers and/or belong to the middle class are less content to contribute their money for benefits that go to worse-off groups, such as housing subsidies, income supplements or long-term unemployment benefits. In order for them to support these policies, a social solidarity incentive is needed. Better-off people must see the policies and programmes as a matter of social justice and therefore have to identify with beneficiaries of the redistribution. This identification is said to be possible only by fostering a sense of common national identity.

Let us take a closer look at Miller's arguments. Creating a sense of community is indeed closely linked to the principle of solidarity between fellow citizens. "Citizens have historically supported the welfare state and been willing to make sacrifices to support their disadvantaged co-citizens, because they viewed these co-citizens as 'one of us', bound together by a common identity and common sense of belonging." (Banting and Kymlicka 2006: 11) It is, however, essential to clarify how one understands and defines citizenship. In (European) nation state contexts – theoretical, legal, political or public opinion – citizenship is commonly linked to nationality and culture. As those concepts are frequently used interchangeably, the fact that citizenship is a legal political category that introduces a set of rights and obligations between an individual and a state is often overlooked.

As described above, this would potentially and allegedly mean that immigrants with different citizenship and different ethnic/cultural backgrounds pose a threat to the solidarity needed for redistribution, in both the horizontal and *especially* the vertical sense.

Advocates of this thesis argue that ‘no solidarity’ equals ‘no welfare state’ and therefore new immigration should be restricted, while integration (or even assimilation) of newcomers should be strongly encouraged.

Immigrants, members of national minorities and indigenous peoples are all considered potentially problematic. But while the rights of the last two categories are relatively indisputable in contemporary times, the rights of immigrants can still be justifiably bent to some extent. Banting and Kymlicka (2006: 43) argue that many governments have resorted to ‘welfare chauvinism’ which supports the welfare state but at the same time strives to deny new immigrants access to benefits: “A long list of countries have introduced or lengthened minimum residency periods for social programmes, limiting immigrants’ access to benefits.” When a certain status depending on each individual state is obtained, an immigrant is entitled to benefit from certain multiculturalism policies.⁸ Again, which policies it implements depends on the individual state.⁹

These policies have been under scrutiny by those who claim that multiculturalism erodes the sense of solidarity and prevents social integration. As Brochmann (2003: 30–31) notes, it may also be asked whether the state does immigrants a disservice by encouraging cultural preservation. “Several authors have pointed out that under-communicating the possibility of assimilation to immigrants in fact consigns them to lower strata of the population: As Adrian Favell puts it, ‘A return to ethnicity or non-western culture can prove to be, what any normative account of belonging would call (given the power and legitimacy ‘belonging’ bestows), self-disabling, self-marginalising deviance’ (Favell 1999: 220).” (ibid: 30–31) By giving immigrant (ethnic) minorities special rights the governments thus do not do anyone a favour. In other words, MCPs allegedly undermine the solidarity principle and contribute to eroding of the welfare regime in European states¹⁰ (2007: 328). In fact, they strongly contribute to weakening social integration and solidarity.¹¹ This is a clear case of the two trade-offs discussed below.

⁸ The first states that officially implemented multiculturalism policies were Canada, Australia and Sweden. Gradually, the elements of multiculturalism became acknowledged by other Western European (welfare) states, each in its specific way. Different understandings of multiculturalism vary according to the way one understands and defines social justice. In the article we follow the theoretic concept of critical multiculturalism as defined by McLaren. More on this issue in Lukšič-Hacin (1999) and Lukšič-Hacin (2007).

⁹ Banting and Kymlicka counted the eight most common MCPs in a multicultural approach to immigrant integration (2007: 56–57): 1. Constitutional, legislative or parliamentary affirmation of multiculturalism, at the central and/or regional and municipal levels; 2. the adoption of multiculturalism in the school curriculum; 3. the inclusion of ethnic representation/sensitivity in the mandate of public media or media licensing; 4. exemptions from dress codes, Sunday closing legislation etc. (either by statute or by court cases); 5. allowing dual citizenship; 6. the funding of ethnic group organisations to support cultural activities; 7. the funding of bilingual education or mother-tongue instruction; 8. affirmative action for disadvantaged immigrant groups.

¹⁰ There are of course a number of reasons why the welfare state has been under scrutiny and sharp criticism for quite a while. Esping-Andersen edited an important piece of literature on the topic with a much telling title: *Welfare States in Transition: National adaptations in global economies* (1996).

