



“Unlimited Migration?” Migration: From “if” to “how much”

Engelberg Dialogues

16 October, 2018

Prof. Dr. Michael Ambühl, ETH Zurich

Content

1. Introduction
2. Possible steering approaches
3. A liberal model of a safeguard clause approach
4. Conclusions

1. Introduction

- Globalization, mobility, internet → integration of our world, national borders tend to vanish (“No borders no nations”)
- However, nationalism, populism, isolationism → separation, importance of borders tends to increase
- Area of tension between openness and isolation: showing solidarity in the big unit (World, EU) or only in a smaller unit (nation)?

- Positive effects of migration are undisputable
 - Engine for economic growth in host-countries
 - Reduction of unemployment in sending-countries
 - Cultural and intellectual exchange

- Negative effects also exist
 - Brain drain, depopulation
 - Integration in daily life (schools, communication, segregation)

- Case of Switzerland:
 - Migration important for a small country:
 - Huguenot's watch making skills
 - Migrants were founders of prestigious corporations, e.g. ABB (ex BBC), Nestlé or Swatch
 - Role of migrant workers in building infrastructure (e.g. Gotthard tunnels, construction of dams)
 - Negative perception of migration effects observable, e.g. due to:
 - Big increase foreign population from 1960 (10.8%) to 2017 (25%)
 - Consequences of population growth

- All in all: required is not a binary view, but a finely nuanced one
- Pointless to try to convince people that migration has only benefits or to pretend that it has only costs



Key question is not *if* migration is desired but *how much*

- This would allow to introduce a new, quantitative dimension into the debate

2. Possible steering approaches

- **Utilitarian**

- Based on demand of job market
- Example: Migration criteria Canada, Australia

- **Idealistic** (fairness based)

- Based on fairness principles, such as distribution of resources & wealth, protection criteria
- Example: Asylum system

- **Liberal**

- Migration is open to everybody
- Example: Principle of free movement in EU

3. A liberal model with a safeguard clause

3.1. Background

- The Single Market of the EU relies on the free movement of persons principle
- Meaning that everybody has the right to choose her/his place of residence/work freely within the Single Market region
- Difficult situation after
 - Switzerland's immigration initiative Art.121a of the Swiss Constitution
 - Brexit, regarding a future cooperation agreement between UK and EU, especially with regard to migration

3.2. The Case of UK/Brexit

- If **single market access** is important for UK after Brexit
→ four freedoms of EU become relevant
- Conflicting interests: if third countries would like to have a certain **control over migration**
- With Brussels: **questioning the fundamental principle** of free movement → probably not successful
- Rather put the emphasis on the **implementation**

 **We propose to achieve a limited control through a safeguard clause**

3.3. Proposal for a Safeguard Clause

- Inspired by the **existing safeguard clause** [Art. 14(2)] in the bilateral agreement Switzerland-EU:

Article 14 - Joint Committee

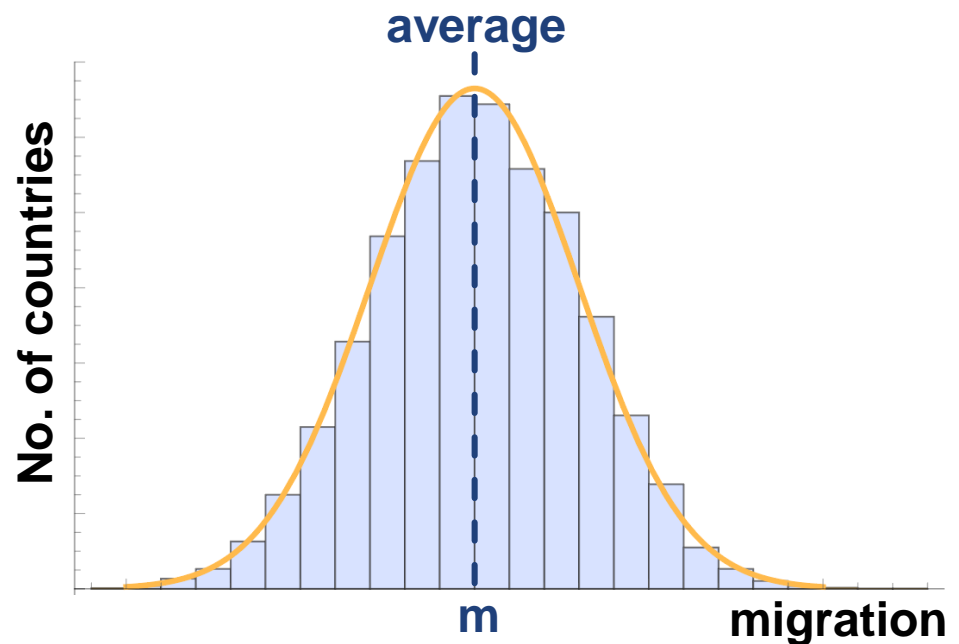
(2) In the event of **serious economic or social difficulties**, the Joint Committee shall meet, at the request of either Contracting Party, to examine **appropriate measures** to remedy the situation. The Joint Committee may decide what measures to take within 60 days of the date of the request. This period may be extended by the Joint Committee. The scope and **duration** of such measures shall not exceed that which is strictly necessary to remedy the situation. Preference shall be given to **measures that least disrupt** the working of this Agreement.

