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on the move

National Center of Competence in Research –
The Migration-Mobility Nexus

nccr-onthemove.ch

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**What are the demographic
and social consequences
of free movement?**

in a nutshell #16, May 2020



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Messages for Decision-Makers

Following the entry into force of free movement, migration has slowed down the aging of the population by boosting the working-age population.

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This has ensured the availability of skilled labor during a period of significant labor market change.

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Migration flows were focused on economic centers (Geneva, Vaud, Zug, Basel-City, Zurich), where employment opportunities existed. This is explained by the fact that the majority of immigrants are economically active.

What is meant by ...

... migratory balance

The average annual migratory balance is the difference between the number of people arriving in Switzerland and the number of people leaving.

... overpopulation

Overpopulation is a theoretical concept, often mentioned by opponents of demographic growth and migration, characterized by a decrease in individual and collective well-being linked to population growth.

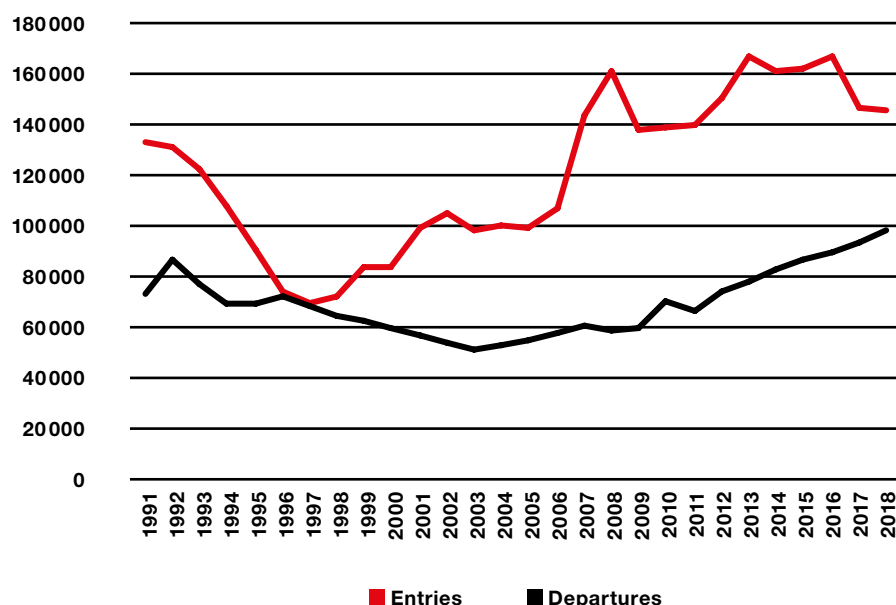
Contrary to the regularly assessed economic effects, less attention is paid to the social and demographic impacts of free movement. As the Swiss are called upon to express their opinion on ending such movement, we show the socio-demographic changes brought about by this policy and how Swiss society has demonstrated its ability to adapt to a new migration reality.

Perhaps due to its gradual implementation, the introduction of the free movement of persons in 2002 did not cause a strong increase in migration flows to Switzerland. It was not until 2007 that the number of immigrants increased (Figure 1), leading to strong population growth. The financial crisis in the main countries of origin of foreign workers (Italy and Spain) and the healthy Swiss economy contributed to this trend. These two factors would have led to increased migration flows even without free movement, but accessing the labor market would have been more far more complicated for the citizens of the Southern European countries.

Since 2002, immigrants have been highly skilled. According to the 2018 Migration-Mobility Survey, 55% of adults from an EU/EFTA country, who arrived in Switzerland between 2006 and 2018, were tertiary educated (compared to 34% for those who arrived at the end of the 20th century).

This figure is as high as 82% for British nationals and 75% for French nationals. In addition, this migration is more in line with the logic of circulation. Europeans who settle in Switzerland do not see it as an irreversible move, but as a way of gaining experience. Depending on career opportunities abroad and their satisfaction with life in Switzerland, they may end up leaving. According to this survey, at the time of their arrival in Switzerland, 60% of European Union citizens have no clearly defined plans for the future, while 18% consider their migration as permanent and 22% as temporary. Since 2010, the number of people leaving Switzerland has increased significantly (Figure 1).

