THE EUROPEAN MIGRANT CRISIS: A DEINSTITUTIONALIZATION PERSPECTIVE

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ABSTRACT

This theoretical paper examines the current migrant crisis in Europe, caused by the instability in the Middle East and North Africa, under the lens of institutional theory. Specifically, the migrant crisis is theorized to result in a period of deinstitutionalization, then a period of innovation under which conflict and strategic processes are taken. After a period of instability, the institutional process is theorized to start over with the end result of the new European institutional environment situating its organizations to be more competitive in the global marketplace. Implications of the proposed model are discussed.

Keywords: Institutional Theory, Deinstitutionalization, Innovation, Europe, Migrant Crisis

INTRODUCTION

While refugees have sought a safe haven in Europe and the West for years, a combination of crises in the Middle East and North Africa have resulted in thousands of refugees turning into millions (Cockburn, 2015). Four million refugees are from Syria alone. Likewise, millions of people from other countries have been displaced due to ISIS, or the Islamic State. As this crisis is appearing to increase rather than lessen, this number will only grow larger especially as these migrants have no plans of leaving (Cockburn, 2015). While Turkey, Lebanon, and Jordan have taken a lot of these migrants, hundreds of thousands of refugees have fled to Europe as the refugee camps in these three countries are overrun and impoverished (Bajekal, 2015).

This has spurred, along with the recent economic crisis, a demographic shift across Europe especially in the countries with generous asylum packages, where migrants are more likely to chose to live, such as Germany and Sweden (Park, 2015). This is in line with research by Goldstone (2002) who states that violent conflicts can result in large-scale and rapid demographic changes like migration. He argues that these demographic changes can result in ethnic clashes and cites examples from the 1967 Israeli-Arab war and the Rwandan genocide. While Goldstone (2002) is discussing foreign policy and not organizational theory, it is logical to assume that this issue can have an impact on European organizational structures. Therefore, the purpose of this theoretical piece is to answer three overarching research questions: (1) How will the migrant crisis affect European organizational structures under the framework of institutional theory, (2) What strategies will European organizations pursue to deal with this crisis, and (3) Will the European institutional environment be better off?
THEORETICAL DEVELOPMENT

According to the model of institutional theory, organizational structure is an adaptive vehicle shaped in response, in part, by the characteristics of the participants (Scott, 1987). Institutional theory is concerned with cultural, social, and regulatory influences that promote organizational legitimacy and survival over time (Roy, 1997). While institutionalization is a process that happens over time (Selznick, 1957), a major shift in the market – similar to the migrant crisis – can result in the reversal of this process, called deinstitutionalization, which should be viewed in the larger context of organizational change (Scott, 2001). Deinstitutionalization “refers to the delegitimation of an established organizational practice or procedure as a result of organizational challenges” (Oliver, 1992, pp. 564). According to Oliver (1992), there are three forces that result in deinstitutionalization: functional, political, and social. Relevant to the migrant crisis in Europe are political and social forces. Political forces include shifts in power distributions that have previously supported institutional arrangements.

With the changing demographics comes a change in power distribution. Borrowing from the public policy literature, power is distributed among fewer groups when the actors are homogeneous (Kriesi, Adam, & Jochum, 2006), meaning that each group has more power when there are less groups to compete with. With the flood of migrants coming into the European Union (EU), however, demographics are shifting, which is creating a more heterogeneous population where power will be distributed among more actors. Additionally, social forces include increasing workforce diversity, as certain practices could become discontinued due to “divergent or discordant beliefs and practices” (Dacin, Goodstein, & Scott, 2002, pp. 47) of the now heterogeneous group. Thus, the migrant crisis, by nature due to the sudden population change it is causing in Europe, will result in period of deinstitutionalization in the organizational environment due to political and social pressures. Therefore,

Proposition 1: The migrant crisis in Europe will result in a period of deinstitutionalization due to political and social forces.

As Scott (2001, pp. 184) argued about deinstitutionalization, “the weakening of and disappearance of one set of beliefs and practices is likely to be associated with the arrival of new beliefs and practices”. This is supported by research that found that diversity in social systems spurs creativity and innovation because individuals with different backgrounds and experiences have unique ways of approaching problems (Beets & Willekens, 2010). Coupling this diversity with institutional theory, it is apparent how a population shift, after causing a period of deinstitutionalization, could result in a period of innovation as new practices become taken for granted. This actor-focused view is supported by Lounsbury and Crumley (2007) who stated that neoinstitutional research has focused on how innovative activities become established as taken for granted practices (Scott, 2001), but little attention has been paid to the role of actors in the innovation process. With the migrant crisis in Europe, it is the diversity of the actors that is of specific interest, as after it causes deinstitutionalization, a period of innovation will occur.
Therefore,

**Proposition 2:** The migrant crisis in Europe, after deinstitutionalization, will result in a period of innovation as new institutional practices are established.

