

Bulletin

The world's oldest banking magazine – since 1895.



**Joshua Peter, 17, Altikon (canton of Zurich),
second-year forestry apprentice**

"I'm worried about overpopulation. Eventually, every bit of land will be developed. Still, we should be helping other countries that are not doing as well. That's in our best interest, too."

Switzerland – The Secrets of Its Success

Exclusive: 2012 Worry Barometer

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Self-Assured Switzerland



Contributors to this issue

1 Gerd Habermann

This economic philosopher and honorary professor at the University of Potsdam describes himself as a “liberal-cosmopolitan, patriotic German.” Little Switzerland sets a great precedent, in his opinion. He describes seven factors that have made the country so successful, politically and economically. *Page 14*

2 Linus Bill

Anyone with an interest in young photographers in Switzerland will inevitably come across the name of Linus Bill. His art photographs – large-scale, intensely colored abstracts – have already appeared in several exhibitions. For Bulletin, the Biel-based photographer left his studio to travel through Switzerland and take portraits of people on the street. *Page 2*

3 Ian Goldin

The former vice president of the World Bank and Oxford economics professor is considered an authority on issues of globalization and migration. The native of South Africa demonstrates how important migrants are for economic growth in Europe and the US. *Page 38*

4 Thomas Maissen

The Basel-based historian, who teaches in Heidelberg at one of Europe’s premier universities, wrote a best-seller two years ago with his “History of Switzerland.” For Bulletin, he describes 10 of the most important events that make the confederation of Switzerland what it is today. *Page 76*

A short book of just 47 pages shaped the political and social discussion of a whole generation. “*Helvetisches Malaise*” (“Swiss Malaise”) was published in 1964 by constitutional law expert Max Imboden. In the book, Imboden complained about the government’s decreasing efficiency, diminishing power for reforms and citizens’ flagging participation in the political process. “Swiss Malaise” was commonly quoted over the ensuing decades, and the title became a catchword for the zeitgeist. Liberal-conservative philologist and general staff colonel Karl Schmid wrote in “*Unbehagen im Kleinstaat*” (“The Small State and its Discontents”) about the “*Diskurs in der Enge*” (“Discourse Stalemate”) of author Paul Nizon.

There is nothing left of it these days. Today, almost 50 years later, the Swiss are prouder of their country than ever, even as they find themselves in the midst of one of the most economically uncertain times in generations. These are just some of the results from the 2012 Credit Suisse Worry Barometer. Another amazing thing is that, despite the crisis, nine out of ten Swiss people expect next year to be just as good for them personally as this year has been. Interestingly, as in the recently published Credit Suisse Youth Barometer, unemployment, immigration and retirement provisions are key concerns. You will find a detailed summary of the 36th Worry Barometer in the middle of this issue.

This survey inspired us to focus on the topic of Switzerland. Specifically, we want to address the question of why the country is doing better economically and politically than most other countries. We had a fascinating discussion with a noted psychoanalyst about what is, somewhat counterintuitively, Swiss people’s greatest fear: losing their job. We also interviewed young managers from abroad, in demand throughout the world, about their lives in Switzerland. A renowned historian outlines some historical factors – besides 1291 and William Tell – that have made Switzerland what it is. Celebrated photographers from around the world offer a range of perspectives on our country in an engaging photo essay. We hope you enjoy reading this issue of Bulletin, and hope you learn something new about Switzerland. For example, do you know which canton has neither traffic lights nor parking fees?*

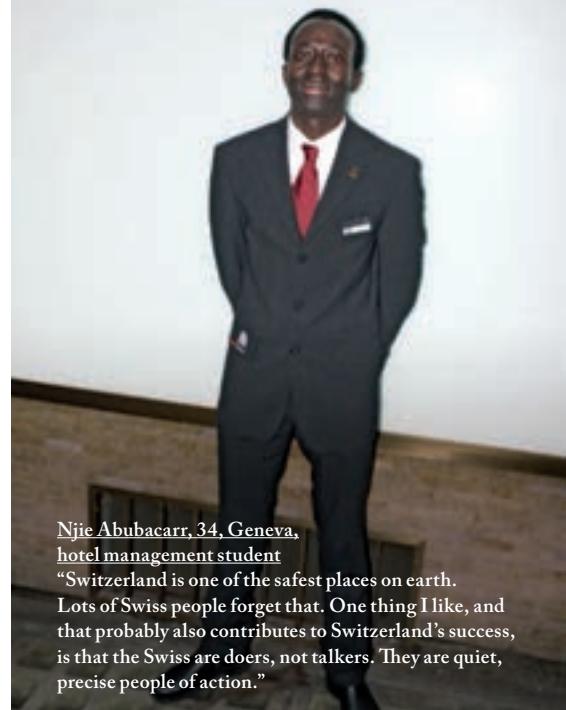
Your editorial team

*The answer can be found on page 71.

My Switzerland?

Bulletin asked people across Switzerland what their worries and hopes are. What does Switzerland mean for you? What are Switzerland's strengths and weaknesses? What are Switzerland's biggest problems? Are you proud to be Swiss? And what poses a threat to Swiss identity? Bulletin traveled throughout the country this fall – from Basel to Lugano, and from Walzenhausen to Montreux. The result is a snapshot showing the mood in 36 portraits and statements.

Survey by Oliver Demont, photos by Linus Bill



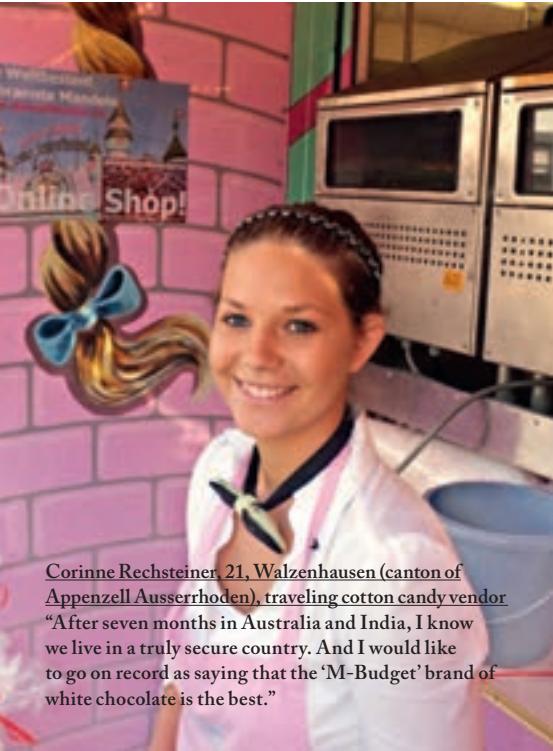
Njie Abubacarr, 34, Geneva,
hotel management student

"Switzerland is one of the safest places on earth. Lots of Swiss people forget that. One thing I like, and that probably also contributes to Switzerland's success, is that the Swiss are doers, not talkers. They are quiet, precise people of action."



Stefania Aquilino, 17, Brig (canton of Valais), information and documentation specialist at a media center in Brig

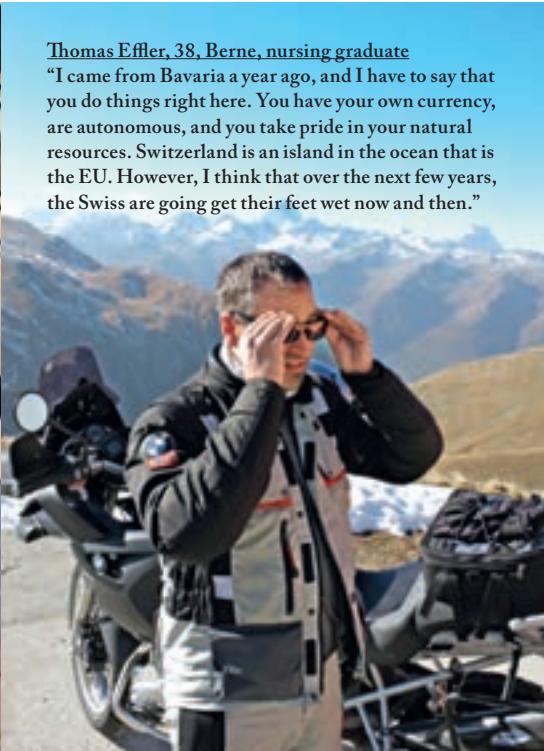
**“There is one thing I hope Switzerland never loses:
The way we listen to one another and find compromises.
That is the DNA of this country.”**



Corinne Rechsteiner, 21, Walzenhausen (canton of Appenzell Ausserrhoden), traveling cotton candy vendor
“After seven months in Australia and India, I know we live in a truly secure country. And I would like to go on record as saying that the ‘M-Budget’ brand of white chocolate is the best.”

Thomas Effler, 38, Berne, nursing graduate

Thomas Elsner, 30, Berlin, nursing graduate
“I came from Bavaria a year ago, and I have to say that you do things right here. You have your own currency, are autonomous, and you take pride in your natural resources. Switzerland is an island in the ocean that is the EU. However, I think that over the next few years, the Swiss are going get their feet wet now and then.”



Glenn Jones, 20, Sursee (canton of Lucerne), law student
"For me, Switzerland is a glass of tap water with
~~hazchikupfeBuhthidre42purdpetzitterlaftufcristZing~~
~~eDantentdipptisla hauhitisabvelopplinqutamhete~~
~~cost pofatishstahabweltmatislabor transparentlikeRissia or~~
~~Gzanzia."~~

Antonieta Wyss, over 60, Zurich,
homemaker

"Life in Switzerland is the world's most perfect
composition of security, prosperity, discipline,
freedom and honesty. How do I know that? I come
from Sicily."



Asif Maqbool, 31, Basel,
customer service rep at the Kunsthalle Basel art museum
“I came here eight years ago. Today, Switzerland is my second home. The country is good to those who work hard and are willing to take responsibility for their own actions – like me. Unfortunately, many who come here don’t see that.”





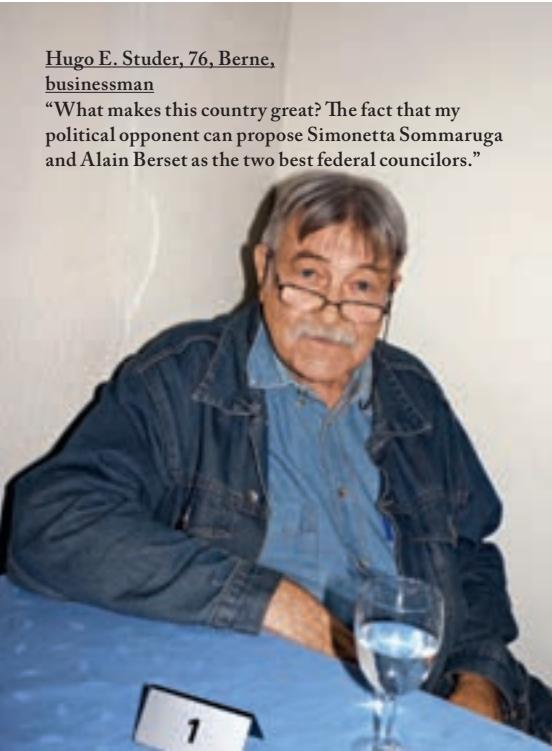
Marcelina Fliri, 43, Wildhaus, (canton of St. Gallen),
Manager of "Fliri Arvenmöbel" and housewife

"We have become obsessed with money in Switzerland and this is increasing pressure in all areas of life. People ordering furniture from us often expect delivery on the following day."



Naomi Bucher, 18, Meiringen (canton of Berne),
motorcycle and bicycle mechanic apprentice

"Switzerland has had peace for a long time. Maybe it's time we remembered that and became aware of the pain suffered by others who come to us in Switzerland from war-torn regions."



Hugo E. Studer, 76, Berne,
businessman

"What makes this country great? The fact that my political opponent can propose Simonetta Sommaruga and Alain Berset as the two best federal councilors."



Dima Katsiuba, 25, from Minsk, Belarus, studies
psychology in Berlin and visits Switzerland regularly
"Swiss worries? I have to laugh at that. There has to be a causal link between a high standard of living and the associated fears of loss."



Assad Shahpari, 70, Thun (canton of Berne),
Persian rug dealer

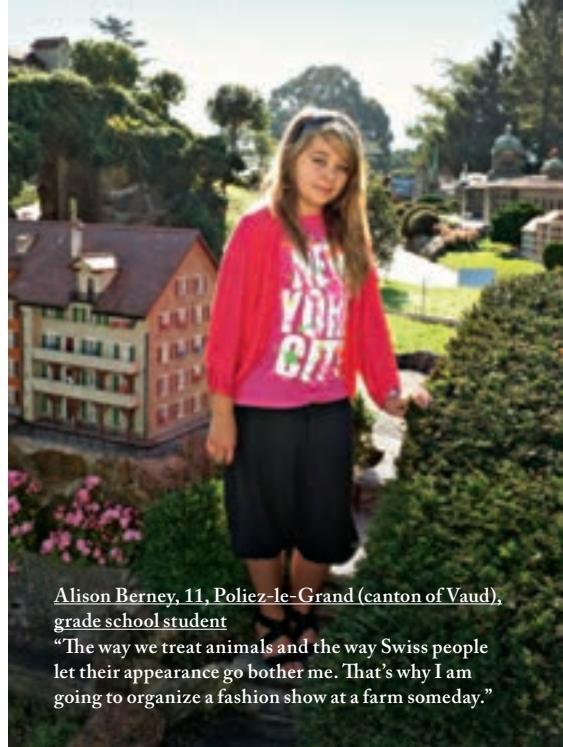
"Switzerland? I thank Allah that he sent me to paradise ahead of time."



Ida Fassbind, 70, Ilanz (canton of Graubünden),

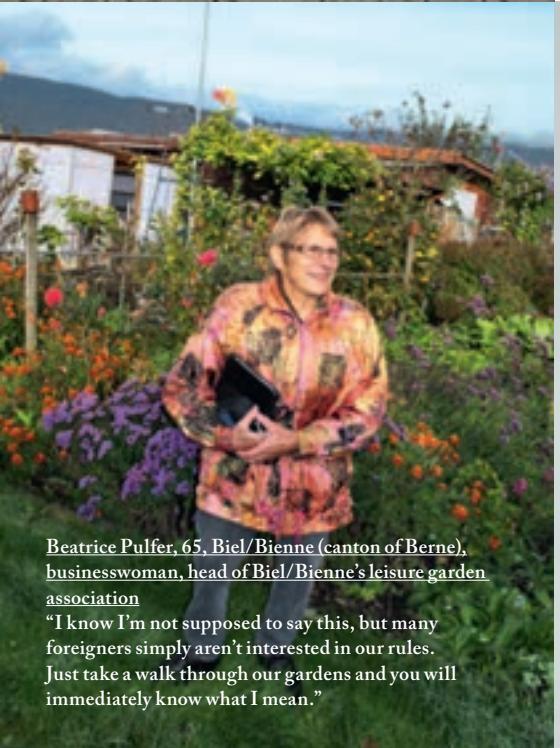
Dominican nun

"I love Switzerland with all my heart, but we do need to be careful and make sure that the gap in society does not get any wider, because that would harm my country at its very core – in communal life. As we continue to debate the issue of asylum seekers, we should also not forget that in the 1940s and 1950s, poverty drove many Swiss people to emigrate."



Alison Berney, 11, Poliez-le-Grand (canton of Vaud),
grade school student

"The way we treat animals and the way Swiss people let their appearance go bother me. That's why I am going to organize a fashion show at a farm someday."



Beatrice Pulfer, 65, Biel/Bienne (canton of Berne),
businesswoman, head of Biel/Bienne's leisure garden
association

"I know I'm not supposed to say this, but many foreigners simply aren't interested in our rules. Just take a walk through our gardens and you will immediately know what I mean."



Benjamin Flacher, 32, Herdern
(canton of Thurgau), farmer

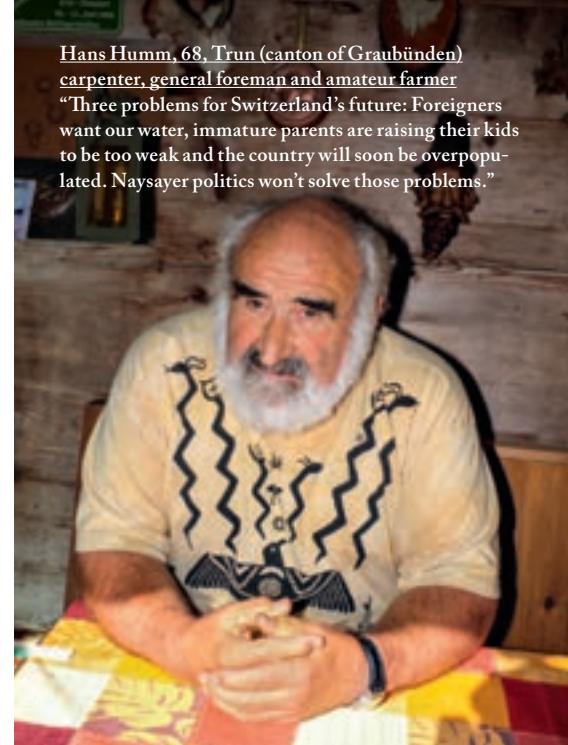
"Our future causes me great worry: higher prices, lower pay."





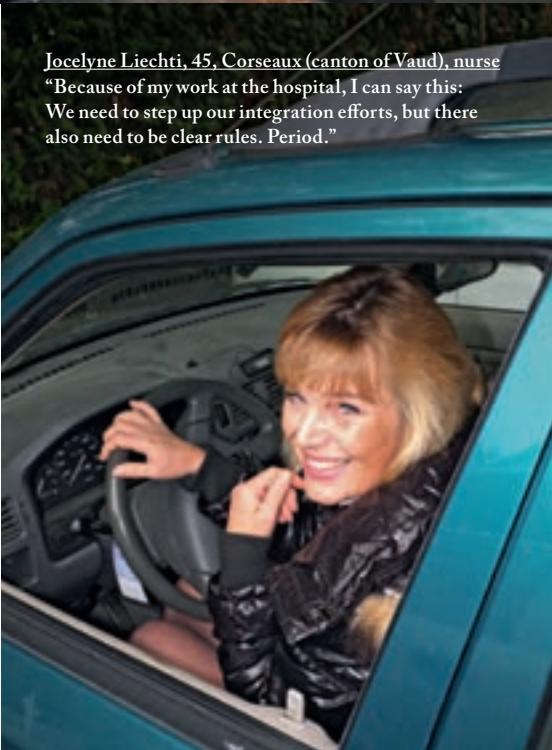
Lina Krilaviciute, 22, Sedrun (canton of Graubünden), hospice employee near the Oberalppass and occasional snowblower operator

"Foreigners, learn to speak the local language! It's the key to getting along with the Swiss, who are actually very easygoing and peaceable."



Hans Humm, 68, Trun (canton of Graubünden) carpenter, general foreman and amateur farmer

"Three problems for Switzerland's future: Foreigners want our water, immature parents are raising their kids to be too weak and the country will soon be overpopulated. Naysayer politics won't solve those problems."



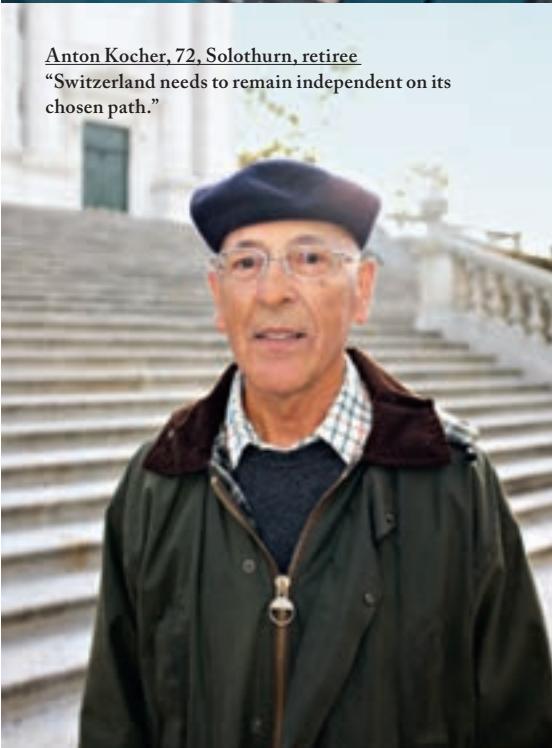
Jocelyne Liechti, 45, Corseaux (canton of Vaud), nurse

"Because of my work at the hospital, I can say this: We need to step up our integration efforts, but there also need to be clear rules. Period."



Anna Zesewitz, 28, St. Gallen, medical assistant at the St. Gallen cantonal hospital

"What I especially like about my work here is the good and constructive work between individual departments and occupations. Compared to my home country of Germany, medical professionals bear a great deal of responsibility and are included in many decisions."



