

Mobility and Citizenship in the Shadow of the Euro Crisis: Explaining New Trends in Immigration and Naturalization across Europe

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Austerity, slow growth, rising unemployment have had worrying effects on the countries of the European Union in the aftermath of the Euro crisis. Fears of the Eurozone's demise, although somewhat abated for the moment, continue to bring political and economic uncertainty to citizens and governments across the continent. One relatively unexplored consequence of the Euro crisis and the uncertainty it has engendered has been the new changes in mobility and citizenship acquisition trends within the EU. During periods of economic crisis, immigrants often find themselves pushed across borders by slow growth and high unemployment at home in search of better economic opportunities that pull them abroad. During the Euro crisis, while governments have been restricting flows of third-country nationals within Europe in general, many Europeans have taken advantage mobility rights within the Schengen area and have gone in search of better opportunities elsewhere in the EU. For many, the economic benefits of mobility are alluring. However, new evidence suggests that the Euro crisis is increasing the economic benefits of citizenship acquisition as well, prompting new trends in naturalization across a growing number of countries. How has the crisis affected immigration and naturalization trends across Europe in its aftermath?

This paper reveals how the lingering uncertainty and difficulties of the Euro crisis have shaped immigrant settlement and naturalization patterns across Europe since the Euro crisis struck in 2009. First, I argue that immigration flows within the European Union since the crisis generally follow the contours of standard economic models of migration. In the countries hardest hit by the crisis, we see significant decreases in immigration rates and large increases in emigration rates, while in the more economically stable core countries of the EU we observe the opposite. However, I also find that the crisis has

reduced even further the magnitude of non-EU migration flows while reinforcing intra-EU migration as the primary source of mobility in the EU. Second, and perhaps more surprisingly, I show that the Euro crisis is driving a new trend of citizenship acquisition among Europeans. Prior to the Euro crisis, the widespread and much enjoyed freedom of mobility made possible by Schengen rules and European Union citizenship had depressed the motivation for Europeans to naturalize in other countries. However, because of economic uncertainties about the future of the Eurozone, its future members, as well as the expected signaling advantages conferred by host country citizenship, the Euro crisis is actually motivating Europeans from the most crisis-stricken countries to naturalize in their respective host countries.

The paper proceeds as follows. First, I review extant theories of migration and naturalization as applied to the European Union. Next, I present an empirical analysis of the immigration and naturalization trends in a post-crisis Europe. The first part of the analysis focuses on immigration between the southern and peripheral countries of the EU – Greece, Italy, Portugal, Spain, and Ireland (abbreviated GIPSIs) – and the ten countries of the northern ‘core’ of the EU (abbreviated as NEU-10). For sake of comparison, it also presents findings for the twelve post-2004 accession countries (A-12) from Eastern Europe.¹ The second empirical section presents and discusses a simple regression analysis of the economic determinants of naturalization in several of the core countries of the EU. The subsequent section summarizes the results of the analysis and concludes.

Explaining Migration Flows in Europe

¹ The analysis omits Croatia, which joined the EU in 2013.

There is a vast literature that theorizes the factors determining international migration (Borjas 1989, 1995; Massey et al. 1993, 1998; Cornelius and Rosenblum 2005). Most traditional explanations of international migration, and ones directly applicable to intra-EU migration, stem from neo-classical economic models. From this perspective, geographic differences in the supply of and demand for labor largely drive migration flows (Harris and Todaro, 1970; Todaro, 1976). Low wages and high unemployment at home may 'push' individuals across borders in search of higher wages and better employment opportunities that 'pull' individuals abroad. Because of inherent wage differentials across countries and other market-based factors forces at home, individual workers move to these more promising economic destinations (Massey et al. 1993, 1998). Similarly, according to the 'new economics of migration', families may also diversify their sources of income by assigning certain household members to activities in the local economy while sending others abroad, a decision that may maximize household income and reduce the risks of depending exclusively on the domestic economy (Stark and Bloom 1985).

These theories certainly explain a significant proportion of migratory flows within the EU in recent years (Alvarez-Plata et al. 2003, Kahanec and Zimmermann 2010). The accession of the ten new Eastern European and Mediterranean member states in 2004 and Romania and Bulgaria in 2007 are a case in point. Accession meant extending to their citizens the freedom of movement throughout a new common labor market, a freedom that prompted widespread misgivings about the consequences of a mass influx of foreign workers for the reasons just specified. In 2003, for example, the average wage in Latvia was just one eighth of the EU-15 average, and Polish unemployment rates stood at 17.9 percent compared to 7.9 in the EU-15. Indeed, because of these disparities between the Western

and Eastern EU member states, there were massive influxes of foreign workers seeking better economic opportunities in those countries that did open their labor markets immediately, especially into Great Britain. Between 2003 and 2010, for example, the Polish-born population of the UK increased from 75,000 to 532,000 (ONS 2011). However, by 2007, unemployment had decreased in most Eastern European countries due to rapid economic growth and out-migration to the West.

While these economic push-pull factors seem relatively straightforward in the case of the A-12 countries, it remains unclear whether the Euro crisis has unleashed similar dynamics. The answer requires consideration of four different populations within Europe. First, how has the crisis affected flows of non-EU third country nationals (TCNs)? The Euro crisis has created palpable economic distress in a number of EU member states, especially the GIPSI, but also in countries with economies highly linked to those suffering from the crisis. Downturns in GDP and rising unemployment should render Europe's crisis-stricken countries less attractive to all immigrants, but especially non-EU immigrants. This may be particularly relevant among immigrants in the GIPSI, whom international flows have transformed during the last two decades into net immigration countries. For this reason I expect general reductions in flows of non-EU third-country nationals to those countries hardest-hit by the crisis, but to varying degrees dependent on the economic context.

