

# Dialogue and Events

## Podium

### How Migration Is Changing Our World and Why We Have to Regulate it Differently

**Chipping away at the many misconceptions surrounding migration is just a first step toward finding viable solutions to this highly charged topic. This was one of the main insights of this year's podium, which took place in Zurich on April 10, 2017.**

Following the publication of his book *Exodus: How migration is changing our world*, Sir Paul Collier believed his home country, the UK, was mature enough for a rational discussion about migration. "But I was wrong," he adds at the opening of his keynote address on migration for this year's Podium discussion.

Migration is arguably one of the defining issues of our age, but has becoming increasingly confused and conflated with similar but unrelated matters. Migrants are not refugees, explained Collier: migrants move out of hope for a better life and improved economic prospects to a country of their choosing. Refugees, by contrast, are compelled to leave against their will and are often received by reluctant hosts forcing both parties into an uneasy cohabitation. And while there is a moral duty and obligation to help refugees, there is no automatic or moral right to migrate. People migrate out of self-interest, and this creates so-called "externalities," both in the countries they move to, but even more so in their countries of origin.

#### Brain drain vs brain gain

While international trade is governed by what we call "comparative advantage," i.e. it benefits both sides, migration is usually an example of absolute advantage, in which the beneficiary is almost always the migrant's adopted home, to the detriment of their native land. Africa hemorrhages skilled labor and suffers capital

outflows of USD 200bn per annum, twice the amount it receives in aid. At one point, there were more Sudanese doctors in London than in Sudan. A Nigerian engineer chooses to work as a cab driver in New York because he can earn more than as an engineer in Nigeria. The engineer accepts a loss of status, while Nigeria loses valuable skills. Haiti loses 85% of its young educated people, a devastating loss to an already impoverished country. EU expansion has led to greater economic divergence between eastern and western Europe. And yet, most of these losses of vital skills and human resources produce a rise in global GDP, proving what a hopelessly misleading measure of growth GDP is, says Collier.

And what is the impact on the adopted nation? Con-

*"There is evidence that excessive, uncontrolled migration reduces social cohesion."*

trary to popular perception it is more social than economic, says Collier.

It makes it less likely that higher earners are willing to make financial sacrifices to help the more disadvantaged members of their own society. In order to preserve social and cultural cohesion, migration needs to be controlled and managed effectively at both ends. Migrants must be absorbed into a shared and common identity, and that means the rate of migration should never exceed the rate of integration, says Collier.

Finding a balance between migration and integration in the adoptive countries and a balance between brain drain and brain gain in the countries of origin would produce a fair and sustainable approach to migration globally, argues Collier. But this requires a willingness to move beyond the emotive and politically charged rhetoric that surrounds this subject. We need to start measuring the impacts of migration in a way that can help us develop policies to control and manage the process to benefits all sides.



Professor Collier is one of the leading experts on migration.

You will find more pictures, video recordings, and media coverage of the Podium on our website.  
[www.ubscenter.uzh.ch](http://www.ubscenter.uzh.ch)

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## Panel Discussion: Understanding Migration and Steering it Rationally

Following Collier's presentation, Rolf Dörig, Peter Grünenfelder, and George Sheldon discussed migration as a global phenomenon and the difficulties with regulating immigration at national and international levels.

Peter Grünenfelder, director of Avenir Suisse, commented on Collier's statement about reestablishing normality. He mused that there are currently approximately 215 million people who are moving back and forth.

*“Approximately 700 million persons would like to emigrate, primarily to Europe and America.”*

Furthermore, prosperity is approximately 50 times higher here than in Africa. These are economic pull factors that can hardly be avoided. How, asked Grünenfelder, could anyone establish normality?

### The factor of return migration is ignored

All panel participants agreed that migration is a complex, global phenomenon. There were different opinions, however, with respect to steering mechanisms. Grünenfelder rated Switzerland's migration policies as largely successful and pointed out that the best steering of migration happens with economic development. George Sheldon, professor of labor market and industrial economics at the University of Basel, countered that a migration policy that only focuses on the de-



Sheldon criticized that return migration is largely ignored in the discussion about steering mechanisms.

mand of the economy can be problematic. Individual firms do not consider important external factors when recruiting new labor, which leads to a large labor migration. Sheldon pointed to a general problem in steering migration. Steering usually is based on a fixed migration amount. This depends on two flow factors: immigration and return migration. Sheldon criticized that the migration amount is presently only calculated based on one factor, and that the return migration as an important flow factor is largely ignored.

*“The final amount is quite different, however, since not all people remain here,”*

says Sheldon. The lower the economic qualifications of the immigrants, the greater is the probability that they will remain, which is due to the earnings differential between the land of immigration and the country of origin.

### Integration through work

The speakers shared the opinion, however, that the integration and socialization of the migrants is best accomplished on the labor market. One of the most important measures for preventing social conflict is the avoidance of ghettoization. Switzerland is considered a model country in this respect. Immigration policies limit the isolation of individual ethnic groups and thus support cultural blending. This is of central importance with respect to the current refugee crisis, emphasized Rolf Dörig, president of the board of directors of Swiss Life Holding and Adecco Group. He advocated more intensive humanitarian aid for refugees. Europe must come together on this issue and consider what we can do to attain a normal situation.



Rolf Dörig and Peter Grünenfelder agreed that the labor market is crucial for integration and socialization of migrants.

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## Keynote: The Current Migration Policies in Switzerland

The second part of the event focused on the Swiss migration policies. Mario Gattiker, state secretary for migration (SEM), explained in his presentation the international framework of rules in which Swiss immigration policies are embedded, and clarified where the national immigration policies meet their limits.