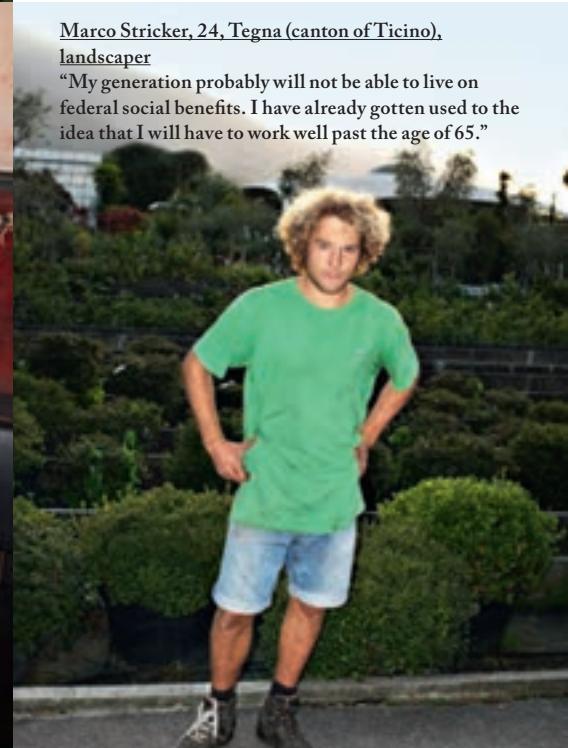
Anton Kocher, 72, Solothurn, retiree

"Switzerland needs to remain independent on its chosen path."



Sandra Jacot, 45, Montreux (canton of Vaud), medical secretary, temporarily working as service employee

"Older people keep work forever and young people can't find jobs. That's a time bomb. But I'm just a butterfly, flitting through life without a care in the world."



Marco Stricker, 24, Tegna (canton of Ticino), landscaper

"My generation probably will not be able to live on federal social benefits. I have already gotten used to the idea that I will have to work well past the age of 65."

Edwin Habermacher, 60, Stans (canton of Nidwalden)

athletic equipment retailer

“Switzerland is one of the earth’s treasures, a land of milk and honey. But dangers lurk beneath the surface, and that means we need to act intelligently. This is not a time for reactionaries and naysayers. It’s a time for Machiavellis who maneuver skillfully to achieve what is best for the country.”



Nemo Mettler, 13, Biel/Bienne (canton of Berne)

student and actor in musicals

"People here are touchy and kind of strange, too.
For example, in the grocery store, they walk the aisles
talking to themselves saying 'I still need to get
this and that...' I worry about the safety of the nuclear
power plants and the security of the banks."



Riem Ibrahim, 25, Basel, graduate student in graphic design at the School of Art and Design

"So far no one's made any stupid comments about my headscarf. That's probably because I mainly deal with creatives, who are generally more open-minded. Switzerland is the best for graphic design. The Swiss should be very proud of their tradition in this area. In Egypt, we're hungry for good design. That's why I'm looking forward to returning home with a backpack full of knowledge from Switzerland."





Pascal Rickenbacher, 31, Olten (canton of Solothurn),
IT support

"Switzerland is like an aging aunt who still has some integrity and good character. I just hope she realizes in time that her friends are about to distance themselves from her."



Regina Ehlers, 67, Lugano (canton of Ticino), beautician
"My Swiss husband and I were robbed several times at our house in France. When it came to the point that we sat in a house with bars on the windows, we said: 'Let's move to Switzerland.' It's really safe here, and I am happy to be living in Switzerland. But sometimes I have to chuckle when I see Swiss people hold out their passports proudly in front of them, like shields. It's kind of cute."

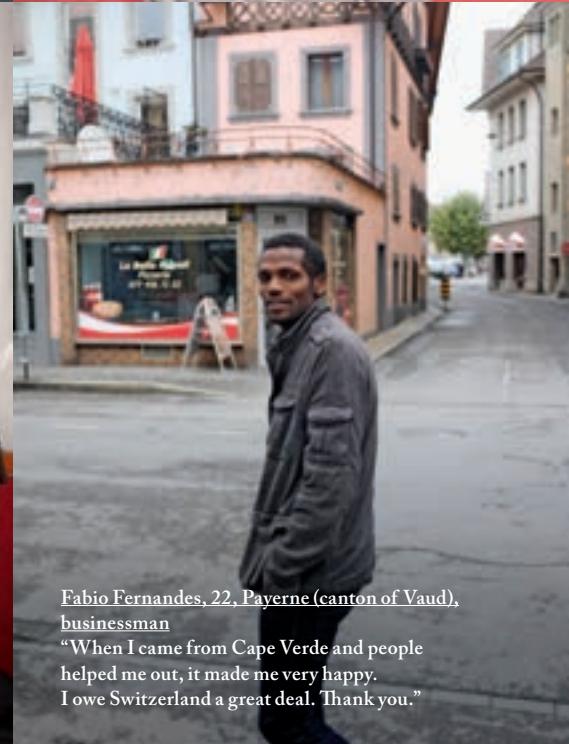


Françoise Moufid, 48, Vevey (canton of Valais),
domestic help

"You always hear how rich Switzerland is. But it's not true. There is poverty in Switzerland, in rural villages and in the mountains."



Pier Giorgio Michel, 74, Lugano (canton of Ticino),
owner of "Ottico Michel" opticians
"Switzerland is not as free as everyone says. Taxes are high. And we won't be able to maintain the high level of salaries in the future."



Fabio Fernandes, 22, Payerne (canton of Vaud),
businessman

"When I came from Cape Verde and people helped me out, it made me very happy. I owe Switzerland a great deal. Thank you."



Skinny, 22, and Johnny, over 30, Thun (canton of Berne), rockers

Skinny: "Switzerland's only threat is electronic music."

Johnny: "And it would do us good to be more open to different lifestyles."

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Bulletin: Switzerland

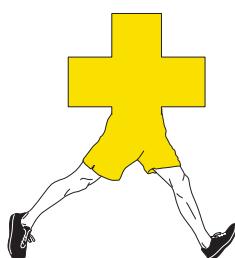
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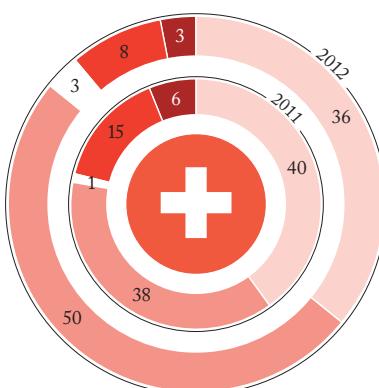
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Illustrated by Andreas Gefe.

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Switzerland's Seven Secrets to Success





In economic and political terms, Switzerland is doing better than almost any other nation in the world. What does it do better than others? What's behind its competitive edge? And how can it stay on top? German economist and exponent of classical liberalism Gerd Habermann offers his take on a small but extraordinary country.

By Gerd Habermann and Stephan Walter (illustration)

THE VERDICT IS IN, AND IT IS unequivocal. Whether we are comparing global business locations and the civil liberties they enjoy, considering the number of Nobel Laureates or the quality of academics, entrepreneurs, artists and authors, Switzerland has long occupied the topmost echelons.

For the fourth time in a row, the World Economic Forum has declared Switzerland the most competitive country in the world – ahead of Singapore, Finland, Sweden and the Netherlands – placing the country first in the categories of innovative capacity and labor market efficiency and lauding its business sector for its close collaboration with its universities. Its national institutions are among the world's most effective and transparent. Though a small nation, Switzerland boasts a midsized economy. Internationally, it ranks 20th in gross domestic product, ninth in export statistics and fifth in export of services. Most importantly, it is one of the world's wealthiest countries. ▶

Even in terms of the biggest economic policy challenges we face today – national debt and unemployment – Switzerland comes out on top. While once-stable countries teeter on the brink of insolvency, Switzerland has managed to reduce its national debt drastically over the past 10 years, from 55 percent to roughly 35 percent, measured against its gross domestic product (see sidebar on the debt brake on page 18). What's more, the unemployment rate, at its highest point since the formation of the European Monetary Union in 1999, stagnates in Switzerland around the three percent mark.

What are the reasons for this success? What does Switzerland know that no one else does? I see seven ways in which the country excels.

1 — Small Size

Switzerland does not adhere to the economies of scale that other countries swear by. Quite the contrary: Its smallness makes it more successful relative to the size of its bigger neighbors.

It is no accident that the first thinker after Aristotle to develop a theory about the ideal size for a political economy was Swiss, Jean-Jacques Rousseau (1712 – 1778). "In every body politic there is a maximum strength which it cannot exceed and which it only loses by increasing in size," Rousseau wrote. Every extension of the social tie means its relaxation; and, generally speaking, a small state is stronger in proportion than a large one. He maintained that this is particularly true when the state is especially heterogeneous, such as Switzerland.

Rousseau underpinned his statements with the reasoning that long distances make administration more difficult. Each level of government costs more the higher you go and the highest of all costs the most. Last of all comes the supreme administration, which eclipses all the rest. Not only is the government less vigorous and swift in ensuring the observance of laws, preventing nuisances, correcting abuses, and guarding against seditious undertakings, the same laws cannot suit so many diverse provinces

with different customs, situated in the most various climates.

2 — Genuine Democracy

Switzerland's relative smallness and the exceptional granularity of government allow the country to enjoy the comparative advantage of genuine democracy. Switzerland has never experienced an era of absolutism. It has never been a bureaucratic state in the manner of Germany or France, and still is not one today. Nowhere else in the world do citizens have the voice they do in Switzerland – a power that extends all the way to elected judges and referenda about public borrowing. This is the only country in which "democracy" is not simply an empty word, where the rank and file still assume responsibilities left to officials and expensive career politicians in other major powers. Republican equality is considered a good in itself. Stature – whether in politics (the big name) or in business (the major corporation) – is viewed with suspicion.

This concerted participation and joint responsibility for public policy has trained citizens politically in a way that justifies what would otherwise be an exaggeration. The average Swiss citizen is better informed politically than your run-of-the-mill representative in the German Bundestag. "We are the state" is an expression to which the citizenry of Switzerland has a better claim than any of its neighboring representative democracies.

Switzerland is much more of a cooperative society than a sovereign state. While the "militia" political system serves to replace a caste of career politicians, it also prevents the formation of an autonomous class of officers. Switzerland has never been a bureaucratic and partisan state in the mold of Germany. For the most part, government in Switzerland has remained a matter of self-government, or rather, despite the current number of federal officials – 30,000 – of true autonomy.

3 — Decentralization

Switzerland boasts another advantage in its thorough decentralization, which could

even be considered "non-centralization." Apart from its Helvetia episode (1798 to 1803), Switzerland has never been centralized. It has neither a principal city nor a head of state in the same way that countries including Germany do. Here in particular there is much to learn about how competition between political entities yields the best possible service for their citizens.

Both cantons and municipalities have clout, i.e. their own tax sovereignty. The federal government only has rights of disposal over a tiny portion of the tax collected, and wields powers of taxation that are precarious at best. Add to this the rights of cantons and municipalities, whose extensive powers ensure that even now, the potential of the Swiss domestic market has not been fully tapped.

Diversity is viewed as an opportunity, not as an unwelcome disparity that must be smoothed over with "harmonization." The vertical division of power brought about by the strength of cantonal and municipal self-organization yields much broader latitudes and options than the horizontal ones in major powers or even empires (which are still being undermined by party dominance and bureaucracy).

4 — Subsidiarity Principle

The extreme degree to which government is subdivided – the consistent application of the principles of pooling the highest powers of authorization at the bottom and favoring the private over the public sector and informal structures over formal ones – means that the principle of subsidiarity is practiced in Switzerland as it is nowhere else in Europe. Nowhere else have the ideals of internationalism and urbanity been synthesized as successfully as in Switzerland. For its size, Switzerland is probably more engaged with the rest of the world in the areas of business, finance, culture, ▶

2012 Credit Suisse Worry Barometer

92 percent

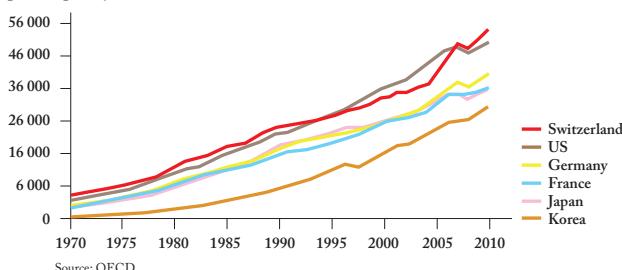
think they will fare as well next year
as they do now.

International Comparison

Indicators of success. Even in the current crisis, Switzerland ranks at the top with respect to key economic indicators like rate of unemployment or national income.

HIGH NATIONAL INCOME

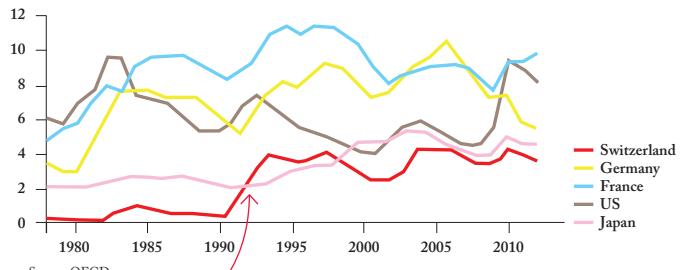
Gross domestic product per capita in USD (nominal, adjusted for purchasing power parity)



Switzerland has one of the highest national incomes in the world – even when purchasing power is taken into consideration.

LOW UNEMPLOYMENT

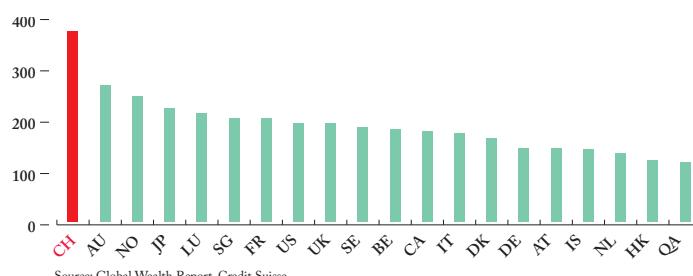
Unemployment rate as a percentage of the employable population



The rate of unemployment rose in Switzerland as a result of the economic crisis in the early 1990s, but still remains low in international comparison.

THE WORLD'S WEALTHIEST POPULATION

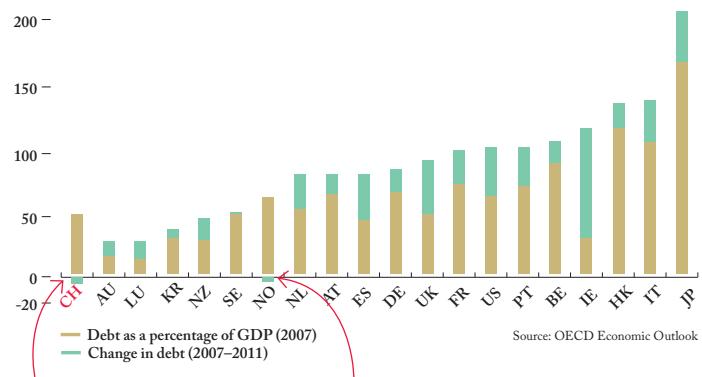
Assets per capita (in thousands of USD)



Swiss by far hold the most assets.

GROSS DEBT DECLINING

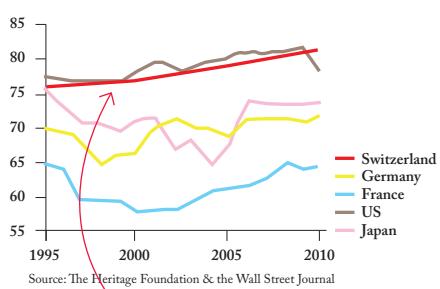
Position of and changes in gross debt expressed as a percentage of GDP from 2007–2011



Switzerland and Norway were the only OECD countries managing to reduce their debt ratios in spite of the economic crisis.

BROAD ECONOMIC FREEDOM

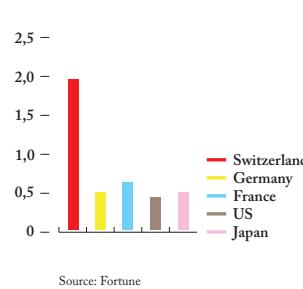
Index comprising 10 economic categories



Switzerland has long been considered one of the world's economically freest countries, and it has now overtaken the US in this respect.

THE MOST MAJOR CORPORATIONS

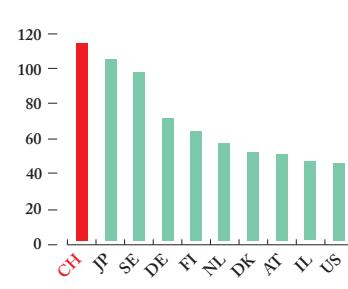
Number of Fortune 500 Global companies per million inhabitants



No other country has a higher density of major corporations than Switzerland.

WORLD CHAMPION IN INNOVATION

Number of patent filings (in the EU, Japan and the US) per million inhabitants and per year



Measured by the size of its population, Switzerland is the most innovative country in the world – ahead of Japan, Sweden and Germany.

Another Swiss Export: the Debt Brake

Switzerland leads the way. **The threat of national bankruptcy and the euro crisis make the debt brake today's hottest commodity. Its success story began with a referendum.**

Switzerland does well in an international comparison: In Europe and the US, national debt has all but exploded, and national bankruptcy is now a real threat in several European countries.

In Switzerland, on the other hand, national debt – measured against the gross domestic product (GDP) – has fallen since 2003, from 55 percent to about 35 percent. This meant an impressive reversal in the trend for Switzerland, because as late as the 1990s, the debt ratio of the national budgets was consistently above 50 percent.

The success story began in 2001, when a referendum approved the introduction of a debt brake with 85 percent of the country voting in favor of it. This made Switzerland the first country with a constitutionally underpinned debt brake. It entered into force in 2003. Its basic principle is simple: Expenditure must not exceed revenues during the course of a single business cycle. While in economically difficult years, a deficit is allowed, in good years the deficit must be offset by surpluses. This brought about budget consolidation that occurred even as the growth phase was proceeding, enabling Switzerland to generate budget surpluses even in times of crisis.

In many other industrialized countries, on the other hand, government debt has continued to grow, even in good economic times. And when the most recent crisis occurred, public budgets went out of control. In the US, the national debt has swelled from 11 trillion US dollars to 16 trillion dollars (2009–2012). The average debt ratio in the Eurozone also shot up from 66 percent (2007) to 87 percent (2011). It is likely to take an entire generation to pay off the debt of a single economic cycle, let alone one affected by a serious crisis.

Against the backdrop of this exploding national debt in Europe and the US, the debt brake has already become exportable. Germany incorporated it into its constitution in 2009. Even Poland, Spain, Hungary and Bulgaria have intro-

duced debt brakes. What's more, all countries in the Eurozone signed on to it as part of the fiscal compact.

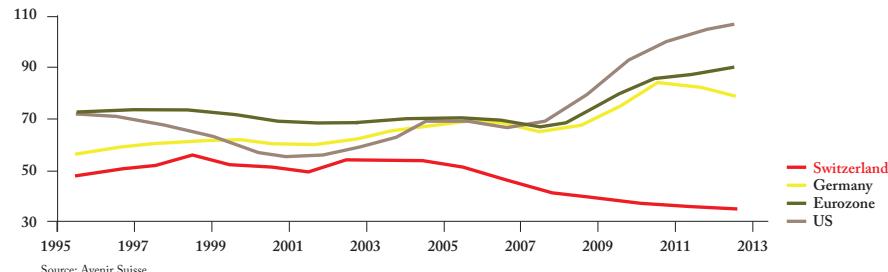
Toxic Deficits

Most industrialized countries have now reached what is known as the “Keynesian endpoint.” Deficits that develop beyond this threshold value – which economists put at about 90 percent relative to the GDP – become toxic: First, a spiral develops between interest burdens and new debt. For example, in 2010 in Germany,

cycle; it also seems to be indispensable in forcing governments to maintain sustainable budgets. The short-term orientation of politics ensures that advocates of anti-cyclical fiscal policy only become vocal when there is a downturn. Once the economy resumes growth, the principle of anti-cyclical planning is forgotten as new debt piles up. For example, over the past 30 to 40 years in France and Germany, not a single economic cycle has yielded a balanced budget – let alone a surplus from an upswing. Politicians are financing short-

THE DEBT BRAKE IS TAKING EFFECT

National debt as a percentage of gross domestic product (1995 – 2012)



National debt has dropped significantly in Switzerland since the debt brake was introduced in 2003, while figures have risen in the EU and the US.

the government paid 37 billion euros in interest alone merely to service past debt. In normal years, therefore, new debt flows almost directly to paying off existing debts. In a second phase, risk premiums for government bonds rise sharply, as is currently happening in countries like Portugal, Italy, Ireland, Greece and Spain. Third, households and companies anticipate economic problems and higher taxes. They scale back on consumption and investments, thereby neutralizing the pace of demand set by higher government expenditure.

