Istanbul Bilgi University

Jean Monnet Chair of European Politics of Interculturalism Department of International Relations European Institute

Jean Monnet Chair Student Workshop I

27 May 2013, Dolapdere, Istanbul

The Relation Between the Economic Crisis and Attitude Toward Immigrants: A Comparative Analysis Between Spain and Greece in the EU Level.

F. Hazal İnce Sabancı University European Studies MA Candidate



İstanbul Bilgi University European Institute Hacıahmet Mahallesi Pir Hüsamettin Sokak No:20 34440 Beyoğlu Tel.+90.212.3115260 Fax. +90.212.2508748 <u>http://eu.bilgi.edu.tr</u>

The literature on the relation between the economic concerns and anti-migrant attitude is extensive. While some of the scholars defend for a positive correlation between the economic concerns, especially in times of global economic crisis, and anti-migrant attitude not only within the society, but also in the political level (Kessler 2001; Mayda 2006; Scheve and Slaughter 2001; Facchini and Mayda 2009; Hanson 2005; Hanson, Scheve, and Slaughter 2007; Borjas 1999; Simon 1989), some claims that rather than economic concerns, socioeconomic conditions affect the existence of anti-migrant attitude (Bauer, Lofstrom, and Zimmerman 2000; Burns and Gimpel 2000; Chandler and Tsai 2001; Fetzer 2000; Gang, Rivera-Batiz, and Yun 2002; McLaren 2003). In order to test this disputed and well-known hypothesis, I take the Eurozone crisis in the European Union as a natural breakpoint. My aim is to understand the effect of the Eurozone crisis on anti-migrant attitude in Spain and Greece, the countries which have been affected most by the financial crisis in the European Union. In order to understand whether there is a positive correlation or not, I will look at the antimigrant attitude of those countries in the EU level by analyzing the migrant related proposals and the votes, in other words approvals and rejections, of Spanish and Greek Parliamentarians in the European Parliament. In this presentation, first I will talk about the development and evolution of the Eurozone crisis and how it has affected Spain and Greece. Secondly, I will present some of migration related proposals by the European Commission, which are proposed before and after the financial crisis, and I will touch upon their contents. Then, I will present the numbers of approval and rejection by Spanish and Greek Parliamentarians and conclude whether economic concerns are really effective in the creation of anti-migrant attitude or not.

Before I start my presentation, I would like to clarify one point. In order to understand the effect of the economic concerns, in other words Eurozone crisis, I am looking at the voting behavior of the parliamentarians. Despite it is argued that the European Parliament is a supranational organ of the European Union in which national interests are not effective in voting of those national parliamentarians, rather ideologies of political parties in the European Parliament that the parliamentarians are bound to, determine their votes, the Parliament is also criticized for not being emancipated from the national politics (Servent, 2010). I would like to clear up that in this presentation, I am taking into consideration the latter view on the European Parliament which assumes that also the Parliament has always been considered as a supranational body f the EU which would reflect the interests of the European Union in general; it is still very much connected to the national politics and policies of the Member States.

Now I will give brief information on the Eurozone crisis. The evolution of the Eurozone crisis was affected severely by the global financial crisis, which started in the United States, because of the dependence of the European investment banks to the new financial derivative instruments and hedge funds in the US market. As well as this contagious effect of the global financial crisis in the late 2008, early 2009, the Eurozone countries, especially periphery countries, were facing several challenges. These can be categorized firstly as the following: high levels of public debt due to the capital inflow and lack of economic growth because of the decrease of investments related to unstable conditions in those economies, which represents itself as high unemployment levels Another challenge is the persistent trade deficit which diminishes the competitiveness of periphery countries as opposed to the core countries within the Eurozone. Problems related to the structure of the Eurozone, such as the inability of countries to devalue their currencies and increase interest rates in order to decrease the trade deficit, can be considered as another challenge (Lane 2012, Nelson et. al 2012). Besides the general challenges to the Eurozone economies, there are country specific problems which cause some countries to be affected by the Eurozone crisis more. For example, while in Greece mismanagement of public finances, decrease in tax revenues, high government spending on public jobs and benefits, and the lack of productive investments within the country are deterministic; in Spain, despite the lowness of public debt, capital inflow and real estate bubble shape the crisis. When all these already existing problems with the Eurozone countries combine with the global financial crisis, Eurozone crisis started in the late 2009s (Grauwe 2010, Lane 2012, Nelson et. al 2012)

