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# Exploding Europe: Germany, the Refugees and the British Vote to Leave.

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## About the author



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Wolfgang Streeck is Professor and Director emeritus at the Max Planck Institute for the Study of Societies in Cologne, Germany. From 1988 to 1995 he was Professor of Sociology and Industrial Relations at the University of Wisconsin-Madison. His latest publications include: *Buying Time: Delayed Crisis of Democratic Capitalism*, London and New York: Verso Books, 2014; *Politics in the Age of Austerity* (ed., with Armin Schäfer), Cambridge: Polity Press, 2013; *Re-Forming Capitalism: Institutional Change in the German Political Economy*, Oxford University Press, 2009; and *Beyond Continuity: Institutional Change in Advanced Political Economies* (ed., with Kathleen Thelen), Oxford and New York: Oxford University Press, 2005. His current research interests are crises and institutional change in the political economy of contemporary capitalism.

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It is now clear<sup>1</sup> that a major, if not the most important, reason why the British voted to leave the European Union was immigration. The United Kingdom had long had large numbers of immigrants from the Commonwealth. Accession to the European Union added the free movement of labour within the Internal Market, as one of its 'four freedoms'. Eastern enlargement in 2004 brought a wave of immigration from Poland and other countries, promoted by the New Labour government of the day which waved the transition period allowed by the treaties and let mobility into the British labour market take effect immediately.<sup>2</sup> There are reasons to believe that this was in response to longstanding skill deficits among the domestic workforce, due to under-investment in education, and generally to pressure British workers, in particular at the lower end of the wage scale, to become more 'competitive'. The result was growing popular resentment against the government's immigration and labour market policies, including the cosmopolitan moral rhetoric deployed in its defence.<sup>3</sup>

David Cameron's initiative to negotiate cosmetic changes in the European treaties and afterwards call a referendum on British EU membership was in part a reaction to building anti-immigration resentment. The hope was to win enough concessions from Brussels on 'free movement' for the government to defeat Euro-separatism, as represented in particular by a new political party, UKIP. Also, a vote to remain was to establish once and for all the political legitimacy of an open national labour market with an effectively unlimited supply of labour. Advocating Brexit, Cameron's opponents, led by his long-time rival, Boris Johnson, saw the referendum as an opportunity to break up the Labour Party along the cleavage between its traditional working-class constituency and its supporters from the liberal-cosmopolitan middle class, and absorb both UKIP and anti-immigration working-class voters into the Conservative camp.

That Cameron lost and Johnson won, to the surprise of both, may in good part be accounted for by the unfolding of the 'refugee crisis' in Europe during 2015, as administered by Germany and the Angela Merkel government. The peculiar pathologies of German policy-and-politics, particularly but by no means exclusively manifest in German asylum and immigration policies, with their potential unintentionally but all the more effectively to explode the European Union, were already discernible in early 2016 when my original article (Streeck 2016) to which this is a postscript was written. That the massive dysfunctionality of German Europeanism for European cohesion would so dramatically come to light only a few months later, in an event as fateful as the British vote, even a 'Euro-pessimist' was hesitant at the time to predict. The ingredients, however, of a long series of accidents waiting to happen were all there, as described in the article: in particular, a specifically German political worldview founded on a moralistic denial of the existence of legitimate national interests, forcing as well as allowing the German political class to frame German interests and policies as general European ones for which there can be neither a German nor any other national alternative; a deeply rooted ethnocentric misunderstanding to the effect that the signals from German domestic politics and the German public to German policy are European signals, and that German common sense is at the same time European if not global common sense; a German political system of parliamentary government controlled by a Chancellor in the manner of a non-partisan President, allowing for rapid and unpredictable U-turns as opportunities permit or necessities require; and the absence of an opposition asking uncomfortable questions and thereby laying bare, also for the outside world, the interests at the bottom of policies presented as humanitarian duties beyond political choice.