Gattiker emphasized the importance of the European policy frameworks – in particular the Schengen agreement and the free movement of people – several times in his talk. He himself learned two things in the negotiations with the EU about the free movement of people. First of all, the free movement of people was effectively non-negotiable and secondly that a conflict over the free movement of people cannot attain a political majority.

*“The national migration policies have met their limits.”*

It would be possible to cancel the Schengen agreement, but not without broad consequences in other areas, for example in the area of security. The free movement of people and Schengen are reciprocal rules, continued Gattiker, while clarifying how Switzerland also benefits from the convention. He pointed to the half million Swiss who work or study in Europe, and who benefit, for example, from the coordination of social insurance policies or the recognition of professional diplomas.

### Migration policy merely fights symptoms

“Migration policies will not solve the world’s problems,” reflected Gattiker. They are purely a way to fight symptoms. As an example, he cited the largest group of migrants that is currently landing Italy and that are not considered refugees in accordance with the Geneva Convention. These are people from Guinea, one of the richest lands in the world in terms of raw materials. The Guineans leave their country because the creation of value from the aluminum ore bauxite, which is mined extensively in Guinea, largely takes place abroad. All that remains behind is a crater from bauxite mining and a corrupt regime that pockets any remaining assets. Switzerland has a good solution for this problem with an accelerated procedure for processing asylum rights. This is the reason why so few Guineans are in Switzerland. But that obviously does



The Swiss state secretary for migration (SEM) made a strong case for coordinated European policies.

not solve the problem in Guinea, added Gattiker critically.

### Switzerland is an exemplary country of immigration

Gattiker saw no acute need for action with respect to Swiss migration policies. Switzerland is, behind Luxembourg, the OECD land with the second highest immigration rate. “10% of the inner-European mobility is mobility into Switzerland,” specified Gattiker. The characteristics of Swiss migration policies are a recipe for success. This is a demand-oriented immigration, which has large advantages. In comparison with the European average, Switzerland has, with 17%, only half as many overqualified persons. A Nigerian engineer driving a taxi in Switzerland is an exception here. This is also a result of the strategy that the Swiss Federal Council already announced five years ago, stating that Switzerland did not want to contribute to the global brain drain. An additional factor of success for the Swiss migration policies is the deterrence of salary and social dumping. There would be no acceptance in the population if immigration would endanger salary and work conditions; the associated measures with the free movement of people agreement are thus important.

### The integration potential of Switzerland is high

In the last part of his speech, Gattiker pointed to the basis of the Swiss success story that manifests itself in the democratic legitimacy of the migration policies. The Swiss populace explicitly agreed to the free movement of people three times, and the revised refugee asylum law was approved by 68% of the populace. Indeed, the Swiss integration potential is high, emphasized Gattiker. There are areas, however, where action is required, he conceded, for example in the area of social cohesion, in the use of potential that is already in the country, and in urban and regional planning.



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### Panel Discussion: A New Migration Policy for Switzerland

Gattiker's presentation was followed by a stimulated and at times heated discussion between Reiner Eichenberger, Bruno Sauter, and Gattiker himself. In particular Reiner Eichenberger, professor for the theory of finance and economic policy at the University of Fribourg, expressed his displeasure with Gattiker's statements.

Eichenberger criticized Gattiker's comments on the report of the Swiss Federal Council on the costs of immigration. According to Eichenberger, the report is based on false calculations, and the claim that immigration does not produce any costs is plainly wrong. He mentioned the scarcity of infrastructure and land, as well as a conflict of goals with respect to CO<sub>2</sub> policies. "It is no longer beneficial for the populace to demand a high quality of location, because the quality of location is practically obliterated by the high immigration rate," commented Eichenberger.

#### People searching for jobs are disadvantaged

Bruno Sauter, general director of the Office for Economy and Labor of the Canton of Zurich, also put Gattiker's positive balance on Swiss migration policies into perspective. He pointed to the difficult situation of people searching for jobs who acutely experience the problems of immigration. According to Sauter, the difficulties stem from differentiating between the effects of immigration and the structural changes in the economy. The potential for conflict is large. Sauter cited statistics on job seekers in Zurich. In addition to the 40,000 persons seeking jobs, of which 25% have low qualifications, there are up to 9,000 refugees with an average of seven years of elementary schooling who also must be integrated into the labor market. The labor market cannot absorb them.

The state secretary for migration showed understanding for this problem, but also pointed to the many advantages that Switzerland had through migration. Sauter agreed with Gattiker that the migration steering here generally works well. However, there are certain areas that malfunction, in particular with regard to enforcing the associated measures. He again cited an example from his daily work: A 50-year-old sales employee should earn a salary of CHF 6,900 in accordance with the Swiss Association of Commercial Employees, an amount that no enterprise pays. These are presently all salary dumping cases, said Sauter. If,



*Bruno Sauter pointed to several malfunctioning areas in the system.*

however, a firm hires a 25-year-old German for the same job, this is not considered salary dumping. This is a side effect of immigration, and the administration must offer solutions in order to avoid effects like this in the future, explained Sauter.

#### Cure taxes for migrants

In the following discussion with the public, Eichenberger was asked to describe a measure he would favor that would be able to attain a political majority in order to improve the situation. He then presented his idea of a general immigration tax. All migrants would have to pay something between 12 and 15 Swiss francs in the first three to five years in Switzerland. This is not a problem, he explained, as they still pay even less taxes in Switzerland than in their own countries, even though they earn double as much. In the end, the migrants benefit from the high quality of location in Switzerland, which would justify their contribution to the costs for migration. We should not give national assets away, but instead allocate them in such a way that Switzerland has more and create an incentive to attract more foreigners, concluded Eichenberger.



*Reiner Eichenberger did not agree at all with Gattiker's positive assessment of Swiss migration policy.*