"States and Migration in Europe" Podcast
Episode #14 "Can Free Movement Survive in Europe?"
With Matthew Lesh
Enhanced transcript
By Emmanuel Comte

Abstract: In this episode we navigate through the past, present, and future of free movement within the European Union, shedding light on the political and economic factors that have shaped this issue. We explore the philosophy and ethics of open borders. Understand the evolution of the EU's free movement policies and learn how this question intersects with the economy, especially jobs and wages. As Brexit continues to send ripples across the Union, we also discuss the mounting challenges to immigration, from cultural concerns to rising nationalist pressures. If you're intrigued by the dynamics of immigration, the welfare state, and the economy, this episode offers an unmissable deep dive.

Introduction

Matthew Lesh: From the migrant crisis to Brexit and the rise of populist politics, immigration is highly contentious. Yet, there are no border controls within the European Union. Individuals can work across the Union, and migrants can get access to state benefits and services. This free movement, for all its critics, remains a core feature of European life, despite the demands for more external controls. My name is Matthew Lesh, and I am the director of Public Policy and Communications at the Institute of Economic Affairs. Our question today is: can European free movement survive? To discuss this, I am thrilled to be joined by Dr Emmanuel Comte, a historian and expert in European migration. Dr Comte is a senior research fellow at the Hellenic Foundation for European and Foreign Policy and a lecturer at the Vienna School of International Studies. He is also the author of *The History of the European Migration Regime*, published by Routledge in 2018. Welcome to the podcast, Emmanuel.

Emmanuel Comte: Thank you for having me. It's a pleasure to be here.

The philosophy of free movement

Matthew Lesh: Before we delve into the historical discussion, I'd like to hear your thoughts on the moral and philosophical justifications for free movement. Is it right to say that people should be able to move between borders, or is there a prerogative of sovereign citizens to reject people from entering a nation-state?

Emmanuel Comte: That's an important question. In the context of free movement, there is particularly a strong economic rationale. Economics, originally a moral science, aims to allow people to go where they can maximize the return on their skills or labour. From a moral standpoint, free movement fosters human development by enabling people to move to places where they can find employment and work in the most profitable way.

Matthew Lesh: What about the capacity of a community to restrict the inflow of foreigners?

Emmanuel Comte: That's a complex issue. This is based on the implicit assumption that a collective has rights over a territory and can legitimately reject outsiders. Recent reflections on this topic suggest that advocates of free movement challenge the notion of collective property rights over territory.

Matthew Lesh: Would you say the definition of this "territory" has evolved? Historically, it might have been the estate your lord controlled, limiting your movements to a very confined space. Nowadays, it seems to be defined more broadly as a nation-state, or in the European context, a supranational body.

Emmanuel Comte: Yes, even in the European case, it remains largely a nation-state issue, despite some agreements at the European level. The problem with equating individual property rights with collective property rights is that it creates a range of issues. No one wants a collective to have the level of control over an individual's life comparable to the control an estate owner has over their property.

Matthew Lesh: So, you're saying the concept of property rights becomes problematic when applied on a collective basis?

Emmanuel Comte: Exactly. Transferring individual property rights to a collective level denies a number of freedoms to the members of that group. While an individual has the right to say who can or cannot enter their personal space, transferring this concept to the level of the state raises issues. It implies a degree of cohesion within the body politic that is not compatible with individual freedom. The most viable approach in a free society is to define the appropriate level of exercise of property rights at the lowest possible level, typically the individual.

Matthew Lesh: So, are you saying there is not really a moral justification for borders? On an individualist level, people should essentially be free to move to whatever other country they wish?

Emmanuel Comte: Yes, but while there is a right to restrict entry, it is contingent upon the capacity to maintain property rights in the destination country. If someone is a threat to these property rights, then the body politic has the authority to prevent them from entering the territory.

Matthew Lesh: That brings us to modern welfare states. Migrants are not only making a claim to enter another nation-state but are also potentially making a claim on its resources. When someone migrates to a new country, the question arises: do they become entitled to certain benefits such as healthcare or welfare payments?