A mandatory debt brake is therefore not just a tool suitable for stabilizing expectations and interrupting this vicious

term campaign perks by making future generations foot the bill. Only national debt brakes – or a truly impermeable fiscal compact on the European level – can resolve this problem. Switzerland fortuitously introduced this instrument before the crisis, and its excellent fiscal situation is entirely owing to this step.

Daniel Müller-Jentsch was an economist for the World Bank and today works for Avenir Suisse.

law and sports than any other European country, and is better integrated with Europe and the rest of the world, not least because of its ethnic and cultural diversity, held together by a single, common political will.

Decision-making bodies are small, lending an intensity to political life, a practicality to most – if not all – of their decisions, and a vitality to their communities that are unknown to the major powers with their barren bureaucracies. The tiny nation of Switzerland, along with its even smaller subdivisions, can leverage its localized individual knowledge in the service of what Friedrich August von Hayek – the Austrian free-market economist and Economics Nobel Prize laureate – termed “competition as a discovery procedure” as no other state can.

The granularity of Switzerland’s subdivision and its non-centralization also give it a flexibility in crises that larger political and economic entities lack. The scope of bad decisions is relatively limited.

5 — Non-Professional Politicians

In Switzerland, parties, bureaucracies and interest groups serve the citizens’ collective political will, rather than the other way around. Brussels’ centralized bureaucracy demonstrates – as documented in the reports of the European Court of Auditors – the price we pay in the absence of the independent political checks and balances afforded by a “militia” system of non-professional politicians and by clearly organized structures: the dominance of bureaucratic-technical paraprofessionalism in conjunction with well-disguised influence-peddling. Under such a system, career politicians and officials cannot but display the understandable need to pad out their assortment of pet projects, their tax-financed budgets and their career options.

In spite of this, however, a small nation like Switzerland is more exposed to political blackmail than a large nation, as we have occasion to witness today. This is obviously a disadvantage. In order to secure its independence, Switzerland has

relied on some felicitous historical circumstances – geopolitical factors like the power over central mountain passes or the jealous obsession of competing major states with maintaining a balance of power have helped the country.

attorney-client and doctor-patient privilege, pastoral secrecy, and confidentiality of correspondence and communications – you also have banking confidentiality, an expression of respect for the privacy of its citizens and their property.

Switzerland’s validity and identity do not spring from its view of itself as a single linguistic, cultural, or religious entity, but from the commitment of the majority of its population to the political foundations of the state: federalism and democracy based on consensus, autonomy and deregulation of business. This is how Switzerland is able to offer broader guarantees for private property and independence and provide more opportunities for experimentation on the municipal and cantonal level than many major states. It is only thanks to this historical-political tradition and balance of interests that the confederation can even be called a single entity.

Conclusion

Switzerland has no call to forget its beginnings as a loosely connected group of states formed to preserve the autonomy of the cities and free farmers’ cooperatives. “They swore an oath to remain different from one another,” wrote Denis de Rougemont, Neuchâtel-born philosopher. “The reason for their solidarity was not to attain collective power but rather to maintain the autonomy of each individual.” And Basel historian Herbert Lüthy once proposed Switzerland as an antithesis to group-think, to a concentration of power, to a monoculture and enforced conformity. Switzerland should remain just such an antithesis. It embodies the canon of classical liberalism: skepticism toward power and government, private property, middle-class values and a belief in productivity rooted in diversity. In international competition, that is a huge advantage. The “Swiss model” of self-determination, self-help and individual responsibility – as borne out by its economic and political success – is also a formula for prosperity. ■

6 — Safe Haven for Capital and Brainpower

Switzerland has long served as a safe haven for intellectual independence and, as is well known, as an economic Rock of Gibraltar. This allows it to constantly increase its intellectual and monetary capital in every respect by importing from abroad. Particularly during crises, Switzerland has served as a safe haven since the age of Voltaire through the 19th and 20th centuries, welcoming freethinkers, fighters for democracy and socialists. It even protected Lenin – demonstrating the value of a generous policy toward refugees and foreigners that is blind to both party politics and world view.

This ties in with Switzerland’s strict neutrality, which also positions the country advantageously when it must play the role of an internationally credible and independent mediator above the wranglings between superpowers. The huge exodus of Germans into Switzerland demonstrates – and continues to augment – the respect the country has gained for its stability and economic attractiveness. Switzerland’s relatively liberal labor laws also serve as an object-lesson on how to safeguard employment for all.

7 — Middle-Class Mentality

Switzerland is consciously middle-class – and that is an advantage. It did not go through the devastating catastrophes of the two world wars, or suffer inflation as a result, as Germany did. Even today, it stands as a model of moderation, mainstream thinking and deliberation, for business sense, a no-nonsense attitude and realism. In Switzerland, you have not just

Gerd Habermann is an economic philosopher, professor at the University of Potsdam and cofounder of the Friedrich A. von Hayek-Gesellschaft.

Success – Even With a Strong Swiss Franc

The strong Swiss franc is a big problem for export-oriented companies. The CEO of Silentsoft relates how he is steering his medium-sized enterprise through the currency storm.

By Charles Upchurch



IT WAS A DARK DAY FOR US WHEN the Swiss franc reached parity with the euro in August 2011. The currency storm caused us to begin reconsidering our strategy toward European exports. Over the past few years, we have suffered from the rapid slide of the franc/euro exchange rate from its traditional level of around 1.55 franc/euro to parity. Had the Swiss National Bank not intervened to fix the franc/euro exchange rate at 1.20 francs in September 2011, Silentsoft would have become far less competitive in Europe.

Silentsoft is the European leader in telemetry based solutions for building energy management. Energy consumption is measured on-site, and the data is transmitted to Silentsoft's servers. To put it simply, we can tell our clients, among them Swiss Post, Swisscom and the city of Zurich, when their heating oil tanks need filling. We can also tell our clients which buildings are the least efficient and how to optimize their boiler settings. The company has 30,000 active installations with about half in Switzerland and the other half throughout Western Europe.

It's that European half of our business that gives Silentsoft the same strong

franc headache that is suffered by all Swiss exporters. Our revenue has declined 12 percent because Silentsoft invoices its European customers in euros but reports in francs as we are based in Morges, outside Lausanne. The European market is very competitive for Silentsoft, which results in significant downward price pressure.

Of course, we could always relocate our head office abroad, but there are several reasons why we want to stay in Switzerland: We receive support from Swiss venture capitalists such as SVC – Ltd. for Risk Capital for SMEs, the climate of innovation here is outstanding, and Swiss solutions are valued around the world for their high quality and precision. What's more, our employees are based in Switzerland.

Fortunately, Silentsoft has been able to weather this storm through a variety of strategies. The first is that Silentsoft sells both into Switzerland and outside of Switzerland. This balance helps create a natural currency hedge on revenue. The second is that we extend that natural currency hedge by buying at least as much equipment and services in euros as our

euro-based revenue. For instance, Silentsoft has 30,000 SIM cards (data subscriptions) with a single European telecom operator for all of its telemetry needs, including those in Switzerland. Additionally, some of the Silentsoft telemetry equipment and all of the field services in Europe are purchased in euros. This has allowed us to avoid the cost and risk of currency hedging with a financial institution.

Our last strategy to weather the currency crisis is a business model based on recurring revenue. Two-thirds of the company's revenue is subscription based which renews annually and only one-third is dependent on new sales each year. Although the recurring revenue in euros is impacted by the strong franc, overall recurring revenue provides a large cushion and gives us flexibility in our approach to new euro-based sales.

Silentsoft is expanding beyond Europe with a global tank monitoring contract for Shell and reinforcing its building energy optimization business with a unique solution to analyze central heating efficiency. The Shell contract is in yet another currency and the central heating monitoring is also in demand in Europe so these present new challenges under a continuing strong franc. We are confident that our strategies will allow us not only to weather the current storm but to thrive in it.

Are we worried that the intervention of the Swiss National Bank will create other problems such as inflation? Of course we are, but that potential consequence is farther down the road, and a franc worth more than the euro would have forced Silentsoft to pull back from Europe – and probably had worse consequences for many Swiss exporters. ■

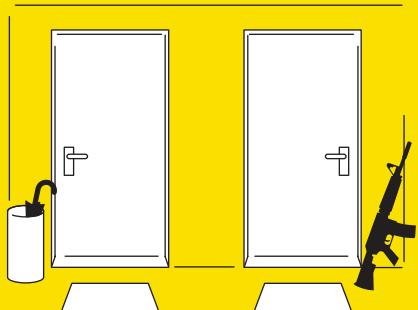


Charles Upchurch has been the CEO of Silentsoft for five years. He previously worked as COO for the global service division of SGS, a consumer goods inspection service provider.

2012 Credit Suisse Worry Barometer
The strong Swiss franc represents one of Switzerland's top five problems for
20 percent
of respondents.

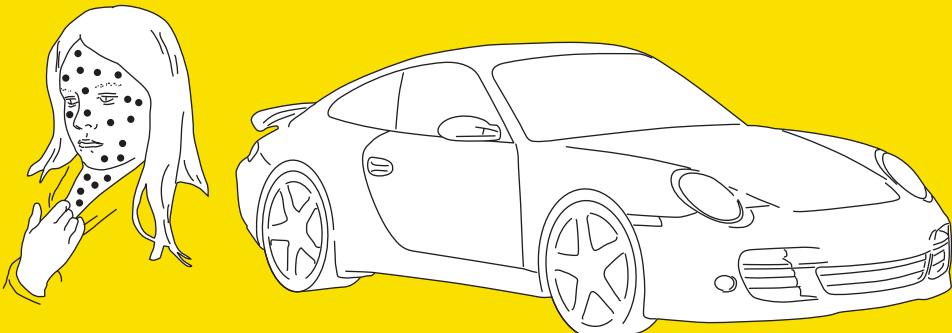
Switzerland in Figures (1/4)

10 Ways Switzerland Ranks Top



1. Open to criminals: According to extensive surveys, four out of five Swiss people would not mind having a criminal for a neighbor, more than in any other country.

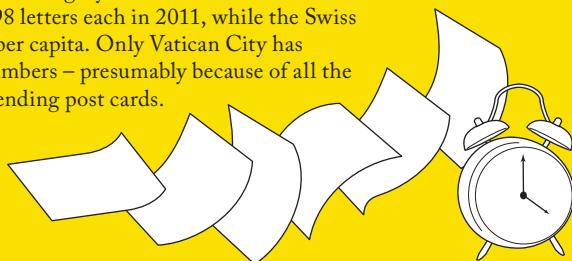
2. Measles: Not enough people are getting vaccinated, which is why Switzerland has been number one in measles cases in Western Europe over the past few years.



3. Mountains: The average height of mountains in Switzerland is 1,309 meters – a European record. Turkey and Liechtenstein rank second and third.

4. Patents: Along with Liechtenstein, Switzerland regularly occupies the top spot for the number of patent applications per capita. This is partly due to the major corporations in Switzerland that file particularly large numbers of patents.

5. Letters: The same two countries are out in front in this category as well. Liechtensteiners mailed 798 letters each in 2011, while the Swiss sent 629 per capita. Only Vatican City has higher numbers – presumably because of all the tourists sending post cards.



6. Porsches: Nearly 30,000 Porsches are registered in Switzerland, the greatest concentration anywhere in the world. Last year the Swiss bought 227 new Porsches for every million residents, a world record as well.

7. Early risers: Sessions for the Swiss National Assembly and the Council of States begin promptly at 8:00 or 8:15 a.m. The national parliaments in other countries meet no earlier than at 9:00 a.m., and many start even later.

8. Chocolate: Every year, statistics show that Swiss people are the ultimate chocoholics – consuming 11.9 kilos per person in 2011. This figure also includes purchases by tourists, however.



9. Speed: A famous study in the 1990s revealed that the pace of life in Swiss cities is faster than anywhere else in the world. The pace of life is derived from the speed at which people walk (the Swiss took third place), time spent waiting in line at the post office (second place) and the accuracy of public clocks (first place).

10. Alpine choughs: Switzerland has between 10,000 and 15,000 breeding pairs of Alpine choughs – a European record by surface area. Golden eagles are also found in record numbers in Switzerland.



A monument to Swiss engineering: the Verrazano-Narrows Bridge in New York by Othmar Ammann, completed in 1964.

Swiss engineers have made significant contributions to the history of bridge construction. Their works are considered to be international masterpieces even today, representing the perfect union of functionality and aesthetics. Unearthing the mystery of a golden chapter in the Swiss pioneering spirit.

By Urs Steiner and Noë Flum (photos)

We, the Bridge Builders

“I was lucky,” 85-year-old Othmar H. Ammann (1879–1965) responded when asked by a New York Times journalist to explain his success in building bridges. That was in 1964, shortly after completion of the Verrazano-Narrows Bridge in New York. Ammann’s wife, also present during the interview, tried to qualify her husband’s answer somewhat. But the old gentleman stuck to his original assessment, even though he had connected Manhattan to the mainland with the construction of eight bridges and the Lincoln Tunnel over the course of his career. “Luck!” he insisted. He had already voiced a similar idea a decade earlier. In a speech given in 1953, he had explained that bridge construction was not, as had been commonly assumed, a precise science. This was particularly true as exponential advances were being made in new areas. Engineers had science, but also had to be able to rely on their own judgment. Mistakes and failures were the price for human progress.

Irrational Factors

Othmar Ammann is not alone in these beliefs. Other prominent bridge pioneers also pointed out that irrational elements played a major role in their work. Robert Maillart (1872–1940), for example, originally designed the plate of his famous Salginatobel Bridge (canton of Graubünden) to be 16 centimeters thick. He ultimately had it cast 22 centimeters thick, if for no other reason than to satisfy external experts’ recommendations for material over-building ... and so that the citizens of Schuders would even dare to walk across the elegant – in 1930, seemingly paper-thin – little bridge at a height of 90 meters. Maillart’s extremely lean design differed radically from the massive stone arch bridges typical up until that time. “Popular opinion holds that big is also

strong,” he wrote in a memorandum for the Swiss Federal Laboratories for Materials Testing and Research (EMPA) in 1930. The designing engineer, however, should be averse to volume – for economic reasons and regarding the endurance of the structure. Subsequent tests with sandbags actually proved that Maillart was right, and the original thickness of the plates would have been more than sufficient.

Even the shell of the soaring roof designed by Heinz Isler (1926–2009) for the highway service area in Deitingen South (canton of Solothurn) is only nine centimeters thick and has now held since 1968.

Because nowhere are aesthetics more closely linked to economics, or mathematics to political calculations, than in the construction of bridges.

When the roof was slated to be demolished in 1999, Isler said that he had recently examined the structure and would guarantee it for another 30 years. One reason for his confidence was that the shape of the shell came from nature, rather than from himself. Isler actually discovered the irregular curve for the roof with the help of a simple experiment. He froze a cloth hung by three corners and turned it over. “This shape, formed by the law of gravity in a matter of seconds, is not only beautiful, but it is also statically perfect,” Isler explained. Mathematics cannot describe the geometry of the shell, and even computers can only approximate it.

Jürg Conzett, born in 1956 and perhaps the most famous engineer and bridge builder of Switzerland’s younger, currently active generation, has a much more pragmatic view of his occupation. Though, for him, a “holistic understanding” of nature and aesthetics, of calculation and empiricism, are still a part of civil engineering. For Ammann, the entrepreneurial

spirit of New York in the early 20th century played a major role in his career; in Maillart’s case, it was the principle of “trial and error”: Maillart had barely finished each bridge when Professor Mirkos Roš from EMPA arrived with his instruments to check the result.

The Myth of Switzerland

Why have Swiss engineers enjoyed such resounding success in building bridges around the world? Was it the country’s topography that spurred on the subject of civil engineering in the early years? Or perhaps the talented minds at the polytechnic institute? Conzett supposes that it is a mixture of everything. In his view, one factor was the major role played by the Swiss Federal Institute of Technology Zurich (ETH), where two charismatic teachers, Carl Cullmann (1821–1881) and Karl Wilhelm Ritter (1847–1906), worked during its early years in the second half of the 19th century. Another was that public authorities in Switzerland did not act as a hindrance to engineers during the infancy of reinforced concrete, as they did in other countries. “After all,” Conzett continues, “with its diversity of bridge types, Switzerland became a playground for foreign engineers from early on.” But Conzett is not able to identify any edge over international competition today – breathtaking bridges are being constructed all over the world, whether in China, California or Canada. Conzett finds the myth of Swiss civil engineering as espoused by Princeton University Professor David Billington to be rather embarrassing.

And yet, engineers like Christian Menn, born in 1927, have realized spectacular projects not only in Switzerland. With the Bunker Hill Bridge, for example, Menn created Boston’s new landmark. His work may not orchestrate the tensile and compressive forces at work in such an expressively playful manner as that of the Spanish engineer Santiago Calatrava, but Menn still manages to find his own individual formal language like an artist: Roman Hollenstein, architecture critic for the Neue Zürcher Zeitung newspaper, gushed poetically in his description of Menn’s bridge spanning Boston’s Inner Harbor: “a double lyre whose strings – ▶

2012 Credit Suisse Worry Barometer

91 percent

are particularly proud of the Swiss economy’s international reputation for quality.



Man-made structure from natural stone: the Landwasser Viaduct near Filisur by Alexander Acatos, completed in 1902.



One with the landscape: the Sunniberg Bridge near Klosters by Christian Menn, completed in 1998.

SWISS
BRIDGE PIONEERS

spanned from two obelisks balanced on splayed legs – connect diagonally with the roadway.”

As High as Tall Buildings

In recent decades, Menn has built the largest bridges in the most prominent locations in Switzerland. He assisted ETH Professor Pierre Lardy in the 1950s, and Menn followed in his footsteps in 1971 when named professor of structural engineering and design at the ETH – a position which he held until becoming professor emeritus in 1992. Before crowning his career with Boston's Bunker Hill Bridge, Menn's works included the 678-meter-long Ganter Bridge at Simplon, a powerful statement set against the harsh mountain backdrop of the Valais. The larger of the two pylons for this cable-stayed bridge is 150 meters high, taller than Zurich's Prime Tower, with its 126 meters the tallest building in Switzerland. The Sunniberg Bridge near Klosters (canton of Graubünden) is another of the engineer's spectacular landmarks. The 526 meter-long structure arcs over the Landquart River at a height of 62 meters, supported by four columns.

Even more than Menn, Conzett tries to develop his bridges through the combination of technique and form. The fact that his own engineering firm is able to create aesthetic masterpieces even without flashy staging speaks for its creativity. For example, the second Traversina Footbridge – a suspended staircase in a side valley of the Viamala Gorge (canton of Graubünden) – attracted a great deal of international interest even though the little bridge has a horizontal span length of only 56 meters with its framework of pre-stressed cable. Dedicated in 2010, Conzett's new village bridge in Vals is also small but aesthetically effective: The side walls made of concrete and gneiss stone from Vals form arches serving as load-bearing elements.

Ignorance and Audacity

The case of Robert Maillart's bridge in Innerthal (canton of Schwyz) demonstrates that even visionaries sometimes face challenges in their own country. The Schrähbach Bridge, an early work by the concrete



Othmar H. Ammann
1879 – 1965

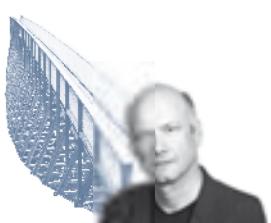
Verrazano-Narrows Bridge (1964)
in New York, at the time the world's
longest suspension bridge.



Robert Maillart
1872 – 1940
Salginatobel Bridge (1930),
revolutionary reinforced concrete
bridge near Schiers.



Heinz Isler
1926 – 2009
Motorway service area in Deitingen
South (1968), concrete shells.



Jürg Conzett
born 1956
Second Traversina Footbridge (2005)
Innovative suspended staircase in the
Viamala (CH).



Christian Menn
born 1927
Bunker Hill Bridge (2002)
Boston's modern landmark.

pioneer and his oldest remaining suspended deck arch bridge, was to be demolished to make room for a faceless new structure. A loan for 1.9 million Swiss francs was approved for the new construction in October 2009. The municipal clerk of Innerthal replied laconically to arguments that this was a landmark of national significance, “We need bridges to drive over, not just to photograph.” Werner Oechslin, professor emeritus of architecture and art history at the ETH and founder of the Werner Oechslin Library Foundation in Einsiedeln, sounded the alarm: “I cannot believe the ignorance and audacity with which people still treat such properties in our country,” he wrote in an e-mail to his colleagues in the field. Oechslin’s intervention mobilized the Swiss Society of Engineers and Architects, and the Schwyz heritage society appealed the demolition of the structure. Ongoing discussions to determine whether the Schrähbach Bridge should be listed as a protected historical site are being held on the cantonal and federal level. The approval procedure for the new bridge has been suspended until a final decision has been made.