Historians will in coming years have to disentangle the motives behind the opening of the German borders in late summer 2015. One seems to have been a desire to divert attention from the German-inspired massacre of the Greek Syriza government and regain the moral high ground, by presenting a favorable contrast to the 'Jungle' camp at the French entrance of the Channel Tunnel which had attracted relentless attention from the German press and, importantly, the German 'social media' public. As mentioned, there had also been Merkel's public relations disaster with the Palestine refugee girl, Reem.<sup>4</sup> On the less emotional side was the German economy's chronic hunger for labour, in particular the fear among German employers of labour-supply bottlenecks driving up wages or forcing relocation of production abroad in defence of international market share. For a while enthusiasm had been running high about university-trained Spanish engineers driven by the crisis in their country to take up employment in German automobile factories.<sup>5</sup> But freedom of movement-type immigration from inside the EU was not enough to close the German demographic gap and, importantly, secure the long-term solvency of the German social security system. This brought back the old issue of a German immigration policy. Passage of an immigration law, however, had forever been stuck between conservative resistance in Merkel's own party and the multicultural desires of the liberal-cosmopolitan elements among Social Democrats and the Greens, an impasse that, as became clear in the summer of 2015, would not soon be resolved.

The result was an irresistible temptation to use refugee and asylum policy as a substitute for immigration policy proper – as immigration policy by the back door.<sup>6</sup> As became known in early 2016, a consulting firm working for the Federal Government, Prognos, had estimated that Germany would need 500,000 immigrants per year, for the next fifteen years until 2040, if the country was to avoid a decline of its labour supply (Prognos AG 2016, 12-13).<sup>7</sup> Unlike conventional immigration, responsibility for which would have had to be accepted by the government, immigration by asylum and refugee protection had the advantage that it could be presented as a humanitarian obligation, and indeed one enshrined in international law, to which there was 'no alternative', neither moral nor legal. Economic arguments for immigration might have been contested and could have provoked questions on wages and employment opportunities for present and future German workers – whereas humanitarian arguments would enlist the support of the churches and those believing in a special German responsibility in humanitarian matters. Moreover, German, European and international law on asylum and the treatment of refugees could be read to allow for no 'upper limit' to the number of immigrants a country has to take, externalising the decision on the volume of immigration and giving additional, legal meaning to Merkel's claim that in an age of 'globalisation' borders could no longer be controlled – a claim that had met with utter astonishment in European capitals.

Immigration policy camouflaged as asylum and refugee policy had the additional advantage that it could be 'Europeanised', using the Brussels machinery for implementation and legitimation. For this other member countries had to be made to share, or pretend to share, the German interpretation of international and European law. Originally, in the fall of 2015, the German government interpreted European obligations to mean that neither the external borders of the Union nor the internal borders between Schengen countries could lawfully be closed to migrants of whatever kind or origin, provided they cared to ask for asylum or some other kind of protection. Nobody else was willing to subscribe to this, however, so Hun-

gary, a small member state whose government happened to be unpopular in liberal circles, was chosen as a scapegoat and publicly excoriated when it did what it considered its obligation under Schengen, i.e., police its external borders. Europeanisation, even if only on paper, was to make Merkel's refugee-cum-immigration policy unassailable in Germany, in particular as it promised to soften the government's refusal to specify an 'upper limit' with quotas for the allocation of refugees and asylum seekers among member countries. This, however, required political pressure especially on smaller member countries whose publics would not put up with an unspecified number of immigrants selected for them by Brussels. Britain and France, by contrast, were spared from German and 'European' pressure – although it now seems that the quotas rhetoric did not fail to impress British voters. Actually, with hindsight, it appears that the Europeanisation of Germany's immigration-by-asylum strategy had from the beginning been exclusively for German domestic consumption, as indicated by the fact that Merkel's invitation in early September 2015 to the migrants on the Balkan route ('Mutter Merkel', with selfies and all) was extended without consultation with European Union authorities or member state governments. Moreover, no consideration was ever given to the diverse labour market and political conditions in the countries allegedly expected to take in fixed shares of what was to be an unlimited influx of migrants, among them countries with high birth rates (Poland, Ireland), ambitious family policies (Hungary), weak labour markets (Spain) and uncertain economic perspectives (Italy).

