

Multicultural Welfare Politics

Immigration Mostly Has No Effect on Welfare Attitudes

David Brady and Ryan Finnigan

In the past 15 years, there has been a surge in migration to the affluent democracies. For example, the percent foreign born more than doubled in Ireland and more than quadrupled in Spain over the last decade – rising to 14.8 percent of the population in Ireland and 10.6 percent in Spain. Of course, the rise of immigration has not been uniform across all affluent democracies. Only 3 percent of Finland and 1.6 percent of Japan were foreign-born in 2005. Even though Germany has a sizable foreign-born population, the percent foreign-born actually declined modestly from 12.9 to 11 percent from 1995 to 2005. The U.S. gets a lot of credit for being a “nation of immigrants,” but new immigrants actually amounted to a greater share of the population in 1996 than 2006. Thus, the most important change might actually be the remarkable diversity in the extent to which affluent democracies have experienced rising immigration.

What are the consequences of this rising immigration for the politics of social policy? Scholars, commentators and politicians have presented a variety of claims for why immigration poses a serious challenge to the generous social policies of Europe and other countries. Our research challenges these claims and ultimately concludes that rising immigration does not undermine the welfare state. We specifically investigate what we call the “public support” for the welfare state – the public’s beliefs, preferences, and attitudes favoring social policies.

The argument that immigration threatens the welfare state has emerged partly because countries with generous welfare states have traditionally been viewed as more ethnically homogenous than countries with weak welfare states. The best example of this is the U.S., with its thin social policies and greater ethnic heterogeneity. Scholars have demonstrated that ethnicity, race and religion were more important sources of identity than social class for Americans at the beginning of the 20th century. While workers in Europe were collectively mobilizing and pressuring governments to expand social insurance and healthcare, American workers were bitterly divided by race and religion. In her influential book *The Color of Welfare*, sociologist Jill Quadagno argues that ethnic and racial divisions constrained the development of the American welfare state. Social policies purposefully excluded racial minorities, and race “became embedded in the state when welfare programs were enacted,” and was the “central social dynamic” shaping the politics of social policy. Even today, Americans are more likely to oppose welfare if they reside in proximity to larger African American populations.

In his book *Why Americans Hate Welfare*, Martin Gilens argues that Americans view welfare as rewarding the undeserving poor, Blacks as lazy and undeserving, and Blacks as the primary beneficiaries of welfare. Gilens demonstrates that these perceptions are reflected in and amplified by the media, which dramatically overrepresents Blacks in depictions of the poor. The implication of this scholarship is that as other affluent democracies encounter the greater ethnic heterogeneity that results from immigration and become more like the U.S., public support for the welfare state will decline. There is already accumulating evidence that rising immigration in Europe has elevated the perception that immigrants exploit the welfare system. Such views that minorities disproportionately benefit from welfare are likely to undermine public support for welfare generally.

Summary: In recent years, there has been increased concern about the consequences of immigration on social policy. One central question is whether rising immigration undermines the public’s belief about and attitudes toward the welfare state. Current research investigating 17 affluent democracies shows that immigration mostly has no effect on public support for the welfare state. There is even evidence that flows of immigration actually increase some welfare attitudes.



David Brady joined the WZB as director of the new research unit Inequality and Social Policy in the summer of 2012. Before, he was an associate professor of sociology and public policy at Duke University. He is the author of *Rich Democracies, Poor People* (Oxford University Press). *[Photo: Udo Borchert]*

david.brady@wzb.eu

A slightly different version of the argument emphasizes what scholars call “ethnic fractionalization” in preventing solidarity among citizens. Ethnic fractionalization occurs when there is a diversity of ethnic groups, and those groups are sharply split along socio-economic lines and as a share of the population. As mentioned above, scholars have long contended that homogeneity is a key basis of solidarity in and trust of one’s fellow residents. Being the same ethnicity and speaking the same language make class-based solidarity easier and increase the sense of community in people’s minds. According to this line of reasoning, the native-born lack solidarity with immigrants and have a preference for “in-group” members who share cultural customs and physical appearances.

In fractionalized societies, people seem to be less willing to support investments in public goods like public transportation and education. Recent studies show that societies with more ethnic fractionalization have less public spending as a share of the economy. The concern with rising immigration has been that ethnic fractionalization will emerge as society becomes divided into affluent native-born residents and marginalized immigrants forming ethnic and religious minority groups. One of the most prominent accounts within this literature is provided by economists Alberto Alesina and Edward Glaeser’s book *Fighting Poverty in the U.S. and Europe*. They explicitly hypothesize that increased ethnic fractionalization due to immigration will undermine the generosity of European welfare states. According to them, right wing and even centrist politicians will use anti-immigrant rhetoric as tools to dismantle social policies. Ominously, they predict: “As Europe has become more diverse, Europeans have increasingly been susceptible to exactly the same form of racist, anti-welfare demagoguery that worked so well in the United States. We shall see whether the generous European welfare state can really survive in a heterogeneous society.”