While innovation is generally perceived as something good, conflict can also emerge from innovation (McAdam, 2005). Likewise, conflict can emerge from heterogeneity (which, in this case, is both demographic and cultural), which is the degree of dispersion amongst a population in terms of demographic attributes (Blau, 1977). Conflict emerging from group differences is the premise of the faultline literature, which posits that groups can be divided into subgroups based upon demographic attributes like ethnicity and gender. These subgroups can result in performance losses due to subgroup conflict (Lau & Murnighan, 1998). Applying this theory to the current situation, it is apparent that the migrant crisis not only results in a period of deinstitutionalization and innovation, but also conflict. Not only are Europeans and the migrants demographically different via ethnicity, but they are also culturally different that can further result in conflict. According to The Hofstede Centre (2012), Germany and Syria are significantly different on a few of Hofstede’s cultural dimensions – power distance, individualism, and long term orientation. Germany and Syria were chosen as comparison countries as many migrants are from Syria and migrants have tended to travel across the EU to make a home in Germany due to the asylum packages (Park, 2015). Germany is significantly higher on individualism and long-term orientation and significantly lower on power distance when compared to Syria (The Hofstede Centre, 2012).

As Hofstede’s (1980) research has demonstrated, national culture (e.g. the cultural dimensions) has a strong effect on work values (Schneider, 1988), the way individuals interact with their organization, and the preferred arrangements in commerce and industry (Bochner & Hesketh, 1994). This indicates that this clash of cultural dimensions will result in a conflict over organizational norms and practices, as both social actors (Europeans and migrants) have competing values, and thus interests, that are in opposition. Following the logic of Tolbert and Zucker (1996), while the Europeans (in this example, Germany) will want to keep the current institutional process, the migrants (in this example, Syria) will want to oppose the current institutional structure and exploit its liabilities in order to create an institutional environment that benefits them. This conflict will result in strategic responses to institutional processes. Oliver (1991) proposes five different strategies: acquiesce, compromise, avoid, defy, or manipulate. According to Oliver (1991), a defiant strategy is more likely to be used when internal (European) and external (migrant) organizational interests diverge dramatically. A manipulation strategy, which is the most active response, is a purposeful attempt to control the institutional processes (Oliver, 1991), which will be another course of action that two strong, divergent cultures will take in trying to direct organizational norms. These two strategies, I posit, will be the ones most likely taken by the actors as highly cohesive organizations (e.g. highly homogeneous) are more likely to promote conformity and resist external expectations and beliefs (Oliver, 1991) and both the defiance and manipulation strategies are characterized by this. Moreover, this conflict will result in institutional instability across Europe as both sets of actors will seek to circumvent each other to have their institutional processes and norms dominant. Therefore,
**Proposition 3:** Initially, European institutions will face conflict as competing organizational norms battle for supremacy, through either a defiance or manipulation strategy.

**Proposition 4:** This conflict will result in institutional instability across Europe.

But, as the Greek philosopher Heraclitus stated, “There is nothing permanent except change” (Deacon, 2011, pp. 206). Institutional instability in Europe, likewise, is not permanent and eventually the process of institutionalization will begin anew (Berger & Luckmann, 1967). The first stage in the process of institutionalization is habitualization or habitualized action, which is defined as “behaviors that have been developed empirically and adopted by an actor of set of actions in order to solve recurring problems. Such behaviors are habitualized to the degree that they are evoked with minimal decision-making effort by actors in response to particular stimuli” (Tolbert & Zucker, 1996, pp. 180). Essentially, it is a period of pre-institutionalization. Habitualization deals with the creation of new structural arrangements in response to a problem, which in this case is the institutional instability caused by deinstitutionalization due to the migrant crisis and the political and social pressures associated with it. The new structural arrangements, I posit, will be a blend of structural arrangements found in the organizations of both cultures. The second stage of institutionalization is objectification, whereby some degree of social consensus emerges throughout the organization about the value of the structure (Tolbert & Zucker, 1996). Objectification is a semi-institutionalization stage. The third stage is sedimentation, which is when full institutionalization takes place. It is characterized by the perpetuation and spread of structures and implies both depth and width (Eisenhardt, 1988). This whole process can take years and depends on many factors including the amount of resistance it is met with. Due to the conflicting cultures and the strategies posited to be taken in proposition three, this process in Europe might take a while. In the future, however, when looking back at this period, scholars should be able to look back and identify the process of institutionalization after the period of instability. Therefore,

**Proposition 5:** After a period of instability, the process of institutionalization will occur (habitualization – objectification – sedimentation).

