

# Spotlight

January 2025

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## Switzerland and Europe

### Keynotes from Alexander Van der Bellen and Ignazio Cassis

Federal Councilor Ignazio Cassis highlighted the challenges ahead for Switzerland, describing the current geopolitical landscape as one marked by extraordinary uncertainty and significant complexity. As both Cassis and Austrian President Alexander Van der Bellen emphasized, decisions made today will shape the country's future role in Europe.

In the first half of the year, the UBS Center focused on the topic of Switzerland and the European Union, addressing key challenges and future decisions for Switzerland's role in Europe. At the "Wirtschaftspodium Schweiz", Cassis stressed the increasing global uncertainty and the need for Switzerland to carefully navigate its position between sovereignty and deeper integration into the European framework. He highlighted the importance of adapting to changing circumstances in order to face geopolitical shifts.

*"The current geopolitical landscape paints a picture characterized by extraordinary uncertainty and the greatest possible complexity."*

Ignazio Cassis  
Federal Councilor (FDP/TI)

Van der Bellen, speaking just a few weeks earlier at a UBS Center Opinion, made a similar point: the European Union is a "perpetual construction site" – essential, but in need of reform. He remarked, "If the EU didn't exist, we would have to invent it. But it must be restructured." The EU's political structure is flawed, but its cohesion remains crucial for Europe's stability.

While both politicians agree on the necessity of bold action, their views diverge on the best path forward. Van der Bellen advocates for a more integrated Europe to address crises such as climate change and geopolitical tensions. For him, member states must prioritize unity over national interests. Yet, he acknowledges the difficulty in achieving consensus within the EU, especially in foreign and defense policy.

*"The war was THE defining trauma for earlier generations – and from this trauma arose an early desire for a peaceful, united Europe."*

Prof. Alexander Van der Bellen  
Federal President of the Republic of Austria

The "Wirtschaftspodium Schweiz" featured two panel discussions, one focusing on Switzerland's relationship with the EU and the other on the economic implications of immigration.

The first panel discussion raised key issues, including Switzerland's relationship with the EU and the economic effects of immigration. The debate about closer ties with the EU featured opposing views: Esther Friedli (State Councilor, SVP) opposed further integration, arguing that Switzerland's "DNA" doesn't align with the EU's, while Eva Herzog (State Councilor, SP) highlighted the benefits of bilateral agreements. Michael Hengartner (President of the ETH Board) emphasized the importance of stable relations, especially in science.

The second panel addressed the economic implications of immigration, a topic that sparked differing opinions. Some argued that immigration strengthens the workforce, while others pointed to the social costs. Prof. Reiner Eichenberger (University of Fribourg) noted that while the benefits are often privatized, society bears the broader costs. Prof. Alexandra Spitz-Oener (Humboldt University Berlin) emphasized that "immigration is essential for maintaining prosperity."



Prof. Alexander Van der Bellen, Federal President of the Republic of Austria, at the UBS Center Opinion, 30 March 2024 (top). Ignazio Cassis, Federal Councilor (FDP/TI), on the importance of adapting to geopolitical shifts (middle), and the panel discussion at the Wirtschaftspodium Schweiz, 16 April 2024 (bottom).

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Opinion



Watch the  
Podium



# AI unleashed Economic realities beyond the hype



Ana Maria Montero (Business Moderator and Journalist), Prof. Gregory Crawford (Zalando and UZH), Catrin Hinkel (Microsoft Switzerland), and Prof. Sendhil Mullainathan (MIT) at the Forum for Economic Dialogue on 31 October 2024.

The dynamic and multifaceted topic of AI and Big Data was a focal point in 2024, with an emphasis on their economic potential and societal impact. Experts discussed both the promises and challenges of these transformative technologies.

Our annual Forum for Economic Dialogue focused on the economic realities beyond the AI hype, featuring thought leader Sendhil Mullainathan, who highlighted that AI is like a “bicycle for the mind” that extends human capabilities, creating new opportunities for less-qualified workers. He urged to “look beyond the hype and focus on innovation.” Mullainathan emphasized that AI can help improve decision-making, increase business efficiency, and promote social mobility. Prof. Gregory Crawford (Zalando and University of Zurich) echoed these points, stating that AI could help reduce inequality by enhancing decision-making processes within companies.

