

N°7

EXCERPT

# ABSTRAKT

POCKET LABORATORY FOR THE FUTURE

## DEFENCE

*Survival strategies in the 21st century*



*With stories about the power of gecko toes,  
anti-snoring bears and every scientist's dream*

**W.I.R.E.**

WEB FOR INTERDISCIPLINARY RESEARCH & EXPERTISE

Business | Society | Life Sciences  
Think Tank of Bank Sarasin & Co. Ltd  
and Collegium Helveticum of ETH and the University of Zurich

gestalten

# DEFENCE

12 PSYCHOLOGY

Armoured in cheerfulness | *By Brigitte Boothe*

20 BIOLOGY

Body army | *Interview with Johannes Ring*

28 SOCIETY

Blow up the barriers! | *By Michèle Wannaz & Stephan Sigrist*

36 HISTORY

Dependence generates safety | *Interview with Philipp Sarasin*

44 POLITICS

Import insurance | *By the think tank foraus*

52 SPORTS

The art of defence starts with attack | *Interview with Christoph Metzelder*

60 SOCIAL ANTHROPOLOGY

Touch wood | *By Gesa Schneider*

68 ECONOMICS

Why protectionism is harmful | *By Burkhard Varnholt*

74 SOCIETY

Why we need boundaries | *By Gerd Folkers*

76 SOCIETY

Self-defence for gentlemen | *By Edward W. Barton-Wright*

86

Defence culture

88

Metamap

96

## IDEAS, FACTS & FICTIONS

Stories about the power of gecko toes,  
algorithms to tackle gang crime and the taxonomy of ideas

160

W.I.R.E.

# IMPORT INSURANCE

*Foreign workers are global undesirables. That is implied by the unrelenting legal discrimination, at least. Nevertheless, the benefits of immigration mean that the home protectionists stand no chance in the long run. Reason dictates the liberalisation of labour migration. Our proposal takes Switzerland as a case example.*

---

*By Max Stern, Nicola Forster and Stefan Schlegel*

Switzerland's immigration policy is based on the "two circles model". Those who were born into the inner circle – members of the EU/EFTA states – can offer their labour freely, those born outside this circle cannot offer their labour at all. Every country in the world has a similar ban in place by now. A quotation from the *Neue Zürcher Zeitung* newspaper sums up the implications with rare clarity and succinctness: "The Swiss Federal Council wants lower import prices and therefore stricter handling of cartels (...) but only in relation to goods and services. For the labour market, the exact opposite is proposed: the government would prefer not to have import prices (wages) well below Swiss levels, and sanctions will be on the heads of cartel breakers, not their villainous makers."

Why is attention so rarely drawn to the fact that our employment market is a cartel, with all the negative consequences associated with anti-competitive behaviour?

Why do we perceive “the market” as a natural state in every area apart from employment?

The reason is that the subject of immigration is heavily encumbered by problems and anxieties unrelated to the issue. Migration policy is an attractive hunting-ground for political exploiters. No political price has to be paid for an attack on immigrants. For the immigration debate to find a way out of its overheated sterility, therefore, a detox programme is needed. The issue is simply this: should access to a specific market – the labour market – be liberalised?

Like every liberalisation process, this one would have winners and losers. However, there are many indications that the gains would far outweigh the losses. Every study of the topic presumes that the liberalisation of the markets for goods, capital and services only generates a fraction of the value added that would be created by liberalising labour migration. Migration is the only reliable strategy in a human life that can lead out of poverty and into the middle class. That is known not only to more and more potential migrants, but also to their countries of origin. Emigration is therefore overtly or covertly encouraged. Border control is becoming increasingly difficult as international trade grows, the costs of travel, communication and sending money home are falling rapidly, the number of people who can afford migration is rising accordingly, and as a result of the consistently high level of value adding activities and demographic aging in Western service economies, the chances of finding employment – legally or in the informal economy – are improving. In a word: it is becoming more and more difficult and expensive to defend the cartel. We should therefore take a deep breath and admit to ourselves: labour migration from other (non-EU/EFTA) countries has

to be liberalised in a controlled way, otherwise it will cast off the bureaucratic chains of the home protectionists by uncontrolled means. Freedom will blaze its own trail. It is simply a question of whether it will be guided or unchecked.

### **TRANSFORMING THE HORROR SCENARIO INTO A LONG-TERM GOAL**

Once that is out in the open, a lot of things become easier. Migration finally loses the aura of being a problem that has to be overcome at some stage. Immigration can then be considered in the same way as globalisation's other aspects: as an emerging trade opportunity that is not without problems, but whose advantages will prevail if actively shaped rather than just suppressed.

Even if the free global movement of human resources were simply formulated as a distant goal, it would have a certain impact. A world free of nuclear weapons and a state of Palestine are also long-term goals. But they are goals, not fantasies. There is a certain pressure to get closer to them.

### **OVERCOMING THE CONTROLLED ECONOMY**

Slowly but surely, the cartel of select, superior locals governing the supply side of the labour market has to be broken down. A roadmap for the general free movement of human resources is needed. We mean here that access to the labour market has to be deregulated, not the labour market itself. The conditions under which labour can be offered – rules on wages and working hours – could still be strictly regulated. However, because these conditions can only be enforced in the regular labour market, access to that market must be open to all workers.

