

# Trade union migration policy in Switzerland and the fight against discrimination and wage dumping



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# Twelve theses on the free movement of persons and accompanying social measures.

## Overview

### 1. A turning point for trade unions

The 1980s and 1990s marked a turning point in the migratory policy of trade unions: from a defence and withdrawal policy to a policy based on solidarity and equal rights between migrants and indigenous people. This was only possible because trade unions began to open up to migrants in the 1960s and 1970s. As a result, the number of migrant trade union members has steadily increased. At the same time, a new generation of militant trade unionists is emerging, who are no longer content with a policy purely based on negotiation. Where this change of direction has been successful, it has greatly contributed to overcoming the divisions between migrants and the Swiss in the trade union ranks and has strengthened our strike force.

Chapters 2, 3 and 4

### 2. Combating the status of seasonal workers

The fight against the discriminatory status of seasonal workers was an important step towards a new migration policy. In the name of human rights and solidarity alone, this important first step would not have been possible. Only when the economic value of the seasonal worker status was brought into question and the pressure of the directly concerned European Union (EU) States and the EU itself became inevitable, was it possible to abolish this worker status in Switzerland.

Chapters 3 and 4

### 3. The detrimental impact of quotas

The long history of the quota policy in Switzerland shows that such a system not only violates human rights, but also fails to reduce immigration as intended. Moreover, contrary to its original aim, the immigration quota failed to protect employment or Swiss wages. Conversely, it only serves to

weaken the position of immigrants on the labour market and, in general, worker representation, which ultimately undermines the economy.

Chapters 3, 4 and 9

### 4. Free movement of persons as a fundamental freedom

The transition to free movement of persons with the EU in the years 2002 to 2004 has meant a fundamental change for migration within this area. Quotas have been abolished and immigration from the EU, as long as proof of employment is provided, has since been allowed. The Agreement on the Free Movement of Persons (AFMP) and the bilateral agreements with the EU also make it easier for Swiss nationals to work or study abroad. In principle, the free movement of persons benefits employees. It is a fundamental freedom and contributes to social progress. This is why it is contradictory to reject freedom of movement as a neoliberal project directed against workers, even if employers can actually abuse it.

Chapters 4, 5 and 9

### 5. Migration has other causes

The high level of immigration in Switzerland over the past 15 years was not due to the free movement of persons. Economic growth and the gradual internationalisation of the labour market in the context of the rapid spread of new communication technologies have played a decisive role in increasing immigration (Net immigration has declined again since 2014). In doing so, the free movement of persons has supported the demand for a highly skilled labour force. Inhumane legal provisions such as seasonality would have kept these workers away from Switzerland, which as a forward-looking economy, needs high-skilled staff.

Chapters 2 and 9

## 6. Combating wage dumping and substitution effects

Accompanying social measures – with their developed system of controls – enable a proactive approach to combatting abuses and illegal practices which, under the old quota system, often remained hidden beneath the surface of the labour market. It is therefore wrong to argue that the free movement of persons leads to a greater degree of wage dumping and the exclusion of indigenous workers in the labour market than the old quota system.

Moreover, wage dumping and substitution processes are likely to continue. However, they are the result of dominant economic (capitalist) mechanisms. It is also clear that megatrends such as the precariousness of labour relations in the era of neo-liberal deregulation and digitalisation also impact areas unaffected by migration. The impact of these trends can only be controlled through free movement accompanied by greater social support. However, border regions face acute problems due to significant social disparities on both sides of the border. This is particularly the case between the large region of Lombardy, which was hit hard by the economic crisis (companies in Ticino have access to a pool of six million Italians within a 50 kilometre radius) and the small region of Ticino (with 350,000 inhabitants) whose economy is growing. These problems in neighbouring regions require specific measures to protect employment and wages. They cannot be solved without a marked improvement in the structure of the labour market and economic development in the neighbouring country.

However, social support measures have largely prevented wage dumping and the large scale substitution of indigenous workers. While dumping and substitution still

continue in certain professions, industries and regions, focus should be placed on strengthening accompanying social measures, rather than challenging the free movement of persons.