- A better safeguard clause should be formulated in **concreter** and **clearer** terms

 **We have to formally define the trigger threshold and the corresponding measure**

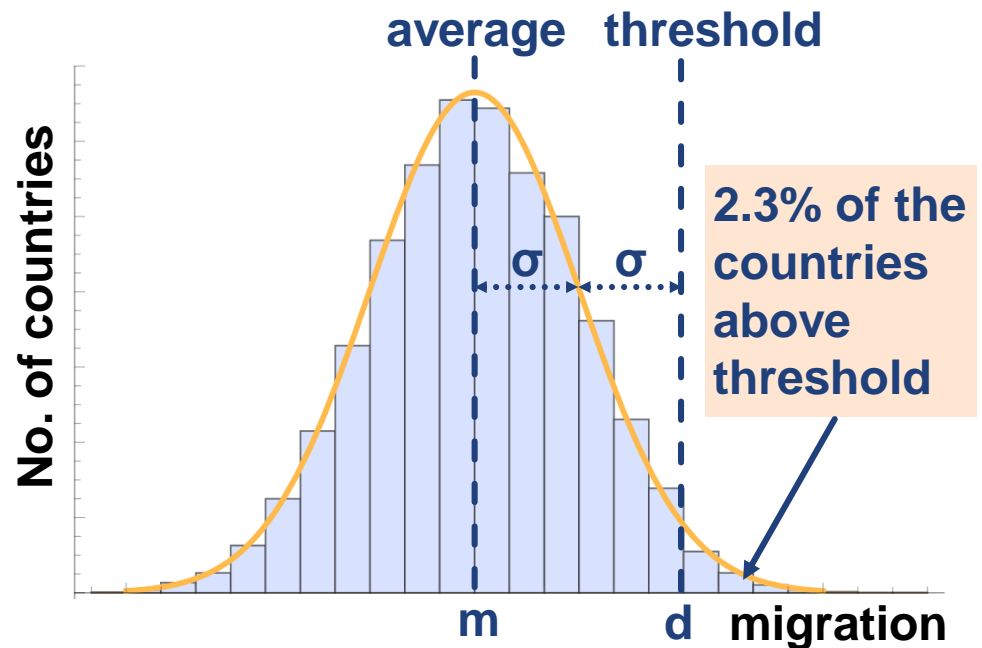
3.4. On the threshold

- Determine the **average** relative net migration (inflow minus outflow per capita) across all members of the single market
- Obtain a first estimate whether a country has **higher-than-average migration**



- Assume a normal distribution and add n **standard deviations, σ**
- If $n = 2$, only 2.3% of the countries have a higher net migration
- We define this as **criteria for the trigger threshold:**