¹¹ For a closer look at the nature and strength of MCPs see Banting, Johnson, Kymlicka and Soroka (2006).

The trade-off between multiculturalism and the welfare state

Discussions of this trade-off can be summed up in at least two widely discussed hypotheses. Kymlicka and Banting (2006: 2) have articulated a hypothesis in the following manner: 1.) The greater the size of ethnic minorities as a percentage of the population, the harder it is to sustain a robust welfare state. This could be called the heterogeneity/redistribution trade-off. 2.) The more a country embraces the multicultural politics of (ethnic) recognition, the harder it is to sustain the politics of (economic) redistribution. This could be called the recognition/redistribution trade-off.

According to the first hypothesis, ethnic diversity as such makes it more difficult to sustain expansive social programmes and achieve substantial redistribution towards the poor. In the case of such vertical redistribution it makes it difficult to generate feelings of national solidarity and trust towards different ethno-cultural groups.

The tendency to assume that ethnic heterogeneity would erode support for redistribution policies¹² finds evidence in the example of the USA, where racial heterogeneity has been used to explain why the type of welfare state as observed in the European countries has failed to develop. Numerous studies had indeed consistently shown that differences in social expenditures across cities and states within the country vary according to the level of ethnic/racial heterogeneity: "...the higher the proportion of African Americans within a state, the more restrictive state-level welfare programmes such as Medicaid¹³ are." (Kymlicka and Banting 2006: 3) As Hero and Preuhs (2006: 121) also note: "It is widely acknowledged that race has had a strong impact on the development of the welfare state in the USA, with many studies demonstrating strong white resistance to welfare programmes that are seen as primarily, or disproportionately, benefiting racial minorities, particularly African-Americans." Yet the differences between European welfare states and the one developed in the USA can be explained in at least one more way, not limited to only one causal variable, i.e. racial/ ethnic heterogeneity. In the late 19th and early 20th century, several European nations instituted public-welfare programmes. But this movement was slow to take hold not only because of the history of racial disputes in the States, but primarily because of the rapid pace of industrialization and the abundance of available farmland, which ensured employment for anyone willing to work. (Rus 1999) And even if we recognize that racial disputes contributed to lower levels of social spending, "...the racialization of American welfare politics is an idiosyncratic product of the history of American race relations and need not be a harbinger of the impact of immigration on the welfare state" (Kymlicka and Banting 2000).

¹² "In one sense, the idea that ethnic heterogeneity can weaken the pursuit of a robust welfare state is an old one. Karl Marx argued that racial divisions within the working class in the United States would undermine its capacity to demand progressive reforms, and this has been a recurring theme in American politics. Yet, until very recently, no one has attempted to systematically test the impact of heterogeneity on welfare state levels." (Banting and Kymlicka 2006: 4)

¹³ Medicaid is a US programme for individuals and families with low incomes and resources. It is funded by both the individual states and the federal government.

If the heterogeneity/redistribution trade-off held water, then it could be expected that those countries with higher levels of migrant stock¹⁴ would face a decrease in social spending compared to countries with lower levels of immigrants. However, a recent study by Soroka, Banting and Johnston revealed that this is not the case. The comparative analysis of the correlation between social spending and immigration across OECD countries from 1970 to 1998 showed that there is no relationship between the number of foreign-born people and growth in social spending. Countries with large foreign-born populations did not have more trouble developing and sustaining their social programmes than countries with small immigrant communities (in Kymlicka and Banting 2006: 6–7). Taylor-Gooby confirmed those findings in a separate study (2005). He noted that there is no evidence to suggest that immigration will have the same effect on the European welfare states that it had on the American welfare state (in Kymlicka and Banting 2006).

According to the second hypothesis, the multiculturalism policies adopted to deal with ethnic groups tend to further undermine national solidarity and trust (see footnote 5 for what those policies normally include). Therefore, the way in which European governments today tend to manage diversity creates even more problems than it would if they either ignored it or suppressed it.