Whether the crisis drives third-country nationals toward the NEU-10 whose economies have remained relatively strong is less straightforward. Push factors in the European periphery should drive migrants northward in search of economic opportunity in more promising contexts, driving up immigration rates. However, the last several decades has witnessed the emergence of increasingly resilient anti-immigrant parties and

Euroskeptic movements in Europe (Kitschelt 1997; Givens 2005; Mudde 2008). These movements blame the EU and national elites for a host of problems, including the perceived negative effects of mass immigration and porous borders (Leonard and Torreblanca 2014). While not a product of the Euro crisis, Euroskeptics and populist leaders are strengthened by the rapidly diminishing levels trust and support for the EU and national parliaments among Europeans (Eurobarometer 78; Mudde 2013). Consequently, mainstream political parties and governments across the EU are under pressure from these parties to adopt tougher and more restrictive immigration policies (Howard 2010). In this context, I expect that domestic forces in northern European countries to reduce the supply-pull factors fostering immigration, and thus ultimately having a varied impact on non-EU flows according to political context.

Second, how has the crisis affected flows of EU citizens within the EU? Because European citizens do not need permits for immigration, residency, or employment under the conditions of the single European market, they are subject to less political barriers than third-country nationals. Here the focus is on citizens from the GIPSI, the A-12, and returning first-country nationals. Because the Euro crisis has exacerbated the economic disparities between the NEU-10 and the GIPSI in ways that resemble earlier East-West divisions, I expect similar increases into the NEU-10 from nationals of the five GIPSI countries, but the magnitude of the flow should depend on the economic conditions of the NEU-10 country. I also expect reduced GIPSI flows into the A-12 and other GIPSI countries where economic opportunities may be fewer. Immigration from the A-12 should remain positive into the NEU-10, but flows should diminish into countries whose economies have been more heavily impacted by the recession. Finally, first-country nationals of the GIPSI

should be least prone to return to their countries of origin because of vastly fewer opportunities at home and the desire to weather the crisis in more promising locales abroad. On the other hand, nationals of the A-12 should be highly prone to return to their countries of origin, since many had migrated on a temporary and cyclical basis to the GIPSI in the years prior to the 2009 downturn. Finally, I expect generally increased rates of return migration among nationals of the NEU-10 where their linguistic skills, qualifications, and citizenship give them a comparative advantage in the labor market, particularly as the destabilizing effects of the Euro crisis persist.

I summarize these predictions in Table 1.

TABLE 1 ABOUT HERE

Explaining Naturalization in Europe

Approaches for explaining immigrant citizenship acquisition have drawn from a diverse literature but generally focus on individual or institutional level factors. One approach largely focuses on the individual-level and socioeconomic characteristics of immigrants such as income, education, and length of time in residence (Portes and Curtis 1987; Yang 1994; Jones-Correa 2001; Dronkers and Vink 2012). Generally, those immigrants with longer years in residence, higher levels of education and language ability, and better employment appear to have a higher propensity to naturalize (Yang 1994; Vink, Prokic-Breuer and Dronkers 2013). A second theoretical approach focuses instead on the legal-institutional diversity of citizenship policies that structure access to citizenship across countries. A state's national model of citizenship or its particular citizenship policy configuration is widely thought to provide immigrants different opportunities and barriers to citizenship and other forms of incorporation (Brubaker 1992; Joppke 1999, 2007;

Hansen and Weil 2001; Koopmans et al. 2005; Ersanilli and Koopmans 2010). According to this perspective, varying naturalization rates and integration outcomes should depend largely on the relative restrictiveness of a receiving country's citizenship regime, whether citizenship acquisition is based on *jus sanguinis* or *jus soli*, or whether a country's self-conception is more assimilationist, ethnocultural, or multicultural in orientation.

Citizenship policies vary significantly in Europe according to national self-conception of belonging or their relative level of inclusiveness and accessibility, such as the inclusion of *jus sanguinis* or *jus soli* provisions or acceptance of dual citizenship (Brubaker 1992; Howard 2009, 2010; Janoski, 2010; Vink and De Groot 2010; Bauböck 2010). Several scholars have recently found that more open and accessible citizenship policies – especially the acceptance of dual citizenship - facilitate naturalization among immigrants (Jones-Correa 2001; Dronkers and Vink 2012; Vink, Prokic-Breuer, and Dronkers 2013).

Other variables beyond individual characteristics and institutional settings have received relatively less attention. Some have examined country of origin factors that might determine immigrant proclivities toward naturalization, such as a country's cultural affinity with immigrants' countries of origin, a legacy of colonialism, or continuing ties between sending and receiving countries (Yang 1994; Bueker 2005; Chiswick and Miller 2009, Vink 2013). Others have examined socioeconomic context as a factor in citizenship acquisition but have found mixed empirical support. Dronkers and Vink (2012), for example, test GDP per capita in the receiving country as a 'pull factor' affecting naturalization but find it has no significant effect on citizenship acquisition, while Vink, Prokic-Breuer, and Dronkers (2013) conversely find that employment status matters for naturalization, but only for immigrants from less developed countries. Janoski (2010)

includes economic variables in his study of naturalization rates in Europe, but they function only as controls and have no substantive effects on naturalization in his analysis.

. This paper contends that the economic context of the Euro crisis plays a significant and overlooked role in determining recent citizenship acquisition trends in Europe. As Yang (1994) notes, the “costs, benefits and meaning of naturalization are the most immediate considerations in immigrants' decisions to naturalize” (451). Although citizenship may confer a range of political, social, and economic benefits to immigrants, the economic motivation to acquire citizenship is directly applicable to this analysis. Simply stated, rational immigrants may perceive that naturalization confers a ‘citizenship premium’ in a host country that non-naturalized immigrants do not receive. If immigrants perceive that citizens earn more, perform better, or are more upwardly mobile in the labor market than non-citizens, the economically motivated immigrant may opt for naturalization to earn this potential premium. The premium may take any number of forms: reduced hiring costs for citizens, more access to certain types of employment or educational opportunities reserved for citizens, or less potential job discrimination based on citizenship status. It may serve as a device that naturalized immigrants may use to signal a level of integration, investment in a country, and reliability to employers who may otherwise question an applicant’s commitment to stay in a country. It could also give naturalized immigrants access to better wages over time, as well as housing and credit (DeVoretz 2008; OECD 2011, 17-18).