$$d = m + n\sigma$$

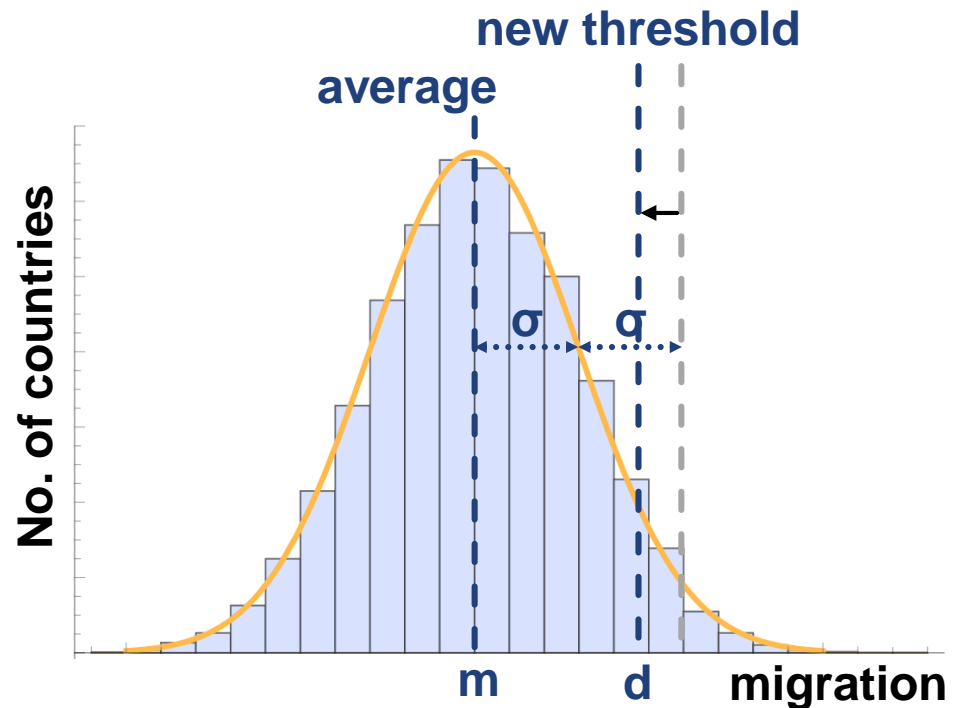


Include **current population of EU citizens**:

- Then $\alpha_i = \frac{\bar{a}}{a_i}$ \bar{a} : unweighted average of the relative number of EU citizens
 a_i : current relative number of EU citizens in state i
- New threshold:

$$d_i = m + \alpha_i n \sigma$$

- If current population of EU citizens is higher-than-average, threshold is reduced

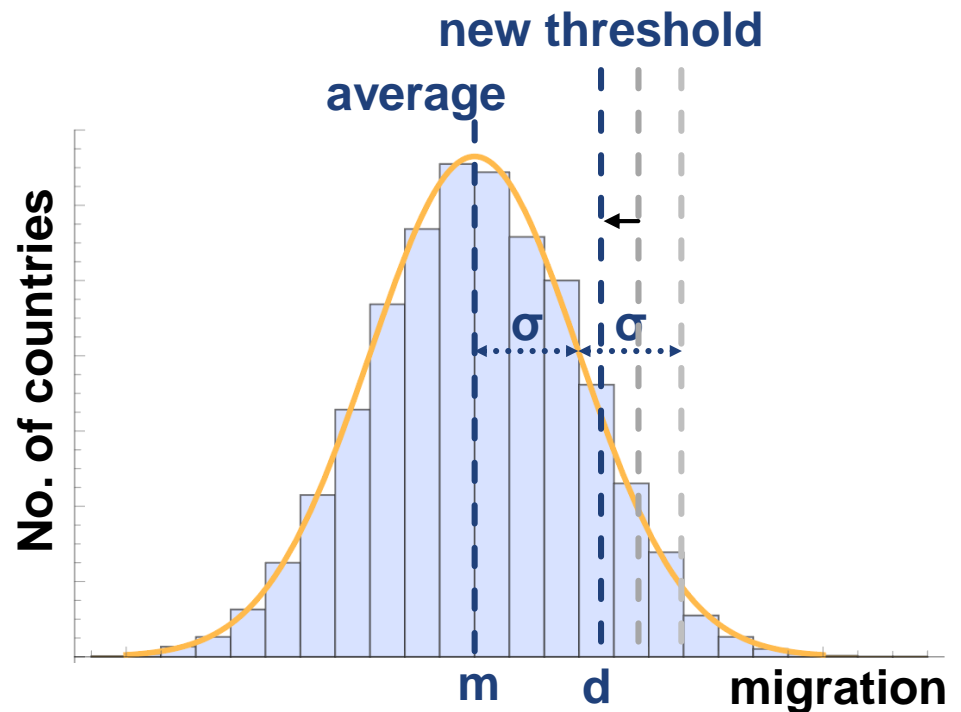


Include current population of third countries:

- Then $\beta_i = \frac{\bar{b}}{b_i}$ \bar{b} : unweighted av. of the relative number of 3rd country citizens
 b_i : current relative number of third country citizens in state i
- New threshold:

$$d_i = m + \alpha_i \beta_i n \sigma$$

- If current population of third country citizens is higher-than-average, threshold is reduced



Include macroeconomic factors of job market:

Then $\gamma_i = \frac{1}{1+(u_{k,i}-\bar{u}_k)}$, for $u_{k,i} > \bar{u}_k$
 $\gamma_i = 1$, otherwise

u_i current unemployment in state i
 $u_{l,i}$ normal (long term) unemployment in state i (e.g. over 5 years)
 $u_{k,i}$ cyclical unemployment in state i
 \bar{u}_k unweighted average of the cyclical unemployment of EU

