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**The Fourth Freedom:  
Theories of Migration and Mobilities in “Neo-Liberal” Europe**

**Adrian Favell**

Abstract

The paper challenges the orthodoxy of current critical readings of the European crisis which discuss the failings of the EU in terms of the triumph of “neo-liberalism”. Defending instead a liberal view on international migration, which stresses the potentially positive economic, political and cultural benefits of market-driven forces enabling movements across borders, it details the various ways in which European regional integration has enabled the withdrawal of state control and restriction over certain forms of external and internal migration. This implementation of liberal ideas on the freedom of movement of persons has largely been of benefit for migrants, receiving and sending societies alike. These ideas are now threatened by democratic retrenchment. It is Britain, often held up as a negative example of “neo-liberalism”, which has proven to be the member state most fulfilling the EU's core adherence to principles of mobile, open, non-discriminatory labour markets. On this question, and despite its current anti-immigration politics, it offers a positive example of how Europe as a whole could benefit from more not less liberalization.

Keywords

Neo-liberalism, migration, free movement, regional integration, Britain

## **The Fourth Freedom:**

### **Theories of Migration and Mobilities in “Neo-Liberal” Europe**

Marxist and social democratic commentary on the EU has converged in the years since the 2005 constitutional vote and the 2008 global financial crisis on a “neo-liberal” interpretation, that castigates “free market” driven European integration as the “wrong Europe”, undermining principles of democracy, justice and/or community that may -- perhaps -- still be better protected at the national level (Anderson, 2009; Schulz-Forberg and Stråth, 2010; Crouch, 2011; Streeck, 2013; Schmidt and Thatcher, 2013; Hall and Lamont 2013). Defending arguments about the desirability of well regulated, labour protecting institutions at the national level against so-called “Anglo-Saxon” or “Anglo-American” liberalism, their implicit normative models discount or overlook migration and mobilities as a now core structural feature of all European societies; and something much better handled in more open labour markets such as Britain, than in more closed ones such as France, Germany, the Netherlands, or Denmark. Scholars of international migration and mobilities, meanwhile, cannot share the hostility to one of the main consequences of liberalizing (i.e., reducing state control of) labour markets internationally. They would generally see the consequences of “free market” migration in terms of diversification of society and cultural change as progressive. Nor can they agree that the presence of informality rooted in cross-border economic activities or the avoidance of state oversight is inherently bad: transnational and unregulated “ethnic economies” are celebrated as a crucial means by which migrants establish a financial foothold in contemporary societies. Are progressive-minded migration scholars thereby part of the “neo-liberal” conspiracy promoting the domination of “market fundamentalism” (Peck, 2010)?

I address this theoretical question by focusing on the one innovative dimension of market freedom created by the EU in contrast to other regional market integration projects such as NAFTA: the “fourth freedom”, of free movement of persons. After first contrasting basic marxist and liberal positions on international migration in analytical terms, I go on to argue how since 2004, under certain conditions, market-driven migration and mobilities in Europe have fulfilled the promise of an ideal liberal economic theory of migration: where migrants, receiving states and sending states, accepting migration according to the canonical EU legal/economic principles,

have all been “winners”. Moreover, I challenge head-on the limitations of the “neo-liberal” interpretation of the present European crisis by heading straight to the alleged greatest culprit: Britain, the heartland of the supposedly “neo-liberal” “Anglo-Saxon” free market model undermining the potentials of a democratic, progressive European Union. On the contrary, I argue that the best illustration of EU ideals as well as the potential all round benefits of the fourth market freedom has been Britain in the 1990s and 2000s. On this dimension -- the egalitarian openness and dynamism of its labour market -- Britain has long been the most highly Europeanized, or EU integrated, member state. Amidst the current crisis, Britain's potential vote on EU membership, and its apparent growing political hostility to the very migration and mobilities that drove its recent boom years, would therefore also be a vote about the future of freedom of movement of persons in Europe: the one progressive dimension of European economic integration that has done the most to break down nationalist barriers, mentalities and seclusions.

