

Spotlight

January 2026
www.ubscenter.uzh.ch

Power, currencies, and the global order Leading voices on today's trade tensions

Across disciplines, leading thinkers converged on a shared message: global trade is not collapsing, but entering a more complex, politically charged, and strategically contested phase. The world economy is being rewired, yet the core structures of integration remain intact. The question is not whether globalization will survive, but what shape it will take.

These insights emerged when prominent economists, policymakers, and business leaders came to Zurich in 2025 at the invitation of the UBS Center. Speaking at the Wirtschaftspodium Schweiz in spring and the Forum for Economic Dialogue in fall, they offered complementary perspectives on the forces reshaping trade and on the choices facing Switzerland, Europe, and the global economy.

Global trade in crisis – what's next?

At the Forum for Economic Dialogue, former WTO Chief Economist Ralph Ossa cautioned against declaring the rules-based system dead, noting that “72% of world trade is still conducted under WTO rules” and that the global reach of U.S. tariff hikes remains limited, as the U.S. accounts for only a small share of world imports. CEPR Vice President Hélène Rey added that trade and financial networks have become more tripolar and more reactive to geopolitical shocks, with firms already reconfiguring supply chains and markets showing high sensitivity to tariff news.

“72% of world trade is still conducted under WTO rules.”

Prof. Ralph Ossa, UBS Foundation Professor at the University of Zurich and former WTO Chief Economist

This heightened uncertainty also framed the debate on monetary power. As world-leading expert on global monetary systems Barry Eichengreen argued, “the fate of the dollar depends on the rule of law,” with the currency’s future shaped less by economics than by political institutions and trust. Former governor of the Reserve Bank of India Raghuram G. Rajan underscored that these pressures interact with domestic vulnerabilities, warning that the weakening of the rules-based order reflects not only geopolitical tensions but also policy failures and political polarization at home.

“It’s the ‘what’s next’ that links the trade shock to financial instability.”

Prof. Raghuram G. Rajan, former governor of the Reserve Bank of India, Professor of Finance (Chicago Booth)



Raghuram G. Rajan (Chicago Booth) at the Forum for Economic Dialogue, 10 November 2025.



Panel discussion with former WTO Chief Economist Ralph Ossa (UZH) at the Forum for Economic Dialogue, 10 November 2025.

Warum ist die Schweiz so reich und weshalb muss es nicht so bleiben?

Despite clear risks, such as trade diversion, discriminatory deals, and technology controls, several speakers highlighted opportunities at the Wirtschaftspodium Schweiz. Europe could strengthen its geopolitical weight by completing the Capital Markets Union. Switzerland retains strong institutions, stability, innovation capacity, and an economic model built on openness.

“Switzerland is rich, but it does not have to stay that way.”

Albert Rösti, Federal Councilor

“Switzerland is rich, but it does not have to stay that way,” warned Federal Councilor Albert Rösti, pointing to the institutional foundations that enabled the country’s long-term success. These strengths, he argued, are under pressure from rising regulation and external shocks. “We did not expect what has now happened,” added State Secretary Helene Budliger Artieda, referring to the abrupt U.S. tariff announcements in April 2025. Her verdict: resilience requires diversification, anchoring ties with the EU, keeping channels to the U.S. open, and engaging China where feasible.



Federal Councilor Albert Rösti and State Secretary Helene Budliger Artieda at the Wirtschaftspodium Schweiz, 3 April 2025.

Watch the
Forum



Watch the
Podium



Reframing power Institutions, technology, and the future of societies



Nobel laureate Daron Acemoğlu (MIT) during his talk at the University of Zurich in January 2025.

In 2025, the UBS Center and the Department of Economics had the privilege of hosting two of the 2024 Nobel laureates in Economic Sciences – Daron Acemoğlu and James A. Robinson – whose joint work has profoundly shaped how we understand the forces that build or break societies.

In his talk at UZH in January, Daron Acemoğlu explored one of today's most pressing questions: Who benefits from technological progress? Drawing on his book *Power and Progress*, he argued that innovation is never neutral. While artificial intelligence promises vast productivity gains, its current trajectory risks amplifying inequality if left in the hands of a few. "Whoever controls Artificial General Intelligence controls the world," he warned. For Acemoğlu, the key challenge is political, not technical: societies must steer AI toward empowering workers and expanding shared prosperity, rather than concentrating power in the hands of elites.

James A. Robinson, in conversation with UBS Foundation Associate Professor Lorenzo Casaburi, took a similarly critical look at how institutions shape the distribution of power. Revisiting Africa's political heritage, he challenged the narrative of "failed states," highlighting the continent's long tradition of participatory governance. "Africans weren't failing to build states, they were succeeding in building societies that valued autonomy," he noted. Through systems of local councils

and collective land ownership, many African communities intentionally decentralized authority to sustain cooperation and prevent domination.