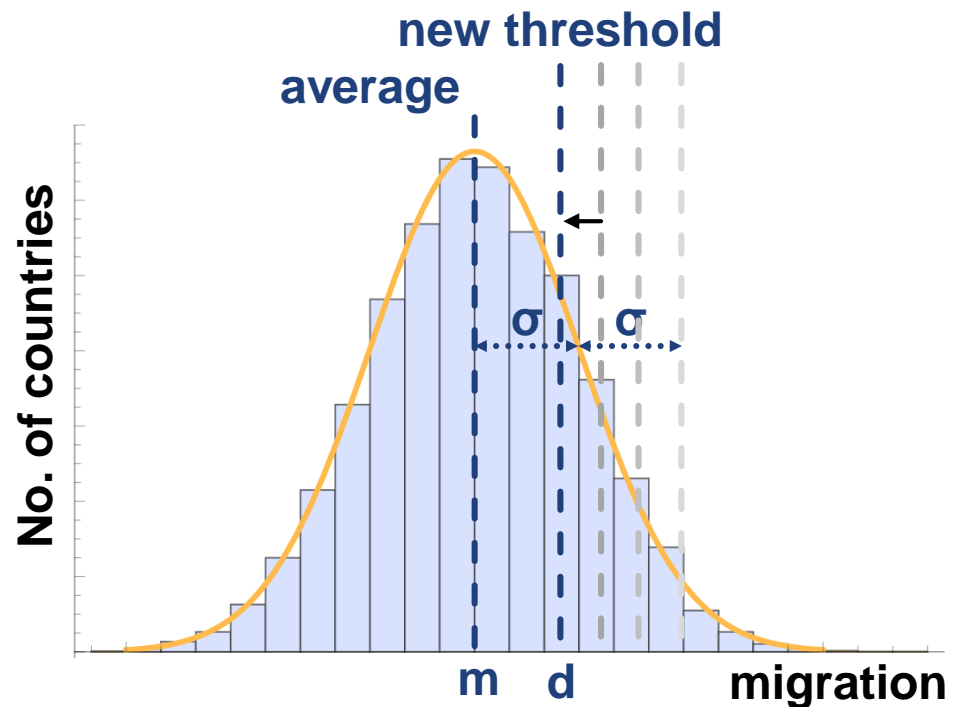
$$u_{k,i} = u_i - u_{l,i}$$

$$\bar{u}_k = \frac{1}{32} \sum_{i=1}^{32} u_{k,i}$$

- New threshold:

$$d_i = m + \alpha_i \beta_i \gamma_i n \sigma$$

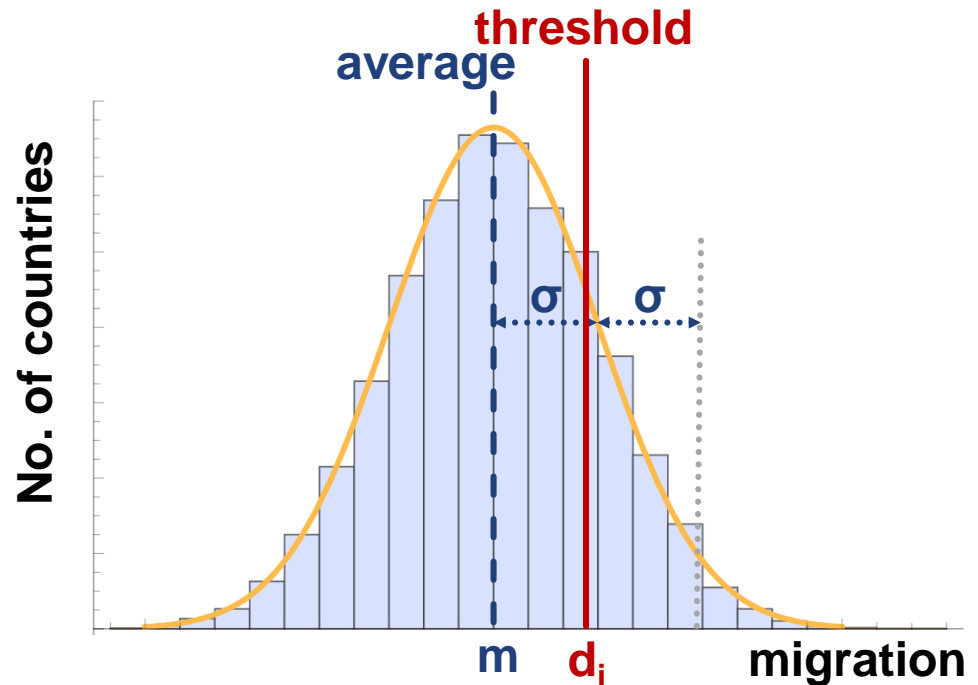
- Threshold lowered if job market situation is worse than the average in other countries