Emmanuel Comte: I would be frank and say there is no moral claim for an outsider to benefit from assistance to which they have not contributed. While it is acceptable for an outsider to enter an insurance scheme, entering a system of assistance is a different story altogether. People should have the right to move to a different country, but they should not expect any benefits or support from the state to do so. The increasing role of the state in providing assistance complicates migration. Making assistance compulsory and eroding property rights makes it contentious to allow outsiders to enter.

Matthew Lesh: Opposition to migration can also sometimes be based on racism, and conservatives often argue that cultural differences might be a legitimate concern. For instance, London, despite being diverse, shows higher rates of social conservatism.

Emmanuel Comte: The impact of migration is not solely economic; it can also have cultural ramifications. These claims about cultural differences present another layer of complexity to the migration debate. The major issue here is that culture often undergoes transformation when people migrate. Culture serves as a framework that guides how people organise their lives, and this framework changes depending on the context in the destination country. Migrants do not merely transport their culture from their country of origin to their destination. For instance, debates about whether Islam is compatible with Western countries often overlook how immigrants from Muslim countries, such as Algeria to France, experience culture shock when they return to Algeria. What is often labelled as a cultural mismatch is, in many cases, actually a reflection of social tensions in the destination countries.

Matthew Lesh: That's an interesting perspective, suggesting that culture is more of a dialogue. This interaction also includes immigrants adopting new attitudes and ways of relating to others as they move.

The history of European free movement

Matthew Lesh: Shifting to another area where you have conducted significant research, the European Union has made a historically remarkable development by removing internal border controls. It allowed people to move freely across EU member states. While this issue became controversial in the UK and contributed to Brexit, how has it evolved historically within the EU?

Emmanuel Comte: Free movement within the European Union has been contentious at specific moments. As we speak in 2023, apart from the Brexit case, it does not raise as many eyebrows. The controversy typically arises during periods of EU enlargement, particularly when new member states with lower living standards join. This causes an initial shock as people migrate to wealthier countries. However, this issue tends to stabilise over time, also influenced by the EU's single market freedoms, such as the movement of goods, capital, and services. The enlargement of the EU during the 2000s, which included Eastern European countries, led to a significant demographic impact, particularly in the UK.

Matthew Lesh: But this impact stabilised as these countries became wealthier, making them less likely to send large numbers of immigrants, as was the case 10 to 15 years ago.

Emmanuel Comte: Indeed, and they also became richer by moving thanks to the free movement of people.

Matthew Lesh: Stepping back, let's discuss the history of this idea. Where did it originate?

Emmanuel Comte: The concept of European free movement is quite unusual when examined against the backdrop of recent history. The prevailing trend has been the increasing power and regulatory scope of the state. States are typically interested in creating certificates, permits, and various other regulatory mechanisms. Yet, the European free movement regime diverges significantly from this trend and has a unique importance and stability compared to other regional free movement regimes globally. So, the European free movement is counter to the

trend of states developing their ever-expanding regulatory scope. If we want to understand how Europe arrived at its current position on free movement, we must recognise Germany's central role. Germany is not just another country; it was pieced together in the 19th century after its decentralised system of governance was eroded by the rise of centralised nation-states. Germany has rarely considered itself a conventional centralised nation-state. In fact, it exists to disrupt the established state system in Europe.

Matthew Lesh: How does Germany's unique position relate to free movement within Europe?

Emmanuel Comte: Germany's history and situation have led it to advocate for laxer migration policies within Europe. Given the many historical upheavals, Germany requires a degree of flexibility for people to move in and out of its borders. Furthermore, Germany's economic development has been closely tied to its neighbouring countries, requiring a certain level of back-and-forth movement for economic expansion.

Matthew Lesh: So, the argument you're making in your work is that Germany played a more significant role in establishing free movement than countries like Italy?