### Negatives and positives of economic migration

Left-wing critics of “neo-liberal” Europe mischaracterize or ignore the progressive dimensions of its market-driven regional integration because of an unadmitted Marxist, or at least strongly *marxisant*, tendency in recent debate. Straight Marxists should have no problem knowing where they stand on international labour markets; that is, open migration across national borders driven by economic dynamics. Markets are for marxists essentially the root of evil; the fact that the labour being alienated is an African escaping from poverty does not change the fact that in selling themselves to international labour market demand they are selling themselves into wage slavery. Contemporary globalization, particularly in the light of the current crisis, has thus to be seen as deeply negative in its consequences (Castles, 2011; De Genova and Peutz 2010). Critical opinion routinely cites the “polarization” effects of globalization: with elite capitalists enjoying the benefits of a free flowing world, while exploiting low end, mainly service sector, migrants. International justice in a Marxist world might at some utopian point in the future necessitate abandoning oppressive nation-state borders, but this is not aided by the border busting movement of individuals driven by unhampered (what will be called “neo-liberal”) forces of capital. An older marxist literature bluntly also considered in negative terms the conflict they would bring to existing labour-capital settlements (Castles and Kosack, 1973). Similarly, marxists

cannot support informal economic activities which seek to avoid the taxation and regulation that pay for communitarian re-distribution and labour protection. The “illiberal” upshot has to be that states (i.e. national governments) should control and regulate borders: that is, restrict or prevent these (poorer) foreigners with intentions of working and settling from crossing them, thereby protecting migrants from exploitation and developing states from loss of human capital, and protecting insider workers from labour market and wage competition or a dilution of their citizenship privileges. Marxists, strongly communitarian social democrats as well as nationalist conservatives may indeed converge on the justice of state restriction of open migration on these grounds (Miller, 2000). Outside of this, progressive views which wish to sympathize with the attempts of the poorer workers of the world to move -- and hence the benefits and desirability of international migration within a more globalizing world -- will have to settle for some or other view of international labour markets that is basically “liberal” in some way.

In contrast, the liberal position is that states do not have an unquestioned sovereignty on whether they may restrict labour migration (Hollifield, 1992). A case can be made for limiting state governance, either when open migration is of overall benefit for all in utility (i.e., economic) terms; or because of the stronger claims of a human right to move over citizens' rights to restrict access to their community; or -- in the special case of an integrated regional labour market -- because there is an equity-based principle of non-discrimination making it illegal to disfavour foreigners in employment contracts. Some go so far as to argue for completely open borders on humanitarian and global justice terms, or to compensate for the arbitrary accident of birth (being born Congolese rather than British) (Carens, 1987); and further support can be taken from arguments about the beneficial effects of international diversity in promoting more tolerance or cosmopolitanism (Papastergiadis, 1999). Opposing the idea that national citizenship gives special privileges to insiders in a territory to restrict the access of others, liberal support for open borders breaks open the “state monopoly on the freedom of movement” that was one of the great social disciplining achievements of nation-state building and consolidation of the late nineteenth century and early twentieth century (Torpey, 2000).

For sure, for liberals international labour markets can be, often are, indeed perhaps *mostly* are negative, empirically speaking: that is, liberals may recognize the kind of points marxists would make, that labour markets can be exclusionary or exploitative.

In exclusionary labour markets, discrimination (i.e., racially or ethnically based) leads the market to systematically categorise, restrict and shuffle migrants into badly paid, low status jobs (the secondary labour market), failing to recognize skills and qualifications, or imposing glass ceilings and barriers to getting jobs in the primary labour market (i.e., full time, secure, unionized and regulated work status) (Piore, 1989). In exploitative markets, these exclusions lead to the migrant worker failing to earn the salary they are due, systematically being underpaid. This can be accompanied by an inefficient mismatch of actual skills and qualification to demands in the host labour market (Waldinger, 1999).

But whereas for a Marxist the very notion of alienated wage labour is anathema, for a liberal, the critique of an inefficient or unjust labour market presupposes its opposite: that a non-exclusionary, non-exploitative -- and therefore non-coercive -- market is possible. State intervention is justifiable, but only in order to correct situations where there is clear market failure. This leaves the way open to the liberal belief that it is state borders -- including the kind of internal borders favouring insiders on the labour market -- that may be the problem here. A more rather than less open international labour market may, under certain conditions, bring more benefits to all -- the migrant, the receiving state and even the sending state: in terms of social mobility and the circulation of human capital, skills and education; the complementary filling of sectoral demand (in the case of jobs not taken by native workers) and/or the entrepreneurial creation of new employment niches by business-minded migrant workers; and (in some cases) the circulation of capital back to the sending state (through remittances, return investment) (see Light and Gold, 2000).