Figure 1: Migratory flows between Switzerland and other countries before and after the free movement of people entered into force



Source: Swiss Federal Statistical Office, ESPOP and STATPOP

Positive demographic effects

Shortly before the introduction of free movement, the average migratory balance was +26,000. Between 2002 and 2018, it was +61,900. This has led to significant population growth in Switzerland, from 7.2 million inhabitants in 2002 to 8.5 million in 2018.

If the migratory balance had remained stable at the level prior to free movement (about +26,000 per year), population growth would have been only half of what it is presently, with an estimated 7.8 million residents (assuming fertility and mortality rates were similar to those observed between 2002 and 2018). The migration flows on the rise over the last 15 years have contributed to a demographic increase, both directly (through arrivals) and indirectly (as a result of migrant births), of 700,000 people. For those behind the “moderate immigration” initiative, this increase is seen as problematic. In fact, migration has mainly rejuvenated the population and increased the number of people of working age, as can be seen in Figure 2. Above all, most of the people, who arrived during the period of review, are active in the labor market and contribute to the economy.

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“The increasing migratory flows over the last 15 years have therefore contributed to a population increase [...] of 700,000 people.”
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By the end of 2018, there were 5.2 million potentially active people (aged 20 to 64/65), compared with the 4.4 million on December 31, 2001. If the level of migration had been moderate, this number would have been less than 4.6 million at the end of 2018. The economy would have had to adapt to weak growth in the available labor force at a time marked by significant changes (expansion of the services sector, increased specialization). This, in turn, would have affected the worker-to-retiree ratio, or, in other words, the funding of the first pillar of the Swiss pension system.

A new spatial reorganization

Market forces dictate that the most significant migratory flows involve the main economic centers of the country (Geneva, Vaud, Zug, Basel-City, Zurich) because this is where most of the job opportunities are. However, population growth has spread across Switzerland due to internal migratory movements, whereby the highest population growth during the period 2002–2018 was observed in Fribourg.

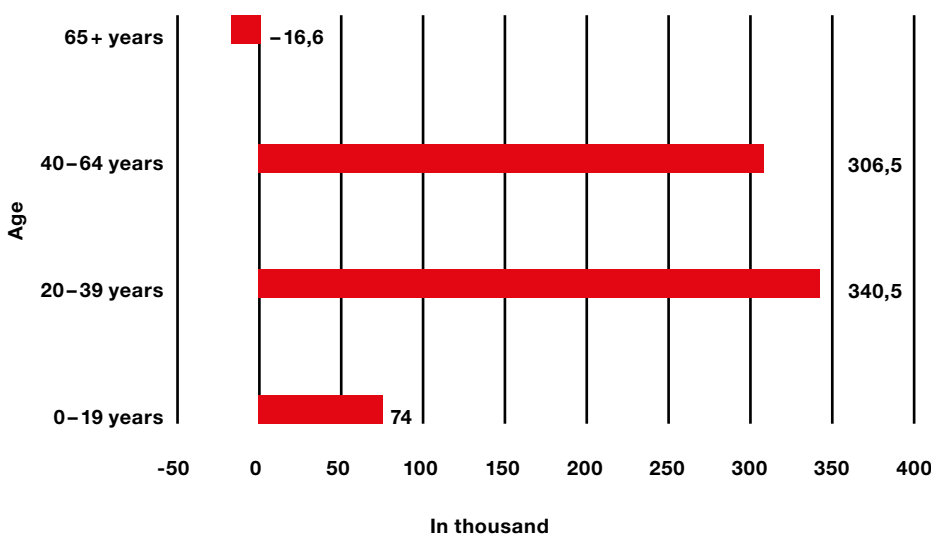
Geneva has received the largest number of migrants in absolute numbers, yet it ranks ninth among the Swiss cantons in terms of population growth. Ticino, where the debate on the consequences of free movement is lively, ranks only 13th. In this region, the workforce is made up of cross-border workers rather than immigrants. The economic centers in the border regions that face constraints relating to land (lack of space) or the saturated housing market have therefore experienced more moderate population growth.

Has free movement led to overpopulation in Switzerland?

From an economic and social point of view, the effects of free movement have been either neutral or positive. According to the State Secretariat for Economic Affairs (SECO), this policy has not had a significant impact on the employment situation of the Swiss and has helped to finance the Swiss social security system. Immigration has certainly led to population growth, but it has also helped to increase the available workforce and slow the aging of the population in what has proven a pivotal period for the Swiss pension system. It has affected the Swiss cantons in different ways, without creating economic and social disparities between the regions.