David Dorn addressed AI’s impact on the labor market, suggesting that AI could help counter inequalities created by previous automation. He pointed out that AI could open new opportunities in fields such as healthcare and law. Christine Antlanger-Winter (Google Switzerland) also sees great potential in the application of AI, while urging swift action. She warned that while generative AI could add significant value to Switzerland’s GDP, delayed adoption could limit these gains.

AI and Big Data were also discussed in our webcast series, one of them analyzing AI’s role in the Global South, featuring development economist Prof. David Yanagizawa-Drott who presented an optimistic view of how AI could improve productivity and wages in emerging markets.

In conclusion, the presentations and discussions underscored AI and Big Data’s transformative potential and the need to manage them thoughtfully for equitable outcomes.



## Opportunities

**Boosting economic efficiency**  
AI has the potential to enhance decision-making processes within companies, helping businesses make more efficient decisions, drive innovation, and open new markets. This can benefit various sectors, including healthcare and finance.

**Reducing inequality and improving quality of life**  
AI can act as an augmentation of human capabilities, enabling less-qualified workers to take on higher-level tasks. This fosters social mobility and provides equal opportunities, particularly in fields such as education and healthcare.

**Economic growth and innovation**  
Generative AI can contribute significantly to national economies by improving productivity in key industries like healthcare and finance, enhancing both national and global competitiveness. In Switzerland, for example, AI has the potential to add billions to the GDP annually.

## Risks

**Privacy and data security**  
AI introduces potential risks to privacy and data security by enabling the analysis of large volumes of personal information. Algorithms may uncover sensitive insights from data, sparking concerns about surveillance and misuse.

**Bias and discrimination**  
AI systems can inherit and amplify biases from training data. When trained on biased datasets, AI can make discriminatory decisions, especially in areas like hiring and lending. Addressing these biases is crucial to prevent social harm.

**Loss of human decision-making**  
There is a risk that AI may lead to over-reliance on machines, which could undermine human judgment. In complex or ethical situations, excessive dependence on AI could diminish human decision-making capacity, posing a significant challenge.



Christine Antlanger-Winter (Google Switzerland) and Prof. David Dorn (UZH) engage in a lively discussion on the economic implications of AI, ethics, and global societal challenges.

# Unlocking the culture code The value of corporate culture



Panel discussion at the UBS Center joint event with Università della Svizzera italiana, featuring Prof. Luigi Guiso (Einaudi Institute for Economics and Finance), Sergio P. Ermotti (UBS), and Prof. Ernst Fehr (UZH), moderated by USI Rector Prof. Luisa Lambertini on 14 November 2024.

At the UBS Center’s joint event with Università della Svizzera italiana, Prof. Luigi Guiso highlighted the evolving role of corporate culture in business and economics. He explained that while economic models historically neglected cultural factors, corporate values – integral to culture – have significant impacts on performance. Guiso’s research shows that while proclaimed values may not directly affect performance, managerial integrity strongly correlates with success. Companies that align leadership actions with stated values see higher stock returns, greater growth opportunities, and better resilience during crises.

The panel discussion brought together Luigi Guiso, Sergio P. Ermotti (UBS), and Ernst Fehr (University of Zurich), with USI Rector Luisa Lambertini as moderator. The dialogue explored how leadership, norms, and values intersect to shape corporate culture, particularly in times of organizational integration, and evolving work environments. The panelists concluded that corporate culture is a living, dynamic construct shaped by leadership, values, and societal influences. Effective leaders must navigate these complexities with authenticity, adaptability, and a commitment to fostering environments that empower individuals while aligning them with organizational goals.