But what if it is too early to establish the real impact of ethno-cultural heterogeneity on the welfare state? What if the corroding effect has not appeared *yet*? In that case all these analyses would be useless. Taking this into consideration, Crepaz takes a closer look at public attitudes towards the issue.¹⁵ He conducted a cross-national study on public opinion on multiculturalism, trust and the welfare state in European countries and discovered that immigration does not pose a challenge for the erosion of the welfare state (2006: 92–11). Geoffrey Evans came to rather similar conclusions when researching the British case (2006: 152–176). The same results were obtained for both the heterogeneity/redistribution trade-off and the recognition/redistribution trade-off. In Canada, research of support for welfare programmes showed that: “compared to income, gender and age, all of which do influence support for social spending, ethnicity and the ethnic composition of one’s neighbourhood virtually disappears” (Banting 2005: 5).

However, we spent some time reading internet blogs by Europeans and we realised that the ‘welfare immigration is killing us’ discourse tends to be quite strong. The opinions most often expressed can be summed up in the writing of a blogger called Fjordman: “The welfare state is now just a big pyramid scheme where Leftist parties take our money and give it to Muslim immigrants in return for voter support. The welfare state in fact provides insecurity, since it is used to fund Muslim colonisation of the continent” (Welfare). Public opinion would deserve an article of its own in order to be properly presented.

The recognition/redistribution trade-off is the question that had us occupied the

¹⁴ An unfortunately coined term used by the UN to describe the proportion of the population born outside the country.

¹⁵ Crepaz (2006: 92–117) notes that “...if heterogeneity is going to have an eroding impact on politics of redistribution, this will likely show up first as a drop in public support for the welfare state before it shows up in actual changes in spending levels”.

most in the theoretical research. The paradox of multiculturalism itself is an interesting research issue, but when linked with welfare provision of states with adopted MCPs, it becomes a real challenge.

Recent empirical evidence on the correlation between MCPs and social spending: Does the progressive's dilemma hold water?

As Kymlicka and Banting note, the arguments for positive correlation between MCPs and social spending are usually as follows (2006: 11):

Multicultural policies emphasise diversity.
Emphasising diversity undermines the sense of common national identity.
Feelings of national solidarity are necessary for a robust welfare state.

There are two levels that need to be addressed here. One is the level of public opinion on the matter, and the other is the level of empirical research on the actual correlation between the two variables. Solidarity is of course the principal issue here, but it depends on whether a corrosion of solidarity would potentially occur because of irreconcilable differences between the majority population and ethnic minorities or because the majority population believes that newly established welfare policies, regardless of whether they are intended for other ethnic groups or for some other categories of population, would increase the strain of taxation.

Ethnic immigrant minorities are merely scapegoats used by (right-wing) political parties in their quest for strengthening the ideal of the nation-state. Ethnic differences are much too often used and abused to achieve political goals and strengthen ethnic nationalism. Regarding this issue Banting (2005: 4) makes an excellent comment:

The effects of ethnic diversity are likely to depend on many factors, including the public policies that countries adopt in response to that diversity. Perhaps ethnic heterogeneity only erodes the welfare state when the government mismanages diversity and makes it a source of social conflict and political division, thereby corroding trust and solidarity.

But it seems that liberals or progressives have also been caught in the debate about the seemingly paradoxical term of the multicultural welfare state. "Social democrats, it is said, are faced with a tragic trade-off between sustaining their traditional agenda of economic redistribution and embracing immigration and multiculturalism." (Kymlicka and Banting 2006: 3). Referring to debates within European social democratic parties, Kymlicka and Banting note that in the past, most resistance to immigration and multiculturalism came from the Right, which viewed them as a threat to values and traditions. Today, however,

the Left is opposing immigration and multiculturalism as well, but due to the threat they apparently present to the welfare state (*ibid.*).¹⁶

Banting, Johnston, Kymlicka and Soroka's empirical analysis (2006) of the correlation between MCPs and the welfare state is an indispensable contribution to this field of research. The authors put under scrutiny 16 Western democracies and categorised them in terms of the strength of the adoption and implementation of MCPs: strong, modest and weak.¹⁷ The eight MCPs chosen were the same as those described in footnote 5, and they represent independent variables. The authors tested how the adoption and implementation of those eight MCPs affected the three categories of Western welfare states. Would states with strong MCPs experience greater erosion of the welfare regime than those with weak MCPs and can a recognition/redistribution trade-off therefore be confirmed? The relationship between the strength of MCPs and two types of measures were examined: changes in the strength of the welfare state and changes in social outcomes. The authors measured the strength of the welfare state using two indicators: social spending as a proportion of GDP¹⁸ and the redistributive impact of government taxes and transfers. They recognised that the former says little about the extent of redistribution that emerges from these expenditures. Therefore, they included in the analysis two measures of the redistributive impact of government: the effect of redistribution in reducing poverty and the effect of redistribution in reducing inequality.¹⁹ For measuring social outcomes, two variables are used: the level of child poverty and the level of inequality.²⁰ Therefore, there are five measures of *changes* in the welfare state.²¹