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“Free movement has above all demonstrated Switzerland’s ability to adapt to a new socio-political context.”
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Figure 2: Change in the workforce by age following the increase in migratory flows in 2018 (December 31, 2018)



In general, Swiss society has been able to adapt to this new situation. Under favorable economic conditions, it has been able to develop the new infrastructure needed. Housing has been built and political measures, such as the decree on the integration of foreigners, have been introduced to meet the challenges that migration poses in terms of social cohesion. Society’s ability to adapt has been tested, as it has been during other periods of Swiss history.

Sources: Calculations based on a demographic projection assuming migration equal to that observed from 1999–2001

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“The usual symptoms of overpopulation cannot be seen in Switzerland.”
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Eighteen years after the entry into force of free movement, there have been no signs of the usual symptoms of overpopulation (increased unemployment, lower wages, social tensions, increased insecurity, environmental damage, etc.). Free movement has created a new migratory context, but Switzerland has managed to respond to it without a deterioration of individual and collective well-being.

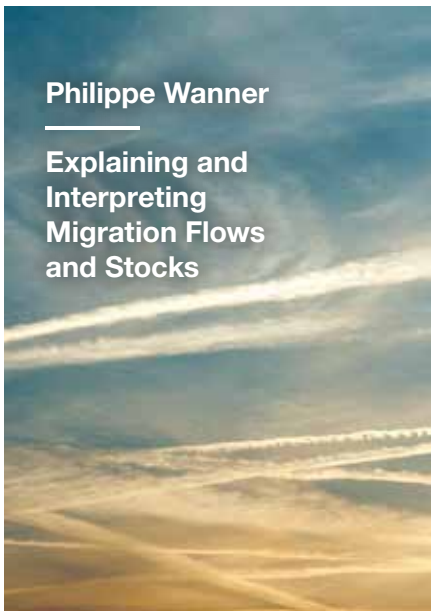
More than anything, free movement has demonstrated Switzerland's ability to adapt to a new socio-political context, which is reassuring given the fact that the future is uncertain and will be marked by other social, political and economic changes.

Further Reading

Bijak, Jakub, Dorota Kupiszewska, and Marek Kupiszewski (2008). *Replacement Migration Revisited: Simulations of the Effects of Selected Population and Labor Market Strategies for the Aging Europe*, 2002–2052. *Population Research and Policy Review* 27, 321–342.

Ceobanu, Alin and Tanya Koropecjy-Cox (2013). *Should International Migration Be Encouraged to Offset Population Aging? A Cross-Country Analysis of Public Attitudes in Europe*. *Population Research and Policy Review* 32, 261–284.

Wanner Philippe (2014). *Une Suisse à 10 millions d'habitants. Enjeux et débats*. PPUR Collection le Savoir Suisse, 121.



Philippe Wanner
Explaining and Interpreting Migration Flows and Stocks

Explaining and Interpreting Migration Flows and Stocks Philippe Wanner, University of Geneva

A project of the nccr – on the move

The research project aims to better document the transformation of contemporary patterns of mobility and migration. It addresses the following questions: What are the main drivers of migration towards and from Switzerland? What are the family patterns and living conditions of migrants? Why do some groups reach the economic or social objectives of migration, while others fail? The research team collects and analyses data on demographic, economic, and social analyses of current migration and mobility.

in a nutshell #16 is based on the **book** published in French «une Suisse à dix millions d'habitants» written by Philippe Wanner.

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The nccr – on the move is the National Center of Competence in Research (NCCR) for migration and mobility studies and aims to enhance the understanding of contemporary phenomena related to migration and mobility in Switzerland and beyond. Connecting disciplines, the NCCR brings together research from the social sciences, economics and law. Managed from the University of Neuchâtel, the network comprises fourteen research projects at ten universities in Switzerland: The Universities of Basel, Geneva, Lausanne, Lucerne, Neuchâtel, Zurich, ETH Zurich, the Graduate Institute Geneva, the University of Applied Sciences and Arts of Western Switzerland, and the University of Applied Sciences and Arts of Northwestern Switzerland.

“in a nutshell” provides answers to current questions on migration and mobility – based on research findings, which have been elaborated within the nccr – on the move. The authors assume responsibility for their analyses and arguments.

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