Although few political scientists have examined the economics of naturalization, a number of economists have explored this citizenship premium in both the North American and European context (Bevelander 2000; Bratsberg et al. 2002; Pivnenko and DeVoretz

2004; DeVoretz 2008; Bevelander and Veenman 2008; OECD 2011). However, the evidence is so far mixed. Bratsberg et al. (2002) find that the wage premium associated with naturalization is greater for immigrants from poorer countries, while DeVoretz and Pivnenko (2004) find in the Canadian case that acquiring citizenship increased the naturalized immigrant's earnings. Fougère and Safi (2006) analyze longitudinal data and uncover a large citizenship premium earned with naturalization in France, particularly for economically disadvantaged immigrants. However, Bevelander (2000) finds that citizenship acquisition had a negative effect on labor market participation after naturalization in Sweden. In another study of immigrants in the Netherlands, Bevelander and Veenman (2008) conclude that naturalized immigrants earn more generally than non-naturalized immigrants in the Netherlands, but the inclusion of other demographic and labor market variables tend to wash out its statistical effect.

I argue that the Euro crisis has increased the economic benefits of naturalization for the highly mobile immigrants within the EU today. First, because so many countries continue to suffer from low growth, high unemployment, and difficult austerity conditions, competition for stable employment and upwardly mobile jobs across the continent is fierce. In this context, a significant citizenship premium may accrue to economic immigrants who naturalize in their country of residence. If the incentive is to make oneself as attractive to employers as possible, one means to do so is to acquire citizenship. Second, Europeans over the last six years have heard countless reports about the precarious future of the Eurozone, speculations about a possible "Grexit" or other club departures, and even exaggerated fears

“that the euro crisis may end up destroying the European Union.”² In the context of such uncertainty about the economic and political future of Europe and who may or may not belong in the future, immigrants may perceive naturalization as a form of political and economic insurance should one’s country of origin eventually leave the club.

With this in mind, I therefore hypothesize that immigrant demand for citizenship should increase in relatively more economically stable and prosperous countries, and increase if they have migrated from relatively less economically stable ones. Within the EU, this means that naturalization rates should increase among GIPSI or A12 nationals as the economic situation in their country of settlement improves, or if the economic situation in their country/region of origin deteriorates as a consequence of the Euro Crisis.

Assessing the Effects of the Euro Crisis on Migration and Naturalization

The empirical analysis of immigration and naturalization in the wake of the Euro crisis proceeds in a number of steps. First, I compare immigration trends in the EU before and after the advent of the crisis in 2009. Then I offer a more detailed and longer-term analysis of immigration trends within a handful of NEU-10 and GIPSI countries. Finally, I conduct a series of regressions to test my hypothesis about the economic causes of naturalization.

To compare how immigration trends have changed as a consequence of the Euro crisis, I collected data on migration flows, stocks of foreign population, and citizenship acquisitions for the countries of the EU-27 in 2007 and 2008 (just prior to the crisis) and again in 2012 and 2013, the most recent years for which data was available. However, in

² George Soros, “How to Save the EU from the Euro Crisis,” *The Guardian*, 9 April 2013; *The Economist*, “Is Grexit good for the euro?” Jun 16th 2012; Ralph Atkins, “Trichet warns on dangers of Greek eurozone exit,” *Financial Times*, 24 February 2015.

order to assess these trends over a longer-term among different immigrant populations, however, I gathered additional data according to respective nationality status for the years 2002 to 2013. The previous nationality categories relevant for this study were those from the five GIPSI countries, the post-2004 A-12 countries of Eastern Europe, and more generally EU and non-EU immigrants, as these categories should summarize the most significant immigration groups during the relevant period. Most data comes from a combination of national statistical offices, Eurostat (2014), and the OECD's (2014) *International Migration Database*. While some sources were more or less incomplete for certain selected countries, for the most part the significant comparability among them corroborated the reliability of the data gathered. Unfortunately, for many of the EU-27 countries this more extensive data is not readily available, if it exists at all. Thus to assess these longer-term trends for these different immigrant categories, I restrict my more extensive analysis to a more limited number of Western European countries.

Because most of the variation in immigration during the crisis occurs within the NEU-10, we begin by examining aggregate flows into select northern European countries.³ Figures 1 and 2 display aggregated immigration rates and percent of respective total immigration flows across these countries from 2003 to 2013. Although these elide national-level trends, several larger trends come into focus. First, in the years since the Euro crisis began in 2009, immigration rates across all EU categories have increased. The highest and most pronounced immigration rate is that of A-12 nationals, which dipped sharply in 2009 but has demonstrated a net increase of 18.5 percent over its pre-crisis level

³ These include the NEU-10 without France, due to lack of data availability. I do, however, include Norway in these figures as a non-EU country that is nonetheless subject to the same labor mobility rules as a member of the Schengen zone. Including Norway reveals that the effects of the Euro crisis are not restricted exclusively to members of the EU or Eurozone.

in 2008. A-12 nationals now comprise roughly a third of all immigrants migrating to these northern European countries. In comparison, the GIPSI immigration rate is the lowest of the categories, but after a long period of stagnation experienced a 137 percent increase between 2008 and 2013, the largest increase of all the categories. The GIPSI rate even surpassed the TCN immigration rate in 2013, which is striking considering the discrepancy in overall magnitudes of the two categories. In terms of share of overall flows, GIPSI nationals have roughly doubled their share of overall foreign flows to the region to 11 percent. Third-country nationals and returning nationals, on the other hand, have overall been stagnant if not decreasing over the same period. Figure 2 also reveals that immigration from non-EU countries continues to decline as a percentage of total flows in Western Europe, down from roughly half of all immigration in 2008. If one combines A-12 and GIPSI flows, they represent nearly half of all foreign flows into the region and even exceed total TCN flows.

Table 2 presents a summary of the changes in immigration rates for the key immigrant flow categories between 2008 and 2012. Looking first at the TCN category, we find general confirmation of Hypotheses 1a, b, and c. Among the NEU-10, TCN flows have decreased sharply in Belgium, Finland, Sweden, and the UK, while they have increased most strongly in Austria, Germany, and Luxembourg. The positive results generally conform to what one would expect: increased flows to countries that have managed relatively well during the crisis. The sharp decrease in Belgium is somewhat surprising, but given the geography of Sweden and Finland and recent attempts to restrict migration in the UK, the other results are generally as predicted. TCN flows into the GIPSIs likewise conform to expectations: across the board, TCN immigration rates in Greece, Italy, Portugal, Spain,

and Ireland have all fallen, particularly in the Mediterranean members. Similarly, TCN rates into the A-12 have likewise decreased overall, albeit with some slight increases in Cyprus and Estonia.