The great question remaining is how does this process – deinstitutionalization, innovation, conflict, instability and institutionalization – leave the European institutional environment? Drawing from the economics literature on institutional quality and economic growth provides some avenues for exploration. Countries have to go through institutional reforms to improve institutional quality, which results in a period of institutional instability (Berggren et al., 2009). Institutional quality has been defined as “the degree to which institutions reduce uncertainty for economic decision-makers and offer incentives for productive behavior” (Berggren, Bergh, & Bjørnskov, 2009, pp. 5). The authors delineate these productive behaviors by discussing equity, transparency, and accountability. Taking a positivist view of human behavior, I posit that a more heterogeneous population will result in better behaviors as each set of actors (e.g. Europeans and migrants) will be able to take the best of themselves and bring it into the new group. Like McGrath (1981) argued about research methodologies, a researcher should combine different types of methodologies with different weaknesses so that together they
can “transcend one another’s methodological vulnerabilities” (McGrath, 1981, pp. 207). Likewise, I argue that these different actors will be stronger together than separate and ultimately create a stronger institutional environment with better institutional norms and practices. Ultimately, this will result in more productive behaviors and a higher quality institutional environment. There is substantial evidence linking institutional quality to economic growth (e.g. Berggren et al., 2009; Rodrik, Subramanian, & Trebbi, 2004), indicating that the economic environment in the EU should be stronger overall. One explanation for this is provided by North (1990) who argued that institutional quality decreases transaction costs due to decreased uncertainty. Decreased transaction costs will allow these new European institutions to be more competitive in the global marketplace. Therefore,

Proposition 6: Overall, these new European institutions will be more competitive in the global market place than institutions that did not go through this process.

A theoretical model depicting the six propositions can be found below.

DISCUSSION

While there is a debate within the EU about the allocation of migrants among member countries, asylum policies, and border controls, there is little discussion on how the migrant crisis has spurred a demographic shift across the continent (Park, 2015). Moreover, Europe – which has traditionally taken a more ethnic rather than civic approach to nationhood, especially when compared to the United States – is having trouble integrating minorities into the social mainstream (Park, 2015). This provides an interesting opportunity for organizational theory researchers to study the rise and fall of organizations and their taken for granted practices and norms. Using institutional theory (Selznick, 1957) as a lens, I posit that political and social pressures will result in a period of deinstitutionalization in Europe, resulting in a period of innovation whereby conflict will emerge with two primary strategies (defiance and manipulation) being pursued. Eventually, because the only thing permanent is change, the process of institutionalization will start over again. While institutional theory is a common
vehicle used to analyze organizations, it has been applied in a more piecemeal approach, with some scholars examining the process of institutionalization (Tolbert & Zucker, 1996) and with others examining the strategic responses to institutional processes (Oliver, 1991). Additionally, institutional theory has generally been applied to smaller contexts, and, to my knowledge, rarely on a national or continental scale. This has not been due to desire or inclination, but rather, I posit, due to a lack of opportunities to examine institutional theory play out over time. The current times provide such an avenue for exploration.

CONCLUSION AND FUTURE DIRECTIONS

Future research in a couple of decades can attempt to empirically analyze, through secondary data, the effects of the migrant crisis on organizational outcomes via organizational theories like institutional theory. Future research in the near future, before the effects of the migrant crisis on institutions can be seen, can focus on theorizing how the migrant crisis affects institutions via other theories like organizational ecology. While theorists can only currently posit how the institutional environment will change, long-term secondary data should either provide support for or against institutional theory. Regardless of the outcome, this falsifiability of the theory is important as it demarcates science from pseudo-science (Popper, 2005). Therefore, the migrant crisis not only provides an avenue for examining the whole institutional process, but also validates the continued use and relevance of institutional theory.

REFERENCES


