

The Impact and Political Accountability of EU Citizenship



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Maurizio Ferrera's essay on how to take EU citizenship forward is an inspiring and welcome contribution to a heated, politicised debate. Ferrera not only presents the state of EU citizenship, its current challenges but also suggests concrete policy proposals how to make it more substantial and less counter-productive. His essay addresses the question raised by Rainer Bauböck: can the integrative function of EU citizenship be strengthened and how?

Ferrera's text raises several pertinent issues one could take up, but here I shall focus on the sketched tension between the 'small constituency of mobile citizens' and those who stay. As Ferrera writes, the hardest right of EU citizenship is the right to reside, work and become a member of the welfare community of another member state. At the same time, this core of EU citizenship has produced public and political concerns about social dumping and welfare tourism. To confront this tension, Ferrera proposes to empower the 'stayers' by, for example, introducing an EU social card while at the same time 'dutifying' EU citizens, for example by introducing a small earmarked 'Social Europe' tax.

While I agree that there is a pressing need to examine and confront the tension between the 'free movers' and the 'stayers', I see neither time nor current political support for such EU solutions to materialize. They may be interesting future objectives but there is a call for more immediate engagement with the tensions described, be they mainly perceived or real. First of all, in my view, as researchers we should engage in a fact-finding mission. We need to know more about how EU rules and rights actually work in the member states and what their outcomes are. Much of the debate has been assumptive and situational. However, as also noted by Ferrera, empirical evidence demonstrates that mobile EU citizens are net contributors to the public purse, i.e. at an aggregate level they contribute more to the welfare budget than they take out.¹ Such findings should lead to a more nuanced way

¹ Dustmann, C. & T. Frattini (2014), 'The Fiscal Effects of Immigration to the UK', *The Economic Journal* 124 (580): F593–F643; Ruist, J. (2014), 'Free immigration and welfare access: The Swedish experience', *Fiscal Studies* 35

of portraying mobile EU citizens. They pay income tax, VAT, corporate tax, estate tax and social security contributions in their hosting member state, tend to be relatively young and take time to claim benefits. The public revenue they generate are part of financing the welfare benefits, services and public goods for the ‘stayers’ too. In addition, research demonstrates that EU citizenship is stratified² and that when applied in practice, some EU citizens have only precarious status in their host member state.³

This is not to say that EU mobility has no negative social and economic consequences. Some citizens – and some member states⁴ – are obviously more fit for the internal market than others. Negative externalities should indeed be confronted politically. The question then becomes at what regulatory level and with which means? First of all, domestic politics is foremost responsible for scarce welfare resources, i.e. hospital beds, emergency care, social housing or school places, etc. Ordinary citizens may tend to blame Brussels because mobility rules come from Brussels, but Brussels does not decide on the level of taxation or the proper level of public investment. Domestic politics does and should be held accountable. Secondly, domestic politics is responsible for the implementation of EU rules. Social dumping, lowering wages and reducing health and safety at work places across the Union, is indeed a negative side-effect of free movement. The recently adopted enforcement directive concerning posting of workers gives the member states new means of monitoring compliance with the rules and introduces a principle of chain responsibility in the construction sectors. But the effectiveness of these new control measures again depends on national implementation and the resources allocated to control and correct for social dumping. Domestic politics shares political accountability for ineffective EU rules. The ‘blame-game’ seems so far to disregard domestic implementation and enforcement of Brussels’ mobility rules. Thirdly, EU politics is responsible for the adoption of EU rules and should be held accountable for

(1): 19–39 and Martinsen, D.S. & G.P. Rotger (2017) ‘The fiscal impact of EU immigration on the tax-financed welfare state: Testing the “welfare burden” thesis’, *European Union Politics* 18 (4): 620-639, <https://doi.org/10.1177/1465116517717340>.

² Bruzelius, C., C. Reinprecht & M. Seeleib-Kaiser (2017), ‘Stratified Social Rights Limiting EU Citizenship’, *Journal of Common Market Studies* 55 (6): 1239–1253.

³ Heindlmaier, A. & M. Blauburger (2017), ‘Enter at Your Own Risk: Free Movement of EU Citizens in Practice’. *West European Politics* 40 (6): 1198-1217.

⁴ Hassel, A, J. Steen Knudsen & B. Wagner (2016), ‘Winning the Battle or Losing the War: The Impact of European Integration on Labour Market Institutions in Germany and Denmark’, *Journal of European Public Policy* 23 (8): 1218-1239.

their content and development. When unintended consequences of EU rules surface, it is a political obligation to correct such rules. Here there is no quick fix in a European context. Changing EU rules requires overcoming significant thresholds for the necessary majorities in both the Council of Ministers and the European Parliament. But it is not mission impossible.⁵ If the Court of Justice of the European Union has interpreted the concept of worker in EU law in a way that deviates too far from political intentions, this calls for EU legislative politics. Otherwise, considerable variation in implementation will continue.⁶ Or if member states can prove that influx of EU citizens or outflow of benefits challenge the financial sustainability of a specific welfare scheme, corrective mechanisms or exemptions should be adoptable. The latter form of differentiated integration may disturb the uniformity of EU rules – but could at the same time increase its domestic support.

We have already seen the disruptive effects of political discourse where EU mobile citizens are regarded as welfare seekers and social dumpers; just recall the Brexit debate. Ferrera's call for avoiding further disintegrative and counterproductive consequences of EU citizenship's core rights is thus timely and urgent. Bridging the cleavage between the 'mobile' and the 'stayers' calls for further research, for multilevel politics as well as multi-level accountability.

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⁵ Martinsen, D.S. (2015), *An Ever More Powerful Court?: The Political Constraints of Legal Integration in the European Union*. Oxford: OUP.

⁶ O'Brien, C., E. Spaventa & J. De Corninck (2016), 'Comparative Report 2015-the Concept of Worker under Article 45 TFEU and Certain Non-Standard Forms of Employment'. European Commission Directorate General for Employment, Social Affairs and Inclusion, available at ec.europa.eu/social/BlobServlet?docId=15476.