¹⁶ Unz (1994: 4), when writing about immigration situation in the States, notes that there is a high likelihood that the Democratic Party will do its own part in pushing immigrants into the Republican camp. "The three most anti-immigrant constituencies in America are blacks, union members, and environmentalists, and these are core elements of the Democratic Party, especially its liberal wing."

¹⁷ Grades awarded to each state depended on degree to which it implemented the eight MCPs for immigrants (national minorities and indigenous peoples are excluded here, but the authors made a classification for those categories too). For each of the nine MCPs, they gave each state a score of 1.0 if it had explicitly adopted and implemented the policy; 0.5 if it adopted the policy in an implicit, incomplete or token manner; and 0 if it did not have a policy. If a state scored at least six out of the total eight points, it was categorised as strong; if it scored between 3.0 and 5.5 it was categorised as modest; if it scored under 3.0 it was categorised as weak. Accordingly, states with *strong* MCPs include Australia and Canada; states with *modest* MCPs include Belgium, the Netherlands, New Zealand, Sweden, the UK and the US; and states with *weak* MCPs include Austria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Norway, Portugal, Spain and Switzerland. The time span of the research was from 1980 to 2000.

¹⁸ "Social spending as a proportion of GDP measures the proportion of the nation's resources directed by government to social purposes." (Banting, Johnston, Kymlicka and Soroka 2006: 64)

¹⁹ The authors explain: "We compare the level of poverty before and after government taxes and transfers are taken into account; and we compare the level of inequality in market incomes and inequality in disposable incomes (after taxes and transfers are taken into account)." (Banting, Johnston, Kymlicka and Soroka 2006: 64)

²⁰ The level of child poverty measures the extent to which one vulnerable section of the community is protected; and the level of inequality measures the overall distribution of well-being in the country.

²¹ Social spending as a proportion of GDP; the effect of redistribution in reducing poverty; the effect

The focus and the purpose of the research was to measure *change* in the measures of the welfare state over a twenty-year period, and *not* the level of social spending and redistribution of individual states. The authors were thus interested in changes in levels of social distribution in individual countries since their adoption of stronger MCPs in recent decades in comparison with changes in social redistribution in those countries which did not. The results confirmed the expected: there is no consistent relationship between the adoption of MCPs and the erosion of the welfare state.²² It is true, however, that in all countries social spending continued to rise as a proportion of GDP, primarily due to major programmes such as pensions and health care. Countries with strong MCPs indeed experienced the largest rise in social spending, but also the greatest strengthening of redistribution (reduction in poverty and reduction in inequality). In a similar manner, all countries experienced a drift upwards in percentages of child poverty and inequality, but the former grew less in countries with strong and modest MCPs than in those with weak MCPs, whereas the latter trend is quite the opposite.

What we missed in this empirical analysis is explicit data on the percentage of overall social spending that is attributed to each of the eight MCPs in all the countries in the sample. This data would be quite telling, especially when compared to other programmes implemented by individual welfare states. Nevertheless, the research clearly invalidates the two trade-offs, and this is what we were primarily interested in. There is only one observation by the authors that caught our attention: namely that *large changes in immigrant inflow do seem to matter*. Even Kymlicka and Banting (2006) themselves note that some preliminary findings from scholarly research suggest that countries with large increases in the proportion of their foreign-born population tend to have smaller increases in social spending. This fact has nothing to do directly with MCPs but more with the size of migrant inflow. More research is needed and more time needs to pass to come to satisfactory conclusions. But this data should most definitely not be overlooked.

CONCLUDING REMARKS

Demographic trends in Western developed countries prove that in the future they will be facing a decrease in population size, a decrease in the number of the economically active population (especially in the EU Member States), and an increase in the need for additional workforce in order to sustain their economies. The short-term solution seems simple: the labour market will have to welcome and accommodate immigrants. Immigrants will help strengthen the economy by increasing productivity and increasing the national budget, from which the welfare states of Western democracies will benefit significantly. It seems almost too good to be true: viewed from the political-economic

of redistribution in reducing inequality; the level of child poverty; the level of inequality.