Taken together, Acemoğlu and Robinson remind us that progress, whether technological or institutional, is never automatic. It depends on who holds power and how it is used.

Watch the Opinion with Daron Acemoğlu



Watch the Thought Supply with James A. Robinson



Nobel laureate James A. Robinson (University of Chicago) in conversation with Lorenzo Casaburi (UZH).

Nobel laureates join the Department

Zurich strengthens its standing as a hub for economic excellence



Nobel laureates Esther Duflo and Abhijit Banerjee (MIT) at the University of Zurich in 2022.

We are delighted that the Department of Economics has been able to attract two of the world's most influential economists. Beginning in summer 2026, Nobel laureates Esther Duflo and Abhijit Banerjee will join the department as Lemann Foundation Professors of Economics.

The UBS Center is especially proud to call them familiar faces: both have long-standing ties to Zurich as members of the UBS Center Advisory Board and as repeat guests at the University of Zurich. Most recently, in June 2022, they delivered a public lecture on their book *Good Economics for Hard Times*, a memorable evening that drew a full audience and inspired reflection on how rigorous research can help address some of the world's most pressing social and economic challenges.

Their arrival marks a milestone for Zurich's position as a hub for excellence in economics. We look forward

to welcoming Esther and Abhijit back to Zurich and to the momentum their presence will bring to Zurich's standing as a leading center for research, innovation, and policy impact.

"We have no doubt that the University of Zurich will be an excellent environment for us to pursue our research and policy work in the years to come."

Esther Duflo and Abhijit Banerjee, Nobel laureates

Is Germany falling behind?

An economic perspective

"We are in a crisis. I'm not sure everyone has realized that yet." With this opening, Monika Schnitzer, Chair of the German Council of Economic Experts, set the tone for her lecture at the University of Zurich. She offered a candid diagnosis of Germany's economic malaise – its weak growth, structural rigidities, and the urgent reforms needed to restore momentum. Yet her message was far from pessimistic. For Schnitzer, the crisis is not just a challenge but a catalyst, an opportunity for Germany to renew itself and emerge stronger.

Watch the Opinion (in German)



Prof. Monika Schnitzer (LMU Munich), Chair of the German Council of Economic Experts.

Find out more





Building bridges to the future

Honoring Kaspar Villiger's visionary leadership

What do rising inequality, global trade tensions, climate change, and the impact of artificial intelligence on labor markets mean for our collective future? These are the fundamental questions economists are grappling with today. In a special edition of the UBS Center's Public Paper series, dedicated to former Chairman of the Foundation Council Kaspar Villiger, all affiliated professors share their perspectives on these pressing challenges. Their contributions illustrate how cutting-edge research at the Department of Economics at the University of Zurich can help us gain a deeper understanding of these complex issues – and potentially find solutions to some of the most urgent problems of our time.

In 2025, Kaspar Villiger has been appointed as Honorary President of the UBS Foundation of Economics in Society. This recognition honors his visionary leadership and his pivotal role in shaping the UBS Center. Under his guidance, the UBS Center has grown into a leading institution that fosters world-class economic research at the Department of Economics at the University of Zurich and facilitates dialogue between academia, business, politics, and society.

Read the
Public Paper



Falling fertility and economic growth

Economic research with policy implications

The UBS Center provides a platform for policy-relevant research, offering decision-makers rigorous and accessible insights on the forces shaping economies and societies. In one of our Economics of Global Challenges webcasts, Michael Peters (Yale University) explores how falling fertility rates affect long-run economic growth and what this means for future policy choices.



Maya Eden (UZH) hosting the UBS Center Webcast with Michael Peters (Yale University).

“Our research highlights that there might be a negative relationship between population growth and productivity.”

Michael Peters, Yale University

Watch the
Webcast



Events 2026

14 January 2026
UBS Center Opinion
University of Zurich
Harvard Professor Cass R. Sunstein,
New York Times best-selling author
of *Nudge* and former advisor to
Barack Obama
What is liberalism and why is it
important?