How Merkel's ploy fell apart, and how it came to end European integration as we know it, cannot be traced here in detail. In France, after the terrorist attacks in November, security took precedence over asylum, and Britain, as we can now see, had for some time been struggling with growing anti-immigration sentiment. In Germany, the New Year's Eve events in Cologne turned the social media around by 180 degrees, and the new mood was reinforced by news reports, no longer played down by the press, on conflicts with and between disappointed migrants: on the *bizarrieries* of German asylum law; the bureaucratic mess that had ensued from having to process one million refugees at once, most of which claim to have lost their documents; the difficulties and the high costs of accommodating and schooling them etc. etc. Facing three important regional elections in March, Merkel had to avoid being seen by her *Willkommenskultur* fans as having abandoned them, while at the same time reassuring anti-refugee voters that open-ended immigration was over. For the necessary exercise in equivocation – a discipline in which she has long excelled<sup>8</sup> – she turned to Turkey to stop the inflow, with a deal dressed up as the 'European solution' that she had promised from the beginning. Included in it was a prospect for Turkish European Union membership, something Merkel had always vigorously opposed. All of this required a lot of European indulgence, in return for which Germany had effectively to abstain from insisting on the quotas for the refugees to be implemented.

In subsequent months the number of immigrants declined until it became almost negligible. The price that had to be paid for this to the Turkish president became higher as Erdogan felt encouraged by his strong bargaining position – he can reopen the Balkan route any day – first to crack down on the Kurdish movement and then purge the state and the army of his remaining opponents. Nobody knows how long the German government can continue to work with him, in particular as his numerous supporters among the numerous German-Turkish community are beginning to carry the Turkish conflict into their new country.

Meanwhile, enthusiasm among German employers about immigration-by-asylum vanished rapidly as it turned out that most, if not all, refugees would need extensive training before German industry could employ them. In July 2016 it was reported that the 30 DAX companies had by this time hired no more than 54 of the refugees of 2015 in regular jobs.<sup>9</sup> After the Hungarian Prime Minister, Orbán, had paid a visit to the ailing Helmut Kohl at his private residence,<sup>10</sup> Merkel publicly applauded his efforts to secure the European Union's external borders – all the more so since the terrorist attacks in Germany in July now ruled out forever a reopening of the German or, for that matter, the European borders as in the fall of 2015. As a result of all this, the Dublin regime is now a wreck, with a Hungarian referendum on European immigration quotas coming up in the fall, and so too is Schengen, as the Scandinavian countries continue actively to police their borders. Moreover, the German government and its extended machinery in Brussels have lost all authority over member countries' refugee policies, as a result of which these are now effectively re-nationalised. Also, Article 50 negotiations with Britain are coming up, with an uncertain outcome; Germany will have to find more conventional ways to compensate for its low birthrate; and public attention is returning to the unsolvable problems of the European Monetary Union (EMU), with Italian banks having to be 'rescued' next and Greece, inevitably, waiting for another round of tough love.

Not everything that Germany has Europe adopt as European policy is taken seriously by other EU countries, and today less than ever. To avoid publicly contradicting the German Chancellor, damaging her standing with her domestic public and inviting retaliation, European leaders keep silent while reserving for themselves the option to do their own thing by the time doing something will eventually become inevitable. Helping each other save face is the first and foremost obligation of membership in the club of European heads of government, far more important than the collective pursuit of jointly adopted policies, provided there are any. A politician as shrewd as Angela Merkel was undoubtedly aware that when European leaders endorsed her European refugee and asylum policy this was solely to do her a favour, in the expectation of future repayment. In fact, while the German government publicly insists on a literal reading of the European Treaties, it has for some time left uncommented European Central Bank activities that amount to funding of government deficits well above the guidelines of the various European consolidation pacts. While in these and other ways 'Europe' is disintegrating, the appearance of unified policies is preserved, which is what matters to governments that depend on it for legitimation of their national policies.