Emmanuel Comte: Yes, and it is essential to contrast this perspective with earlier views, which suggested that emigration countries like Italy were the primary proponents of free movement. It is true that countries with lower living standards naturally favour emigration opportunities. Whether you ask Mexicans today if they favour free movement with the United States, or Turks if they favour movement with the EU, the answer is generally affirmative. Italy was no different in the 1950s. Italians in the 1950s were obviously in favour of free movement, which would provide them with employment opportunities and remittances. Italy was certainly in favour of regime change; that is beyond doubt. The intriguing question is why this change happened, particularly given that it ran counter to the prevailing trend. To enact such a countertrend, a powerful force is necessary. Italy alone did not possess the capability to lead a nation like France to abolish its work or residence permits for Italian workers. Here, the archival evidence strongly supports Germany's central role.

Matthew Lesh: To clarify, you're referring to post-war West Germany. In which years did Germany transition from requiring work permits to allowing free movement for Italians or citizens of other European Community countries?

Emmanuel Comte: Labour shortages in Germany began appearing around 1953, leading to a significant agreement with Italy in 1955. However, this agreement was merely focused on recruitment and selection of migrants. Concurrently, Germany sought a multilateral regime of free movement from 1955 onwards. Their dominant economic position in Europe made it easy for Germany to absorb the inflow of Italians.

Matthew Lesh: And the French? Were they initially reluctant to this idea?

Emmanuel Comte: Yes, the French were quite hesitant. For instance, Germany initiated the regime of free movement as early as 1964, following the second European regulation on the matter. The French, however, waited until 1968 to open their market. At that time, the level of Italian immigration to France was relatively low, and France was receiving a higher number of migrants from North Africa and Portugal. The French followed the German lead, largely because Germany had the strongest economy and could therefore stabilise the European migration system.

Matthew Lesh: So, as the European Community expanded, countries like the UK also adopted this policy when they joined?

Emmanuel Comte: Correct. Let us clarify that when we talk about 'free movement,' we are primarily referring to the abolition of visas, work permits, and residence permits. The removal of border controls came later, in the early 1990s. Even when the UK was part of the EU, nationals still had to show their passports, because the UK was not part of the Schengen Zone.

Matthew Lesh: Would you say that free movement became less controversial in the second half of the 20th century because it involved countries with similar levels of economic development?

Emmanuel Comte: Yes, that seems accurate. But let's not forget that the issue of Italian immigration was controversial in countries like Belgium and France. These tensions were renewed in the early 1980s with the enlargements of the European Union, which included Greece, Portugal, and Spain. These countries were major sources of emigration, and they were economically less developed at that time. This led to the implementation of a transition period, primarily because destination countries like Germany were cautious about receiving too many immigrants too quickly. Yet, the free movement of services allowed some migrant workers to move as posted workers, which was highly contentious in the early 1990s. Even before the enlargement to Eastern Europe, the issue of posted workers was a significant point of contention. The 2004 enlargement, which allowed nearly 80 million people to join the area of free movement, was a major shock to the system. Bulgaria and Romania joined a bit later, in 2007, and they were particularly poor countries. These enlargements significantly amplified the contentiousness surrounding free movement. The United Kingdom's decision not to implement any transition period for these new entrants in 2004 further fuelled the debate. Additionally, the characteristics of the British welfare system, which relies heavily on assistance, compared to other European systems that are more insurance-based, added to the complexity. By the mid-2000s, the free movement of people had become extremely contentious, and this lasted for about a decade. When the British people voted to exit the European Union in 2016, we were essentially at the end of this contentious period. Since then, the issue has become less pressing, even during the Brexit negotiations.

Migrant crisis and the backlash to increased immigration

Matthew Lesh: Of course, there are other factors beyond immigration, such as sovereignty and control, but those are topics for another discussion. Another point to consider is the ongoing migrant crisis affecting both the EU and more specifically the UK, with large numbers of people crossing the Mediterranean and the English Channel irregularly. This has further complicated and heightened controversies surrounding immigration. You're generally an advocate for the free movement of people. However, this issue also becomes politically sensitive for even those who want to support immigration.