Much of the debate in migration theory therefore is not about the general desirability of migration -- most migration scholars tend to be liberal on whether states should restrict free movement -- but to what extent better state regulated (i.e., managed) migration might temper the possible negative consequences of completely unregulated (informal) migration (Koser, 2007). On this, the most familiar scenario internationally is a far from optimal: the clearly hypocritical “smoke and mirrors” type political economy, which mixes political bluster about controlling or stopping migration -- mostly symbolic actions designed at policing the borders (military operations and fence construction) -- with tacit acceptance that domestic labour markets desperately need a constant supply of cheap, easy to hire and fire (informal) markets to do all the dull, difficult and dangerous work required (Massey et al., 2002).

This has long been the scenario in the USA as regards Mexican and Central American migration; for all the anti-immigration rhetoric there is massive labour market demand in the USA for fruit pickers, domestic workers, cleaners, and fast food attendants, and the state tacitly allows US economic interests, favouring migration, to call the shots; there is much to suggest that Europe's Southern borders work similarly (Samers, 2004). The recent tendency in the last decade to stage more overt enforcement at these two sets of borders only underlines the hypocrisy more.

Again, though, there are potentially better managed alternatives, in which the state can be engaged in facilitating various kinds of wanted migration and free movement - - even cultivating *laissez-faire* attitudes to certain forms of migrant mobility and entrepreneurship -- while trying to limit the extent to which the migration is governed by untamed market forces alone. This is signalled by the notion of “managed migration”, at the centre of most applied policy debates about migration internationally. The problem with “smoke and mirrors” policies is that coupling *laissez-faire* with heavily securitized borders tends to lead to the rise of mafia-like migration businesses, in which bosses (*patrón*) collude with traffickers (*coyote*, or migrant agents) to secure the exploitable labour they crave (Krisman, 2005). What is often forgotten -- again with all the emotiveness of migration control and policing issues -- is that at any given border, even some of the most restrictive such as the US-Mexico border, the amount of cross-border “migration” daily (formal or informal) is dwarfed by the vast number of other border crossings linked to trade, the movement of goods, commuting, tourism, shopping, temporary stays, and so on (Pastor, 2001). In the name of better trade relations, liberal states may enable and often cut loose all of these “mobilities” (Urry, 2007) under the rubric of free movement, thus operating a lighter hand in controlling migration. Somewhere, there may be an optimal balance to be found: in which a flow of positive labour migration, driven by economic supply and demand, is openly allowed and recognized by the state, while negative migration (those proven to be harmful to migrants and/or unwanted by the host society) is minimalized.

### Migration in the European Union

What do critics of “neo-liberalism” have to say about these issues? Debates on the political economy of “neo-liberalism” mainly focus not on the migration of labour or freedom of movement of persons, but on the injustices that have followed the removal

of state control or governance over the three other “core” freedoms of movement -- of capital, goods and services -- as part of the rampant global era of the 1980s, 1990s and 2000s. These variously include the triumph of financialisation, the rise of unaccountable transnational corporations, the cutting of welfare states and protective legislation, and the growing inequalities between super-elites and the rest of the population. Much of the ire expressed by critics centres on how the liberal “freeing” up of market forces, justified by aggregate measures of growth and production, has seen the benefits accrued and monopolized by a narrow band of large-scale, internationally evasive, corporate interests. It is also a top down story: governments and bureaucracies are seen to be part of these same elites, and in cahoots with the corporations. The “roll back” is then not an abdication of power; it is also the aggressive use of state power in the name of an “anti-state” philosophy and economic theory -- the “roll out” of neo-liberal policies (Peck, 2010). Extending this to the EU, in recent work on the allegedly neo-liberal underpinnings of the European integration project by Anderson (2009), reprised by Schulz-Forberg and Strath (2010), and Streeck (2013), it has been argued that the idea of the European institutions's elite autonomy from democratic governance at the national level can in fact be traced to the high priest of neo-liberalism, Hayek.

Where these critics of neo-liberalism address the question of labour, it is always to see it as another abstract factor of production in the throes of the same neo-liberal logic. The varieties of capitalism literature thus sets up a negative, reified “Anglo-American” model, supposedly ascendant against a “continental” one (Hall and Soskice, 2001), anchored in a Keynesian social democratic past, whose welfarist provision and legislation protecting workers was embedded in older national social compromises that emerged from conflicts between capital and labour. Neo-liberalism is apparently sweeping these away -- with the EU as the primary source of these reforms at the national level. When alternatives are imagined -- for example, in Esping-Andersen’s defence of a Nordic system (1999) -- they are idealized versions of nationalized political economies, in which (democratic, communitarian) politics curb markets through the decommodification of service provision, particularly child care and household work, which is sustained as a highly paid, regulated and taxed sector (Esping-Andersen then complains that his dry cleaning or a haircut costs him two or three times more in Copenhagen than New York!) As this suggests, the missing part of Esping-Andersen's brilliant, albeit imaginary Danish model, is the

structural role of migration and migrants in all post-industrial economies today. The comparative varieties of capitalism literature continues to theorise (continental) European economies -- i.e. labour markets -- as if they can be nationally self-contained. Any migration is minimal or discounted as a factor. The stylisation is that we find migrants driving down service sector protection (and prices) in the US, but not in Europe today -- except, perhaps, in the Americanized “Anglo-Saxon” Trojan horse economies (Britain and Ireland).