- If the net migration is **significantly higher** than the average, the safeguard clause will be triggered
- This trigger point could be defined by the following formula:

m = average migration
 α_i = current relative number of EU citizens in state i
 β_i = current relative number of third country citizens
 γ_i = unemployment factor
 $n\sigma$ = n standard deviations

$$d_i = m + \alpha_i \beta_i \gamma_i n \sigma$$



- If the net migration of the country is larger than d_i , the safeguard clause is triggered

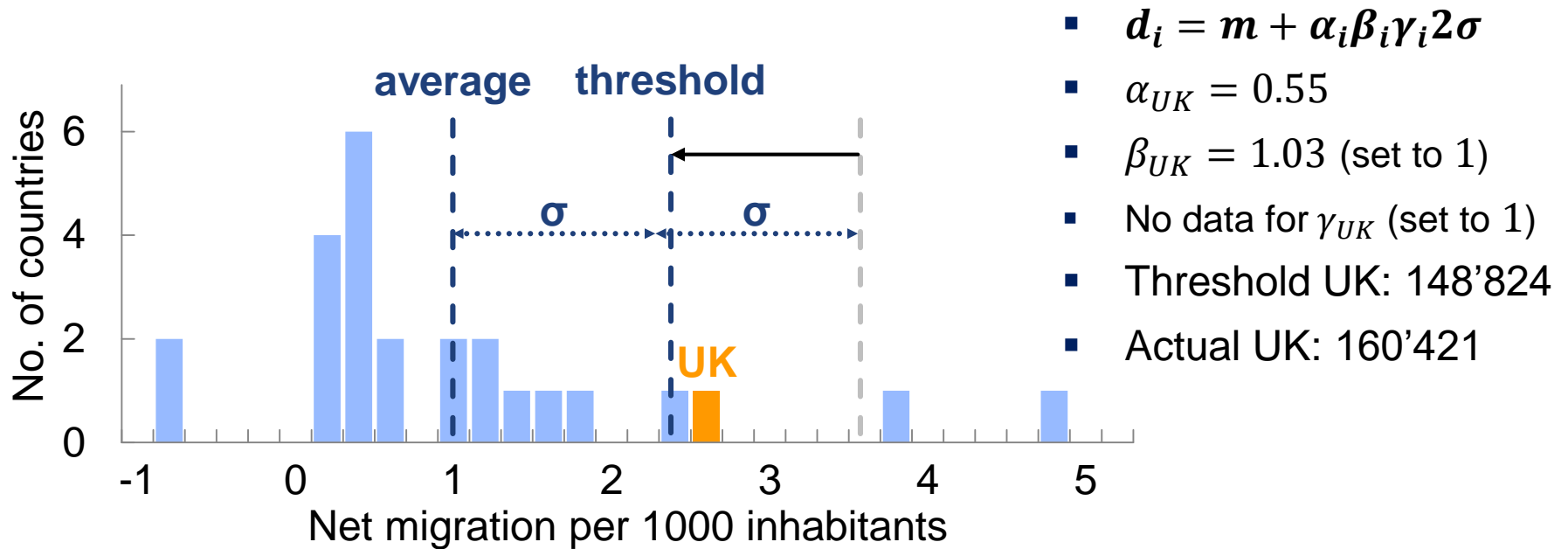
3.5. On the Measures

In case the net migration exceeds the threshold, states would be allowed to adopt measures in order to

- limit immigration temporarily, and/or
- reduce the attractiveness for immigration, e.g. limiting the access to social security systems (inspired by the agreed arrangement EU-UK, 19 February 2016)

3.6. Application to UK Case (2013-2015)

Net migration “EU-25”¹ per 1000 inhabitants (2013 - 2015 / EUROSTAT):



UK would have been allowed to activate safeguard clause because actual migration is larger than threshold

¹ EU member states with more than 1 million residents each

4. Conclusions

- Limited control of migration in exceptional situations
- Without violating the principle of free movement
- Clearly defined circumstances, which qualify as exceptional situations
- A safeguard clause changes the debate over migration from “if” to “how much”
- Objective criteria help to de-emotionalize the debate
- In today’s world, the national interest lies in the steering of openness, not in its abolition (Bill Emmott)

Thank you