Othmar Ammann was certainly not wrong when he attributed his success to luck. But perhaps he should have also mentioned his instinct for the feasible. Because nowhere are aesthetics more closely linked to economics, or mathematics to political calculations, than in the construction of bridges. The typical Swiss pragmatism probably contributed to the success of so many Swiss engineers. ■

Urs Steiner is the cultural editor of Neue Zürcher Zeitung. © 2010 Collano Group

Multijob Career Trajectories Replace the One-Job Career Model

The psychoanalyst Mario Erdheim discusses the widespread fear of unemployment and how this concern may mask even deeper fears.

By David Signer and Helmut Wachter (photo)

In the 2012 Credit Suisse Worry Barometer, fear of unemployment once again takes the top spot – as it has for several years now. That may come as a bit of a surprise, as Switzerland's 2.8 percent unemployment rate is very low in comparison to other European countries.

It seems to me that the Swiss are fixated on the crises leading up to World War II, when unemployment here grew from 0.7 to 4.8 percent in just six years. The concept of “unemployment” is being used to break down the current, very unsettling and complex situation into a common denominator.

But the idea of unemployment is less than pleasant. Why are we clinging to a threat when it isn't real?

It is akin to what Freud referred to as the “examination dream.” Even successful, established academics often have anxiety dreams where they fail an examination. The wish-fulfillment component here is that the dreamers actually know they have already passed the examination, but the dream distracts them from other, equally difficult examinations in the present. Or that the dreamers can say to themselves: “Despite my fears, I will pass these tests just like I passed the examination back then.”

You mean that we talk about the fear of unemployment so that we can take even more joy in the fact that we have work?

Yes. But it is also a phenomenon referred to as “displacement” in psychoanalysis. The manageable problem of “unemployment” masks other challenges that are

potentially more complicated and less tangible. Another advantage is that it signals seriousness on the part of the worrier. It suggests: I want to work; it would be terrible if I could no longer work.

So what might the “real” challenges and problems be?

The shift to a multicultural, globalized society, for example. This in turn reactivates the old fear of the Germans. We here in Zurich are especially fond of seeing ourselves as an international society, but we still fear minarets. Those are contradictions. Switzerland is currently experiencing a colossal change while simultaneously striving to maintain the illusion of stability. The future of the energy supply after oil runs out is just as threatening as the climate change happening right now. But doesn't the fear of “unemployment” reflect all these upheavals – the EU, the financial and ►

2012 Credit Suisse Worry Barometer

At 49%,
unemployment is the main worry
expressed in the Swiss survey.



“Switzerland is experiencing a colossal change while simultaneously striving to maintain the illusion of stability.”

Mario Erdheim, 72, is a psychoanalyst and ethnologist. He lives in Zurich.

tax crisis, impending recession, high unemployment in neighboring countries? Naturally there are real aspects. But it is like the panic that ensued over the avian flu. The BaselWorld watch and jewelry show as (partially) cancelled. There was discussion as to whether a sufficient supply of vaccinations was available, talk of a global threat – and then suddenly everything just evaporated. Naturally there are economic difficulties, but unemployment is not the most immediate threat we face.

Could we say that the fear of unemployment is an expression of a Protestant work ethic, that we still define ourselves first and foremost by our occupations and that loss of work accordingly represents a loss of identity? Yes. But the process of globalization also transformed the concept of work. For our parents, work and a career were the same thing. People had just one “regular”

profession for life, and they were proud of their profession. But at some point in the '60s and '70s, a profession became a job. It doesn't matter what I do, as long as it is well paid. This also includes being able to do something different every couple of years.

And today?

There is a newer phenomenon: unpaid work. This includes “relationship building,” voluntary work by seniors, internships for young people and interesting, creative or intellectual side jobs that pay next to nothing. As a result, existential fears are increasing among academics as well. However, it is virtually impossible to become truly destitute in Switzerland.

Unemployment is nonetheless no laughing matter.

Yes, many people consider it disgraceful

to have to go to the regional employment agency. They don't think of it in terms of being entitled to the insurance because they have paid into it. Instead, they feel like failures.

Is the attitude towards unemployment different in places such as southern Europe?

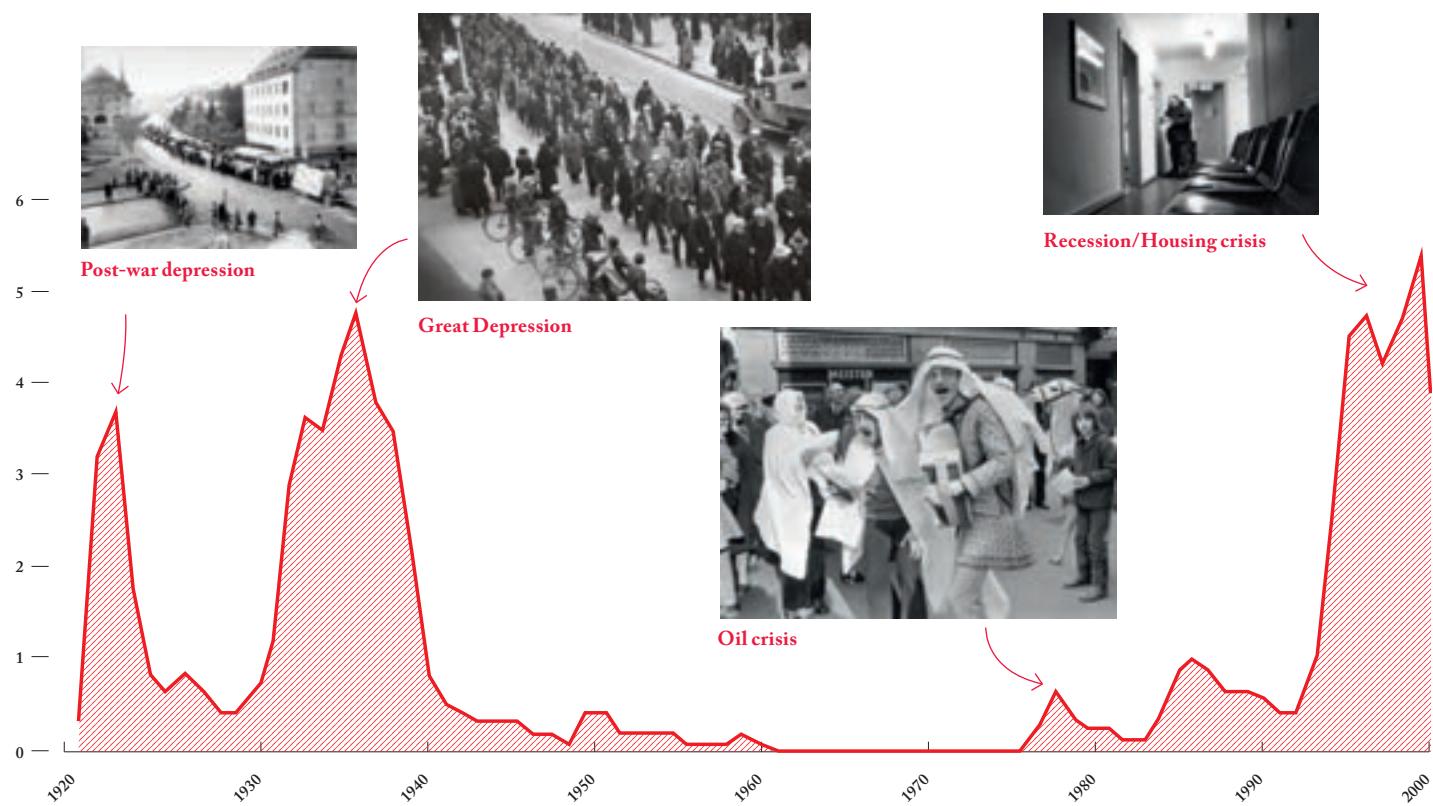
Perhaps, but we shouldn't forget that our unemployment rate was kept so low in the 20th century because, thanks to seasonal workers and other migrant laborers, we were able to send people away when there were no longer enough jobs. We exported unemployment.

Earlier you explained that “unemployment” is an outdated model. Should we now assume that continual interruptions and changes in our work lives are normal?

Our model is no longer that of one career for decades, but a career trajectory. I

UNEMPLOYMENT IN SWITZERLAND IN THE 20TH CENTURY

Unemployment rate as a percentage of working population



Source: Historical Dictionary of Switzerland

noticed back in the '80s how much more frequently my American colleagues changed jobs, as they often moved and even held down three or four jobs at the same time. It is possible that these complicated arrangements could be introduced here as well. This multijob solution likely has the advantage that workers don't stagnate or become over-specialized, having to hide a lack of imagination behind loyalty, consistency and precision. The disadvantage, however, is that you cannot really immerse yourself in anything and must continually surf from one job to the next.

The problem of "youth unemployment" often comes up in the Worry Barometer.

There's an air of nobility and altruism when adults express concerns that young people do not have enough work. But young people are already spending a lot of time worrying about that on their own, particularly in searching for an apprenticeship. It's often the case that young people don't become unemployed per se, but have to complete an apprenticeship that doesn't interest them in the least. They have to become a hair stylist instead of a car mechanic because they couldn't find anything in their field.

Last year, many apprenticeships positions in Switzerland could not be filled and apprentices from other countries were brought into Switzerland. Is the fear of youth unemployment a little irrational as well?

Vocational training and areas of study at universities have become highly differentiated. That overwhelms many young people. They have to make difficult decisions without knowing exactly what the implications are. They don't even know if they will still be needed after they earn their university degree. After all, who knows what the labor market will be like in five years? I studied ethnology and ultimately became a psychoanalyst. But people nowadays want an early guarantee of where something is leading them. At the same time, such certainties are slipping away like sand through your fingers. ■

Unemployed Men Suffer More Than Women

Unemployment can have worse consequences than a divorce. What events do people perceive as especially traumatic? Research has the answer.

By David Signer

What are the worst events in life? Those traumatic strokes of fate that almost inevitably throw a person off course, no matter how robust he or she may be? You don't have to be a psychologist to know them: loss of a loved one, illness and unemployment have an effect on anyone who experiences them. In 1967, the American psychiatrists Thomas Holmes and Richard Rahe compiled a list of 43 "stressors." Their list has since been repeatedly subject to cross-cultural review and confirmed, for the most part. The following events rank at the top of the list: 1. Death of a spouse. 2. Divorce. 3. Imprisonment. 4. Loss of a family member. 5. Accident or illness. 6. Marriage. 7. Unemployment.

It may come as quite a surprise that marriage is listed as a potentially illness-inducing stress factor when many consider it "the happiest day of their lives." According to the findings of Holmes and Rahe, however, negative events are not the only ones to cause stress. Generally speaking, situations that create the need for reorientation and adaptation also induce stress. These include entering into a new relationship, pregnancy, birth, starting a new job, getting promoted, building a house and starting a business. Biographical turning points such as these are always fraught with uncertainties and risks. The statistics gathered by Holmes and Rahe confirmed that the risk of illness rises sharply with one or more of these drastic events. What their list doesn't take into consideration, however, is the fact that people react differently to events. For someone who suffered deeply in a bad marriage, divorce can be liberating. Nor is the respective duration of the stressor taken into account. Spending 10 years in the penitentiary is not the same as three days in jail.

With regard to unemployment, researchers agree that it has a very negative effect on life satisfaction and, consequently, on health. Some studies have even found that losing a job has a more far-reaching impact than divorce. Losing a job often has a negative effect on the entire family. Studies by the economist Bruno S. Frey

of the University of Zurich on the correlation between the economy and (un)happiness reveal that there is an additional complicating factor in the case of unemployment: Those affected do not acclimate to it. On the contrary, their self-confidence is more and more negatively affected the longer they are unemployed. This, in turn, reduces the chances of finding a job. Frey's research also reveals that unemployed men suffer more from the situation than women, who tend to devote themselves more to their social or domestic environment. It is possible that men define their identity and their value more strongly through their profession than women do.

Losing a job also leads to (partial) loss of the familiar social environment that usually helps a person cope with stress. An increase in a country's unemployment rate has a somewhat paradoxical effect: Those not affected, i.e. those who (still) have work, become more fearful and dissatisfied due to the uncertain outlook. The unemployed, however, suffer less when the rate is high, because they are less stigmatized by their situation. "When large numbers of people are out of work, the individual unemployed person is not the only one to suffer this fate. His life satisfaction decreases, but not to the same extent it would if he were the only one who was out of work," writes Frey in his book "Glück. Die Sicht der Ökonomie" ("Happiness. The Economic Viewpoint"). In a country with a low unemployment rate like Switzerland, an unemployed person feels more marginalized than in a country with a higher rate, such as Spain.

When it comes to illnesses and accidents, the studies reveal that physical problems induce stress and thus, in a vicious circle, often also make a person susceptible to further illnesses. However, there is one piece of good news as well. In his research, Frey found that, after the initial shock, people generally adjust relatively quickly to physical impairments such as paralysis as the result of an accident. Having to adapt always leads to stress, but no creature on the planet is so well equipped to handle this as humans are.

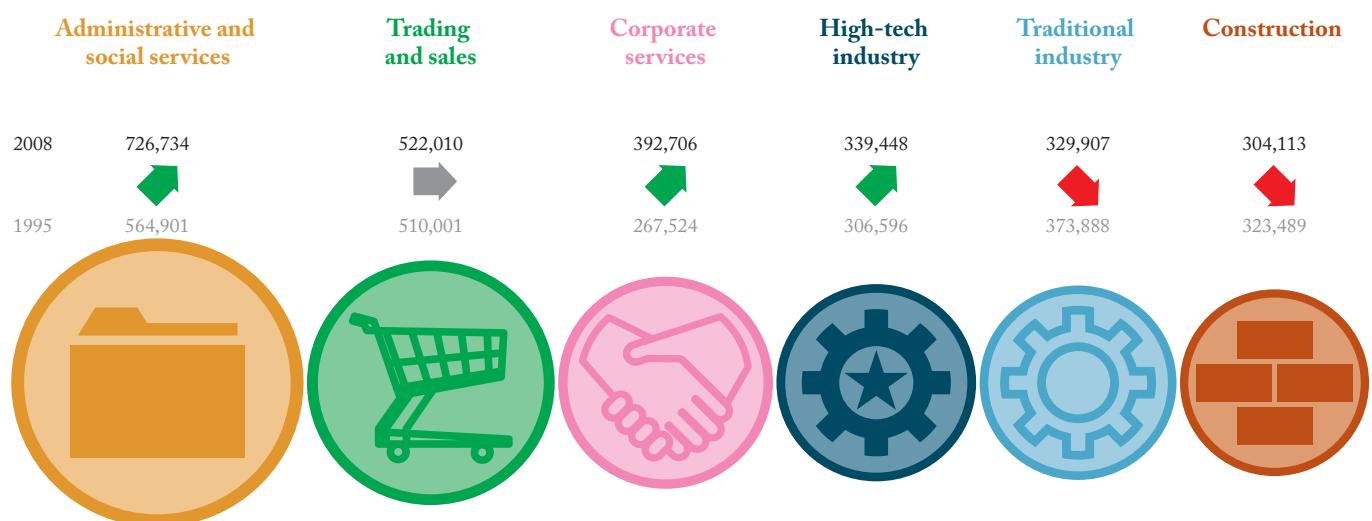
Jobs of the Future

One trend predominates in the Swiss market:
New jobs are materializing in various service
industries.

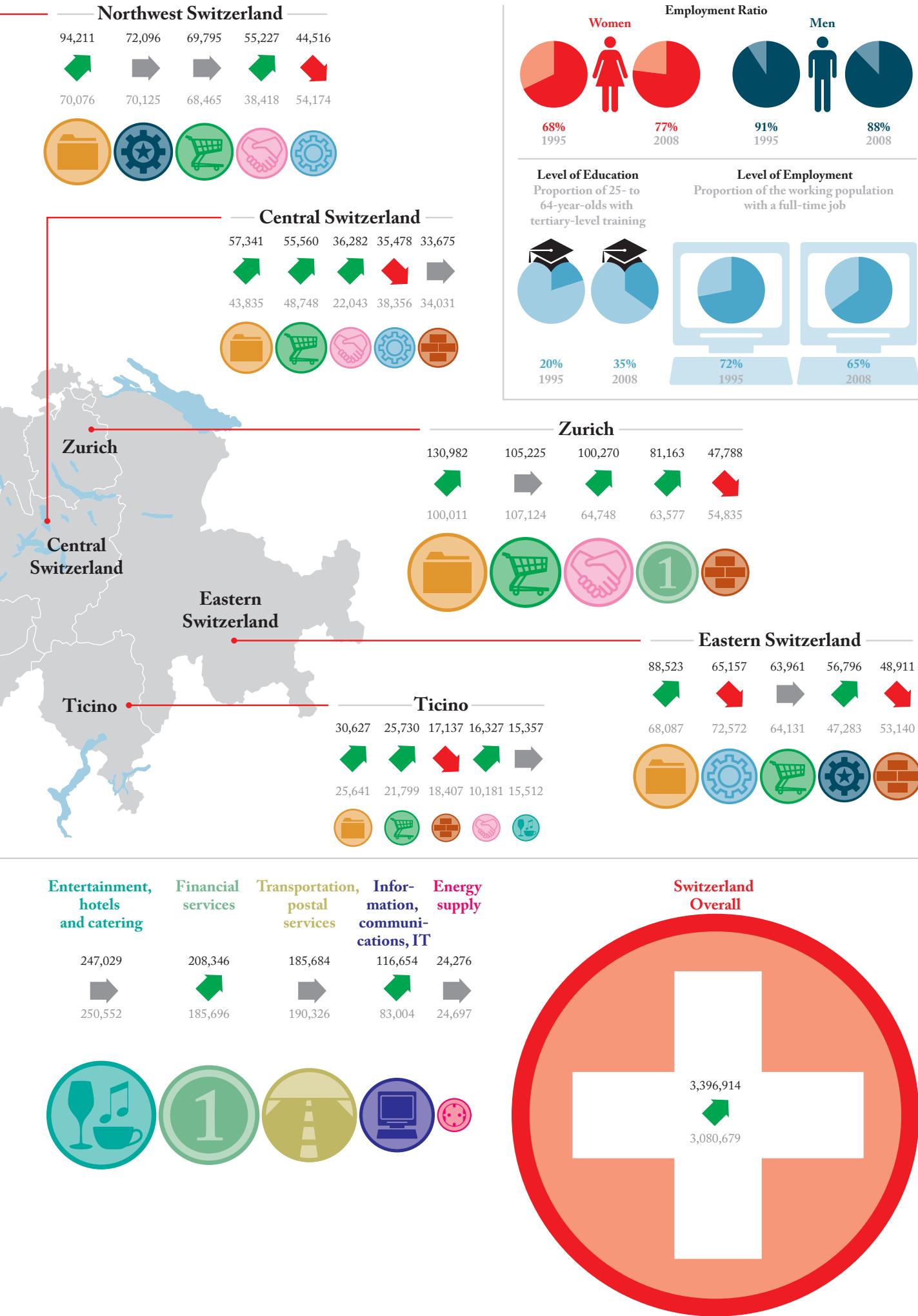
By Andrea Schnell and Emilie Gachet

Economists refer to the trend, which has long predominated in Switzerland, as “tertiarization”: The third sector (services) is growing, while the first and second sectors – farming and industry – are shrinking. Administrative and social institutions serving the government, such as health care, social services and training providers, saw particular growth in all regions between 1995 and 2008. But business services such as consultants, architectural and engineering firms have also proliferated. Traditional industries such as printers and chemical manufacturers, along with hospitality, are becoming less important. All available data suggests that this structural change will shape future trends on the job market, too. In 2008, the total number of full-time jobs in Switzerland came to about 3.4 million (not including farming), a good 300,000 more than in 1995.

— Switzerland Overall —



Source: Swiss Federal Statistical Office, Credit Suisse Economic Research. Number of full-time equivalent employees. Latest available figures.



Why We Are Here

Well educated, resilient, globally employable: They could live anywhere, but have chosen Switzerland. Six expatriates describe their lives here and what they think of integration.

By Simon Brunner and Dan Cermak (photos)

WHAT DO EXPATS CONTRIBUTE TO Switzerland? Depending upon the point of view, expatriates (Latin: “ex” = from; “patria” = fatherland) generate significant economic value, provide Switzerland with an international flair and create “brain gain.” Or they inflate rents, take jobs away from citizens and form a parallel society.

Federal Councilor Simonetta Sommaruga is also concerned about them. One of her oft-repeated criticisms is that foreigners with high levels of education and good jobs are poorly integrated. Now she is even planning a special integration program for this group of immigrants.