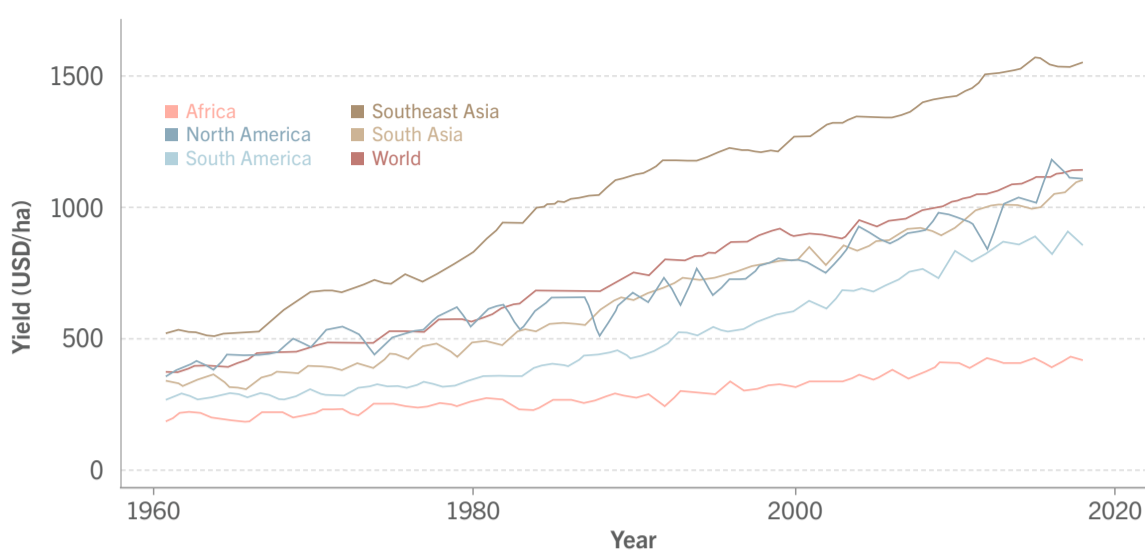


# Land markets in sub-Saharan Africa Key to development

How do land tenure reforms impact agricultural productivity in sub-Saharan Africa? “Land is the most important physical asset for the poor in Africa. It holds the potential to drive economic growth if managed effectively,” development economist Lorenzo Casaburi explained in our webcast, emphasizing the importance of secure land rights.

Prof. Casaburi presented data from his research on formal land markets in Uganda and Kenya, showing how the formalization of land rights can increase productivity by improving access to formal markets and making land use more efficient (see Fig. 1). Casaburi demonstrated how these changes lead to higher harvest values and better land utilization. The webcast highlighted how land rental markets can increase agricultural productivity by expanding access to formal markets thereby counteracting the widening gap between Africa and other regions of the world.

Fig. 1: Agricultural productivity



The graph compares the development of agricultural productivity (USD/ha) in different regions of the world since the 1960s. It shows that average yields in Africa are much lower than in other regions of the world, and the gap is growing.

Source: Food and Agriculture Organization of the United Nations



Watch the Webcast

## Origins of economic prosperity Lessons from the enlightenment

Renowned economic historian Joel Mokyr is a staunch optimist who firmly believes in the power of technological progress to improve the world. However, despite his optimism, he expresses concern about the political and societal setbacks of recent decades.

*“It is geniuses who move a country forward, not the average citizen.”*

Joel Mokyr  
Robert H. Strotz Professor of Arts and Sciences,  
Northwestern University



Joel Mokyr at the UBS Center Opinion on 20 June 2024.



Watch the Opinion

## Leadership transition on Foundation Council Christian Mumenthaler succeeds Kaspar Villiger



Christian Mumenthaler (right) succeeds Kaspar Villiger as Chairman of the Foundation Council.

Kaspar Villiger stepped down as Chairman of the Foundation Council at the end of 2024. Christian Mumenthaler, former Group CEO of Swiss Re, assumed the role as his successor effective 1 January 2025, bringing his vision and expertise to guide the UBS Center’s continued effort in building bridges between academia and the broader society.

In 2012, Kaspar Villiger, then Chairman of UBS, initiated the foundation of the UBS Center, made possible by UBS’s 100 million Swiss franc donation on its 150th anniversary. Villiger, along with UBS Group CEO Sergio P. Ermotti and Professor Ernst Fehr, established a foundation that bridges academia, business, and policy to address critical economic and social issues. “Kaspar Villiger

has been a remarkable leader, whose vision and dedication have been foundational in bringing together academia, business, and policy at the UBS Center. His legacy will inspire us for years to come,” states Professor Ernst Fehr, Vice Chairman of the Foundation Council. Today, thanks to Villiger’s vision, the UBS Center has helped the Department of Economics at the University of Zurich to become an international hub for top economic research and societal dialogue in Switzerland and beyond.