Chapter 9

## 7. Trade union bargaining power

Thanks to the free movement of persons within the EU, we have been able to secure the introduction of protective measures in Swiss labour law and the Code of Obligations. Such political progress would have been impossible under the old quota system. These measures have had a positive impact, not only on migrant workers, but on the labour market as a whole. Trade unions have been able to increase their bargaining power considerably because the economy has and still needs trade union support to ensure that any political and economic opening up to the outside world and bilateral agreements with the EU are put to a popular vote.

Chapter 9

## 8. International cooperation

The protection of Swiss wages and working conditions requires good cooperation with sister trade unions in Europe and their trade union confederations. Efficient measures against wage dumping, as well as new legal provisions within the EU establishing the primacy of social rights over economic freedoms, would reduce external pressure on our wages and social protection system. These improvements would increase the acceptance of the envisaged institutional framework agreement with the EU and ensure the future of the bilateral track.

Chapter 7

## 9. Trade union mobilisation

The paradigm shift from a discriminatory system of quotas to the free movement of EU citizens with accompanying social measures has meant that the protection of the Swiss labour market through accompanying measures is well developed compared with other countries. The establishment of accompanying measures is based on a dual trade union strategy: on the one hand, the fight on the ground and, on the other, negotiations at the institutional level. This strategy is still relevant. In view of the hardening of employer attitudes and the shift of the political axis to the right, greater emphasis should be placed on mobilising in the streets and in the workplace. The approach taken to date to combatting wage dumping is leading the way. To successfully combat this issue and significantly increase our advocacy capacity in these areas, we need to strengthen our trade union network in companies.

Chapter 6

## 10. Withdrawal would be very damaging

Due to the “guillotine clause” negotiated with the EU, withdrawal from the AFMP would lead to withdrawal of the Bilateral Agreements I. Such withdrawal would have a considerable negative impact on relations between Switzerland and its main economic, social and political partner and would threaten the rights and jobs of workers of all nationalities working in Switzerland.

Chapter 9

## 11. Guiding trade unions

The slim margin of the vote in favour of the Swiss People’s Party (SVP) popular initiative against mass immigration initially raised the threat of the re-introduction of a generalised quota system and new discriminatory statutes. This would have been an enormous step backwards on migration policy. In the political process that followed, the trade unions played a decisive role in finding a solution compatible with the EU rules by orienting their policy from the outset around three principles that have proved their worth and continue to be relevant: non-discrimination; strengthening, rather than weakening, the accompanying social measures; and ensuring the future of the bilateral agreements. These fundamental principles have been used as a basis for political debate and negotiations. In addition, they have helped us to strengthen our ranks internally and improved our ability to act effectively externally. Notably, all this occurred in a political context where there was a great deal of confusion.

Chapter 8

## 12. Remaining issues

Overall, the current Swiss migration and labour market policy is characterised by dualism: on the one hand, free movement of persons is in force, but only for Swiss nationals and those from the EU, while on the other, the quota system continues to be applied for those from so-called third countries outside the EU. This second issue, as well as asylum policy with its implications for the labour market, is not dealt with here, as it is beyond the scope of this document. It can be said, however, that the free movement of persons for EU citizens has had some positive impact on the rights of migrants from third countries, and seasonal status has also been abolished in practice for them. Since the introduction of free movement of persons with the EU, Switzerland has almost only brought in (highly) skilled workers from third countries. However, there remains a fundamental issue with the quota system: the situation of undocumented migrants and their discrimination in the labour market and society. The status and exploitation of undocumented migrants continues to favour wage and social dumping. It is also for this reason that we are fighting for their rights and for the regularisation of undocumented migrants.

### Chapter 9

1 Extract of “From the quota system to free circulation of persons. History of the Swiss Trade Union migration policy in fighting against discriminations and wage dumping”. Vasco Pedrina, former Co-President of Unia (Switzerland) and former BWI Regional Vice-President for Europe. The integral version of the publication is in German and French available.