But what do expats actually think of Switzerland? Six foreign managers who studied together to earn their MBA degrees at the respected IMD business school in Lausanne discuss their host country.

You could live anywhere in the world – why Switzerland?

CORALIE LERESCHE: I moved from Paris to Geneva as an employee of an investment bank – the move was planned as a springboard for a later transfer to the US. Much to my astonishment, I found that I liked Geneva better than New York – because of the work culture, but also because of the nature and everything one can do around Geneva.

JODIE ROUSSELL: I really enjoy nature, too. Switzerland is like a better version of Vermont, my home state in the US.

KARIM EL-KOURY: I came for the education and stayed for love.

WOUTER NAESENS: We used to live in South Africa, but it is too dangerous to raise children there.

DENIS PERES: After completing my MBA, I got a good job offer, so we stayed. It was more fate than planning.

SLAVA RAYKOV: I’m not sure we could work anywhere in the world. We want jobs in certain industries and in certain positions – and Switzerland has a high concentration of them. Over 40 nations were represented in our MBA class. Today, over half of them live in Germany, the UK, the Netherlands and Switzerland.

Ms. Roussell, you belong to a class of global nomads – what does that mean exactly?

ROUSSELL: I have done quite a bit of traveling. I lived in the states of Massachusetts and Vermont, then in Kyoto, Washington D.C., Taipei, Beijing, Vienna, Berlin and Washington again. After that, I commuted between New York and London for a while, then Paris, Lausanne, back to the US, Beijing, Shanghai, Geneva and now Zurich.

What is special about Switzerland?

ROUSSELL: The social cohesion. Community is very important to people. Sometimes they vote against their own interests, such as voting against tax cuts. I might have experienced such a strong sense of community in Japan, but certainly not in the US.

PERES: Right. I do have a bias toward the principle of individual responsibility, but

I admit that the social infrastructure here is excellent. It is crucial for a society that the lowest classes of the population have a certain standard of living. Poverty destroys society.

Aren’t the financial advantages the greatest incentive?

RAYKOV: Low taxes and high wages are key advantages – no question about that!

NAESENS: I am not sure about that. I had at least the same standard of living in Belgium. Things are unbelievably expensive here. Besides, employers there contribute much more toward insurance, and my family could help out with child care.

What bothers you about life in Switzerland?

PERES: Prices are so high ...

EL-KOURY: Just the little things. My neighbors are real “curtain-twitchers” – they stand behind their curtains and watch everything.

NAESENS: My wife’s entire salary goes toward child care. We won’t be able to afford a second child here.

ROUSSELL: A friend of mine pays 4,000 Swiss francs a month so that she can ▶

2012 Credit Suisse Worry Barometer

55 percent

consider integration of foreigners to be an important political goal.



Coralie Leresche, 35
French, investor relations manager at Symbiotics, a micro-finance institution, has lived in Geneva and Lausanne for eight years.

Wouter Naessens, 34
Belgian, senior financial manager at Kudelski, lives near Lausanne.

Karim El-Koury, 33
Austrian of Egyptian descent, sales and marketing manager at a water filter manufacturer, has lived in Lausanne since 2009.



Denis Peres, 36
Brazilian, vice president at O-I, the global market leader in glass packaging, has lived in a town near Lausanne for four years.



Slava Raykov, 31
Russian, M&A manager at Philip Morris, has lived in various towns around Lake Geneva for seven years.



Jodie Roussel, 33
American, public affairs director at Trina Solar, a leading photovoltaics company, has lived in Geneva and Zurich since 2009.

work long hours and pick up her child from the nursery after 7 p.m. Women in Switzerland are well educated, but the country lacks the infrastructure to have both career and family – and there is a certain stigma attached to working mothers. Singapore, which is competing for the same global talent, has a major advantage there. Domestic help costs around 600 US dollars a month there.

In general, do you feel welcome in Switzerland?

LERESCHE: Basically yes, but the French are not very well-liked in Geneva. I am always considered “La Française,” a synonym for “arrogant.”

PERES: I feel very welcome, even if I am sometimes taken aback by the “stop immigration” posters in the streets. I think that most foreigners help to advance Switzerland economically and increase the country’s competitiveness – we pay high taxes and our companies bring jobs into the country.

RAYKOV: I think that people in our circles are quite welcome here. But foreigners make up more than 20 percent of Switzerland’s population, and not all of them are as well behaved as we are. So, of course it makes sense that they look closely at who is being let into the country.

ROUSSELL: There is a certain implicit racism. A good friend of mine is Indian. He could not find an apartment – he finally wound up in the worst place he had ever lived in. He soon moved back to India with his family. Of course, a certain aversion to people who look different exists all over the world. But unlike the US or New Zealand, Switzerland does not identify itself as a country of immigration. You can feel that.

How well integrated are you?

PERES: It is difficult for me to admit, but my daughter is more Swiss than Brazilian. She speaks French and asks for cheese for dessert. Unbelievable!

EL-KOURY: Like many of us, I get out of town almost every weekend. EasyJet flies out of Geneva and the flights are cheap. Still, I really like being here. Lausanne is almost as international as London, where I lived for eight years.

ROUSSELL: Just the opposite is true for me: I am gone for most of the week – I like to spend the weekends here.

NAESENS: I work with Swiss people – I spend most of my free time with foreigners. I find it difficult to get to know the Swiss; we are not members of any clubs or associations, and we often travel out of town on the weekends.

ROUSSELL: It is not difficult to integrate yourself here compared to the major Asian cities. No socio-economic barriers exist between the expats and the “man on the street.” You need to have a first Swiss acquaintance to open doors for you to his circle of friends.

The cliché of the aloof Swiss doesn’t apply in your experience?

ROUSSELL: No. But I understand when Swiss people keep their distance from expats – you don’t want to build up a friendship with someone who will be gone again in two years.

How important is the language?

ROUSSELL: So far, I have learned the local language in every country. It’s not polite to simply speak English to people. Swiss German, however, is a real challenge.

NAESENS: There are lots of Swiss people on my team. The “blah blah” is in English and the important things are said in French. Luckily, I understand it, but I prefer to explain difficult things in English, even though that is not my native language either.

Most expats in Switzerland live around the Arc Lémanique or in the German-speaking cities Zurich, Basel and Zug. What are the differences?

ROUSSELL: French-speaking Switzerland seems to me to be more international. In German-speaking Switzerland, however, German should be spoken. And there are huge differences between cantons. Moving from Geneva to Zurich was more difficult than from Shanghai to Geneva.

LERESCHE: I like Zurich and Geneva quite a lot. What I don’t understand is why there is so little exchange within Switzerland. Why do the French-speaking Swiss and the German-speaking Swiss have so little to do with one another?

How would you rate the work culture here?

LERESCHE: The people are more grounded compared to Paris. People go to work in their offices on their bicycles, take a short lunch, go home and enjoy their free time. In Paris, you have to stay in the office until the boss leaves, lunches take forever and social situations are much more complicated.

RAYKOV: Although people work slightly less than in Russia, they tend to be more productive – everything is really well organized. The bigger difference is in the type of work. International headquarters are located here; that means more strategy and less production.

Do you feel at home in Switzerland?

EL-KOURY: I don’t know where “at home” is. My father is Egyptian, my mother Austrian. I grew up in Vienna, lived for many years in London, Germany and Switzerland. I am always “the foreigner,” wherever I go.

LERESCHE: I have to admit that I can’t name a single member of the Federal Council – but I feel quite at home in Geneva. I have never lived in one city for this long.

ROUSSELL: I would like to stay in Zurich for a long time. I like it here very much.

NAESENS: We just bought a house, so we will be staying in Switzerland for a few more years. But are we a part of Swiss society? No. Our decision to live the expat life was clearly made at the expense of feeling at home. ■

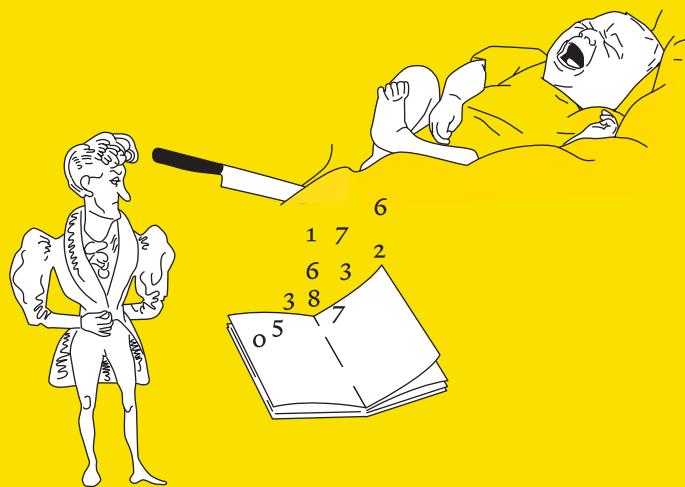
Switzerland in Figures (2/4)

10 Inventions

1. The Caesarean section (1500): The first successful Caesarean section in history – in which both the baby and the mother survived – was reportedly performed by Jacob Nufer, a pig-gelder from the canton of Thurgau. When his wife was facing death during labor, he put his professional skills to use, cut open her belly and pulled the baby out.

2. The table of logarithms (1588): Jost Bürgi, a watchmaker from the Toggenburg valley in the canton of St. Gallen, was the first to invent logarithms, but he couldn't publish his findings due to his lack of Latin skills. As a result, Englishman John Napier became known as the inventor of logarithms decades later.

3. The comic strip (1827): Rodolphe Töpffer of Geneva began publishing “picture stories” featuring whimsical caricatures in the 1830s, and they quickly became very popular. Goethe reportedly gushed, “They’re so wonderful! They sparkle with talent and wit!”



8. Car sharing (1948): Switzerland has two milestones in this field. The world's first car sharing cooperative was formed in the country shortly after World War II, and Switzerland has more car sharers than anywhere else – five to ten times more than its neighboring countries, proportionately speaking.

9. Balloon angioplasty (1977): German cardiologist Andreas Roland Grünzig was the first to successfully expand a narrowed artery using a balloon – on September 16, 1977, in Zurich.

10. Robidog (1981): The Robidog “dog toilet” could only have been invented in Switzerland. This system, which the manufacturer describes as a container for dispensing special bags and collecting dog waste, was invented by Joseph Rosenast, a carpenter from Thun in the canton of Berne.

4. Instant soup (1884): Instant soup was pioneered by Julius Maggi, the originator of Maggi seasoning sauce, and by 1887 his product range included more than 20 different soups.

5. Grape juice (1890): Hermann Müller-Thurgau may be most famous for cultivating the grape variety that bears his name (called Riesling x Sylvaner in Switzerland), but he was also the first person to heat freshly pressed grape juice as a way to kill microorganisms. Prior to this, people drank only fermented juice (wine).

6. Aluminum foil (1912): As is so often the case, aluminum foil was developed in stages. It was ultimately patented in its current form by Schaffhausen-based industrialist Robert Viktor Neher.

7. DDT (1942): The insecticidal effects of DDT were noted by chemist Paul Hermann Müller – winner of the 1948 Nobel prize – and DDT was marketed by his company, J.R. Geigy. Despite its great success in fighting malaria, DDT was later banned in many countries because of its long-term harm to birds.



Why Migrants Are So Important to the World Economy

In the wake of the financial crisis, the debate about the advantages and disadvantages of immigration has gotten progressively more emotional. A look at history shows that migrants laid the groundwork for developing the world's economy and they continue to promote growth.

By Ian Goldin

IN ALMOST EVERY RICH COUNTRY, anti-immigrant fervor is at fever pitch. Immigration into the welfare state from low-wage countries, rising rents and house prices due to immigration of the highly educated, and increased competition in the workplace are all cited as reasons to control immigration. But if societies are to continue to prosper and developing countries are to fight poverty and sustain economic growth, migration is highly desirable. Migrants are required to provide critical fuel for future economic dynamism in Europe and the US. Switzerland, one of the wealthiest countries

in Europe, has one of the largest proportions of immigrant workers – 1.36 million – more than ever. Twenty-eight and a half percent of all people working in Switzerland do not possess a Swiss passport.

Does Switzerland prosper because it welcomes migrants, or do migrants come because the country is prosperous? Teasing out the true contribution of immigrants to growth involves some difficult econometrics. At the very least, though, one can say that immigration has not prevented the Swiss economy from growing rapidly and maintaining its stability in

a time of economic crisis. From the perspective of economic theory, it is more than plausible, however, that immigrants boost growth in those countries where they are welcomed.

A higher rate of global migration is desirable for four reasons:

- 1 — It is a source of innovation and dynamism.
- 2 — It responds to labor shortages.
- 3 — It meets the challenges posed by rapidly aging populations.
- 4 — It provides an escape from poverty and persecution.



Some 400,000 Swiss emigrated between 1850 and 1914. There are 16 towns and cities named Lucerne in the US, along with a New Glarus in Wisconsin.

By contrast, limiting migration slows economic growth and undermines societies' long-term competitiveness. It also creates a less prosperous, more unequal and partitioned world.

There are short-run, local costs to higher rates of migration that must be addressed if societies are to enjoy the much larger long-term benefits. These include the pressure on local housing and schooling arising from migration and the challenge to cultural homogeneity that migrants often pose. These must and can be addressed through an honest and open discussion of the issues, but not become

an excuse for shutting the frontier to migrants. Ensuring that all migrants are legally recognized and part of society, with all the necessary rights and responsibilities that this implies, is a vital part of this process.

Despite domestic opposition in recipient countries, the number of international migrants has doubled over the past 25 years and will double again by 2030. Rapid economic and political change and, increasingly, environmental change dislodges people and encourages them to seek opportunity and security in new homes. Against the backdrop of rapid globaliza-

tion, the individual risks and costs of moving internationally will continue to fall. Rising global population, lower transport costs, better connectivity, and growing transnational social and economic networks will lead to increased movement of people. If this process is allowed to take ▶

2012 Credit Suisse Worry Barometer

77 percent

consider immigration to be the biggest threat to Swiss identity.

its course, it will stimulate global growth and serve to reduce poverty. However, it requires careful management to ensure that the benefits are harvested and the backlash of recipient societies does not lead to further polarization.

While the incremental reduction of barriers to cross-border flows of capital, goods and services has been a major achievement of recent decades, international migration has never been more strictly controlled. Classical economists such as John Stuart Mill saw this as both economically illogical and ethically unacceptable. Adam Smith objected to anything that obstructed “the free circulation of labor from one employment to another.” By the 19th century, as a result of the development of steam and other means of transportation, one-third of the population of Scandinavia, Ireland and parts of Italy emigrated. Some 400,000 Swiss emigrated between 1850 and 1914. Swiss immigrants to the Americas founded new towns and cities that often bore the names of the immigrants’ hometowns. In the US alone, there are 16 towns and cities called Lucerne. Mass migration gave millions of Europeans an escape route from poverty and persecution, and fed the dynamism and development of countries like the US, the UK and various colonies.

The rise of nationalism prior to the outbreak of World War I led to the widespread introduction of passports and ushered in stricter controls on the international movement of people. A hundred years later, despite falling barriers to trade, finance and information, the walls to free mobility have never been higher. Approximately 200 million people, around 3 percent of the world’s population, now live in countries in which they were not born. These are the orphans of the international system. In my book “Exceptional People: How Migration Shaped our World and Will Define our Future,”* I demonstrate that, on balance, they bring great benefit to their host societies. In addition to providing a much-needed source of skilled and unskilled labor, they contribute disproportionately to innovation and wealth creation.

For example, immigrants to the US contribute more than half of the patents

and Silicon Valley start-ups. They also contribute more in tax than they claim through social-welfare benefits or other payments. Immigrants lead in many areas of science, culture and innovation in the US, even though they account for around 10 percent of the population. This is no accident, as global analysis of the contribution of migrants’ reveals.

Fewer Native-Born Employees

Medical and public health advances have increased longevity in developed countries, while persistently low fertility levels and the end of the post-World War II baby boom mean that the number of native-born workers will fall in the coming years. As populations age and their fertility rates collapse, more migration will be necessary to ensure economic competitiveness, finance pension and health-care systems.

The effects of a shrinking labor force will be compounded by rising educational attainment in developed countries. This will leave fewer people interested in taking on low-wage jobs, working in trade or construction. Between 2005 and 2025, OECD countries are expected to experience a 35 percent increase in the percentage of their workforces with tertiary education. As education levels rise, so do expectations about work.

For the countries they leave, migrants often represent a brain drain. Even so, they contribute significantly to their home countries. Taiwan and Israel are testimony to the role played by migrants abroad, with their diasporas playing a vital role in terms of political support, investment flows and technology transfer.

Moreover, migration has historically been the most effective measure against poverty. Remittances sent home by migrants exceeded 440 billion US dollars in 2010, with over two-thirds of these flows going to developing countries. In a number of small developing countries, remittances contribute more than one-third of GDP, and in a number of larger countries, annual receipts exceed 50 billion dollars. In Latin America and the Caribbean, more than 50 million people are supported by remittances, and the numbers are even greater in Africa and Asia.

Both rich and poor countries would benefit from increased migration, with developing countries benefiting the most. It is estimated that increasing migration by just 3 percent of the workforce in developed countries between 2005 and 2025 would generate global gains of 356 billion dollars, more than two-thirds of which would accrue to developing countries. Although politically unrealistic, opening borders completely could produce gains as high as 39 trillion dollars for the world economy over 25 years. Today, powerful countries argue against migration reform and the development of a global migration organization. But more migration and more carefully managed migration is in everyone’s interest, and the public debate about it is too important to be left to politicians. ■

Professor Ian Goldin is director of the Oxford Martin School and Professorial Fellow, Balliol College, University of Oxford. Previously, he was vice president at the World Bank (2003–2006).

* “Exceptional People. How Migration Shaped Our World and Will Define Our Future” (Princeton University Press, 2012), ISBN: 978-0691156316

Closed Borders Are Absurd – But So Is Unrestricted Migration.

Essay by Beat Kappeler

It is impossible to define precisely the right balance between sealing off a country and opening its borders without restriction, since it all depends on the particular circumstances. In 19th-century Europe and America, for example, people could move freely from one country to another without a passport. But in 1918, following World War I, every country and successor state defined itself as a “nation,” ideally with a homogeneous population and a shared territory, language, culture, government and leadership. The borders closed, and migration became the exception.

As Western Europe became more unified after 1945, thanks to the EU, the Universal Declaration of Human Rights, the freedom to attend universities in other countries and currency convertibility, it gradually became easier to migrate within Europe. Switzerland, like most of northern Europe, attracted large numbers of cheap workers from the countries of southern Europe. It became clear when the Swiss franc was revalued upward in 1973–1975 that 300,000 jobs had been created because of the undervalued franc; barely a year later, these jobs had been eliminated. Some clothing and textile factories had produced goods exclusively for the export market, relying on imported materials and immigrant labor. It would have been a wiser decision to locate these factories in Turkey or Sicily instead.

Then, beginning in 1992, the freedom of movement established by the EU’s single market led to a new type of migration. Countries began to pay attention to labor and wage conditions to ensure that they complied with domestic standards; and highly trained workers were almost the only ones moving from one country to another. International transportation became so affordable that people could escape unfavorable political and economic conditions within a matter of hours. This meant that enormous numbers of people were coming to Europe seeking refuge or work, and it was difficult to distinguish among them.

All European countries have now put in place transfer systems to provide support for child care or help in the event of illness, old age, disability or unemployment; residents are entitled to those benefits because they pay the obligatory contributions. In

addition, anyone who falls through the safety net is guaranteed a “life led in human dignity” (as expressed in the Swiss constitution of 2000) – in other words, people have a right not only to a minimum amount of food, but also to “cultural participation.”

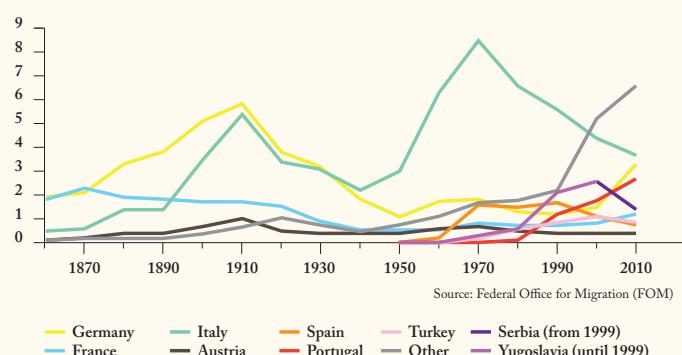
All of this has consequences. National labor standards prevent workers from less prosperous European countries from taking lower-

wage jobs, and they also prevent companies in wealthier countries from benefiting from those workers. This discourages migration by low-skilled workers. But it also prevents Europe from taking advantage of more affordable labor, which would make it more competitive in the global market.