Such liberalisation could be achieved in Switzerland's case, for example, by a stepwise increase in the quota of immigrants from outside the EU and EFTA. However, quotas are a crude and inflexible tool which regularly misjudges the needs of market players and is vulnerable to political opportunism. Quotas are so-called "non-tariff barriers", protectionist measures that operate through bureaucratic rules and regulations rather than financial charges. Because they hamper world trade in an unclear and unpredictable way, non-tariff barriers are prohibited in the World Trade Organization (WTO) system (with regard to goods and services) and tariff-based trade barriers have to take their place. As in the trade with other resources, the labour market cartel could also be overcome by replacing the non-tariff barriers to access by tariff-based ones, and then lowering them bit by bit. Anyone introducing labour into the market – whether personally, by entering Switzerland from a non-EC/non-EFTA country, or by recruiting an employee – would then have to pay import duty instead of today's approach of running a bureaucratic gauntlet to prove that no cartel member can be found to do the job. The duty could be high to start with, so that it would definitely cover any possible consequences of the immigration. In this sense, it would also be an insurance premium for the accompanying social risks – import insurance for human resources, so to speak.

Would that be unfair? Yes, of course. It would cling to the tyranny of geography, be discriminatory against those who were born outside a decent labour market through no fault of their own. But the injustice would be many times less than the present situation, with access to this labour market completely prohibited. Even if the duty payable for every immigrant were very high, poor migrants with low qualifications could enter the country legally –

unlike today. They would just have to take on debt. They do that even now, though. It's just that the fee they pay does not currently go to the authorities as an import tax, but to organised crime, which sells migrants false papers and irregular border crossings. Migrants who succeed in breaking the cartel today can only earn back their debts by senseless privations and outside the protection of the law.

### **IMPORT DUTY BECOMES A BONUS**

It would even be possible for the tariff not only to be lowered over time, but to change signs from minus to plus at some stage and become a bonus, perhaps in the form of tax privileges for immigrants. Intense competition for the most valuable resource in the global economy is already on the horizon: for ready minds and willing hands. Under that scenario, governments will have to lower the price of admission to their labour markets and possibly even put down money on top to capture additional working power. Early deregulators of migration will be at an advantage in this contest. Switzerland could play a pioneering role here, as it does in getting closer to other Utopias. Not because it is a noble undertaking, but because it is in Switzerland's interest to liberalise migration within the bounds of the law rather than finally being forced to give way to the normative pressure of hard fact.

*The independent think tank foraus (Forum Aussenpolitik – the Foreign Policy Forum) champions a constructive Swiss foreign policy by making academically founded contributions to the debate. foraus’s members work in ten themed groups to analyse foreign policy challenges and stimulate informed dialogue with concrete proposals. foraus was formed in Berne in the autumn of 2009 and is active in all areas of Switzerland. Max Stern is its Managing Director, Nicola Forster its Chairman and Stefan Schlegel head of the foraus working group Migration.*

*Writing that inspired this article:*

*Michael J. Trebilcock: The law and economics of immigration policy. American Law and Economic review, Nr. 2, 2011.*

*Gary S. Becker: The challenge of immigration– a radical solution. Institute of economic affairs, 2011.*

*Thomas Straubhaar: Labour market relevant migration policy. Zeitschrift für Arbeitsmarktforschung 1/2006.*

*Philippe Legrain: Immigrants: Your country needs them. Princeton University Press 2007.*

*Joel P. Trachtman: The international law of economic migration: Towards the fourth freedom. Uppjohn Institute, 2009.*

## CONTACT

sia@thewire.ch

## EDITORIAL STAFF

*Simone Achermann*

Editor in chief, Researcher W.I.R.E.

*Michèle Wannaz*

Editor

*Dr Stephan Sigrist*

Head of W.I.R.E.

*Dr Burkhard Varnholt*

CIO, Bank Sarasin & Co. Ltd

*Prof. Dr Gerd Folkers*

Director, Collegium Helveticum

## EDITORIAL CONTRIBUTORS

*Daniel Bütler, Florian Huber, Claudia Imfeld, Kristiani Lesmono,*

*Jessica Levy, Yasemin Tutav*

## DESIGN

*Kristina Milkovic*

Head of Graphic Design W.I.R.E.

*Patrick Kuhn*

Graphic Designer W.I.R.E.

*Capucine Matti, [www.capucinematti.ch](http://www.capucinematti.ch)*

Illustrations Visual Essay “Defence”

## TRANSLATION

*Helen E. Robertson*

## SUBEDITING AND PRINTING

Neidhart + Schön AG

## PARTNER

Neue Zürcher Zeitung Publishing

## DISTRIBUTION

Die Gestalten Verlag GmbH & Co. KG

E-mail: [sales@gestalten.com](mailto:sales@gestalten.com)

[www.gestalten.com](http://www.gestalten.com)

ISBN 978-3-89955-431-1

Disclaimer: This publication is for information purposes only. Inasmuch as reference is made herein to Bank Sarasin & Co. Ltd, this constitutes neither an offer nor an invitation by Bank Sarasin & Co. Ltd to purchase or sell securities. The sole aim of this publication is communication. It should also be noted that developments occurring in the past are not reliable indicators for developments in the future.

Picture credits: Unless otherwise noted, the rights belong to the authors or their legal successors. We have endeavoured to find the owners of all rights. Should we nevertheless not have succeeded in notifying any of the owners, they are requested to contact W.I.R.E. [www.thewire.ch](http://www.thewire.ch)