Christian Mumenthaler, an industry leader with extensive experience at Swiss Re, brings a unique perspective to the UBS Center’s mission. His commitment to fostering dialogue and promoting a forward-thinking approach in the industry aligns seamlessly with the Center’s goals. “In fostering open dialogue between science and society, the UBS Center plays a pivotal role. I am excited to join this mission and help advance our shared goals for economic understanding and progress,” Mumenthaler states.

## Events 2025

29 January 2025  
UBS Center Opinion  
University of Zurich  
Nobel laureate Daron Acemoğlu  
Massachusetts Institute of Technology  
Power and progress

3 April 2025  
Wirtschaftspodium Schweiz  
Kongresshaus Zurich  
Federal Councilor Albert Rösti,  
Suzanne Thoma, Tobias Straumann,  
and many more  
Warum ist die Schweiz so reich und weshalb muss es nicht so bleiben?

7 April 2025  
Inaugural Lecture  
University of Zurich  
Maya Eden  
Professor of Economics,  
Affiliated Professor at the  
UBS Center

5 May 2025  
Inaugural Lecture  
University of Zurich  
Andreas I. Mueller  
Professor of Macroeconomics  
and Labor Markets,  
Affiliated Professor at the  
UBS Center

10 November 2025  
Forum for Economic Dialogue  
Kongresshaus Zurich  
International Trade and  
Globalization

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## Center news

### Welcome, Maya Eden and Andreas I. Mueller

Maya Eden and Andreas I. Mueller joined the Department of Economics at the University of Zurich in 2024 and have been affiliated with the UBS Center. Their shared field of research is macroeconomics, with Prof. Eden focusing on welfare economics and Prof. Mueller concentrating on labor and monetary economics.



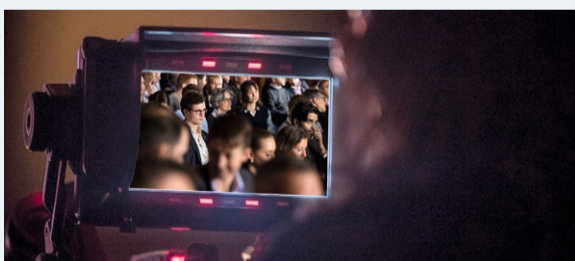
### New affiliations

We are excited to announce our newest affiliations and warmly welcome two long-standing professors from the Department of Economics to the UBS Center: Prof. Lorenzo Casaburi is renowned for his research in the field of development economics, emphasizing applied research to improve living conditions in emerging economies. Prof. Roberto Weber's research falls primarily within the areas of behavioral and experimental economics, decision-making, and the study of organizations and institutions.



### Congratulations, Claudia Gentile

UBS Center Scholarship recipient Claudia Gentile has successfully defended her PhD thesis titled "Essays on clean growth, the renewable energy transition, and financial shocks in the intangible economy" at the Zurich Graduate School of Economics. Her research explores the impact of policies on clean energy adoption, innovation, and welfare. She will soon join the London School of Economics as a Postdoctoral Researcher before beginning her tenure as an Assistant Professor at the University of Geneva's Institute of Economics and Econometrics (IEE).



### Knowledge hub

The Center's video library includes recordings of all public events, short film summaries of publications, and more. Follow us on social media and join the discussion on key topics of our time.

 @ubscenter  
#EconomicsForSociety

## About us

The UBS Center for Economics in Society, UBS Center in short, is an Associated Institute at the Department of Economics at the University of Zurich. It was established in 2012, enabled by a founding donation by UBS, which the bank made on the occasion of its 150th anniversary. In view of the generous donation, the university named the UBS Center after its benefactor.