On the other hand, host countries benefit economically from the contributions of skilled immigrants (while their countries of origin may experience losses). Skilled workers have the option of migrating in any direction they choose. They tend to move temporarily for career reasons rather than permanently, unlike the low-cost workers who were limited in their occupational mobility.

IMMIGRATION TO SWITZERLAND

Permanent foreign residents as a share of the total population



As early as 1900, foreigners made up more than 10 percent of Switzerland’s population. Since 2003, over 20 percent of the population has been foreign.

The transfer systems, however, create problems. Social welfare benefits, which are generous compared with other countries, require no contributions and are not limited to an exclusive “club,” are particularly likely to attract immigrants. For that reason, only the employed or retirees enjoy freedom of movement in Europe, and not immigrants coming from outside Europe.

This is reasonable; the EU’s single market and the world trade order provide for the free exchange of goods, capital and services. It makes more sense for goods to migrate than for large numbers of people to do so. Legal certainty and democratic emancipation are spreading in Asia, Latin America and Africa; this will make the entire world a better place, and will put a halt to migration motivated by need. Wealthy countries should provide help in this context. Well-intentioned people may want to solve the world’s problems by making immigration easier, but this would only succeed in destroying Europe’s welfare systems. Just as was the case before 1975, immigrants would then become an underclass – benefiting no one.



Beat Kappeler is a writer and a commentator for the NZZ am Sonntag newspaper. His most recent book is “Wie die Schweizer Wirtschaft tickt” (“How the Swiss Economy Ticks”), which was published by NZZ-Verlag.

First Name	Last Name	Country	-	Winifrida	Mugya	TAN	2365	-	Ruth	Chibamba	ZAM	2539	-	Mwanisha	Amanzi	TAN	2713	-	Lawrence	Gore	ZIM	2864	-	Tatu	Makenga	TAN	3050	-	
Furani	Chizzi	TAN	2193	-	Moyo	Arcie	ZIM	2366	-	Fadde	Makelwa	ZAM	2540	-	Rachael	Malenga	ZAM	2714	-	Angella	Masanga	ZIM	2885	-	Simba	Senda	ZIM	3051	-
Bonani	Dube	ZIM	2194	-	Mosendo	Makumbi	ZAM	2367	-	Mernoy	Kundu	ZAM	2541	-	Lulu	Malengwa	ZAM	2715	-	Patricia	Mang'anya	ZAM	2892	-	Simone	Masuje	ZAM	3052	-
Precious	Kapambwe	ZAM	2195	-	Hidah	Mukukwa	ZAM	2368	-	Beauty	Mufunda	ZAM	2543	-	Amuria	Napari	GHA	2716	-	Ester	Kaine	ZAM	2895	-	Deborah	Msala	ZAM	3053	-
Jubilee	Garikai	ZAM	2196	-	Liceli	Mufunda	ZAM	2369	-	María	Kalinga	TAN	2543	-	Alice	Nachelia	ZAM	2717	-	Martha	Mussinianyi	ZIM	2888	-	Sikhululekile	Moyo	ZIM	3054	-
Advey	Mgaya	ZAM	2197	-	Faraja	Konzi	TAN	2370	-	Caster	Khokore	ZIM	2544	-	Sylvia	Ngulube	ZAM	2718	-	Rabeca	Mutambwa	ZAM	2889	-	Lusinde	Kumalba	ZAM	3055	-
Kasoma	Chama	ZAM	2198	-	Naomi	Mumba	ZAM	2371	-	Moshi	Kayuwanga	TAN	2545	-	Snikiwisa	Sibanda	ZIM	2719	-	Charity	Mwembwa	ZAM	2890	-	Tatenda	Moyo	ZIM	3056	-
Margaret	Kangwa	ZAM	2199	-	Saphira	Sankwe	ZAM	2372	-	Zenabu	Mahamah	GHA	2546	-	Zondani	Sibanda	ZIM	2720	-	Sepiso	Musyebi	ZAM	2891	-	Prudence	Chileshe	ZAM	3057	-
Phyllis	Sithi	ZAM	2200	-	Rehema	Phiri	ZAM	2373	-	Nhane	Punguza	ZAM	2547	-	Sara	Nkawakala	ZAM	2721	-	Geoffrey	Phiri	ZAM	2892	-	Geoffrey	Phiri	ZAM	3058	-
Diephister	Chiluba	ZAM	2201	-	Chiti	Mwamba	ZAM	2374	-	Emmalieh	Chisanga	ZAM	2548	-	Trish	Domitila	ZIM	2722	-	Sibongile	Nsimba	ZIM	2893	-	Merion	Muhaka	ZAM	3059	-
Nalukui	Lubaka	ZAM	2202	-	Blantina	Mbalase	TAN	2375	-	Stitumbeleko	Naluka	ZAM	2549	-	Happiness	Mutale	ZIM	2723	-	Adija	Issahaka	GHA	2894	-	Veronica	Chisaka	ZIM	3060	-
Mohammed	Hamida	GHA	2203	-	Namatata	Sitwala	ZAM	2376	-	Martha	Lymbo	TAN	2550	-	Mukuku	Lushinga	ZAM	2724	-	Mary	Kisawiki	TAN	2895	-	Nyambe	Nawa	ZAM	3061	-
Naomi	Mwila	ZAM	2204	-	Dauchi	Moazu	GHA	2377	-	Pascaline	Mwaba	ZAM	2551	-	Tatu	Sanga	TAN	2725	-	Zikhumba	Tendai	ZIM	2896	-	Mpande	Chameya	ZAM	3062	-
Pumulo	Ikwendo	ZAM	2205	-	Polite	Chidawanyika	ZIM	2378	-	Bucheddu	Munkuli	ZIM	2552	-	Madzinise	Precious	ZIM	2726	-	Shorai	Chipazure	ZAM	2897	-	Priscilla	Mudugala	ZAM	3063	-
Peace	Mesasa	ZAM	2206	-	Rebecca	Munzonda	ZAM	2379	-	Change	Nancy	ZIM	2553	-	Victoria	Chanda	ZAM	2727	-	Isaac	Mwirasa	ZAM	2898	-	Kajabu	Mugala	ZAM	3064	-
Mildred	Machokoto	ZAM	2207	-	Eusebe	Mariatu	ZIM	2380	-	Magdalene	Guma	ZAM	2554	-	Minami	Newell	ZAM	2728	-	Wangwala	Chimfwembe	ZAM	2899	-	Tumaini	Ghabe	ZAM	3065	-
Restuta	Njekela	TAN	2208	-	Mable	Mukombi	ZAM	2381	-	Tumusi	Namatama	ZAM	2555	-	Astridah	Wembe	ZAM	2729	-	Gladys	Mulenga	ZAM	2900	-	Ruth	Kondo	ZIM	3066	-
Mubitsa	Sitali	ZAM	2209	-	Lucy	Namwinga	ZAM	2382	-	Alleta	Tshuma	ZIM	2556	-	Ayisha	Iddrisu	GHA	2730	-	Nekyla	Butale	ZAM	2901	-	Harmony	Shirchenha	ZIM	3067	-
Josephine	Chikanya	ZIM	2210	-	Bisesa	Mwayo	ZAM	2383	-	Mercy	Chate	ZAM	2557	-	Mwango	Mwale	ZAM	2731	-	Sara	Dzinda	ZIM	2902	-	Elsart	Chewe	ZAM	3068	-
Nemakando	Apakola	ZAM	2211	-	Chita	Mabuku	ZAM	2384	-	Priscilla	Acience	ZIM	2558	-	Priscilla	Wape	ZAM	2732	-	Alessa	Phiri	ZAM	2903	-	Perfect	Nyathi	ZIM	3069	-
Evans	Tete	ZIM	2212	-	Majority	Namukonde	ZAM	2385	-	Ruth	Mwila	ZAM	2559	-	Judith	Masiva	ZAM	2733	-	Sharon	Monica	ZAM	2904	-	Naomika	Wamukala	ZAM	3070	-
Rafia	Sulemana	GHA	2213	-	Rosena	Musamba	ZAM	2386	-	Matatu	Whinet	ZIM	2560	-	Jema	Patrice	ZAM	2734	-	Mumba	Ubiles	ZAM	2905	-	Hellen	Kyubo	ZAM	3071	-
Gillian	Chanda	ZAM	2214	-	Prudence	Chibesa	ZAM	2387	-	Hellen	Mwila	ZAM	2561	-	Yvonne	Kabulo	ZAM	2735	-	Patrice	Nyandoro	ZAM	2906	-	Usman	Musonda	ZAM	3072	-

Invest in African Futures.

Isabela	Ngongo	TAN	2275	-	Ndumbazye	Ncube	ZIM	2447	-	Sela	Kiyeyeu	TAN	2621	-	Hyveen	Chanda	ZAM	2795	-	Rodah	Kanyika	ZAM	2943	-	Camfed	International	ZAM	3113	-
Nevisy	Lihaya	TAN	2276	-	Ncube	Patricia	ZIM	2448	-	Sikujua	Kalolo	TAN	2622	-	Sophia	Machona	ZAM	2796	-	Patricia	Malanga	ZAM	2944	-	Camfed	International	ZAM	3114	-
Barbra	Kabangungu	ZAM	2277	-	Faith	Siphiwo	ZAM	2449	-	Elvina	Ngutwa	TAN	2623	-	Harriet	Makulu	ZAM	2797	-	Elvina	Ngutwa	ZAM	2945	-	Camfed	International	ZAM	3115	-
Sara	Yuma	ZAM	2278	-	Wendy	Manjonyi	ZAM	2450	-	Theresa	Makulu	ZAM	2624	-	Patricia	Mafuya	ZAM	2798	-	Patricia	Mafuya	ZAM	2946	-	Camfed	International	ZAM	3116	-
Tamari	Chuma	ZIM	2279	-	Nancy	Lengwe	ZAM	2451	-	Maggie	Luisambo	ZAM	2625	-	Grace	Mukuka	ZAM	2799	-	Rosemary	Kaoma	ZAM	2947	-	Camfed	International	ZAM	3117	-
Chola	Mwenso	ZAM	2280	-	Mercy	Mlambo	ZAM	2452	-	Christina	Kapinga	ZAM	2626	-	Patricia	Mwango	ZAM	2800	-	Suraya	Seidu	GHA	2913	-	Camfed	International	ZAM	3118	-
Doreen	Chikumba	ZAM	2281	-	Charity	Chihando	ZAM	2453	-	Safa	Sulemana	GHA	2628	-	Mahamadi	Rahinatu	GHA	2801	-	Juliet	Umaro	ZAM	2948	-	Camfed	International	ZAM	3119	-
Wesega	Zhou	ZIM	2282	-	Chikulu	Namakau	ZAM	2454	-	Joseph	Shylet	ZIM	2629	-	Majana	Rahinatu	GHA	2802	-	Portia	Chikwala	ZAM	2949	-	Camfed	International	ZAM	3120	-
Pauline	Mashanzi	TAN	2283	-	Michael	Mashanzu	ZAM	2455	-	Samuel	Simbosho	ZIM	2630	-	Gladyas	Kapela	ZAM	2803	-	Patricia	Beaufort	ZAM	2950	-	Camfed	International	ZAM	3121	-
Trisago	Jane	ZAM	2284	-	Annie	Nondo	ZAM	2456	-	Ivy	Sheva	GHA	2631	-	Simona	Mutukwa	ZAM	2805	-	Ruth	Manyingidire	ZAM	2951	-	Camfed	International	ZAM	3122	-
Nayunda	Pumulo	ZAM	2285	-	Shylen	Nikosana	ZAM	2457	-	Kulwi	Kamava	TAN	2632	-	Barbara	Wambo	ZAM	2806	-	Agnes	Memory	ZAM	2952	-	Camfed	International	ZAM	3123	-
Sharon	Ngandu	ZAM	2286	-	Sukilefe	Mebelo	ZAM	2458	-	Chikonga	Bundambwe	ZAM	2633	-	Josephine	Mulenga	ZAM	2807	-	Harriet	Natalu	GHA	2912	-	Camfed	International	ZAM	3124	-
Wyangani	Nyimbiri	ZAM	2287	-	Moleen	Murambiza	ZIM	2459	-	Vester	Mathishi	ZIM	2634	-	Beth	Ngwele	TAN	2808	-	Rodah	Kanyika	ZAM	2943	-	Camfed	International	ZAM	3125	-
Munumi	Maria	GHA	2288	-	Namakando	Mainbambwa	ZAM	2460	-	Grace	Bwalya	ZAM	2635	-	Muchindu	Mukulu	ZAM	2798	-	Patricia	Palince	ZAM	2946	-	Camfed	International	ZAM	3126	-
Mageni	Mwawa	ZAM	2289	-	Margaret	Musando	ZAM	2461	-	Natalynne	Kufanga	ZAM	2636	-	Jawuda	Yakuba	GHA	2809	-	Elisabeth	Bangura	ZAM	2947	-	Camfed	International	ZAM	3127	-
Beatrice	Kalungu	ZAM	2290	-	Sister	Ngodjo	ZAM	2462	-	Fatia	Mafuya	ZAM	2637	-	Mapula	Nalukui	ZAM	2795	-	Brigitte	Chilanya	ZAM	2948	-	Camfed	International	ZAM	3128	-
Phenny	Nalunqwe	ZAM	2291	-	Mosemo	Ranganai	ZAM	2463	-	Mary	Liwayi	ZAM	2638	-	Agness	Chilanya	ZAM	2796	-	Elizabeth	Bangura	ZAM	2949	-	Camfed	International	ZAM	3129	-
Naomi	Namwinka	ZAM	2292	-	Naomina	Chibinda	ZAM	2464	-	Mayani	Chanda	ZAM	2639	-	James	Tamarai	ZAM	2797	-	Hilda	Bwalya	ZAM	2950	-	Camfed	International	ZAM	3130	-
Bridget	Kasas	ZAM	2293	-	Veronica	Kiyeyeu	TAN	2465	-	Doris	Chanda	ZAM	2640	-	Patricia	Wambo	ZAM	2798	-	Juliet	Chilanya	ZAM	2951	-	Camfed	International	ZAM	3131	-
Limbo	Kasibhi	ZAM	2294	-	Rutendo	Gomo	ZAM	2466	-	Rutendo	Khumalo	ZAM	2641	-	Norah	Mukulu	ZAM	2799	-	Ruth	Manyingidire	ZAM	2952	-	Camfed	International	ZAM	3132	-
Limbo	Chimukwe	ZAM	2295	-	Matudha	Matobwa	ZAM	2467	-	Charity	Ngwanya	ZAM	2642	-	Josephine	Ngwanya	ZAM	2800	-	Patricia	Palince	ZAM	2953	-	Camfed	International	ZAM	3133	-
Jenipher	Samia	ZAM	2296	-	Alice	Makulu	ZAM	2468	-	Grace	Phiri	ZAM	2643	-	Mapula	Nalukui	ZAM	2795	-	Patricia	Palince	ZAM	2954	-	Camfed	International	ZAM	3134	-
Angeline	Samia	ZAM	2297	-	Samia	Makulu	ZAM	2469	-	Grace	Phiri	ZAM	2644	-	Jijira	Ngwanya	ZAM	2798	-	Patricia	Palince	ZAM	2955	-	Camfed	International	ZAM	3135	-
Agostina	Namwamba	ZAM	2298	-	Heppines	Petter	TAN	2470	-	Grace	Phiri	ZAM	2645	-	Memory	Ngwanya	ZAM	2799	-	Patricia	Palince	ZAM	2956	-	Camfed	International	ZAM	3136	-
Flora	Samia	ZAM	2299	-	Alice	Makulu	ZAM	2471	-	Grace	Phiri	ZAM	2646	-	Agness	Phiri	ZAM	2800	-	Patricia	Palince	ZAM	2957	-	Camfed	International	ZAM	3137	-</td

2012 Credit Suisse Worry Barometer

What Concerns the Swiss:
A Large-Scale Survey of Swiss Voters,
Conducted Since 1976.



Sascha Flück, 37, Herbetswil (canton of Solothurn),
service technician

"The most wonderful thing about Switzerland is
that we are still free. I can fly my gliders anywhere
without anyone complaining."

1. Question: “In your view, what are Switzerland’s most important worries today?”

Unemployment 49 percent (-3)

Foreigners 37 percent (+1)

Old age and survivors’ insurance (AHV)/Retirement provisions 36 percent (+9)

Asylum issues 32 percent (+11)

Health care 30 percent (+0)

Euro crisis 22 percent (new)

Personal safety 21 percent (-6)

European integration 20 percent (+6)

Social security 19 percent (-7)

Environmental protection 18 percent (+2)

New poverty 17 percent (+0)

Energy issues 16 percent (+1)

Financial crisis 14 percent (-16)

Salaries 13 percent (-1)

Gasoline/Crude oil prices 13 percent (+8)

2012 Survey (Changes from 2011 in percentage points)

Anouck Hofmann, 20, Neuchâtel (canton of Neuchâtel),

Economics student

“Worries? Sorry, but I’m really not worried about myself or my future in Switzerland.”

It Will All Work Out: Swiss Are Optimistic

Unemployment traditionally ranks at the top of the Credit Suisse Worry Barometer. Yet despite the economic crisis, respondents are optimistic about the future. A majority believe that the situation is stable, and one-fifth of respondents think that things are improving.

The Swiss take an optimistic view of the current economic situation (figure 3 on page 46); 59 percent describe their personal situations as “good” or “very good.” The situation of lower-income groups, in particular, has noticeably improved. And the outlook is positive: As in the previous year, 92 percent expect next year to be just as good for them personally as this year has been. Indeed, 18 percent expect to see an improvement; only once – five years ago – was the percentage of people expressing this view slightly higher. The trend is similar with respect to the overall economic situation. Nearly three-quarters of voters believe that the current situation is at least as favorable as last year’s, and nearly as many expect the same to hold true for the next 12 months. More than one-fifth believe the economy is improving.

Few Economic Concerns

It may come as a surprise that the Swiss are optimistic about the economy, given the serious problems facing Greece, Spain and other European countries.

The most likely explanation appears to be that Switzerland enjoys a relatively robust domestic economy and a high level of private consumption. Optimism was evident in responses to the crucial question about the respondents’ top five worries (figure 1).

Once again, economic worries were secondary. The financial crisis came in at 14 percent (-16 percentage points), putting it in 13th place among the 34 alternatives given; the economic crisis was 20th, with 9 percent (-26 percentage points), and concerns about the stock market ranked 24th, with 7 percent (-5 percentage points). The euro crisis, included for the first time, was ranked sixth with 22 percent. Given a generally positive assessment of economic trends, it appears that a substantial proportion of the population believe that the Swiss economy is sound and that the euro crisis will not have a serious effect on the country over the long term. Nevertheless, for the 10th time in a row unemployment is the main worry of the Swiss population; 49 percent of

The Survey

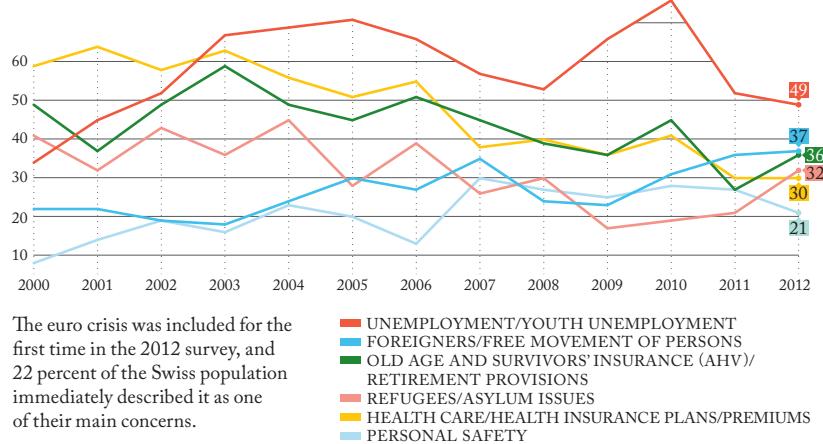
On behalf of and in cooperation with Credit Suisse (Corporate Responsibility Communications and Public Policy), the research institute gfs.bern conducted a representative survey of 1,003 eligible voters in Switzerland from July 30 to August 31, 2012. The statistical sampling error was +/- 3.2 percent. The scientific analysis, published in the two studies entitled “Abstrakte Wirtschaftsworries konkretisieren sich im EU-Raum” (Abstract Economic Worries Grow More Concrete in the EU Region) and “Schweiz: Dem Sturm getrotzt, aber Planken müssen verstärkt werden” (Switzerland Has Weathered the Storm, but Needs to Shore Up Its Defenses), was carried out by a project team whose members were Claude Longchamp, Lukas Golder, Martina Imfeld, Cindy Beer, Stephan Tschöpe and Sarah Deller.