We now turn to immigration rates for EU nationals. Among GIPSI nationals, we see increases in rates across the entire NEU-10, but wide variation among them as predicted in Hypothesis 2a. They are clearly drawn to the economically stable countries like Austria, Denmark, and Germany. GIPSI nationals, however, have the least incentive to migrate back home or into the A-12 countries, as postulated by Hypotheses 2b and 4b, where the lack of economic opportunities poses a strong disincentive for migration. As expected in Hypotheses 3a-c, the nationals of the A-12 also show much less interest in migrating to the GIPSI countries like Italy and Spain where earlier A-12 immigrants had found employment, and collectively have the highest average rate of return across the categories. However, there is some country-level variation. Hungarians, Lithuanians, Poles, and Romanians seem most prone to return, while Czechs and Estonians are returning home less in 2012 than compared to before the crisis. Although A-12 immigration rates to the NEU-10 have dropped most dramatically compared to before the crisis, many A-12 nationals may be selectively migrating to core countries within the NEU-10, such as Austria and Germany, evidenced by the varying immigration rates in the upper-center column of Table 2. Thus Hypotheses 3c and 4c are only partially confirmed. Finally, nationals of the NEU-10 only show mixed rates of return migration since the beginning of the crisis. In fact, only four of the ten actually increased their rates of return between the two periods, while in the other six, fewer immigrants were returning in 2012 than in 2008. This may reflect the possibility

that most returning nationals did so in the intervening years. Nonetheless, we reject Hypothesis 4a on the basis of this evidence.

TABLE 2 ABOUT HERE

To capture how the economics of the crisis have affected these migration flows across Europe, in Figure 3 I have graphed percent changes in immigration rates for flow categories across nine NEU-10 countries and three GIPSI countries in order of the percent change in their post-crisis unemployment rate. As we expect, there is a general negative correlation between the change in immigration and unemployment rates in a country (Pearson's correlation for total immigration is -0.66 , $p=0.02$). In other words, countries that experience much smaller changes in unemployment at home have much higher changes in immigration flows. This suggests that labor market may be a strong pull factor for certain flows. However, the effect of changes in unemployment on flows varies according to immigration population. Not surprisingly, the correlation between change in GIPSI rate and unemployment is -0.73 ($p=0.007$), and between the A12 rate and unemployment is -0.64 ($p=0.03$), suggesting that unemployment is contributing to these two movements across Europe. However, the correlation for TCNs and returning nationals is not statistically significant, although they are negative as the figure captures. This suggests that TCNs are less sensitive to changes in unemployment in their countries of settlement during the Euro crisis, likely because of other push/pull factors occurring in their countries of origin not captured here. It also suggests that nationals returning home are less sensitive to changes in unemployment in their home countries, and their choice to return may be driven by other factors as well.

FIGURE 3 ABOUT HERE

The figure does however reveal the widespread variation within the NEU-10 and between the NEU-10 and the GIPSI. On the one hand, only two countries, Austria and Germany, saw significant increases in the immigration rates of all categories. They likewise are two of three countries that saw increased TCN rates and that did not experience an A-12 rate decrease over the period. They also attracted the highest GIPSI immigration rates as well. Germany's GIPSI rate increased from 4.1 to 10.25 over the period, a 150 percent increase over its 2008 rate, and Austria's from 16 to 25.7 GIPSI immigrants per 100 resident, an increase of 60 percent. This suggests that these two countries are bearing the brunt of most intra-EU migration today. While most other NEU-10 experienced net increases in GIPSI immigration rates over the period, nearly all saw decreased rates of immigration among all other categories, especially TCNs and A-12 nationals. This may be due to both the diminishing comparative attraction of the EU for non-EU labor migration as well as domestic public pressures to restrict immigration flows generally. However, push factors in the GIPSI countries and the free movement of labor within the Schengen area may override any public pressures for greater restrictions. On the other hand, immigration rates in Spain, Italy, and Ireland have more halved in magnitude, as other EU countries increasingly appear more attractive for potential migrants.

The Euro crisis seems to affect immigration rates across Europe, but in different ways for different types of flow. Does it have an effect on naturalization rates across Europe as well? To test my hypothesis that immigrants in the context of the economic uncertainty in the EU have a strong incentive to naturalize in more stable countries, I first graph percent changes in naturalization rates for flow categories across nine NEU-10 countries and two GIPSI countries in order of the percent change in their post-crisis unemployment

rate, captured in Figure 4. The relationship seems much less straightforward than between migration and unemployment, with a weak overall correlation of -0.305 ($p=0.36$). In fact, the relationship is only significant for naturalizations among GIPSI nationals (Pearson's $r = -0.56$, $p=0.07$), implying that the employment situation in the country of settlement may only be relevant for GIPSI nationals. Indeed, GIPSI naturalization rates did increase in eight of the nine NEU-10 countries, whereas TCN rates increased in six of the nine and A12 rates in only four of the nine NEU-10 countries. However, the rates for TCNs, GIPSI, and A12 nationals all increased curiously in Spain, despite a drastic 13.5 point increase in unemployment over the period.

FIGURE 4 ABOUT HERE

Of course, as discussed above, scholars have identified many other factors contribute to citizenship acquisitions among immigrants, so these correlations are only suggestive of a trend. To control for some of these other factors, I conduct a series of pooled OLS regressions using this data collected across 12 European countries over the period 2000 to 2014 ($n=182$).⁴ To deal with potential heteroskedasticity and/or autocorrelation in the data, I employ panel corrected standard errors (PCSE) advocated by Beck and Katz (1995) for use with OLS. Below I describe how I operationalize the variables in my analysis.⁵

The dependent variable in the analysis is the naturalization rate. This was calculated as the number of naturalizations by a respective immigrant population within a country in

⁴ The countries are Austria, Belgium, Denmark, Finland, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, and the United Kingdom. Due to the relatively small sample size, each model is limited in the number of variables it can statistically handle.