²² The research also took into consideration the influence of ethnic diversity on welfare state. It confirmed negative correlation between the two variables.

perspective, migration flow does not have a negative effect on unemployment and the impact of migration is smaller than usually stated for political or ideological reasons. Moreover, migration does not have a significant impact on the level of salaries among the domestic population, largely due to a double labour market strategy. Migrants are in general not greater users of public services and do not receive more financial transfers than the domestic population, they are not greater users of medical services, they tend to be more mobile and more willing to undertake hard work, fertility among them is usually not higher than among the domestic population and they are not to be blamed for the potential rise in crime levels.²³ In fact, Unz (1994) notes that San Jose in California, where white Americans have already become a minority population,²⁴ has a flourishing economy, the lowest murder and robbery rates of any major city in America (less than one-fifth the rates in Dallas for example) and virtually no significant ethnic conflict. In this light, what can be said to conservatives and those liberals or progressives who see immigration as a challenge to national cohesion and a subsequent threat to welfare states? What is their agenda and why do they pursue it?

The objective of this article was to test the increasingly popular belief that multicultural policies adopted and implemented by European welfare states present a threat to the welfare state system. The potential of such a corroding effect has been scrutinised by the pioneering scholars of the issue, Banting and Kymlicka (2006). They conducted extensive research of the two trade-offs that have most often been the subject of concerns of surprisingly both conservatives and liberals. Especially the latter have been lately caught in the so-called progressive's dilemma: do they continue supporting immigration and multiculturalism, or do they rather support the welfare state? They predominantly opt for the latter, although according to the research no such trade-off is in fact required. If, therefore, there is no trade-off between recognition and redistribution, and social spending of individual states is not increased due to adoption and implementation of MCPs, one should ask whether it is in fact ethnic diversity that is at the core of the problem. But according to empirical research even the heterogeneity and redistribution trade-off argument does not hold water. Both trade-offs were tested for immigrant groups, national minorities and indigenous peoples, and for all groups the results were the same: social spending and welfare redistribution are not significantly correlated with the adoption of MCPs from which those categories benefit, or with the level of ethnic diversity in each individual state.

If there is, therefore, no empirically proved positive correlation between respective variables, what is the argument of those who are warning against the corrosive effect of immigration and MCPs on the welfare system? Some take the USA as an example in their claims that a welfare system comparable to the European one could not be established because of ethnic diversity and related tensions. And they warn that increased immigra-

²³ The data is summed up from an essay by Bogomir Kovač (2003).

²⁴ San Jose is the 11th largest city in the USA. "It has a white population of less than 50 percent, and contains mostly Asian and Hispanic immigrants – comprising some 20 percent and 30 percent respectively – including large numbers of impoverished illegal immigrants." (Unz 1994)

tion to Europe could result in the Americanisation of the European welfare state (see e.g. Freeman 1986). Therefore, both trade-offs will undoubtedly occur, the results are just not showing yet.

A popular public discourse in EU countries today is that immigrants will raise unemployment levels for native populations, exploit the social benefits and enjoy the variety of comforts provided by the welfare state. It seems unimaginable that such discourse still strongly persists, even though significant evidence has been provided to prove otherwise. Indeed, as Kovač (2003) notes, the number of international immigrants in last decades has been surprisingly small.²⁵ It is true, Kovač (ibid.) notes, that globalisation with its various processes invariably increases migration potential, but it is not equally clear whether it will also increase or even reduce migration flows in the future.²⁶ And migration flows in the last century have indeed been on the decline. Moreover, evidence shows that immigrants in general have not been a strain on social spending. As Banting (2005) notes in his analysis of the relationship between immigration and change in the level of social spending of selected countries over almost three decades (1970–1988), there was no relationship between the proportion of the foreign-born population and growth in social spending, although it has to be noted that overall social spending as proportion of GDP has been rising in most developed states. “There was simply no evidence that countries with large foreign-born populations had more trouble sustaining and developing their social programs than countries with small immigrant communities.” (Banting 2005: 7) Although it is true that immigrants are mostly employed in lower paying jobs, this does not mean that they contribute to the state budget less and take out more than the native population. And even if it turns out that immigrants in some cases really do draw more income support and other benefits, Miller (2006: 334) notes that the explanation can be found in labour market policies that make it difficult for immigrants to find secure jobs. Redistribution of social spending has therefore nothing to do directly with culture itself, but with class.