The studies and explanatory graphics can be found at
www.credit-suisse.com/sorgenbarometer

Andreas Schiendorfer analyzed the findings for Bulletin.

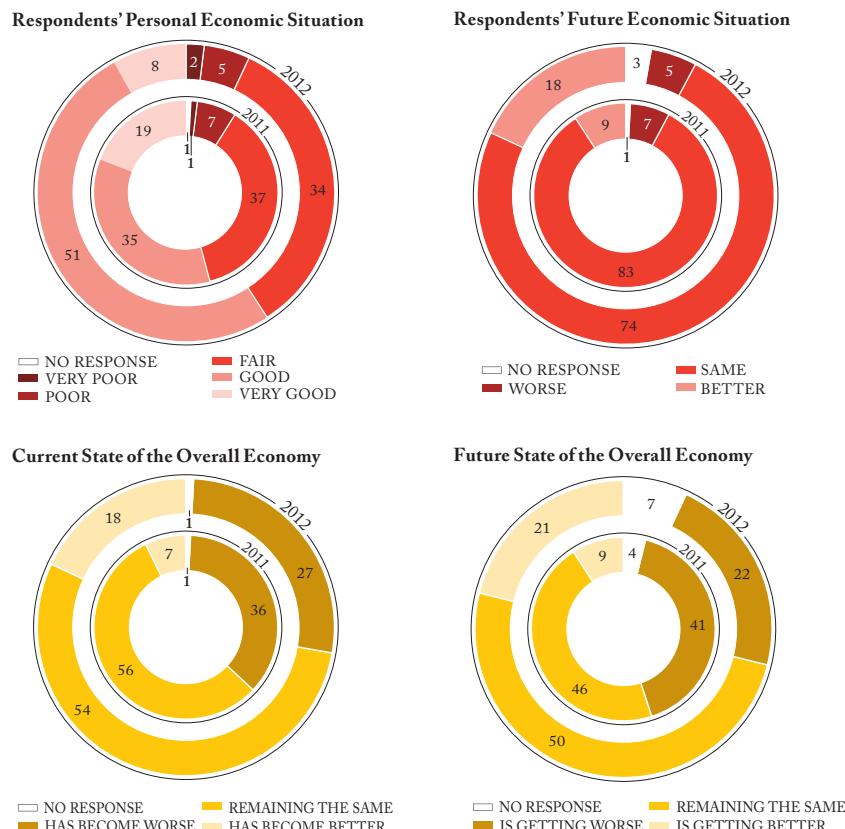
2. Top Worries Changing Over Time

Since 2003, respondents have regarded unemployment as Switzerland's most pressing issue. Prior to that time it was health care, which ranks only fifth today. Over the past three years, the only increases have been in the number of mentions of "Foreigners/Free movement of persons" and "Refugees/Asylum issues."



3. Assessing the Economic Situation

While the number of people in Switzerland who describe their personal economic situations as very good declined by 11 percentage points, 9 percentage points more than last year expect to see an improvement in the future. The overall economic situation is viewed in even more positive terms: 18 percent (+11 percentage points) see an improvement from the previous year, 21 percent (+12 percentage points) expect further improvement in the future.



respondents mention it (figure 2). The only possible conclusion is that the Swiss regard full employment as the key to their country's ability to function. One might say that instead of waiting for crises to occur, they are worrying in advance. However, there has been a 3-percent decline relative to the previous year and as much as a 27-percent decline compared with 2010.

More Worries to Choose From

Worries about retirement provisions and health care occupied the top two positions every year from 2003 to 2010, following concerns about unemployment. This hierarchy has now changed for the second time, although these "traditional worries" have lost none of their relevance. Overall, however, it appears that respondents are worried about a wider variety of issues, and the percentages for each have declined accordingly. Today the Swiss are concerned about far more issues than in the past, and decision makers in the political, business and social spheres need to take all of them seriously. The immigration debate is particularly important in this context. Discussions are currently focusing far more attention on the foreigners who are living and working in Switzerland on a regular basis than on asylum seekers (figure 14 on page 54).

Securing retirement benefits continues to be one of the main concerns of the Swiss population. After declining in the previous year, the share of respondents who are concerned about the AHV system has risen to 36 percent, placing this issue within the (lower) range of the long-term trend. Those expressing the greatest concern, however, are the current recipients who evidently fear drastic cuts, rather than younger people. This worry is more pronounced among women than men, and considerably greater among the urban than the rural population. One-tenth of the respondents say that securing retirement benefits is their top concern, along with unemployment; and even the most important one for 95 percent. They also see it as the most

crucial goal for politicians today (figure 6 on page 48). Probably because health insurance premiums are increasing at a slower rate, mentions of the health care issue have remained constant at 30 percent, which is low compared to past years.

Increased Environmental Awareness

Concerns about personal safety and social security, which had steadily increased in recent years, declined slightly. The next set of problems includes environmental and energy issues. While many people may have forgotten about the Fukushima disaster, environmental issues continue to be a worry, thanks to this year's Rio +20 environmental summit and particularly to the debate about ending the use of nuclear energy.

General awareness of environmental issues increased slightly, to 18 percent, relative to the previous year. However, this is far from the corresponding numbers recorded for Switzerland between 1988 and 1995, which averaged 56 percent, although this figure is expected to increase. At any rate, asked what the biggest problems will be for future generations, respondents listed the environment and the climate as their top concerns, along with a lack of employment.

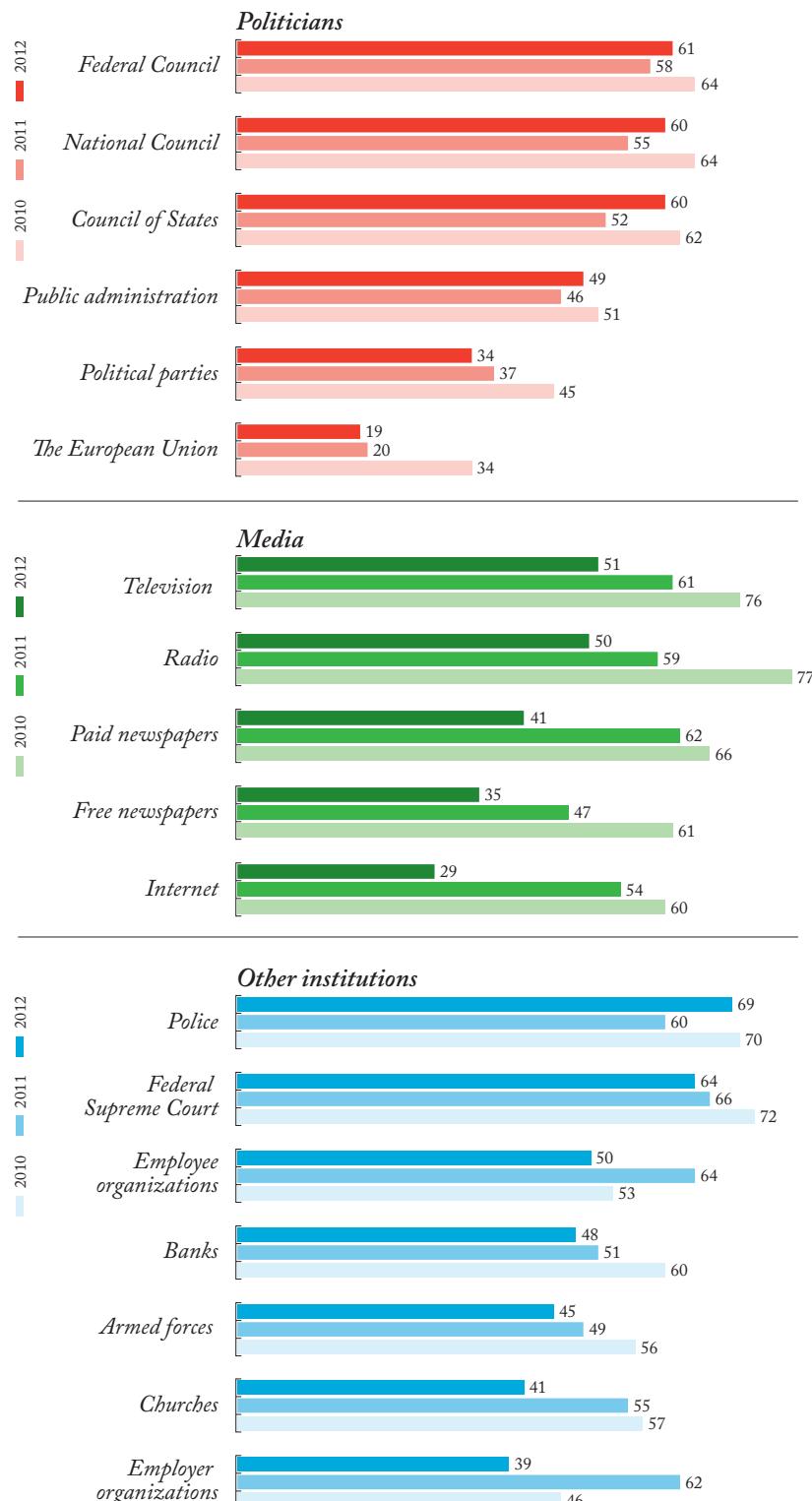
Since 1995, the Worry Barometer has asked whether business leaders, government or administrative leaders fail in crucial respects often or relatively seldom (figure 5 on page 48). The long-term trend has shown better results for business than for politicians.

This year, however, over half of the population has indirectly given politicians a vote of confidence by responding that they seldom fail; only once before, in 1998, was this the case. Forty-eight percent of respondents indicate that economic leaders, too, "seldom fail," but the percentages are considerably lower than the long-term average.

A specific question about confidence (figure 4) revealed a general decline over the past two years. ▶

4. Whom Do the Swiss Trust?

The police currently enjoy the highest level of confidence, followed by the Federal Supreme Court and the Federal Council. A year ago, the Federal Supreme Court topped the list, followed by employee organizations, employer organizations and paid newspapers. Radio, television, the Federal Supreme Court and the police enjoyed the highest level of confidence in 2010.



Question: "How much confidence do you, personally, have in these institutions (confidence – neither/nor – no confidence – no response)?"

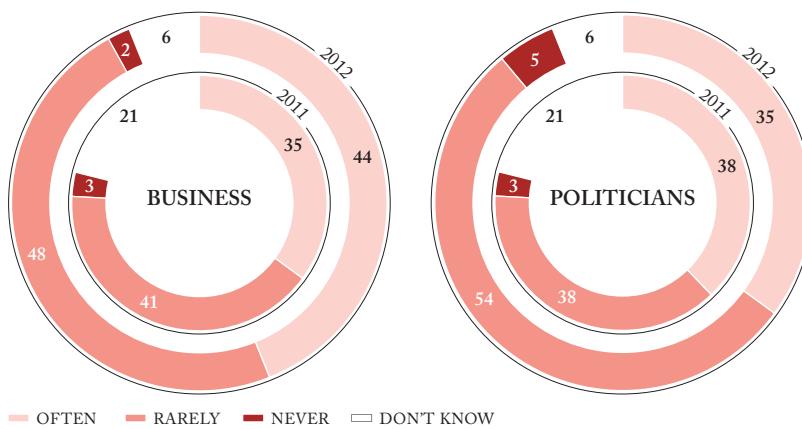
While confidence in the officials mentioned was still at an average level of 60 percent in 2010, this figure had dropped to 53 percent by last year and was only 47 percent in the current survey mainly driven by lower indicators for confidence in the media, banks,

trade associations, unions and employer organizations. Confidence in banks, however, was at 48 percent, which was still higher than the average for the past 18 years. Beginning in 2006, confidence in trade associations has steadily increased, reaching the extraordi-

nary level of 64 percent for employees' organizations and 62 percent for employers' groups in 2011. Now, however, there is clear evidence of the beginnings of disillusionment; the decline in trust is somewhat less pronounced for unions (-14 percentage points) than for employers (-23 percentage points).

5. Assessing the Performance of Politicians and the Business Community

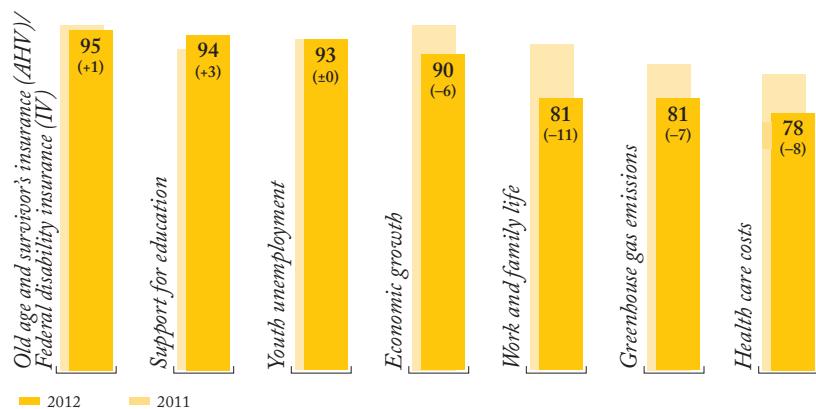
Are political and business leaders setting the right course for Switzerland's medium- and long-term development? Are they making the right decisions at the right time? Despite the crisis, popular criticism has been muted.



Question: "Do you have a sense that the policies of the government and the administration and/or the business community fail in crucial respects? Is this frequently true, rarely or never?"

6. Immediate Goals for Politicians

The most important goals for politicians right now are to ensure the long-term security of pension benefits, increase support for education and combat youth unemployment. By far the smallest percentage of respondents (55 percent) mentioned the integration of foreigners.



Question: "How important is it to you that the political goals mentioned above are achieved?" The responses "very important" and "important" are combined in the graphic. Other possible responses: "not particularly important," "not important at all," "don't know."

Little Confidence in the EU

Results for the media are extremely volatile, although the reasons for this are not yet entirely clear. While free newspapers, for example, enjoyed a surprisingly high level of trust in 2009, by the end of 2010 confidence in the media had plummeted by 27 percentage points. It appears that the confidence hierarchy, at least, may have stabilized, with the greatest trust being placed first in television, then in radio, paid newspapers, free newspapers and the Internet – and this order may continue to hold.

As in previous years, the European Union is at the bottom of the list. The record-low percentages are in keeping with an increase in skepticism toward foreigners in Switzerland. The political parties, too, consistently rank near the bottom. Results are better – in ascending order – for public administration, the National Council, the Council of States and the Federal Council. The police and the Federal Supreme Court continue to top the list.

Many Reasons to Be Optimistic

Five questions for Pascal Gentinetta,
chairman of the economiesuisse executive board

1. What do you see as the three greatest strengths of the Swiss economy?

Number one is the innovative capacity of our companies, a factor that compares favorably with the rest of the world. Another major strength is the flexibility that has always enabled our economy to adjust to changing conditions – not least thanks to the long-term strength of our currency. Third, we are in an excellent position because of our economic diversity, which features a mix of industries, the symbiosis of small- and medium-sized enterprises and large corporations, and a variety of regional growth drivers.

2. Will these factors carry us through the current EU crisis?

• The very fact of our geographical location means that we cannot avoid being affected by the crisis that many euro countries are experiencing. When important trading partners have to tighten their belts, this inevitably affects our export-based economy as well. With the help of the strengths I mentioned, however, as well as a liberal economic policy and a conscious policy of open and free trade, particularly with up-and-coming growth markets, we will be able to meet this challenge more successfully than many other countries.

3. What other dangers do you see?

• Success can lead to complacency; there is a risk that Switzerland might forget the underlying factors for its success. Innovation and flexibility are not something that politicians can control. They can only thrive where there are favorable conditions and entrepreneurial freedom. Unfortunately, the political trend is to limit such freedom by imposing ever more new regulations. We must take a clear stand against this trend, while at the same time working to ensure that Switzerland continues to be an attractive business location.

4. The Swiss people are very concerned about unemployment.

Do you expect the unemployment rate to rise?

The effects of the EU's economic crisis on our labor market may be somewhat more pronounced in 2013 than they are now, particularly in tourism and certain sectors of the export industry. However, the domestic economy will continue to exert a stabilizing influence. Overall, I don't expect a dramatic increase in unemployment. Once again, it is apparent that our dual system of education and training, and our relatively flexible job market create a much better balance in the workforce, so unemployment remains at moderate levels even in difficult circumstances.

5. Do you share the optimism of Swiss voters with respect to economic development?

Yes. Although dark clouds are gathering on the horizon in some Western countries, I'm fundamentally optimistic about our country.



Pascal Gentinetta studied economics and law at the University of St. Gallen. He has served as chairman of the executive board of economiesuisse, an umbrella group comprising 100 trade and industry associations, since 2007. economiesuisse represents a total of 100,000 Swiss companies and some two million jobs.

Special analysis 1

Different Languages, Different Problems

The people of French-speaking Switzerland express little national pride, while people in the German-speaking region are concerned about foreigners. There are striking differences between the language regions.

The Worry Barometer shows that there are significant differences in how the country's three language regions perceive Switzerland's problems. All the same, the talk of a gap between cultures is not entirely warranted, since there is a clear consensus that coexistence between cultures functions smoothly in Switzerland.

Unemployment is the number-one concern of the Swiss people. Forty-one percent of respondents in the German-speaking region hold this view; the percentages are considerably higher in the French- and Italian-speaking parts of the country (67 percent and 72 percent, respectively). The issue of foreigners is also mentioned by 41 percent of the German-speaking sample. In Italian-speaking Ticino the figure is even higher (46 percent), while other worries are more widespread in French-speaking Switzerland, where only 23 percent of respondents express concern about foreigners.

The national importance of a given topic is generally determined by the German-speaking majority – with two exceptions: Retirement benefits take third place, largely thanks to the French- and Italian-speaking regions (43 percent and 40 percent, respectively), although the issue achieves that ranking only because it is also of comparable importance to German-speaking Switzerland (33 percent). Personal safety, on the other hand, ranks only 10th in the German-speaking region (18 percent), but still takes seventh place overall because it is

the fifth most important concern in the French- and Italian-speaking areas (25 percent and 36 percent).

New Poverty Remains a Problem

Two problems are prominent in French-speaking Switzerland that are not among the top 10 nationwide: bank client confidentiality (19 percent) and new poverty (18 percent). However, the French-speaking population is less concerned about the European Union and environmental impacts (12 percent each), ranking those issues even lower than the financial crisis (16 percent) and nuclear energy and gas prices (15 percent each).

Differences are even more evident in the Italian-speaking region, where health care (68 percent) ranks directly below unemployment. New poverty (16 percent) is also a major worry, outranking the European Union, refugees, social security and environmental pollution, but of particular concern is the eco-

nomic crisis (28 percent), along with drugs and racism (26 percent each). While these are noteworthy findings, they should be viewed with caution because of the small sample size in Italian-speaking Switzerland.