The UBS Center serves two main aims. First, it enables world-class research in economics on all levels to be conducted at the university's Department of Economics. It thereby supports the department's ambition to become one of the top economics departments in Europe and to make Zurich one of the best places for research in economics. The UBS Center's other aim is to serve as a platform for dialogue between academia, business, politics, and the broader public, fostering continuous knowledge transfer. Delivering on these aims will also strengthen the position of Zurich, and Switzerland more generally, as a leading location for education and business.

## Advisory Board

The Center's Advisory Board, comprised of some of the most renowned economists of our time, including several Nobel Prize laureates, ensures the high quality of the work at the UBS Center and provides guidance on all academic matters.

Prof. Philippe Agion	Prof. Joel Mokyr
Prof. Manuel Arellano	Prof. Yingyi Qian
Prof. David Autor	Prof. Imran Rasul
Prof. Ernst Baltensperger	Prof. Thomas J. Sargent*
Prof. Abhijit Banerjee*	Prof. Klaus M. Schmidt
Prof. Marianne Bertrand	Prof. Robert J. Shiller*
Prof. Esther Duflo*	Prof. Kjetil Storesletten
Prof. Raquel Fernández	Prof. Guido Tabellini
Prof. Oliver Hart*	Prof. Harald Uhlig
Prof. James J. Heckman*	Prof. Ekaterina Zhuravskaya
Prof. Chang-Tai Hsieh	
Prof. Ulrike M. Malmendier	*Nobel laureates

*"Kahneman is one of the greatest behavioral researchers and psychologists of the 20th century. His work has had a profound impact on economics, psychology, and the social sciences as a whole."*

Prof. Ernst Fehr



In memory of Nobel laureate Prof. Daniel Kahneman (1934–2024), Former UBS Center Advisory Board Member

## Scholarships

The UBS Center Scholarships are awarded every year to outstanding university graduates at the Graduate School of Economics, run by the Department of Economics at the University of Zurich.

### Current scholarship holders

Marcel Caesmann  
Ingrid Löfman  
Lexi Schubert  
Philipp Sternal

## UBS Foundation

The UBS Center is financed through an independent foundation, the UBS Foundation of Economics in Society. It is governed by the Foundation Council, chaired by Christian Mumenthaler, and the Council Members: Vice Chairman Prof. Ernst Fehr, Sabine Keller-Busse, Stefan Seiler, and Prof. Hans-Joachim Voth, and Thomas Pohl, Foundation Secretary.

### Management and team

Prof. Ernst Fehr, Director  
Prof. Hans-Joachim Voth, Scientific Director  
Dr. Matthias Ammann, Chief Operating Officer  
Stefanie Amstein, Events Manager  
Christopher Shenton, Communications Lead  
Dr. Maura Wyler, Communications

## Professors

The UBS Center fosters world-class research in economics on all levels by endowing several permanent professorships and assistant professorships. The thematic focus of the Center's endowed professorships is on interdisciplinary and forward-looking research that covers today's major issues relating to the economy and the financial markets.



Prof. Sandro Ambühl  
UBS Foundation Assistant Professor for Behavioral Economics of Financial Markets



Prof. Lorenzo Casaburi  
UBS Foundation Associate Professor of Development Economics



Prof. David Dorn  
UBS Foundation Professor of Globalization and Labor Markets



Prof. Maya Eden  
Professor of Economics, Affiliated Professor at the UBS Center



Prof. Ernst Fehr  
Professor of Economics, Affiliated Professor at the UBS Center



Prof. David Hémons  
UBS Foundation Associate Professor of Economics of Innovation and Entrepreneurship



Prof. Andreas I. Mueller  
Professor of Macroeconomics and Labor Markets, Affiliated Professor at the UBS Center



Prof. Dina Pomeranz  
UBS Foundation Associate Professor of Applied Economics



Prof. Florian Scheuer  
UBS Foundation Professor of Economics of Institutions



Prof. Hans-Joachim Voth  
UBS Foundation Professor of Macroeconomics and Financial Markets



Prof. Roberto Weber, UBS Foundation Professor of Economics of Corporate Culture, Business Ethics and Social Responsibility



Prof. David Yanagizawa-Drott  
Professor of Development and Emerging Markets, Affiliated Professor at the UBS Center

**Economics.**  
*For Society.*