The economic conditions of Spain and Greece, even long before the financial crisis in the late 2009, were not hopeful for the future. Starting from 1999, the establishment of the European Monetary Union, Greece was one of the countries that could not provide the necessary conditions to be a member of the EMU, such as the government debt to the GDP ratio should not exceed 60%. However, when Greece first joined to the EMU, its debt ratio was 94%. All the data were changed with the financial crisis against the favor of Greece after 2009. For example, while debt as proportion to GDP was 112.9% in 2008, it increased to 156.9% according to the statistics in 2012. The GDP growth decreased from -0.2% in 2008 to -6.4% as of 2012. Economic situation for Spain is not very different from Spain, too. While the debt in 2008 was 40.2%, it increased to 84.2% in 2012. Percentage of unemployment in

the first quarter of 2008 was 9.2%, and it increased to 23.9% as of the first quarter of 2012, which was the highest unemployment level within the Euro27 (Eurostat)

As well as the implications of the Eurozone crisis, Spain and Greece have several common points. For example, they are both located at the Mediterranean border of the European Union and open to undocumented migration especially from African countries. Also, they joined the European Union in the same trend; Mediterranean enlargement with the abolishment of the non-democratic regimes in those countries. The rise of the right parties is observed in the last general elections of both countries which can be considered as a reaction to the financial crisis. Thus, since I can control the geographical conditions which reflects the level of openness to migration flows, current political parties, and the effects of the Eurozone crisis in which both end up with austerity measures, Spain and Greece would be perfect cases in order to compare the anti-migrant attitude in the EU level by looking at the migrant favoring or anti-migrant laws or draft that come from the Commission to the European Parliament and analyzing the voting behavior of Greek and Spanish Parliamentarians. I will look at the draft laws, motion for resolutions or proposals for recommendation since 2004 and I will compare three proposals before the financial crisis, which I take the initial year as 2009, and three that came to the Parliament after the Eurozone crisis.

In 2005, a motion for a resolution on § 52 of "Legal and illegal migration and the integration of migrants" which is basically about the improvement of political rights of those foreigners, immigrants, who have residence and working permits in the host countries, was voted by the Parliament (European Parliament, P6_TA(2005)0235) Sixteen Parliamentarians from Greece over twenty-four voted for the migrant-favoring resolution, while two abstained. Forty Parliamentarians from Spain also voted for this resolution, while fourteen was either absent or did not vote. In 2006, again a motion for resolution on "Non-discrimination and equal opportunities to all" was voted by the Parliamentarians and the primary aim of this resolution was preventing the discrimination of the minority groups, such as the immigrants, not only in the society, but also from the political activities, such as voting or being a member association (European Parliament, A6-0189/2006) Twenty-seven Spanish of an Parliamentarians out of fifty-four voted for the resolution as w hole, while twenty Parliamentarians voted against this resolution which is in favor of migrants. In terms of the Greek Parliamentarians, while nine parliamentarians voted for the same resolution, seven voted against and four was abstain. While, still the majority of both countries voted for the resolution, the balance between the numbers of approval and rejection changed dramatically.

Resolution of "Common immigration policy" in 2006 is a migrant-favoring proposal which calls for a coherent immigration policy that will help the integration of immigrants to the labor market while enabling them to benefit from some of the social services, such as education and health-services (European Parliament, RC-B6-0508/2006). Votes of Greek and Spanish Parliamentarians on this resolution are quite interesting. While six of the twenty four Parliamentarians of Greece voted for the resolution, ten voted against. Thus, the majority of the Greek Parliamentarians voted against this migrant favoring resolution. The majority of the Spanish Parliamentarians, on the other hand, voted for the resolution. While twenty four was loyal with the majority of the Spanish and voted for the resolution, nineteen out of fifty four voted against this resolution which would have positive implications for the immigrants within the European Union.