5 May 2026
Wirtschaftspodium Schweiz
Kongresshaus Zurich
Federal Councilor Martin Pfister,
State Secretary Alexandre Fasel,
and many more
Die Schweiz im Spannungsfeld
der Grossmächte

22 June 2026
UBS Center Opinion
University of Zurich
Nobel laureate and Harvard
Professor Sir Oliver Hart
Citizen investors

26 October 2026
Forum for Economic Dialogue
Kongresshaus Zurich
Rethinking growth

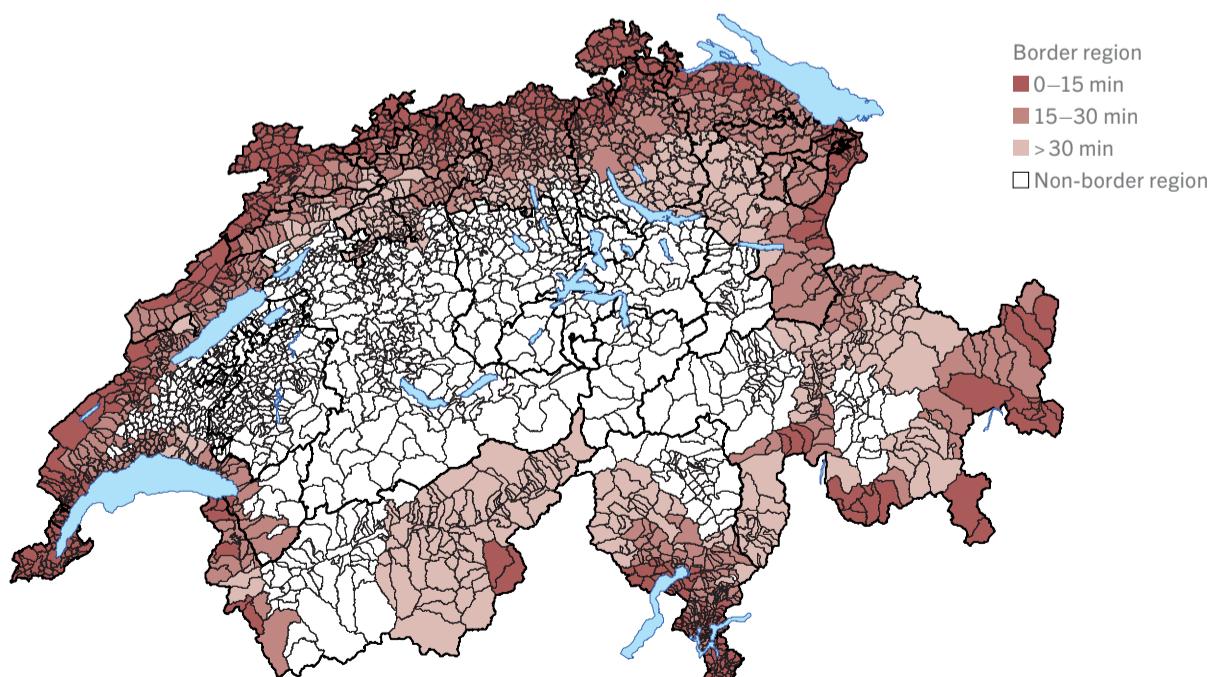


The double-edged sword of free movement

Benefits and risks of labor market liberalization

In a new issue of the UBS Center Policy Brief series, recent research by Andreas Beerli and colleagues reveals that liberalizing labor market access can lead to strong inflows of immigrants followed by firm growth and productivity gains – without negative effects on the labor market overall. However, they also highlight that such immigration flows may be accompanied by increased support for anti-immigration parties, driven more by political narratives than by direct economic or cultural threats. These findings underscore the importance of balancing economic openness with proactive investments into public infrastructure and housing, as well as informed public discourse.

Exposure to free movement by geographic proximity



Notes: This figure depicts municipalities in the border region in three different shades of brown and those in the non-border region in white. Within the border region, we distinguish three regions according to their travel time by car to the nearest border crossing. The black lines denote cantonal borders.

Download the
Policy Brief



Stay updated

Subscribe to our
newsletter and
stay informed about
new publications
and events.



Center news

The power of ideas

We warmly congratulate the newly awarded Nobel laureates Joel Mokyr, Philippe Aghion, and Peter Howitt. At the UBS Center, we are particularly proud: both Joel Mokyr and Philippe Aghion are long-standing members of our Advisory Board and have shared their research with Zurich audiences through UBS Center Opinions events. Their insights inspire colleagues such as Hans-Joachim Voth and David Hémous at the UBS Center and the department.



From WTO to UZH

Ralph Ossa, who served as Chief Economist of the World Trade Organization (WTO) from January 2023 to June 2025, took up the UBS Foundation Professorship of Economics at the Department of Economics UZH on 1 July, 2025. Following two and a half years in Geneva, the internationally recognized economist has resumed his academic work.



Ronald Fisher Prize

We warmly congratulate our former UBS Center Scholarship Holder Lexi Schubert on receiving the prestigious Ronald Fisher Prize for the best junior (pre-tenure) paper. Lexi, currently a postdoctoral scholar at UC Berkeley, was honored for her paper "Self-Detrimental Avoidance of Rest." Her findings suggest that people often misallocate their efforts between work and rest and could achieve greater overall well-being by allowing themselves more recovery time. This is especially relevant given the long-term costs of overwork, such as burnout. The award was presented at the Annual Conference of the Association of Field Experiments (AFE) at the University of Chicago.