Yet migration across *all* of Europe is far from being a peripheral or exogenous factor: it is in fact the structural component of all European economies which -- in Europe as America -- allows the middle classes the life (and the service sector provision) they enjoy, as much as the central flow of new human capital keeping these economies fluid and dynamic. Migrants take the dirty, dangerous and dull jobs that nationals do not want; they work in sectors where social protection or labour benefits are scarce. Migration everywhere has thus moved to become a central structural feature of late capitalist societies juggling the legacies of social democracy with global capitalism. Even in Denmark, there is a sizeable black market in some sectors of the economy; where there is not, migrants are peripheralized and caricatured in populist terms and openly discriminated against in terms of non-recognition of skills and qualification. In a similar case, the Netherlands, a further symptom sees migrants forcibly “integrated” into national cultural and linguistic norms as a condition of labour market incorporation. At the same time, informal migrant organization and entrepreneurship -- much of it transnational in basis -- cut across these forced nationalizations. For much of the rest of the continent, then, the late 1990s and 2000s saw a remarkable liberalization of the international labour market in many sectors, particular in services, that has seen the emergence of significant transnational economic spaces across Europe. Certainly, the informal scope and entrepreneurial nature of Southern Europe enabled migrant workers to find a place in the economy to an extraordinary degree; even corporatist France and Germany shifted in these informalizing directions, while retaining sclerotic labour markets in some sectors -- particularly in the heavily pensioned public sector, closed off to youth as much as foreigners. Anything that might be said about Britain or Ireland, therefore, as a migration destination in these respects is far from exceptional; rather they are setting a structural norm that most of Europe is following.

Critics, of course, may just see all this as evidence of “neo-liberalism” triumphant. But labour here is not just a blind factor of production enabling capital to profit and escape state control; at least not in anything other than a hard-line structuralist Marxist view. Migrant labour also has agency, and experiences the benefits of social mobility relative to countries of origin; it brings change to the system from below (Smith, 2001). Particularly, the inevitable transnationalism of migrants in informal economic spaces undermines and subverts the pretensions of states to re-impose national welfarist governance (Faist, 2000). *Marxisant* scholars have often dealt with this challenge by a shift to Foucauldian territory: the apparent agency and individualism of the migrant and mobile work force is just a mark of how well the global capitalist system now produces easily exploitable “flexible”, hyper-mobile, adaptable “subjectivities” attuned to a neo-liberal world (Mitchell, 2003). Market freedoms are but a mark of a higher level form of state-disciplinary “governmentality”, albeit now located at a “post-national” European level (Jensen and Richardson, 2003).

Outside the dismal ontology and epistemology of Foucauldian Marxism -- which renders any modern form of individual freedom impossible, as well as being wholly unfalsifiable in its logic -- there remains a need to assess the negative or positive impact of free movement of persons within the changing European migration system. The critique of “neo-liberalism” appears insensitive to the patent ways in which freedom of movement of persons might not lead to the same consequences as the free movement of capital, goods or services -- for the migrants, as much as the receiving and sending economies.

Responding to the inequities of the emerging European migrant system, the European Union -- far from only unleashing free market forces, or moving towards a purely American model -- has in fact sought to create conditions in which an optimal liberal outcome is possible. An alternate view of migration in Europe can thus be made by looking at different dimensions of the EU's attempt to develop policies that respond to the post-national scale of international labour markets no longer contained in their logic or substance by national borders.

