

Ambivalences of Success: Switzerland and the Free Movement



Gianni D'Amato,
Director of the
nccr – on the move,
University
of Neuchatel

Migration and mobility are intrinsically linked with the transformation of our societies, as the movement of persons has often been a reaction to technological, economic, social, and political change. At the same time, migration causes change in the composition of societies in both the countries of destination and origin. This is why, since the end of the 19th century, migration has always been a highly political issue in industrialized countries – in Switzerland as well as beyond.

After World War II, the regionalization of labor markets within the European Community took shape and, finally, became an explicitly political project with the creation of the European Union, which included European citizenship. Switzerland adhered to this de-nationalized political and economic area through the Agreement on the Free Movement of Persons, in short the Free Movement Agreement (FMA). This evolution has marked a larger paradigmatic shift in the management of migration flows: once controlled to satisfy the interests of nation-states *tout court*, they have become centered on the rights of individuals and economic actors to move freely within the European Union and associated partner countries. In Switzerland, the assessment of this epochal change has been ambivalent: in the last ballot on the mass immigration initiative of 2014, a slight majority of 50.3 per cent fa-

vored regaining control on immigration – bluntly contrasting the various successful polls since 2000 that had endorsed the migratory consequences of the Bilateral Agreements with the EU. This first issue of *highlights*, the e-magazine of the nccr – on the move, offers an original contribution to a pragmatic exploration of the complex, often ambivalent relationship between Switzerland and the EU. In questioning if it was a success story in the past, it highlights, based on empirical facts generated at the nccr – on the move, the changes that Switzerland has experienced since 2002 and the internal dynamics that the FMA triggered. The picture it offers is not black and white but provides different shades of grey in explaining the migratory changes that occurred and the challenges we have to expect in the future. Through its contributions, it shows the strength of a National Center of Competence

in Research (NCCR) that combines economic, demographic, sociological, and legal knowledge, finally focusing its expertise on a clear question and coming up with new answers (and sometimes advancing better questions). This is interdisciplinary cooperation at its best!

The Contributions

Guest author Thomas Straubhaar contributes a self-critical assessment of why he was wrong when he forecast in 1999, with his neo-classical approach, a weak migration flow from the EU to Switzerland, much weaker than it was to occur in reality. Assuming that both labor markets were embedded in relatively homogenous economies, he took into account neither the economic divergence of the two areas – particularly after the 2008 economic crisis – nor the cultural proximity of Switzer-

land and its neighboring countries that increased regional economic integration and, therefore, triggered more mobility.

Elena Vidal-Coso and Enrique Ortega-Rivera follow the theory of segmented labor markets and compare the new Italian and Spanish immigration with the old traditional one of the 1970s. The over-representation of Italian and Spanish old immigrants among the lower strata of the occupational hierarchy is usually explained by their negative selection in terms of education and host language proficiency. However, the results also show the persistence of occupational disadvantages in peripheral labor markets for these old immigrants in the 70s after controlling for human capital characteristics. In contrast – and the attention the media paid to these results was impressive – recent cohorts of immigrants from Italy and Spain have definitively joined the collective of highly skilled foreign workers that entered the demand-driven core of the Swiss labor market thanks to their positive skill selectivity. Nevertheless, it will be interesting to see to which extent these two distinct waves of immigration from the South will share commonalities in the future.

One important reason for adopting the mass immigration initiative was the general fear that immigrants are taking away jobs. Ensar Can analyzes the data and concludes that although net migration rose consistently to 40,000 persons per year, the highly skilled Swiss workers are those who profit most from the FMA, whereas in some cases the low-skilled workers face higher displacement risks because of immigration. However, since the low-skilled

workers represent only a tiny part of the total immigration, the negative effects on the domestic workforce remain rather small. The overall message is that the strong immigration of the last years has been driven by an internal restructuring of the labor market whose effect will persist in the future. But how is this demand to be managed?

The most recent debate about the implementation of the mass immigration initiative of 2014 has focused on the introduction of a quota system as it was practiced before the entry into force of the Bilateral Agreements in 2002. Laure Sandoz analyzes the current quota system governing the admission of Third Country Nationals. Although confronted with tiny numbers, the quota system follows two different modes of logic. It obviously serves to manage the distribution of immigrants but is also an important tool of political communication, signaling to the population that authorities are regaining control. However, as in the past, there is the risk that a neo-corporatist revival will enhance competition between regions and industries, as the demand for immigrants will remain high. And history shows that political signals can backfire when generally experienced as inefficient to reach the promised objectives – as the continuous xenophobic voting campaigns in the 1970s have shown.

Yet, would quotas for EU citizens be compatible with the FMA? In her expertise on EU law, Sarah Progin-Theuerkauf reaches the conclusion that the introduction of quotas for EU citizens would violate the agreement. At any rate, all measures adopted by Switzerland would need approval of the EU and its Member States in order to be ratified unani-

mously in the Joint Committee. The introduction of quotas suggested by Switzerland is improbable given the regime applicable under the existing agreement – particularly art. 13 of the FMA, which prohibits parties to adopt new restrictive measures vis-à-vis each other's nationals.

In Conclusion

Although the relationship of Switzerland to the EU is complex, ambivalent, and often domestically contested, the FMA has been an economic success that allowed Switzerland to find the complementary, highly skilled manpower that its educational system fails to provide. However, the economic legitimacy is not enough if not supported politically. The initiative on mass immigration has proven this support to be volatile. Whereas new solutions have to be found, it seems evident that the reintroduction of quota systems reactivates neo-corporatist competition, which has to be moderated by complicated bureaucratic processes, balancing the divergent interests of regions and economic sectors – a dispute that was overcome with the Bilateral Agreements. Moreover, a negotiating process has started with the EU and its Member States whose outcome is difficult to predict. How to make the suggestions compatible with the existing legal frameworks will give rise to intense debates in the coming months, putting at stress the political culture of Switzerland.



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