Knowledge hub

The Center's video library includes recordings of all public events, short film summaries of publications, and podcasts. Follow us on social media and join the discussion on key topics of our time.

About us

The UBS Center for Economics in Society, UBS Center in short, is an Associated Institute at the Department of Economics at the University of Zurich. It was established in 2012, enabled by a founding donation by UBS, which the bank made on the occasion of its 150th anniversary. In view of the generous donation, the university named the UBS Center after its benefactor.

The UBS Center serves two main aims. First, it enables world-class research in economics on all levels to be conducted at the university's Department of Economics. It thereby supports the department's ambition to become one of the top economics departments in the world and to make Zurich one of the best places for research in economics. The UBS Center's other aim is to serve as a platform for dialogue between academia, business, politics, and the broader public, fostering continuous knowledge transfer. Delivering on these aims will also strengthen the position of Zurich, and Switzerland more generally, as a leading location for education and business.

UBS Foundation

The UBS Center is financed through an independent foundation, the UBS Foundation of Economics in Society. It is governed by the Foundation Council, chaired by former Group CEO of Swiss Re Christian Mumenthaler, and the Council Members: Vice Chairman Prof. Ernst Fehr, Sabine Keller-Busse, President Personal & Corporate Banking at UBS Group AG and President UBS Switzerland, Stefan Seiler, Head Group Human Resources & Corporate Services at UBS, and Prof. Hans-Joachim Voth, and Foundation Secretary Thomas Pohl, Chief of Staff to the Group CEO at UBS.

Management and team

Prof. Ernst Fehr, Director
Prof. Hans-Joachim Voth, Scientific Director
Matthias Ammann, Chief Operating Officer
Stefanie Amstein, Events Manager
Christopher Shenton, Communications Lead
Maura Wyler, Communications

Professors

All professors are full members of the Department of Economics, where they carry out their research.

	Prof. Sandro Ambühl UBS Foundation Assistant Professor for Behavioral Economics of Financial Markets
	Prof. Lorenzo Casaburi UBS Foundation Associate Professor of Development Economics
	Prof. David Dorn UBS Foundation Professor of Globalization and Labor Markets
	Prof. Maya Eden Professor of Economics, Affiliated Professor at the UBS Center
	Prof. Ernst Fehr Professor of Economics, Affiliated Professor at the UBS Center
	Prof. David Hémous UBS Foundation Associate Professor of Economics of Innovation and Entrepreneurship
	Prof. Andreas I. Mueller Professor of Macroeconomics and Labor Markets, Affiliated Professor at the UBS Center
	Prof. Ralph Ossa UBS Foundation Professor of Economics
	Prof. Dina Pomeranz UBS Foundation Associate Professor of Applied Economics
	Prof. Florian Scheuer UBS Foundation Professor of Economics of Institutions
	Prof. Hans-Joachim Voth UBS Foundation Professor of Macroeconomics and Financial Markets
	Prof. Roberto Weber , UBS Foundation Professor of Economics of Corporate Culture, Business Ethics and Social Responsibility
	Prof. David Yanagizawa-Drott Professor of Development and Emerging Markets, Affiliated Professor at the UBS Center

Advisory Board

The Center's Advisory Board, comprised of some of the most renowned economists of our time, including several Nobel laureates, ensures the high quality of the work at the UBS Center and provides guidance on all academic matters.

Prof. Philippe Aghion*	Prof. Joel Mokyr*
Prof. Manuel Arellano	Prof. Yingyi Qian
Prof. David Autor	Prof. Imran Rasul
Prof. Ernst Baltensperger	Prof. Thomas J. Sargent*
Prof. Abhijit Banerjee*	Prof. Klaus M. Schmidt
Prof. Marianne Bertrand	Prof. Robert J. Shiller*
Prof. Esther Duflo*	Prof. Kjetil Storesletten
Prof. Raquel Fernández	Prof. Guido Tabellini
Prof. Oliver Hart*	Prof. Harald Uhlig
Prof. James J. Heckman*	Prof. Ekaterina Zhuravskaya
Prof. Chang-Tai Hsieh	
Prof. Ulrike M. Malmendier	* Nobel laureates



“The driving factor of growth is no longer trade, but innovation. The gains from trade eventually reach a limit, but innovation never does.”

Prof. Joel Mokyr
Newly awarded Nobel laureate and UBS Center Advisory Board Member

Scholarships

The UBS Center Scholarships are awarded every year to outstanding university graduates at the Graduate School of Economics, run by the Department of Economics at the University of Zurich.

Current scholarship holders

Marcel Caesmann
Lorenzo Maria Casale
Matteo Filippi
Jindi Huang
Ingrid Löfman
Philipp Sternal

Economics. For Society.