⁵ I employ pooled OLS as I have no theoretical reason to expect different countries or years to have effects on naturalization rates independent of the variables included in the model. However, as an alternative to pooled OLS, I also run a fixed effects model and include it in the appendix.

a given year, divided by that respective immigrant population at the beginning of that year, and multiplied by 100. Calculating rates for different immigrant populations is critical here, because I expect the economic motivations to naturalization to only matter for immigrants coming from the most crisis-stricken countries within the EU. I calculate respective naturalization rates for total immigrants, EU immigrants, A-12 nationals, GIPSI nationals, and third-country nationals.

My primary independent variables represent measures of economic and political context. First, I include unemployment and relative unemployment figures in each country-year, for both the receiving and sending country/region of origin. I also calculate a weighted unemployment measure for the GIPSI countries that adjusts home country unemployment according to the size of the immigrant flow in that country-year. Variables for Difference in Unemployment and GDP per capita captures the relative wealth gaps between sending and receiving countries, and EU Difference in Unemployment represents the unemployment level in a given country-year relative to the EU average. Inflation-adjusted GDP change is meant to capture the acute effects of the Euro crisis in the respective year. Variables that represent greater economic hardship in the country of origin, greater economic stability in the country of settlement, or greater differences in economic opportunity between sending and receiving countries, should increase naturalization rates. To capture the institutional context, I include values from a yet unpublished citizenship policy index that captures the relative costliness of citizenship across sixteen European countries and several decades (Graeber, n.d). The Integration Cost of Citizenship indicator (ICCI) codes citizenship policy according to eight different requirements, such as dual citizenship and duration of residence, and reflects the

institutional opportunity structure governing citizenship acquisition. Higher values expected to decrease naturalization rates and lower values to increase rates. Finally, I include controls for corresponding immigrant group inflows, percent of foreign population, and dummy variables for years of EU Enlargement, for the years of the Euro Crisis, and for ClubMed, representing the two GIPSI countries in the models.

Results

The results of the models for the naturalization rates among different immigrant populations are summarized in Tables 3, 4, and 5. Model 1 in Table 3 captures the baseline model for all immigrants. Models 2-6 add alternative specifications of economic variables described above as well as various controls.

TABLE 3 ABOUT HERE

In general, the economic hypothesis seems to find confirmation in the results. We see that Country.Unemployment in Model 2 and Relative.EU.Unemployment are both significant in their predicted directions. Higher country unemployment in the destination country seems to depress naturalization rates, while lower unemployment compared to the EU average seems to increase them. The dummy variable for Euro Crisis years in Model 5 as well as the ClubMed variable coded for Italy and Spain are both negative and significant, suggesting these years and these countries have an independent negative effect on naturalization. The political variable that captures the restrictiveness of citizenship policy is likewise signed correctly and is significant in all models. Only GDP Change in Model 3 is not significant.

In Table 4, which models naturalization rates among GIPSI nationals, we see that the variables for origin country economic conditions in Models 2, 3, and 8 are significant and

positive, suggesting that as unemployment rises at home, immigrants naturalize abroad. Conversely, Country.Unemployment in Model 6 is significant and negative, revealing that as unemployment rises in the country of settlement, naturalization rates decrease. Relative EU Unemployment in Model 7 is significant and positive, likewise suggesting that as a country's unemployment situation relative to the EU average improves, it should expect higher naturalization rates among GIPSI nationals. Finally, in Table 5, which models naturalization rates among A12 nationals, we observe broadly similar dynamics. Adding economic variables in Models 2-10 improves the fit over the base model and all remain significant across different specifications.

Conclusion

This paper has examined the effects of the Euro crisis on mobility and citizenship acquisition trends across the EU. In terms of immigration, my analysis revealed that immigration varies rather dramatically across the EU, but this variation seems to generally follow rather predictable patterns of comparative economic attractiveness across countries that standard economic models of migration would predict. While immigration rates across the countries analyzed have increased since the beginning of the crisis in 2009, this is primarily driven by increases in immigration from the A12 and GIPSI countries and relative stagnation in the flows among TCNs. Furthermore, as the crisis continues, we observe greater movement from GIPSI nationals into the economic safe havens of the north, while A12 migration seems divided between returning home and migrating to the Germany and other economic core countries. Thus in the countries hardest hit by the crisis, we see significant decreases in immigration rates and large increases in emigration rates, while in the more economically stable core countries of the EU we observe the opposite.

Second, and less predictable by previous theorizing, I show that the Euro crisis has begun driving a new trend of citizenship acquisition among Europeans. Prior to the Euro crisis, Europeans seemed much more disinclined to acquire the citizenship of another EU country, due to the freedom of mobility made possible by Schengen rules and European Union citizenship. However, my analysis revealed that lingering economic uncertainties about the future of the Eurozone, continued economic malaise in the GIPSI countries, and persistent economic stability in the NEU-10 countries has apparently reaffirmed the possible value of citizenship acquisition in Europe. The fact that more EU immigrants are naturalizing in other EU countries certainly seems to counter the perceived diminishing value of citizenship in post-national Europe that many scholars have discussed in recent years (Hansen 2009; Joppke 2010). As my exploration revealed, demand for citizenship has apparently increased among nationals migrating from crisis-stricken countries and regions into the relatively more economically stable ones. While additional research will be required to determine whether the proposed causal mechanism is at work or not, in the context of uncertainty about the economic and political future of Europe, immigrants indeed seem to increasingly perceive naturalization in certain core EU countries as a political and economic advantage.