Regarding migration from outside the EU, in search of a more optimal and just policy beyond “smoke and mirrors” logic, the European Union has officially made a great investment in the idea of “managed migration”. Again, while much of the focus in academic debate has been on the failures and harshness of the restrictive regime to the

South, European migration policies have also quietly smuggled in much more enlightened notions into the external partnership policies to the East and selective Southern states. In these agreements, improved trade relations and agreements on possible future membership negotiations have been accompanied by free movement accords or visa-free travel for different categories of person (for example, tourists, students and business movers). The goal is to liberalize top-down control and enable more open, back and forth-type borders rather hostile closed ones, which tend to have the negative informal effects detailed above. The nature of Europe's relations with, say, Morocco, Turkey or Ukraine has thus changed over the years in a liberal direction, albeit tentatively. Although these countries participate heavily in the conditional security and control operations, the migration regime has overall been liberalized. Similar effects for Romania and Bulgaria preceded their accession (Jileva, 2002). The external policies amount to a concentric expansion of the realm of European integration beyond its internal borders, creating incipient new market-based rights to residents derived from the four freedom market principles of the European Union. Under the right conditions, there will also be development benefits to the sending state; migration becomes governed more by demand and the choice of migrants to move or engage in economic activity.

These points are certainly empirically controversial. Turks in Europe, for example, feel indignant about persistent restrictions; but this is because they already sense they have justifiable rights and claims in the European territory derived from the market integration logic -- they are already able to travel, study and work in Europe in unprecedented numbers. *Prima facie* it certainly cannot be denied that the EU scenario vis-à-vis the migration chances of its near neighbours certainly looks better than the “smoke and mirrors” scenario in the US-Mexico case. Damning criticism of the “neo-liberalism” of NAFTA does not simply translate into the European scenario without ignoring one side of the story about European borders (as does Rumford, 2006).

The impact of the idea of freedom of movement of person outside the strict territory of the EU is one of the most surprising dimensions of the European integration project, albeit equivocal. Internally meanwhile, it is the very hallmark of why the EU is not like NAFTA or other purely top down “neo-liberal” regional integration projects. The fourth freedom makes all the difference: the fact that *all* citizens of the European Union are in principle free to move live, study, work, retire in other

member states -- subject only to economic demand in another member state. They enjoy equality of employment, and rights of non-discrimination; they can study at the same cost, or (as workers) claim the same benefits as residents; they even have incipient political rights. The progressive reading likes to accent the more political and societal ambitions of these rights (Maas, 2007), or attribute them to human rights (Soysal 2012); the fact is they are firstly grounded in market building principles (the EU's distinctive political economy), even if they allude in some ways (certainly not truly Marshallian) to a kind of European citizenship. The vast majority of Europeans using these rights are economic migrants: i.e. workers from both higher and lower sectors of the economy, to which can be added the individualistic choices of students and retirement migrants. Free movement of persons, which dates back to the insistent position of the Italians in negotiations about the European community in the 1950s, would be a radical concept in a Europe restricted to core economically rich states; yet, every successive accession has seen these rights extended eventually to new and often much poorer member states. By early 2014, nearly all transition barriers were down to the East and Central European member states; even Romania and Bulgaria. In theory, but also substantially in practice, this is a liberal migration dream scenario. There are no visas; there are no quotas or bizarre entry categories to fulfil; and even in non-Schengen countries, there are only the most perfunctory controls on cross-border movement. There is no visa scrutiny or application procedure preceding the move: you can just get on a plane or a train. The daily scene at Stansted Airport says it all: dozens of flights pouring in from Poland or Southern Europe, just as the outbound flights take British residents off to their second home or back to see their families for the weekend.

Some may want to call this kind of thing “neo-liberal”, and to see the free choices of European citizens as nothing more than the expression of disciplined “subjectivities” coerced by illusory notions of individual flexibility and mobility; but it has to be admitted that the effects of this part of regional integration -- or European globalization, if that's what it is -- have been quite different to the effects of other freedoms of movement. Firstly, there is a light albeit marked evidence to show that unlike in open globalization -- which is dominated by arguments on how mobility has become an index of growing inequality -- in European free movement the opportunities and effects are massifying (expanding) downwards, albeit partially, from top to bottom. European migrations are a mass middle-class phenomenon:

characterized typically by educated, upwardly mobile or “spiralist” movers (those socially ascending from provinces to cities) (Recchi and Favell 2009). European free movement have provided many more mobility opportunities for middle classes; not just elites. This includes far more than those who move physically. Even for the much bigger majority of European middle classes that don't, European mobilities are having a considerable impact on their daily lives in terms of the experience and organization of their everyday lives: expanding social networks, wider travel experiences, the mobility of their children as students, financial mobilities, knowledge of other countries; it is, also, interestingly associated with growing cosmopolitanism (Mau, 2010). One can agree with Fligstein (2008) in aggregate terms that it is upper and middle classes who have more benefitted more from European integration - hence his “Euroclash” over the EU's legitimacy -- but the people for whom their lives have been changed most radically by Europeanization (and the regional elements of globalisation) are relatively speaking lower down the class scale -- via new but increasingly banal consumer possibilities, travel, holidays, routine knowledge of foreign places, and so on (Mau and Verwiebe, 2010). In terms of sending countries, self-selection has tended to put talented, adventurous, pioneering types on the road; there is certainly a danger of brain drain in many cases. On the receiving end, however, the benefits of such migration cannot be doubted: it is the most realistic vision of how the 2000 Lisbon Agenda could be fulfilled in terms of creating a Europe of maximixed skill and knowledge in a dynamic, specialized economy. This progressive case for the effects of West European migrations can be contested empirically (Favell and Recchi, 2011). But the impact of Europe's extension to the East in these socially transformative terms is stronger. Here, the impact is bigger because it is also geo-political; soldering a new Europe across the massive divisions of the past. Europe has also seen a much larger scale migration of these citizens, driven by individual choice (to move), and market demand (selection of destination); highly educated or skilled migrants, facing low returns to these skills in their home countries, the migration also had positive self-selection effects. This holds positively in comparison to the much less open or liberal North American regime, with its perverse restrictions on skill and talent, its alphabet soup of visa categories, and its tendency to favour lower quality family reunification over selective self-motivated migration (Borjas, 1999). For sure, East and Central European member states face a sharp danger of brain drain; however, in an open borders scenario, the migration is

more likely to lead to circulatory and pendular migration, with high levels of remittances and return investment, particularly since so much of the migration activity is entrepreneurial in character (Morawska, 2002). With longer-term settlement less likely as long as borders are easy and open (and cheap airlines plentiful), there are also fewer long-term family-related costs for receiving countries.

Faced with these theoretical and at least partially substantiated empirical views of the positive effects of the liberal idea of free movement on European migration and mobilities, social democrats should feel discomfort. Marxists cannot but see these trends as negative: this is where the reliance on the slogans condemning “neo-liberalism” has made it easy. But can what they say about the free flow of capital, goods or services be applied to these apparent heroes and heroines of Europeanization from below? If the issue is national welfare states, then yes: open European migration can damage welfare states when they take jobs from natives, drive down wages, or undermine ties of community. These are Polanyi's “shiftless migrants” transforming the continent, as capital undoes the old coherence of political and social cohesion (Streeck, 2013). But how to assess the conflicting evidence about complementarity in labour markets, positive effects of entrepreneurship, positive trends in human capital, significant cultural effects of diversity, or boosts towards post-national cosmopolitanism? Polanyi is often cited in a marxisant way, but his view also allows for a liberal view, a positive potential balance between the competing poles of state, market and community (on this, see Caporaso and Tarrow, 2009). Could it be with internal European migration, the EU actually achieved or at least offered a glimpse of a new, plausible and defensible balance between growth, flexible labour markets, political control, and social cohesion, re-located at a new post-national territorial level, that renders nationalist welfare-state positions outdated?

### Britain as the future of Europe

While the boom years held, this optimistic reading could certainly find some empirical justification. The question is now, how has the crisis changed all this? Without a doubt, liberal Europe -- the Europe of free movement that was ushered in by Delors in the 1980s, from the Single European Act, through Maastricht, to the single currency, the Lisbon agenda and treaty -- is in crisis. This much in the accounts of Streeck, Anderson and others is true. The issue of democratic deficit -- and the “Euroclash” -- sits at the heart of this. There has clearly emerged a popular resistance

to the forces of post-national globalisation, expressed very clearly in the *non* and *nee* of France and the Netherlands in the constitutional referendum of 2005. These votes turned on middle class anxieties about the liberalization of the economy and the loss of national social and labour market protections. Critics of neo-liberalism call on democracy to be a bulwark to the consequences of an unfettered free market (Crouch, 2011; Streeck, 2011). What this will mean in practice is a democratic reaction against freedom of movement of workers, which will close borders in Europe. Romanticism about “another Europe” is thus shot through with the same contradictions as the left wing “neo-liberal” interpretation: that it is possible to imagine a Europe somehow more attune to the demands of global justice, yet which has closed itself to the mobile factors of production and consumption that are most transforming the world elsewhere. This is particularly an unresolved contradiction in far left parties, who are emotionally cosmopolitan but viscerally nationalist in their conception of how markets are to be controlled or governed. The utopian solution of a European superstate which might engage in top down management of the economy or large scale redistribution in an up-scaled welfare state above all is a misconception of the progressive novelty of the EU, which lies rather in its promise of an unbounded cosmopolitan and post-national politics and society (Delanty and Rumford, 2005). Less not more state has been the EU's greatest achievement: bringing liberalism and individualism as an antidote to the deeply ingrained fascist impulses of European governments and (especially) bureaucracies (Mazower, 1998).