However, the question remains why immigration control has therefore been one of the most important issues on the agendas of developed countries. It has been evident for quite a while now that developed countries are facing a decrease in population size and a decrease in the number of the economically active population. This will have devastating effects on the economy and subsequently on welfare provision. In the case of the EU, by 2025 the Member States would need around 40 million new immigrants, while they will lose the same quantity of their population by 2025 (UN 1998). Therefore, immigrants will in fact paradoxically be desperately needed to preserve the economies and subsequently the welfare states of the West.

²⁵ This article does not offer an insight into reasons for why a relatively small number of people decide to move in contemporary times. For a discussion on this issue see e.g. Faist (2000).

²⁶ Potential factors for increasing migration flows also include a yawning polarisation of the world and a demographic gap between the developed countries of the north and those of the south, all of which are indicators that a large amount of people will decide to migrate to more prosperous regions of the world. Yet the projections have failed to accurately grasp the situation in reality (Kovač 2003).

Despite the stated facts, the discourse of harmful effects of immigration still persists, and not only with regard to quantities of immigrants. The latest challenge for the developed welfare states is said to be ethnic diversity and accompanying multicultural policies (MCPs), which have been adopted and implemented in developed states to varying degrees. Now we are coming closer to the source of the problem. When immigrants would simply be perceived as a labour force without 'ethno-cultural baggage' and with an inherent ability to integrate into a majority society, the broader public would no doubt disregard arguments about the severity of the immigration threat shaking the well-established roots of the welfare system. The real problem seems not to be the quantity of immigrants but their ethnic origin and cultural/religious beliefs that need to be recognised in contemporary European democracies with policies of multiculturalism. Indeed, the adoption of such policies in many European countries has seemingly started to stir up tensions, and statements have been made that multiculturalism erodes trust and sense of community among citizens. Solidarity is by all means a prerequisite on which the welfare state is based. The real question here is whether people of one ethnic group can develop feelings of solidarity towards members of another ethnic group. No doubt, conservatives and nationalists would argue that such solidarity is not possible and that therefore a multicultural welfare state is almost a contradiction in terms. Although the empirical data shows this has not been the case, emphasising ethnic differences and using immigrants as scapegoats has been a convenient tool for achieving political goals and strengthening nationalism.

Public opinion might today also be on the side of MCPs, but tensions will continue to grow until they reach the stage when the ethnic majority will refuse to contribute to the national budget from which all citizens, including ethnic populations, would benefit. Solidarity is of course a key issue that is being emphasised: no solidarity means no welfare state. But one might ask whether the principle of solidarity is indeed so strongly and exclusively linked to ethnic differences between a majority and minorities. We would say neither. In fact, regardless of the popular 'ethnic nationalism' discourse after 9/11, we believe that it is not all about race, ethnicity or nationality. It is really about class.

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POVZETEK

SODOBNE IMPLIKACIJE MULTIKULTURNIH POLITIK ZA EVROPSKE DRŽAVE BLAGINJE

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Avtorici v prispevku dokazujeta, da uvedba in implementacija multikulturnih politik v evropskih državah blaginje ni v pozitivni korelaciji s povečanimi izdatki za socialne transfere, kar bi potencialno lahko ogrozilo evropsko državo blaginje. Niz natančnih in obsežnih empiričnih raziskav, ki so predstavljene v članku, popolnoma zavrže ta t.i. korozijski efekt, vendar pa se podatkom navkljub v političnem diskurzu tako desno kot tudi levo usmerjenih struj pojavljajo diskusije o negativnem vplivu priseljevanja na socialno blaginjo državljanov evropskih držav blaginje. Solidarnost med državljani, ki je predpogoj za uspešno funkcioniranje države blaginje, naj bi se krhala zaradi priseljevanja pripadnikov različnih etnij in kultur in implementacije multikulturnih politik v njihovo korist. Avtorici teh diskusij ne zavrmeta *a priori*, temveč jih uporabita za nadaljnjo debato o spremembah koncepta socialne solidarnosti, ki v dobi globalizacije pridobi etnično/kulturno komponento, s tem pa prikrije srž problema. Javnemu mnenju in političnim diskurzom navkljub ta namreč ni zgolj v etničnosti, temveč predvsem v hitro rastočih razrednih razlikah med državljani evropskih držav blaginje.