Table 1: Summary of Hypotheses Regarding Immigration Flows

Flow	Into:		
	NEU-10	GIPSI	A-12
TCN	H1a: Varying in direction and magnitude	H1b: Decreasing	H1c: Decreasing
GIPSI	H2a: Positive, but varying in magnitude	H2b: Decreasing	H2c: Decreasing
A-12	H3a: Varying in direction and magnitude	H3b: Decreasing	H3c: Increasing
Nationals	H4a: Increasing	H4b: Highly Decreasing	H4c: Highly Increasing

Table 2: Change in Immigration Rates¹ by Flow Category, 2008-2012

Country	TCN	GIPSI	A12	Nationals	All EU Citizens	Total Foreign
NEU-10 Average²	-1.33	4.15	-10.37	-0.16	-0.90	-0.81
Austria	1.40	9.66	4.43	0.82	0.74	1.83
Belgium	-7.89	2.40	-14.97	-2.03	-0.89	-2.93
Denmark	-1.22	5.58	-17.69	-0.26	-8.70	-2.87
Finland	-3.57	1.90	0.17	-0.02	-0.35	-2.26
France	0.36			-0.19	1.47	0.75
Germany	2.51	6.15	12.85	0.10	9.61	5.43
Luxembourg	2.41	0.82	-27.31	0.08	-0.02	0.30
Netherlands	0.19	4.01	-26.96	-0.27	-2.00	-0.30
Sweden	-4.46	4.12	-15.03	0.26	-3.36	-3.56
United Kingdom	-3.05	2.75	-8.78	-0.12	-5.53	-4.47
GIPSI Average²	-3.81	-2.12	-10.28	-0.44	-5.48	-4.73
Greece	-1.37				0.20	-1.32
Ireland	-0.32	-0.18	-7.50	-1.55	-5.40	-3.93
Italy	-4.92	-0.16	-17.17	-0.15	-15.60	-7.81
Portugal	-3.37			-0.02	-2.13	-3.30
Spain	-9.07	-6.03	-6.17	-0.03	-4.45	-7.28
A-12 Average²	-13.52	-7.54	0.00	0.82	-11.04	-11.31
Bulgaria			0.06	0.53		
Cyprus	1.71			0.21	1.44	1.53
Czech Republic	-22.67	-5.81	-0.22	-1.84	-8.56	-17.38
Estonia	0.11			-0.19	-11.45	-0.31
Hungary	-7.39	-2.70	0.06	1.15	-4.82	-5.92
Latvia						
Lithuania	-0.58			3.83	13.76	1.62
Malta	-2.05			1.05	-6.41	-4.10
Poland				2.59		
Romania		-0.36	0.14	1.40	-40.41	-14.75
Slovakia	-49.88	-17.46	-0.05	0.25	-28.42	-36.11
Slovenia	-27.43	-11.36	0.01	0.05	-14.49	-26.40

Source: Eurostat, 'International migration flows' [migr_imm1ctz], 'Population on 1 January by five year age group, sex group and citizenship' [migr_pop1ctz], as well as national statistical offices. Data downloaded on 5 February 2015.

¹ I calculate the immigration rate as the total number of immigrants of a respective category per 100 members of the population of that respective category in a given year. However, because the flow of nationals returning is such a small percentage of the native population, I calculate the rate for nationals per 1000 members for the native population.

² This is a simple average of the countries within the category, rather than a weighted average.