With the struggling ratings in Eurobarometer, and democratic anti-EU unrest in many member states, it is surely right that a certain limit has been reached to European integration. Beyond this, the danger is surely a nationalist “roll back” of certain market freedoms. In February 2014, in a populist referendum, Switzerland, who were part of the open borders Schengen area, voted to curb freedom of movement and impose quotas on EU citizens working in the country. The next immediate threat in this sense is Britain, whose membership is very likely to come up for a vote in 2016 or 2017. A rising, democratic, anti-free movement tide drives the anti-EU case. The present government is threatening to opt out of free movement accords entirely, raising the spectre of imposing quotas and visas, removing all non-discrimination clauses, and restricting benefits for EU citizens: there is surely nothing “neo-liberal”, let alone liberal, about this blunt reassertion of state sovereign power over borders, driven by populist appeal.

Cameron's political gamble specifically brings into play the possibility of a decisive negative vote driven by the irrational misperception of the country's relationship with the EU, particularly a populist schizophrenia about the very freedoms of movement that the British economy perhaps best incarnates. Prior to the crisis, this could not be doubted. Britain's supposed distance to Europe -- even its peculiar self-construction that sees Europe as its other, that "place across the sea" -- is perverse given the obvious fact that Britain is more closely involved and connected with the rest of the continent than at any point in its modern history, and that it has benefitted hugely throughout the 1990s and 2000s as an off-shore member of the club; having all the benefits of membership with fewer of the collective costs. This applies as much to trade (both exports and imports) and foreign direct investment, as to the banal everyday way the British have integrated European experiences, knowledge and (especially) forms of consumption into their lives. And, more than anything, it ignores the absolutely extraordinary way in which Britain has absorbed massive and disproportionate amounts of internal European migration, creaming off labour market selection benefits at all levels of the economy. The willingness to receive European citizens as workers on legal terms is one important measure of European integration: on this dimension Britain can count as the *most deeply integrated* member state -- only paralleled by the willingness of its own citizens to take up free movement benefits of retirement migration and buying property abroad. What may be "neo-liberalism" to some is also a mark of the market driven fluidity of a society that has been much less likely to use legal or illegal means to close the market, discriminate outsiders (via non-recognition of qualifications, parochialism, or cultural and linguistic barriers), or artificially protect the insider privileges of national citizens. In terms of migration, a strong case can thus be made that what happened in Britain corresponded rather closely to the ideal liberal migration theory under optimal regional integration conditions. It was the brightest and the best, those with talents and skills that might work in the entrepreneurial environment, who were drawn to Britain. With continental labour markets stagnant -- especially in countries like France or Southern Europe -- London became the Euro-destination of choice (Gordon et al., 2007). The youth of Western Europe could get work in London, and outperform natives. Their profile -- a high proportion in their twenties, almost all under 45, mostly highly educated, highly motivated -- made them perfect workers. The best years of their working lives were given to the hugely competitive London labour

market. Longer term, there were few costs to the receiving society: a large proportion would not stay once they had families, relying on going back to the more protected welfare states and education systems of continental Europe (i.e., social dumping). A parallel dynamic applied to the much larger East European migration that followed the 2004 accessions.

Given the numbers (well over 500,000 Poles in the first couple of years after accession, and large numbers from many other states), it is remarkable how long it took for any kind of significant political reaction. The migrants were given unquestioned labour market access, opportunities for niche sector entrepreneurship and received with equity by a market able to recognize the skills and talent on offer. And the migrants duly responded to this demand, by penetrating deeply many sectors of the economy (domestic work, household work, construction, hospitality and entertainment services, food service, transportation, agriculture.), much of it entrepreneurialism which created new jobs (Garapich, 2008). Unlikely any previous migration in modern Britain, they also penetrated widely out into provincial, small-town Britain.