# Two visions of the future: equal rights and social protection for all. Lessons from history

Switzerland and Europe, a misleading idyll: the principles of equal rights and social protection have not yet been implemented.  
KEYSTONE / Gaetan Bally

1. A look at the past **150 years** shows that **Swiss migration policy** has oscillated between two poles:

- On the one hand, it shows “open door” phases, i.e. free movement of people, as was the case before the First World War and after 2002, or 2004 within Europe, in the context of our relations with the EU.
- On the other hand, long periods of regulating migration with quotas and different forms of discrimination, as was the case between 1914 and 2002.

2. The **economic boom after the Second World War** triggered high levels of immigration, particularly of seasonal workers. This phase was marked by the following two characteristics:

- Until the 1960s, the Swiss government adopted a rotation policy that recognised migration as a purely transitory phenomenon. Foreigners could come to work in Switzerland but if possible should not settle there.
- Under pressure from the first xenophobic views to emerge, trade unions were the first to ask for stricter quotas.

The fact that trade unions, especially since the 1960s, have helped to set up the quota policy also explains their difficulty in bringing about a “Copernican paradigm shift”, to use the formula of Paul Rechester, President of the Swiss Trade Union Confederation, for an open immigration model.

3. A review of the **official quota policy** since the late 1960s is striking, since it shows that:

- In the past, the Swiss government has tried to limit immigration in every way and prevent migration from becoming an integral part of society as much as possible. However, the rotation policy and the increasingly restrictive admission policy (“single cap”, “double cap” and “global cap”, then “three circles model”, etc.) have not changed the fact that the economy has always sought out the foreign labour forces it needed, whether legally or illegally.
- A quota system is not without discrimination. Quota and seasonal status were inseparable. Each tightening of the quota policy led to further discrimination for migrant workers. Yet the objectives of the quota policy could not be achieved, even with the most sophisticated and harsh forms of discrimination against migrants.
- Despite its seasonal status policy, Switzerland has been unable to prevent migrants from settling with their families in the long term and becoming a valued part of society. Beyond discrimination, the quota system has failed to protect employment and wages. On the contrary, the much lower wages of seasonal workers, cross-border workers and other migrant workers have put wages under pressure in general. The same was true of undeclared work. In addition, this system has caused economic damage, in so far as it has favoured the import of unskilled labour and thus the maintenance of obsolete and unproductive economic structures.

4. In this respect, **the shift in trade union migration policy** with support for the introduction of the free movement of persons with the EU in the 1990s should not be underestimated. Free movement of persons has given everyone greater fundamental freedom, in particular equal economic rights between indigenous people and EU citizens. Thanks to the accompanying social measures, it has provided more effective instruments than any other form of quota system for wage and employment protection. Furthermore, it has encouraged the immigration of skilled workers and thus supported more productive economic structures. Accompanying social measures combine social protection and non-discriminatory policy. The free movement of socially supported persons is not only a better alternative to any quota system, but also to uncontrolled free movement of persons, with the right to strengthen exploitation, as advocated by neoliberal forces.

5. Although the comparison between the two migration models leads to a clear result, **the free movement of persons remains in the cross-hairs**, partly of the left, but especially the far right. Its future is not at all assured. A return to the dark days of the old quota system is entirely possible if the signals people are giving are taken into account, without counting on the success of the nationalist right of playing on cultural and social resentments. One of the greatest future challenges for trade unions and the left will be to prevent it from imposing its aims.

6. Finding a coherent and effective response to widespread cultural prejudice and resentment is a difficult task. However, it is up to us to raise **the banner of human rights, equal rights and joint and united action**.

With regard to the social reasons for the current unease, we must admit that the free movement of people – also partly within trade union ranks – has become the scapegoat of all problems in the labour market and society. The increasing internationalisation of the economy, rising precariousness of labour relations and rapid changes in the digital revolution would also occur without the free movement of persons. Their negative social consequences, whether real, assumed or expected, are linked to the way in which current capitalism works. But only reacting in a way that criticises the system does not lead to much progress.

7. The free movement of persons as an acquired right can only be maintained if we are able **to place people's social problems at the centre of attention** and make a substantial contribution to their resolution.