Figure 1. Selected Immigration Rates, 2003-2013

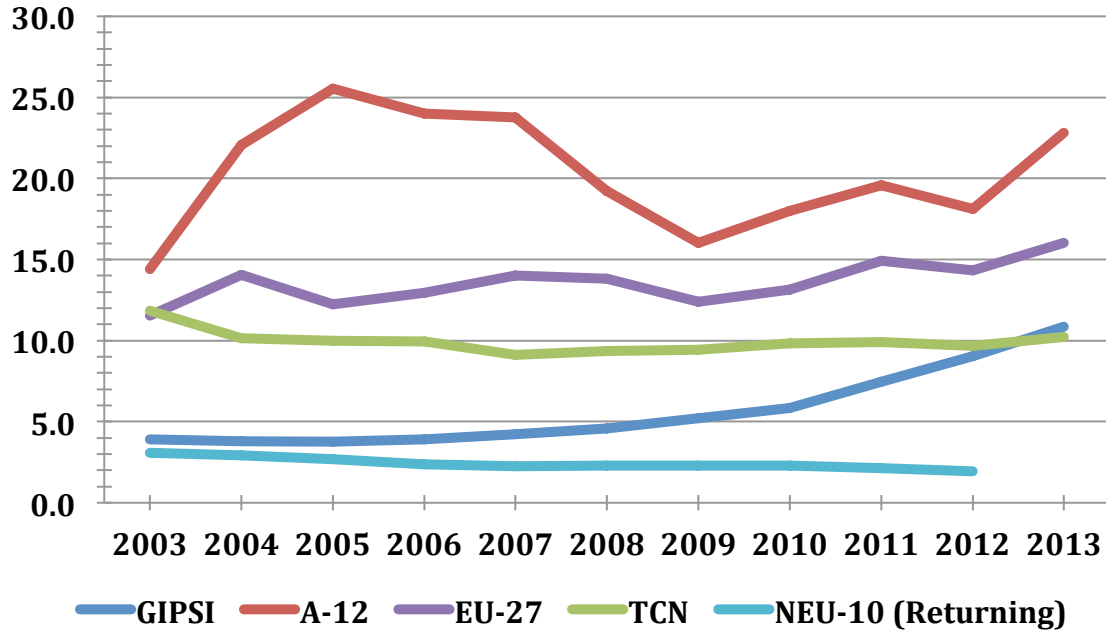


Figure 2. Composition of NEU-10 Immigration Flows

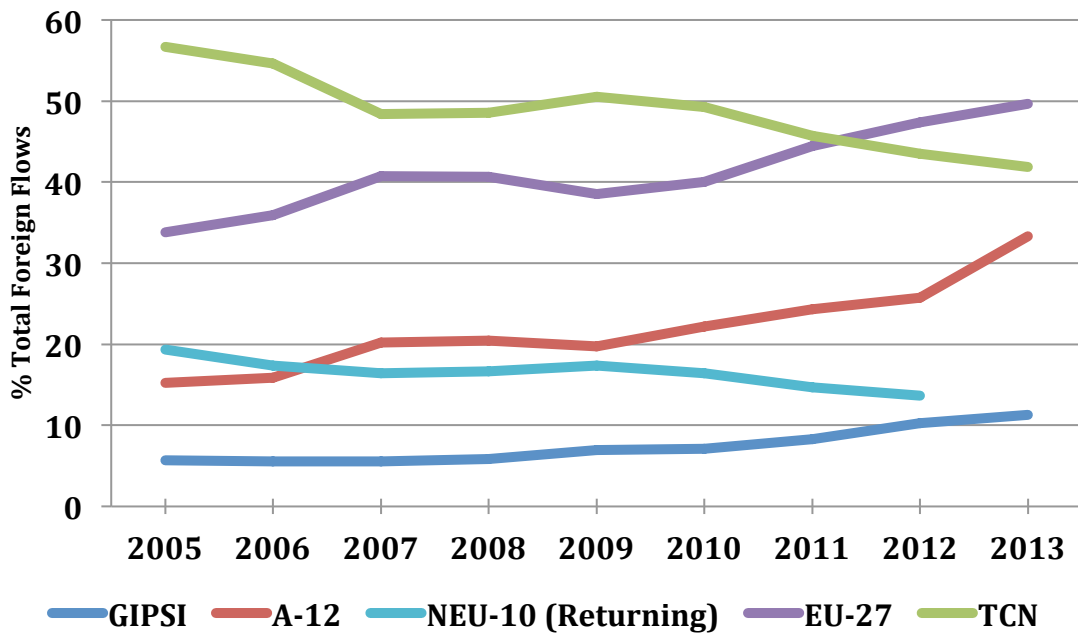


Figure 3. Percent Change in Immigration Rates by Percent Change in Unemployment Rate, Select Countries

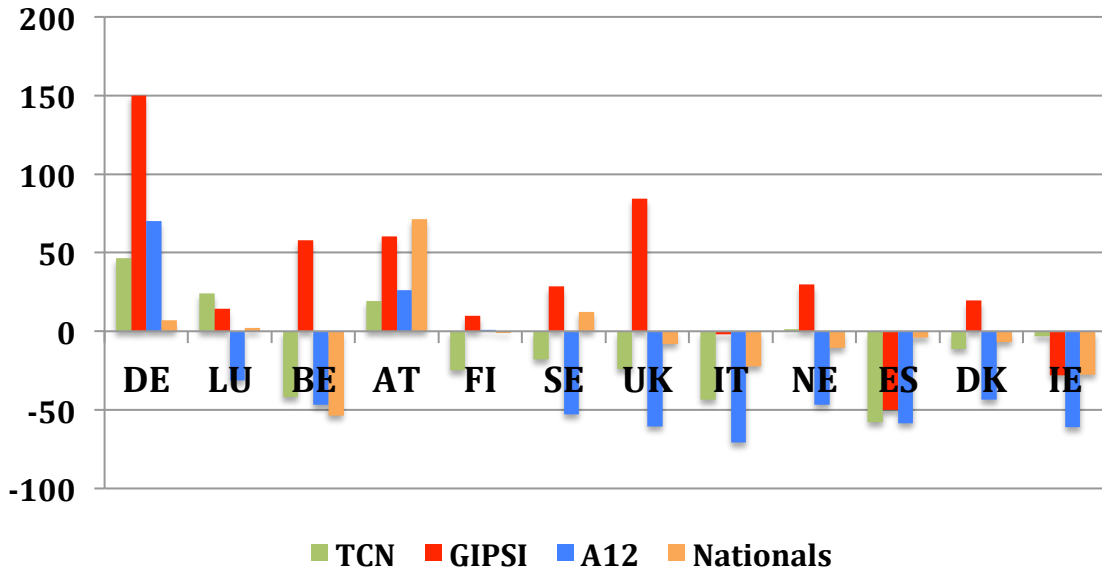


Figure 4. Percent Change in Naturalization Rates by Percent Change in Unemployment Rate, Select Countries