British voters do not follow European politics closely enough to understand the subtle differences, cultivated by European governments, between European appearance and European reality, and the sophisticated techniques developed to move back and forth between the two. When hearing about the refugee policies sold by the Merkel government to the German public as European policies, they must have feared that at some stage these would have to be adopted by their country as well. That they did not fully understand what was going on between Berlin and Brussels in the critical second half of 2015 did not make it any less threatening (and had they understood it, it might in fact have been even more so). The slogan of the Leave campaign, 'Taking back control', must to an important extent be read to reflect a desire not to be subject to the mysterious idiosyncrasies of a German government endowed by its political system with almost unlimited freedom of manoeuvre and permitted by a skillfully cornered opposition to present its domestic needs as Eu-

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ropean interests informed by European values. Looking across the Channel at the Continent, British voters may rightly have been afraid of being burdened with yet another quasi-constitutional, democratically unchangeable obligation unconditionally to open their borders and their labour markets, not just to immigrants from other, less prosperous EU member countries but also to whoever would demand entry as an asylum seeker or refugee. The prospect of having to comply with the way Germany, with its particular political, demographic and labour market situation, had chosen to interpret international law, subject to reinterpretation whenever required by changing German economic and political interests, was without doubt a major force behind the historical blow to European integration, as we know it, that was Brexit.



## Notes

1. Postscript (August 2016) to Wolfgang Streeck, 'Scenario for a Wonderful Tomorrow', *London Review of Books*, Vol. 38, No. 7, 31 March 2016, pp. 7-11.
2. Other countries, including Germany under the Red-Green Schröder government, made use of the possibility of a seven-year waiting period for immigration from the new member countries. This made Britain for an extended period the only European Union country open for Polish and other East European citizens seeking employment. While the Blair government let it be known that it expected not more 13,000 Polish immigrants, in the end the number was as high as 750,000, plus hundreds of thousands of other East Europeans. See Tom Bower, 'Zu viel der Freizügigkeit', *Die Welt*, 2 July, 2016, p. 11, and Bower (2016, 252f., 390f., 399f.).
3. Liberal, free-market cosmopolitanism dresses itself up as the contemporary heir, in a 'globalised' world, to nineteenth and twentieth century working-class internationalism. This is to make forgotten the fact that the latter meant collective political action to prevent and protect workers from having to compete with other workers for their livelihood. Free-market internationalism, by comparison, makes it a moral obligation and a matter of working-class solidarity for workers to allow themselves to be competed out of their jobs by other workers willing or forced to work for less.
4. In July 2016, it became known that Merkel had invited Reem in April to visit her at the Chancellor's office. Before that she and her family had received a right to stay in Germany for two more years. This would get them over the three-year threshold after which immigrants are effectively allowed to stay indefinitely.
5. Germany is today the prosperity region of the European Monetary Union, which may be seen as an integrated transnational economy characterised by rapidly increasing regional disparities. Germany relates to Spain like Baden-Württemberg to Mecklenburg-Vorpommern, or Lombardy to Sicily.
6. See, on this, the detailed legal and political analysis provided by David Abraham (2016).
7. The number, incidentally, is roughly the same as the New Labour governments of Blair and Brown admitted to Britain on average per year (Bower 2016, 399f.).
8. Right now she has one of her henchmen, the whip of the Christian-Democratic parliamentary party, Volker Kauder, spread the message that 'Angela Merkel's refugee policy is working', as evidenced by the fact that almost no new refugees are arriving.
9. 'DAX-Konzerne stellen nur 54 Flüchtlinge ein', *Frankfurter Allgemeine Zeitung*, July 4, 2016. And in May 2016 Germany together with other European Union member countries formally complained to the Turkish government that the very few Syrian refugees that Turkey sent to 'Europe' under the Merkel-Erdogan agreement were either in need of extensive medical treatment or unskilled. The Turkish government shortly thereafter confirmed that it preferred to keep academically trained Syrians in Turkey ('European Union-Flüchtlingsdeal: Türkei lässt hochqualifizierte Syrer nicht ausreisen', *Spiegel-Online*, 21 May, 2016. The



exchange illustrates the relative importance of humanitarian motives for the German refugee policy.

10. See his page-long article in *Frankfurter Allgemeine Zeitung*, 'Bist du gegen den Frieden?', 11 July, 2016, p. 6.

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