- This concerns, on the one hand, the protection of jobs, wages and workers' rights. In the context of the free movement of persons, the fight for defence and the development of accompanying social measures remains central. It is important that we make rapid progress in the most exposed sectors and in the most affected border cantons.
- But this will not be enough. The gradual deterioration of the labour market shows, in the extreme case of Ticino, that wage and social dumping has a strong cross-border component. It also shows that, without an effective antidote, criminal networks can spread, with catastrophic

consequences for the workers concerned and for the acceptance of any policy of European openness.

8. This brings us to the **European, transnational** dimension of the issue. The canton of Ticino, with 350,000 inhabitants, is located on the border with Lombardy, with six million inhabitants within a radius of 50 kilometres. The disparities are extreme: wages on the Italian side of the border are half of Swiss wages, with youth unemployment at almost 40%. If this situation does not change, even the best support measures will have only a very limited impact.

- Trans-border wage dumping must be tackled with transnational measures: in this sense, the creation of a European Labour Authority within the EU and the tightening of the EU Directive on the posting of workers offer new hopes. While these efforts are in the right direction, but the road is still long.
- The profound disparities between regions and nations on both sides of the border require at least a large-scale and long-term “European convergence policy”. With regard to wages, a policy is urgently needed to counter the current austerity policy. In this respect, emphasis must be placed on a European minimum wage strategy.
- In terms of employment policy, it would be unrealistic to expect the current economic growth in Europe to drastically reduce mass unemployment. The demand for a “Marshall Plan” by the European Trade Union Confederation (ETUC), which goes far beyond the current “Juncker Plan”, remains a burning issue.

What is the quintessence? The free movement of persons is much better than any quantitative immigration limitation regime and guarantees workers the right to move freely. A successful fight to maintain the free movement of persons implies not only the continuation of our commitment to strong protection measures in Switzerland, but also a European commitment to European protection measures and a European convergence policy that can significantly reduce the current very large disparities.

9. The two key elements of our commitment are **equal rights and social protection for all**. A historical review of past struggles for the abolition of seasonal status and for equal rights highlights the hard-won gains and helps us understand what is at stake if the populist right succeeds in reversing the course of history.

At a time of great confusion, and following the backing of the “stop mass immigration” popular initiative, it is very important that trade unions and the left remain committed to the fundamental principles of equal rights and social protection for all.

Past experience, especially in the 1980s and 1990s, shows that these visions of the future can be crucial for broad, effective and emotional mobilisation. We will urgently need these mobilisations to overcome the harsh confrontations on European integration over the next few years.

We were calling for manpower, and people came", wrote Max Frisch:  
demonstration in St Gall, 1992.  
GERTRUD VOGLER



## Not falling into the same trap twice.

### Afterword

The Swiss trade union movement has come a long way in migration policy. In doing so, it has increasingly lost sight of its internationalist origins and class struggle for a long period time, marked by both isolationist thinking and political peace and industrial peace. This has had devastating consequences: after the Second World War, a concept of reviving the labour market regulated by the foreign police dominated trade unions, generating xenophobic feelings among employees. Support for the quota policy and the inhuman status of seasonal workers, in particular, is part of this dark chapter in our history. The importance of shifting the trade union paradigm towards equal rights for migrants and the free movement of persons, at least for EU countries, should therefore be fully appreciated.

Attempts at isolation and xenophobic discrimination are unfortunately not just a thing of the past. Rather, Christoph Blocher's national conservative camp continues to use these tactics in its struggle for political power and has been systematically fuelling them for at least three decades, unfortunately with increasing success. In the forthcoming confrontations on the free movement of persons and accompanying social measures, the stakes for trade unions are enormous. This also applies to the unity of workers in our fight against precariousness and exploitation.

Right-wing forces are trying to turn this class struggle – which it clearly is – into a nationalist struggle for sovereignty and identity against foreigners and immigrants. The Swiss trade unions will not fall into this trap again. We are committed to fighting for good working conditions, better wages and greater social rights for all those living and working in our country, without exception and without discrimination. Only then can we win the political struggle for a more humane and just society. We are fighting for a Switzerland which, as a country in the heart of Europe, considers itself an integral part of this world.

Vania Alleva, President of Unia