In total, ninety one Spanish parliamentarians approved the three proposals that are in favor of the immigrants, which constitute the majority of the total votes of the Spanish. On the contrary, there are thirty one approvals by the Greek parliamentarians for those three proposals who had in total seventy two votes. In the second part of my analysis, I will deal with three proposals regarding immigration issues after 2009, in other words post-Eurozone crisis. In 2009, a motion for resolution on the children of migrants was proposed to the Parliament which aimed to improve the children that were left by the undocumented migrants who were caught and deported to their home countries (European Parliament, B6-0112/2009) The Commission called Member States to decrease detrimental effects on those children whose parents were deported. Twenty one Greek parliamentarians out of twenty four approved for this proposal. None of the Spanish parliamentarians, like the Greek, rejected the proposal, except those who did not vote or were absent and in total the number of Spanish parliamentarians who voted for the proposal was thirty nine out of fifty three. In 2010, 16th amendment to the draft legislative resolution called "Single application procedure for residence and work" which proposed the member states to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families was proposed to the Parliament and the Parliament rejected this amendment (European Parliament, A7-0265/2010). Twenty two Spanish parliamentarians out of fifty, the total number of Spanish parliamentarians, voted for this amendment and decide in favor of the amelioration of the conditions of immigrants and twenty voted against. Eleven Greek parliamentarians, out of twenty two, approved for the amendment while nine rejected it. Although the majority of votes both within the Spanish and Greek parliamentarians were approval, the number of rejection was high. In 2011, there was an amendment (number 139) for the "Single application procedure for residence and work" which prevents the Member States' restriction of social benefits, such as family benefits and unemployment benefits, of third country nationals who have been admitted for the purposes of study (A7-0265/139). This amendment would restrict the control of the Member States over the social benefits for the third country nationals and enabled the third country nationals to get certain social benefits if they came for study purposes. However, 66% of the parliamentarians voted against this amendment while only 32% voted for. Twenty one Spanish parliamentarians within the Parliament voted for and twenty three out of fifty did not vote for more advantages for those third country nationals who migrate to the European Union countries in order to study. Half of the Greek parliamentarians (eleven out of twenty two), on the contrary, voted for this positive amendment, while nine remained against the amendment.

In total, for three proposals before 2009 which were all in favor of the immigrants within the EU member states, ninety one approval votes came from the Spanish parliamentarians who has hundred sixty two voted in total. After the crisis, while the Spanish had hundred fifty three votes in total, seventy two approvals have come out of Spanish parliamentarians for the favor of immigrants and their rights. The rate of approvals decrease with regard to the decrease in the number of total votes due to the decline in the number of Spanish parliamentarians in the European Parliament, but compared to the phase before the financial crisis, the percentage of the approval votes to total votes has decreased after the crisis in 2009. The percentage of the approval votes to total votes of the Greek parliamentarians before the financial crisis for three proposals was thirty one out of seventy two, total votes, after the financial crisis even the number of the total votes of the Greek decreased to sixty eight, the number of approval votes increased to forty three.

Although the financial crisis hit both Greece and Spain and those countries were bailed out, anti-migrant attitude in the supranational level which would reflect itself as an increase in the rejection votes for the proposals which would favor the immigrants would be expected. However, while we observe an increase in the anti-migrant attitude in the EU level by the nationals of Spain in the European Parliament, we cannot observe the same trend for the Greek in the European Parliament. This incident displays that while economic concerns affect the anti-migrant attitude in the EU level in Spain, it does have as much effect in the Greek case. One possible explanation for the increase anti-migrant attitude within Spain in the EU level could be the higher unemployment levels in Spain compared to Greece. SSince immigrants are generally considered as threat to the labor market, because of the high unemployment level, especially within the youth whose future is ambiguous, cheap labor force offered by the immigrant could increase anti-migrant attitude in Spain. On the other hand, since in Greece the reason of the crisis and bail out are more focused on the public debt, except for the social services that those immigrants receive, they do not pose direct threat to the Greek economy, and thus we cannot observe an increase in the anti-migrant attitude within the Greek parliamentarians.