It can be argued that Britain's boom years were substantially fuelled by these European dynamics (Favell, 2008). But has this situation now changed? The sense of crisis has given the anti-immigration case a certain valency. But the point here is that from the anti-EU point of view, the question is not really empirical but symbolic and emotional. This has become increasingly clear in the government's inability to marshal any evidence that might be able to support its own official position that the decision should come down to the balance of national interest; i.e. that this question somehow *does* hang in the balance (Rigby and Parker, 2014). On the face of it, compared to most of Europe, Britain has suffered the depression less deeply and recovered more quickly -- for sure, monopolized by the London and the South East region which is most embedded in Europe. There has been some evidence of growing ethnic tensions over the presence of foreign Europeans, and certainly a growing awareness that some of the migration would have typical settlement consequences, particularly as it became progressively more difficult to come and go freely internationally. This lay the ground for the UKIP's eventual ability to put a specific face on its Europhobia; but even in the years since the economic crisis -- in which there has been tougher labour market competition, shrinkage of business and increased likelihood of settlement -- there remain an certain abstractness to the

hostility. Britain, as a whole, and the South East of England most strikingly, is a markedly more cosmopolitan place. The transformation -- mostly a Europeanization from below -- since the grim years of the 1980s is extraordinary. "Super-diversity" indeed sits well on its proudly established multi-racial history (Vertovec, 2007). The arguments above summarize an existing balance of evidence. On all these questions, there is now a furious debate, and there are certainly academic voices marshalling strong views on the anti-immigration side, right and left (Coleman, 2008; Goodhart, 2013). Meanwhile, the stakes involve a lot more than just the British population. Not only is the British European story one dramatically underplayed in the country itself; it is little recognized or understood on the continent, where clichés about its stripped-down, Americanized "Anglo-Saxon" economy abound. British openness to Europeans in its labour market and a certain degree of flexibility, flux and dynamism in an economy still structured significantly by social democratic legacies, might be argued as a model sorely needed elsewhere in Europe. Those countries which most closely align to the liberal market model within a social democratic framework, the Netherlands and Denmark, are -- unfortunately and not coincidentally -- also the ones with some of the worst track records on crude anti-immigration politics. This hinges on them being small countries with very exclusive cultural conceptions of national integration compared to Britain's more expansive post-colonial cosmopolitan nationalism. Britain meanwhile is much better governed and has a much more effective welfare state -- also open on more equal terms to its migrant workers -- than the more "wild west" informal migration trends of Italy and boomtime Spain, all of which has turned very bad in the post-crisis period. Germany's structural dependency on manufacturing means its economy has a different kind of resilience, but it can eye with envy the much better governed results of open migration when compared to the problems of irregularity caused by its longstanding refusal to bring down transition barriers to Poles: it got the same migrant workers in large numbers, but much worse selection dynamics. France, meanwhile, has been nothing but a tale of stumbling sclerosis for years. It saw a generation of its brightest and best graduates flee to London as Paris was eclipsed by its binary rival London; unable to reform and open up its primary labour markets, immigrants and young French people alike were cast into immobile secondary labour market roles, while East European migrants were stigmatized, despite being numerically fewer than in

neighbouring countries. From the point of view of the European Commission, on migration, Britain in Europe can only be seen as its star pupil.

## Conclusion

The EU faces a decision of enormous moment with the British deliberation on Europe. As I have argued, it threatens to negate the example of a member state which has best embodied the radically transformative potential of the fourth freedom, itself the most distinctive element of the European regional integration project as a variant on globalization. Open EU migration in Britain not only offered a solution to the conundrum of an optimal liberal migration scenario, but also a glimpse of its cosmopolitan potentials.

Yet this fact is far from visible. Both in Britain and in continental Europe, there is an assumption that Britain is both economically and politically an outlier; even that it is not really part of Europe. In Britain meanwhile, there is precious little recognition of how much it owes its recent success and power internationally to its geographical position; how its relationship with Europe was the secret of its re-ascendence and the boom times of “cool Britannia”. The crisis since 2008 shows how much this success was effectively monopolized by London and the South East, where during and after the Olympics, it has continued to be business as usual, even as anti-Europeanism swells across the country.

Critics of liberal market economies can, from a left-leaning perspective, rightfully point to inequities, imbalances and harshness in the British economy. But there is little doubt that in terms of economic productivity as well as openness to the benefits of freer migration, most of continental Europe would benefit from *more* not less liberalization on this question. Proponents of alternative political economies for Europe -- re-imposing strong, top-down, state-governed controls on the factors of production and consumption, and labour market restrictions and protections -- should own up clearly to the anti-European nationalist implications of their positions, if not their latent Marxism. In other words, sloganeering about the evils of “neo-liberalism” masks and obscures an honest recognition that European economies in opening themselves to regional integration, must necessarily find a new balance between the prerogatives of the managed economy, flexible or open labour markets, and the privileges of insider communities and citizens.

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