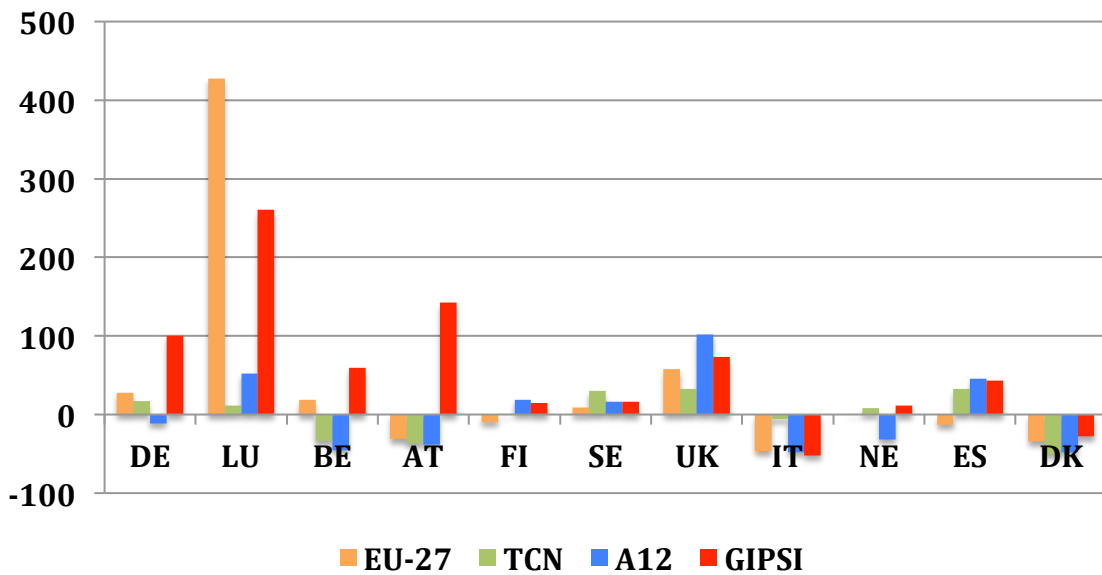


Table 3. Economic Effects on Total Naturalization Rate

DV: Natrate.Total	1	2	3	4	5	6
Migrate Total	5.9 (4.93)	3.02 (4.32)	1.29 (4.33)	3.65 (4.31)	5.67 (4.94)	10.47** (3.9)
ICCI	-0.34*** (0.04)	-0.42*** (0.04)	-0.41*** (0.03)	-0.42*** (0.04)	-0.33*** (0.04)	-0.36*** (0.03)
Country Unemployment		-0.23*** (0.04)	-0.29*** (0.04)			
Country GDPpc			-0.00003*** (0.000)		-0.000005 (0.000)	-0.00003 (0.000)
Relative Unemployment				0.23*** (0.04)		
EuroCrisis					-0.53* (0.21)	-0.27 (0.16)
ClubMed						-3.68*** (0.45)
Constant	4.89*** (0.84)	7.3*** (0.79)	8.91*** (0.98)	5.21*** (0.73)	4.82*** (0.87)	6.33*** (0.63)
Observations	165	165	165	165	165	165
R ²	0.2358	0.3404	0.3651	0.3429	0.2486	0.5584
RMSE	1.886	1.758	1.73	1.754	1.88	1.447
Chi ²	144.1*** (df = 2; 163)	196.5*** (df = 3; 162)	211.13*** (df = 4; 161)	203.4*** (df = 3; 162)	171.6*** (df = 4; 161)	321.9*** (df = 5; 160)

Note: * p<0.05; ** p<0.01; *** p<0.001

Table 4. Economic Effects on GIPSI Naturalization Rates

DV: GIPSI Nat Rate	1	2	3	4	5	6	7	8	9
GIPSI Inflows	-0.000004** (0.01)	-0.00001** (0.01)	-0.000005** (0.01)	-0.000004** (0.01)	-0.000004** (0.01)	-0.000002* (0.01)	0.00000** (0.01)	-0.00000* (0.01)	-0.000002* (0.01)
Percent Foreign Population	-0.1 (0.37)	-0.05 (0.36)	0.01 (0.37)	-0.08 (0.36)	-0.10 (0.37)	-0.3 (0.33)	-0.32 (0.34)	-0.19 (0.33)	-0.44 (0.33)
GIPSI Ave Unemployment		0.02** (0.01)							
Weighted GIPSI Unemp			0.03** (0.01)						
GIPSI Average GDP Change				-0.02 (0.01)					
Weighted GIPSI GDP Change					-0.011 (0.01)				
Country Unemployment						-0.06*** (0.01)			-0.033*** (0.01)
Relative Unemployment							0.06*** (0.01)		
GIPSI Unemp Difference								0.043*** (0.01)	
Eurocrisis						0.25*** (0.07)			0.23*** (0.07)
ClubMed									-0.45*** (0.08)
ICCI	-0.15*** (0.01)	-0.15*** (0.01)	-0.15*** (0.01)	-0.15*** (0.01)	-0.15*** (0.01)	-0.17*** (0.01)	-0.17*** (0.01)	-0.17*** (0.01)	-0.17*** (0.01)
Constant	1.87*** (0.1)	1.64*** (0.1)	1.60*** (0.1)	1.90*** (0.1)	1.64*** (0.43)	2.37*** (0.17)	1.89*** (0.1)	1.86*** (0.1)	2.25*** (0.14)
Observations	140	140	140	140	140	140	140	140	140
R ²	0.4371	0.4537	0.4546	0.4416	0.4382	0.5137	0.5011	0.5083	0.5426
Residual Std. Error	0.5359	0.53	0.5295	0.5358	0.5374	0.5019	0.5064	0.5028	0.4886
Chi ²	278.29*** (df = 3; 137)	318.25*** (df = 4; 136)	318.25*** (df = 4; 136)	299.87*** (df = 4; 136)	303.21*** (df = 4; 136)	410.83*** (df = 5; 135)	303.08*** (df = 4; 136)	373.52*** (df = 4; 136)	405.9*** (df = 6; 134)

Note: * p<0.05; ** p<0.01; *** p<0.001

Table 5. Economic Effects on A12 Naturalization Rates

DV: A12 Nat Rate	1	2	3	4	5	6	7	8	9
A12 Inflows	-0.000005* (0.0000)	-0.000004 (0.0000)	-0.000004 (0.0000)	-0.000002 (0.0000)	-0.000004* (0.0000)	-0.000002 (0.0000)	-0.000004* (0.0000)	-0.000001 (0.0000)	0.000000 (0.0000)
Percent Foreign Population	-12.17*** (1.96)	-10.95*** (1.74)	-12.45*** (1.78)	-9.79*** (1.83)	-10.31*** (2.06)	-5.21*** (1.47)	-8.29*** (1.73)	-9.81*** (2.17)	-6.40*** (1.82)
A12 Ave Unemployment		0.29*** (0.09)	0.26** (0.09)						
A12 Ave GDP Change		0.09* (0.05)							
EuroCrisis							-0.63 (0.49)		-1.04* (0.47)
UnempDiff.A12				0.21*** (0.06)					
Country.Unemployment					-0.15** (0.05)	-0.17** (0.06)	-0.14* (0.06)		
RelEU.Unemp								0.11* (0.04)	
Enlargement.factorEU25						-0.91*** (0.34)			
Enlargement.factorEU27						-1.92*** (0.37)			
ClubMed.factor1								-1.37** (0.51)	-2.13*** (0.46)
ICCI	-0.32*** (0.04)	-0.31*** (0.04)	-0.31*** (0.04)	-0.40*** (0.06)	-0.38*** (0.06)	-0.37*** (0.06)	-0.37*** (0.06)	-0.41*** (0.07)	-0.38*** (0.06)
Constant	6.01*** (0.64)	2.70* (1.18)	3.51** (1.13)	5.60*** (0.56)	7.22*** (0.97)	7.83*** (0.84)	7.10*** (0.97)	6.18*** (0.74)	6.29*** (0.7)
Observations	150	150	150	150	150	150	150	150	150
R ²	0.4042	0.4515	0.4364	0.4748	0.4355	0.5114	0.4461	0.4707	0.488
RMSE	1.936	1.871	1.89	1.824	1.891	1.771	1.88	1.838	1.807
Chi ²	85.89*** (df = 3; 147)	122.53*** (df = 5; 145)	102.87*** (df = 5; 146)	130.74*** (df = 4; 146)	281.41*** (df = 5; 145)	279.21*** (df = 6; 144)	124.96*** (df = 5; 145)	175.55*** (df = 5; 145)	110.8*** (df = 5; 145)

Note: * p<0.05; ** p<0.01; *** p<0.001

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