Emmanuel Comte: Yes, I do believe that the free movement of people is the most effective way to manage the flow of populations. However, I'm not an advocate in the sense of indiscriminately letting people in; the issue is far more complex. The core question is: why is immigration a problem in the first place? There are various factors contributing to this, such as welfare systems and the regulation of labour markets, both of which make immigration highly controversial. The current system is fraught with issues that create dire circumstances for immigrants upon reaching their destination. There are unfortunate instances where a segment

of these immigrants commits crimes, not necessarily because immigrants are more inherently malevolent, but because their conditions are more conducive to criminal behaviour. Heavy government regulation in labour markets and extensive state intervention in welfare are creating issues, of which immigration is merely a symptom. There is a need for a flow of people for economies to function properly, and what we currently have are over-regulated countries that are not working as they should. Eventually, this unsustainable system will collapse.

Matthew Lesh: Could you elaborate on how labour market regulations and welfare systems contribute to this controversy?

Emmanuel Comte: Certainly. States have extensively regulated labour markets, often with a specific kind of worker in mind. For example, when setting a minimum wage, policymakers generally have a particular skill level in mind. The problem arises when migrants from much poorer countries do not fit this preconceived model. In many European countries, the minimum wage can be an obstacle to migrants finding gainful employment. Furthermore, some regulations outright prohibit certain groups, such as asylum seekers, from taling up employment. The contribution of immigrants to the economy is contingent upon their ability to work in a free market. If immigrants are not allowed to work, their potential to contribute economically is significantly hampered. So, the issue is multi-faceted. Regarding the impact of immigration on the labour market, there is evidence to suggest that it can exert downward pressure on wages for certain groups who are easily substitutable with immigrants. However, it's worth noting that natives, who are better integrated into the local labour market, often find themselves in a favourable position. They are more likely to benefit from promotions and upward mobility when immigrants enter the workforce. One question to consider is whether it is necessary to regulate the entire labour market due to the concerns of a subset of people who might see a decline in their wages. From a philosophical standpoint, one could argue that if people from wealthy countries can be easily replaced by immigrants, then perhaps their higher earnings are not justified and result merely from their place of birth.

Matthew Lesh: It seems unlikely that politicians will argue this point soon.

Emmanuel Comte: The core issue here is that these natives benefit from barriers to entry rather than their actual value to society.

Matthew Lesh: I see. What about the role of entitlements in this equation?

Emmanuel Comte: On the other end of the spectrum, you have entitlements offered through public welfare systems. Asylum seekers, for instance, are housed in centres funded by taxpayers. When you couple extensive regulation of the labour market with entitlements for anyone present in the territory, immigration becomes an exceedingly controversial issue, even sometimes for people coming from culturally or economically similar countries.

Matthew Lesh: So, it’s a matter of both push and pull factors for immigrants, especially asylum seekers. Push factors often involve coming from countries with severe human rights issues, while pull factors are associated with the welfare state and its benefits.

Emmanuel Comte: Correct.

Matthew Lesh: Another concern is the burden that immigrants may place on society, extending beyond the welfare state to include housing. The UK is grappling with a housing crisis,

exacerbated by the influx of immigrants. Many question the wisdom of welcoming immigrants under those circumstances.

Emmanuel Comte: The housing market is one of the most distorted markets in the current economy. Presently, housing prices are not reflective of real housing demand, but are skewed due to a range of factors. Purchasing a house nowadays is akin to buying life insurance; it serves as a financial safeguard. This distortion is connected to the monetary system. The constant increase in the money supply leads people to invest in the housing market to safeguard their capital against depreciation. When we talk about the impact of immigration on this already biased market, even though it is correct to note that increased demand may lead to higher prices, immigrants are also heavily involved in sectors like construction, which can exert a downward pressure on housing prices. Therefore, the economic impact of immigration is nuanced and complex.

Conclusion

Matthew Lesh: Thank you for joining us on this podcast. This has been a fascinating discussion, and it's particularly apt that we concluded with the topic of housing. This issue seems to resonate across the board, especially in London.