To sum up, we cannot generalize the hypothesis that the economic concerns cause anti-migrant attitude by looking at the votes of the parliamentarians of Spain and Greece, those countries which are most affected by the financial crisis, for migrant-related proposals. While Spain shows a tendency for the increase of anti-migrant attitude, the attitude of Greek parliamentarians against immigrants has changed positively in the EU level after the Eurozone crisis. Taking into consideration the high unemployment level in Spain, we can still make an argument on the relation between the economic concerns, related to the unemployment, and anti-migrant attitude. For Greece, however, voting behavior of the parliamentarians displays that the crisis does not have a negative effect on the attitudes of the Greek against immigrants.

References:

- Bauer, T. K., M. Lofstrom, and K. F. Zimmerman. 2000. Immigration Policy, Assimilation of Immigrants, and Natives' Sentiments towards Immigrants: Evidence from 12 OECD-Countries. IZA Discussion Paper No. 187, Institute for the Study of Labor (IZA).
- Borjas, G. 1999. *Heaven's Door*. Princeton, NJ: Princeton University Press.
- Burns, P., and J. Gimpel. 2000. "Economic Insecurity, Prejudicial Stereotypes, and Public Opinion on Immigration Policy." *Political Science Quarterly* 115 (3): 201–25.
- Chandler, C. R., and Y.-M. T. Tsai. 2001. "Social Factors Influencing Immigration Attitudes: An Analysis of Data from the General Social Survey." *Social Science Journal* 38 (2): 177–88.
- De Grauwe, Paul. 2010. *Crisis in the eurozone and how to deal with it.* CEPS Policy Brief No: 204.

- European Parliament
- Eurostat
- Facchini, G., and A. Mayda. 2009. "Does the Welfare State Affect Individual Attitudes toward Immigrants? Evidence across Countries." *Review of Economics and Statistics* 91 (2): 295–314.
- Fetzer, J. S. 2000. *Public Attitudes toward Immigration in the United States, France, and Germany*. Cambridge: Cambridge University Press.
- Gang, I.N., F. L. Rivera-Batiz, and M.-S.Yun. 2002. Economic Strain, Ethnic Concentration and Attitudes towards Foreigners in the European Union. IZA Discussion Paper No. 578, Institute for the Study of Labor (IZA).
- Hainmueller, J., and M.J. Hiscox. 2010. "Attitudes toward Highly Skilled and Lowskilled Immigration: Evidence from a Survey Experiment." *American Political Science Review* 104 (1): 61-84.
- Hanson, G. H. 2005. *Why Does Immigration Divide America?* Washington, DC: Institute for International Economics.
- Hanson, G., K. Scheve, and M. Slaughter. 2007. "Public Finance and Individual Preferences over Globalization Strategies." *Economics and Politics* 19 (1): 1–33.
- Kessler, A. 2001. *Immigration, Economic Insecurity, and the "Ambivalent" American Public*. Working Paper. La Jolla, CA: Center for Comparative Immigration Studies.
- Lane, Philip R. 2012. "The European Sovereign Debt Crisis." *The Journal of Economic Perspectives* 26 (13): 49-67.
- Mayda, A. 2006. "Who Is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants." *Review of Economics and Statistics* 88 (3): 510–30.
- McLaren, L. 2003. "Anti-immigration Prejudice in Europe: Contact, Threat Perception, and Preferences for the Exclusion of Migrants." *Social Forces* 81 (3): 909–36.
- Nelson, R., P. Belkin, D.E. Mix, and M.A. Weiss. 2012. *The Eurozone Crisis: Overview and Issues for Congress*. Congressional Research Service.
- Servent, A.P., "Point of no return: The European Parliament after Lisbon and Stockholm" *European Security*, Vol. 19, No. 2, (2010), pp. 191-207.
- Simon, J. 1989. The Economic Consequences of Migration. Oxford: Blackwell.

- Scheve, K., and M. Slaughter. 2001. "Labor Market Competition and Individual Preferences over Immigration Policy." *Review of Economics and Statistics* 83 (1): 133–45.
- www.votewatch.eu