Despite mounting claims that immigration undermines public support for the welfare state, a smaller skeptical literature has begun to emerge. Scholars in the skeptical camp point to inconsistencies in the empirical evidence supporting the arguments above. In fact, the first author of this essay authored (with Beckfield and Seeleib-Kaiser) an article in the *American Sociological Review* that showed that there is no association between increased immigration and a smaller welfare state. Others suggest that any tradeoff between ethnic heterogeneity and redistribution is overstated. While the U.S. was traditionally more heterogeneous than Europe, Australia and Canada are much more heterogeneous than Japan – yet public support for the welfare state is significantly lower in Japan than in Australia and Canada. Further, the recent concern with immigration neglects the fact that scholars have demonstrated other more powerful influences on social policy attitudes. If these established influences are the paramount predictors of welfare attitudes, immigration is likely to play a marginal role.

We entered this debate with some expectation that immigration would undermine public support for the welfare state. Our research utilized data on attitudes regarding social policy for 17 affluent democracies in 2006 and 12 in both 1996 and 2006. This public opinion data from the International Social Survey Program (ISSP) was linked with information about the stock and flows of immigration in each country. We assessed six different welfare attitudes about whether people feel it “should be the government’s responsibility to... reduce income differences between rich and poor... [or] provide a job for everyone who wants one... [or] provide a decent standard of living for the old” or remedy unemployment, housing, and healthcare. The analyses controlled for a country’s economy and history of social policy, and the individual’s social class, family characteristics, religion, age, and gender. Our sample included countries with high and low levels of immigration, with booming and struggling economies, and with meager and extensive welfare states.

Our analyses mostly failed to support the hypothesis that immigration undermines public support for the welfare state. The percent foreign-born, annual net migration, and the ten-year change in the percent foreign-born do not have consistent negative effects on welfare attitudes. There is some evidence that the percent foreign-born significantly undermines the specific welfare attitude

that government “should provide a job for everyone who wants one.” However, there is much more evidence showing that net migration and change in percent foreign-born have surprisingly positive effects on welfare attitudes. These two measures of immigration flows are associated with greater support for attitudes regarding retirement, housing, and healthcare especially.

There is even some evidence that the percent foreign-born increases support for attitudes regarding retirement. Thus, the evidence is quite mixed and mostly contradicts the literatures discussed earlier. While some countries with increased immigration have lower levels of support for the welfare state, even more countries exhibit the opposite pattern. For example, net migration amounted to less than one-tenth of a percent of Japan in 2005, and Japan had the lowest level of support for the view that government has a responsibility to provide housing (only 38 percent in favor). By contrast, Spain had the highest level of net migration (5.8 percent) and the highest support for the housing attitude (96 percent).

Why do countries with high immigration flows tend to have higher public support for the welfare state? It could be that immigration increases the perception of higher unemployment and more competition for jobs, and such perceptions tend to trigger support for the welfare state. Scholars have shown that perceptions of immigration as an economic risk or threat are positively associated with a preference for redistribution. Thus, heightened immigration could induce respondents to favor a greater welfare state to compensate for and protect themselves from what they perceive as economic competition from immigrants. Similarly, it could be that immigration flows lead residents to feel vulnerable and insecure. A sense of vulnerability and insecurity could create a perception of unmet societal needs, and lead to a desire for increased welfare state interventions. In fact, our analyses show that net migration is significantly positively associated with a preference for greater welfare spending on health, pensions and unemployment.

Our results challenge much conventional wisdom and many scholars and commentators. In the process, we encourage greater caution with bold claims about the negative effects of immigration or ethnic heterogeneity for welfare states. We show that it is essential to compare a broader set of countries, to examine those countries over time, and to get past simplistic U.S.-Europe differences. We also demonstrate that examining multiple welfare attitudes provides a more informative picture of the effects of immigration. Our research leads us to hypothesize that citizens might have a bifurcated response to rising immigration. On one hand, many citizens will prefer more extensive and generous social policies. On the other hand, there is convincing evidence that rising immigration contributes to anti-immigrant attitudes and support for extremist right-wing political parties. We even suggest that these two outcomes might be compatible for a segment of the population that has less education, is marginally employed or unemployed, and has lower incomes and more insecurity.

In sum, our study shows the value of cross-national survey research on important social problems and challenges facing modern societies. The availability of cross-national survey data and the statistical techniques to analyze such data have increased substantially in recent years. Social scientists are better poised now than ever to provide convincing answers to questions like ours. Ultimately, we find very little evidence that immigration poses a threat to the welfare state. Rather, immigration and ethnic heterogeneity may actually be compatible with generous social policies. Though many politicians and commentators provoke fear by talking about the failures of multiculturalism, these claims have little empirical support. Immigration does not clearly reduce public support for the welfare state and some aspects of immigration seem to increase the public's beliefs in and preferences for social policy.



Ryan Finnigan is a research fellow in the research unit Inequality and Social Policy. His research areas include racial stratification, demography, and urban sociology. His dissertation examines the effects of changes in urban demographic composition, and housing and labor markets on racial/ethnic inequality in homeownership, wages, and health. *[Photo: private]*

ryan.finnigan@wzb.eu