Coexistence Still a Strength

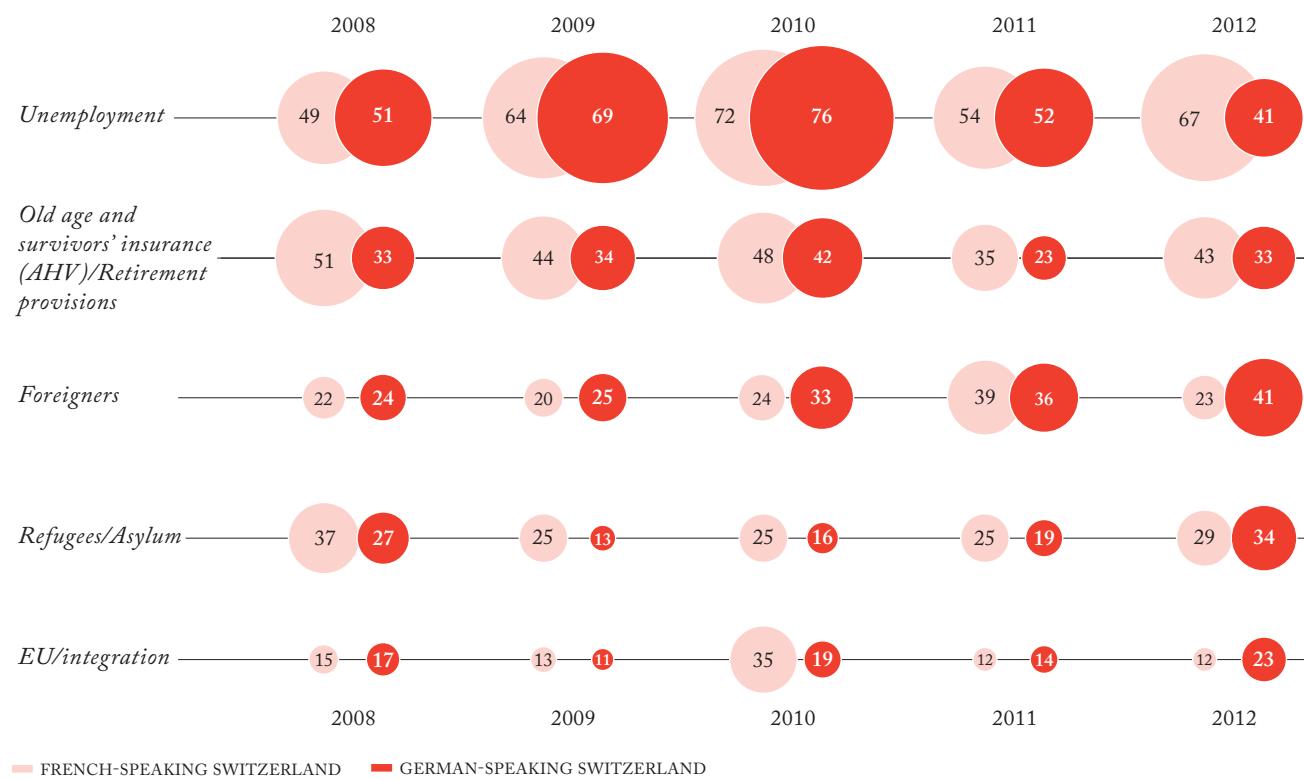
One-fifth of the Swiss population (19 percent) see the way cultures coexist as one of Switzerland's main strengths. The French-speaking Swiss (31 percent) are considerably more likely than the German speakers (14 percent) to hold this view, while responses from the Italian-speaking population (20 percent) are somewhere in the middle. Only 1 in 20 residents sees coexistence as a source of irritation (5 percent); the difference between the three regions is within the statistical margin of error. Responses to a related question suggest that this situation is not likely to change appreciably over the next 10 years. Asked whether

they are proud to be Swiss, respondents in the French-speaking region (18 percent) are considerably less likely to answer in the affirmative than their German- and Italian-speaking compatriots (42 percent each). The research firm gfs. bern looked at national pride in the individual cantons during the period from 2007 to 2012: The most patriotic cantons are Obwalden (70 percent), Zug and Thurgau (62 percent); at the bottom of the list are the French-speaking cantons of Neuchâtel (22 percent), Geneva (17 percent), Vaud (14 percent) and Jura (1 percent).

Given the extent to which the language regions differ in how they view Switzerland's problems and in their sense of national pride, it is important to take a serious look at this situation, despite the fact that even the French-speaking minority is not fundamentally questioning the way various cultures coexist.

7. Issues of Greatest Concern to the Language Regions

There are increasing differences in how much importance French and German speakers attach to specific problems.



Question: "In your view, what are Switzerland's most important worries today?"

Special Analysis 2

Immigration Debate

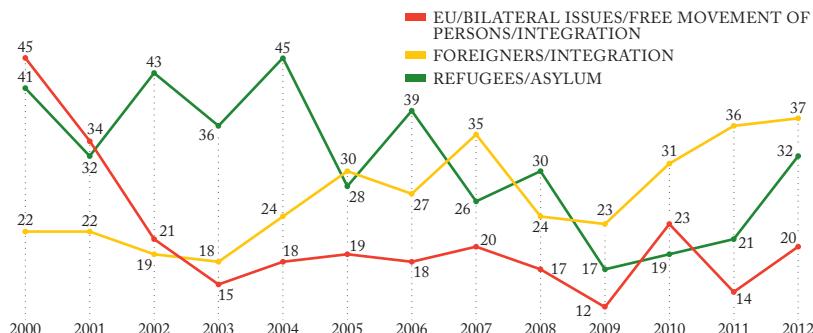
One-third of the population believes that “issues regarding foreigners” are the most important problem facing Switzerland. The percentage is increasing.

Over 1.7 million foreigners currently live in Switzerland, making up 22 percent of the population. During the past 10 years, this number grew annually by an average of slightly more than 30,000, while some 40,000 foreigners became Swiss citizens each year. This trend has accelerated dramatically since 2007, as people have been able to move more freely across national borders.

Increased immigration has had an effect on the results of the Worry Barometer, which suggest that the Swiss population does not regard the free movement of persons as entirely positive. Since 2003, the Worry Barometer has revealed a steady increase in the importance attached to issues regarding foreigners (number/integration/free movement of persons); figure 2 on page 46. This concern reached an all-time high in 2012 at 37 percent (+1 percentage point), and for the second time it now ranks second only to unemployment as one of the top problems facing Switzerland. It is interesting to note that the trend is different for “Asylum/Refugees”: After peaking at 56 percent in 1999, mentions of this issue subsequently declined in a zigzag pattern to 17 percent (2009). They increased again during the past three years, first only slightly, and then jumping this year from 21 percent to 32 percent. This is related to the number of asylum seekers, which has again increased, and also to the political debates this trend has sparked. Seventy-seven percent of re-

8. Concerns About Foreigners Shift

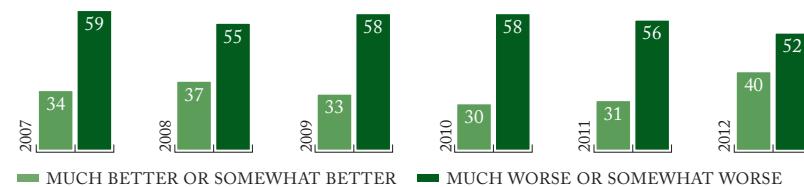
Over the past four years, after concerns had quieted down during the preceding four years, there has been a substantial increase in concerns relating to foreigners.



Question: “In your view, what are Switzerland’s most important worries today?”

9. Life With Foreigners in the Future

A majority of the Swiss fear that their relations with foreigners will worsen. However, positive responses are more common than in previous years.



Question: “How well will Switzerland coexist with foreigners in 10 years?”

spondents (-2 percentage points) perceive immigration to be a threat to Switzerland’s identity (figure 13 on page 54). However, just one-tenth of respondents believe that this is triggering a problematic level of xenophobia. Among 18- to 19-year-olds this number is slightly larger (14 percent), and it is significantly higher among those on the left of the political spectrum (21 percent). When asked about political goals, a slight majority say that it is important to focus on the integration of foreigners. This share, 55 percent, is small compared with the 95 percent of respondents who consider it important to secure the AHV system and the 94 percent who believe that it is important to support education.

Looking ahead to the future can shed light on the current situation.

Only 3 percent of voters believe that the most important problem for subsequent generations will be an increasing number of foreigners; they mention a lack of jobs and the environment/climate as crucial problems for the future. When respondents are asked about their coexistence with Switzerland’s foreigners in the next 10 years, their views are relatively balanced: 40 percent believe that things will improve, while 52 percent expect the situation to worsen. Last year the discrepancy was 13 percentage points larger.

10. Question: “Please name three things that symbolize Switzerland for you personally.”

Security/Peace 20 percent (+5)

Neutrality 20 percent (+6)

Countryside 15 percent (-6)

Watches 10 percent (+1)

Patriotism 10 percent (+4)

Sense of order 9 percent (-12)

Chocolate 9 percent (+0)

Banks 8 percent (+4)

Homeland 8 percent (-2)

Prosperity 8 percent (+6)

Freedom, freedom of opinion 7 percent (-2)

Independence 7 percent (+5)

Cleanliness 7 percent (+1)

School system 7 percent (+2)

Quality consciousness 7 percent (+4)

2012 Survey (Change from 2011 in percentage points)



Aline Koller, 33, with son Ian Balthazar, 11 months.

Lausanne (canton of Vaud), psychotherapist

“Fourteen weeks maternity leave is just not enough for such a life-changing event. There’s a lot of talk about the importance of children to the country, but Switzerland is still far from having a family-friendly parental leave policy.”

Switzerland Still a Special Case

The Swiss people take greater pride in their country than ever before. Indeed, they identify more closely with the nation than with their own local municipalities. It is difficult to locate patriotism in a particular part of the political spectrum; those on the left are prouder of Switzerland than those in the center.

Eighty-six percent of the voting population is proud of Switzerland (figure 11). The record results of 2007 have evened out; only 11 percent of the people do not express pride in their country, fewer than ever before. This result is due most of all to those who lean to the right; 58 percent of this group is very proud of Switzerland. In the political center, however, there seems to be increasing disillusionment; the level of pride has declined slightly for the past five years. Interestingly, the trend is moving in the other direction at the left of the political spectrum. Among this group, national pride has increased by 24 percentage points since 2005, for the first time reaching a higher level than among voters in the center (figure 11).

Politics Carries Greater Weight

National pride is based much more on political factors in 2012 than it was in the previous year (figure 15 on page 55). At the top of the list of such factors are neutrality and independence. A large number of respondents also mention democratic rights and opportunities for participation. If we look only at rates of increase, results are particularly striking for the Federal Constitution and the militia system. Overall, it is clear that the Swiss people are again more conscious, as well as proud, of their country's special political solutions.

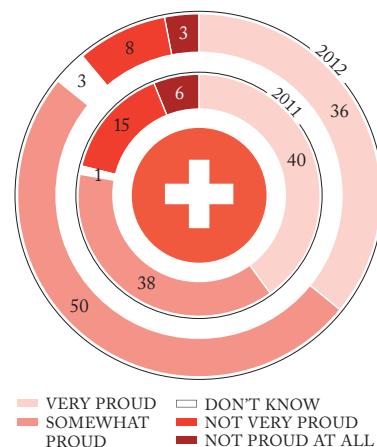
While greater significance has been attached in recent years to economic than to political issues, almost all economic topics have declined in impor-

tance in the 2012 survey, although they remain very high on the list of important factors (figure 16 on page 55). At the very top is the watch industry, followed closely by Switzerland's international reputation for quality, its strong small- and medium-sized enterprises, its strong brands and the machinery industry. The largest drop was in the mentions of public service enterprises and bank client confidentiality (-16 and -10 percentage points, respectively).

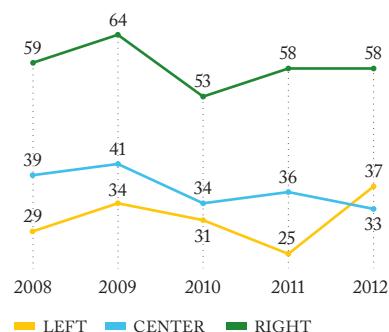
Responses to the question about Switzerland's five greatest strengths also showed a slight shift toward political factors (figure 12 on page 54). At the top of the list are neutrality (+4 percentage points) and education (+6 percentage points); their importance has nearly doubled since 2006. Respondents also attach a great deal of importance to the right to express an opinion (+5 percentage points). However, Swiss quality, which had ranked at the very top for years, declined dramatically in importance (-17 percentage points). Next were peace (+2 percentage points) as well as order and cleanliness (+11 percentage points), two related concepts that, following a steady decline, have once again gained importance. Other strengths that have declined sharply in significance include stability (-10 percentage points) and particularly the way cultures coexist (-17 percentage points), while health care (+9 percentage points) is suddenly being identified as one of the country's most important strengths. As recently as last year, respondents said

11. National Pride

Only once before, in 2007, was national pride as widespread as it is today. Still, the proportion of "very proud" responses is several percentage points lower than it was last year.



La Suisse existe. Among the political left, national pride has steadily increased. The future will tell whether it is really more widespread on the left than in the center of the political spectrum.



Question: "Are you proud to be Swiss?" The lower graphic shows the percentage of respondents who said that they were "very proud."

that Switzerland's main weakness was its overly complicated and expensive health care system.

But how do the Swiss people view Switzerland in 2012? As a bulwark in the storm, perhaps – as a special place where people continue to take security, peace and neutrality for granted, while far too many other countries are experiencing unrest and insecurity (figure 10 on page 52). This certainly does not suggest that Switzerland has no weaknesses to overcome; but it cannot expect help to come from outside, from the crisis-plagued EU or the US. Ultimately, Switzerland has to help itself.

Security/peace (+5 percentage points) and neutrality (+6 percentage points) ranked fourth and fifth last year, but are now tied for first, displacing to some extent the countryside associations. While people still attach a great deal of importance to the countryside (-5 percentage points), much less emphasis is given to the related subject of the mountains/Alps (-10 percentage points). Watches and chocolate are still regarded as the quintessential Swiss specialties. Patriotism (+4 percentage points) has overtaken the somewhat more neutral concepts of homeland (-2 percentage points) and tradition (-3 percentage points).

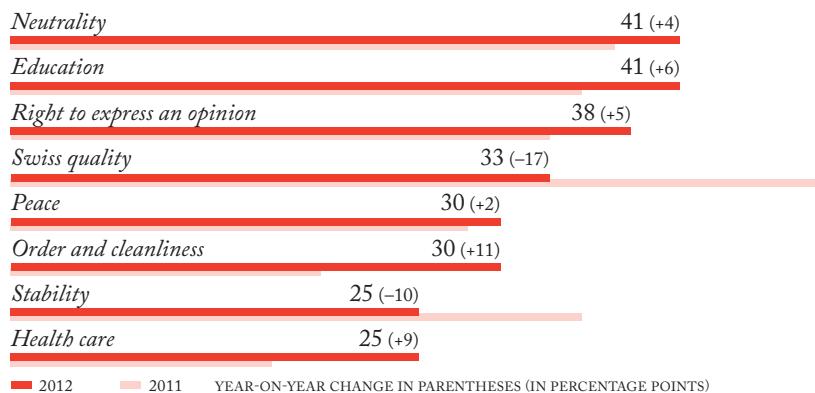
Municipality Under Pressure

The Swiss have never viewed themselves primarily as Europeans or citizens of the world. They refer to themselves in those terms only rarely, although there has been a slight increase relative to the previous year. With respect to the respondents' pride in their homeland, a striking shift has taken place (figure 13). For the first time, people are identifying not primarily with their municipalities, but rather with the country as a whole.

Over the past few years, local municipalities have been under steadily increasing pressure to consider merging, for financial and administrative reasons. Since 1990, the number of municipalities has dropped by 526, to slightly under 2,500. This, along with an increase in residential and job mobility, may explain

12. Switzerland's Strengths

For the first time, education, along with neutrality, is named as Switzerland's greatest strength; the percentage has nearly doubled since 2003 (23 percent). In contrast, Swiss quality, the clear front runner from 2009 to 2011, has dropped dramatically in importance.

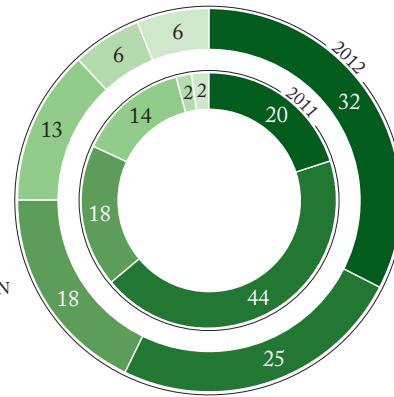


Question: "In your view, what are Switzerland's five most important strengths?"

13. A Sense of Belonging

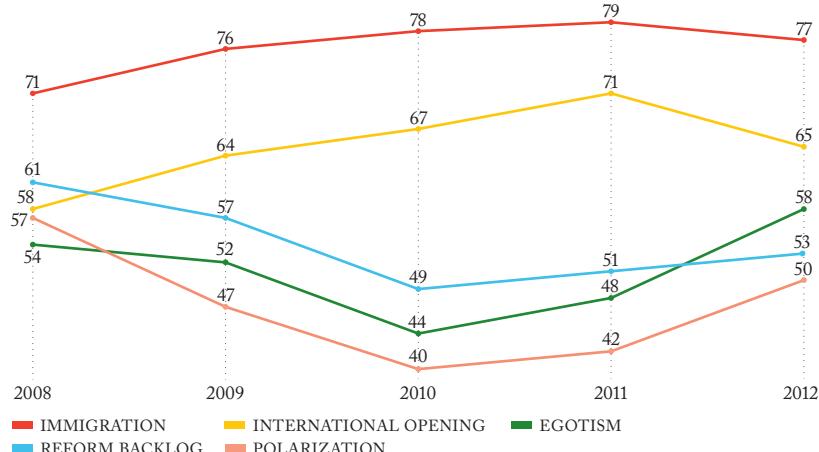
For the first time, voters are more likely to report a sense of belonging to Switzerland as a whole than to their local municipalities – although there is no indication that people are becoming alienated from their home towns.

Question: "To what geographical entity do you feel the greatest sense of belonging?"



14. Threats to Swiss Identity

It comes as no surprise that external factors are perceived as a threat to Swiss identity: immigration and an opening to the rest of the world. Yet a majority of Swiss citizens also regard excessive egotism as a threat and believe that political reforms should be accelerated.



Question: "In your view, what factors threaten Swiss identity (very much/somewhat – no response – not much/not at all)?"

why people are less likely to identify with their municipalities. But no one anticipated a drop of 19 percentage points in such responses, to the lowest levels ever. The result was greater identification with Switzerland as a whole (+12 percentage points).

The Swiss people are self-confident; this is clear from what they say about how the rest of the world views them, as well as from their opinions about the proper approach for Swiss politicians to take when dealing with other countries. Eighty-three percent of voters describe Switzerland's image abroad as good or very good (figure 17); these numbers are virtually the same as in the past three years. Overall, responses to the question of whether Switzerland's image had improved or worsened were in balance (35 percent better, 36 percent worse). Respondents appear to attach less importance to critical reports in the media than to their actual experiences, which suggest that Switzerland is an attractive country, for example for immi-

grants. It therefore follows that a majority would like Switzerland's political leaders to take a more active approach when dealing with other countries (72 percent), while less than a quarter (22 percent) want them to be more cautious. The gap between these two perspectives increased by 6 percentage points relative to the previous year.

As recent surveys have shown, the greatest threat to Swiss identity comes from outside (figure 14). In this context respondents are not so concerned about opening the country up to the outside world, since this is something over which control can be exerted. However, Switzerland is largely at the mercy of the problems of the EU and, in particular, of immigration – despite the advantages of attracting skilled workers. For the last two years, responses have indicated that people are increasingly worried about the threat posed by domestic political factors. They single out egotism as the worst problem (+10 percent), but half of the population continues to regard the

backlog of political reforms and polarization as problems as well.

In 10 years, the Swiss expect that the major political parties will be cooperating more successfully with one another and that the situation with respect to environmental pollution will improve. Respondents expect coexistence with the foreign population to remain fairly stable (slight negative change), while they also believe that the age structure of society will worsen and poverty will become more prevalent.

Asked what problems coming generations will face, respondents paint a slightly different picture: They expect concerns to include a lack of jobs and the problem of environmental pollution, followed at some distance by poverty and issues of retirement benefits. Other possible responses – too many foreigners, social inequality, an aging society, financial issues – were hardly mentioned.

15. Pride in Switzerland's Politics

Switzerland's neutrality has gained steadily in popularity since 2006 (82 percent). There have also been distinct changes in the number of respondents who mention the Federal Constitution (+10 percentage points) and the coexistence of the language regions (-16 percentage points).

<i>Neutrality</i>	94 (+1)
<i>Self-reliance</i>	92 (-3)
<i>Citizen's rights (referendum etc.)</i>	88 (-4)
<i>Federal Constitution</i>	88 (+10)
<i>Federalism</i>	87 (+2)
<i>Coexistence of language groups</i>	79 (-16)
<i>A government in which all major parties are represented</i>	77 (+1)
<i>Social partnership between entrepreneurs and unions</i>	71 (+3)

— 2012 — 2011 YEAR-ON-YEAR CHANGE IN PARENTHESSES (IN PERCENTAGE POINTS)

Question: "Are there certain aspects of Swiss politics of which you are particularly proud (very/somewhat proud)?"

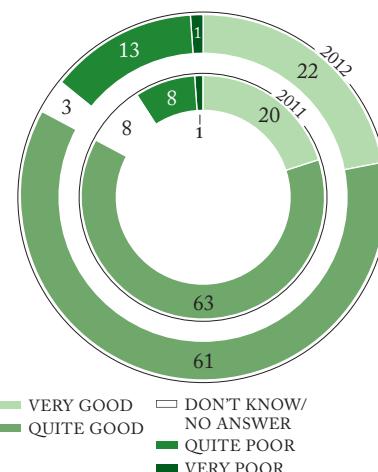
16. Pride in Aspects of the Economy

While the percentages have declined somewhat, economic characteristics continue to be viewed more favorably than political factors. Among the most frequently mentioned strengths, the watch industry has overtaken Switzerland's international reputation for quality.

<i>Watch industry</i>	93 (-5)
<i>International reputation for quality</i>	91 (-8)
<i>Successful small- and medium-sized businesses</i>	91 (-7)
<i>Strong Swiss brands</i>	90 (-7)
<i>Machinery industry</i>	89 (-2)
<i>Research</i>	84 (-2)
<i>Innovative capacity</i>	82 (-4)
<i>Pharmaceuticals</i>	82 (-2)

17. Switzerland Is Highly Regarded by Other Countries

Eighty-three percent of the population believe that Switzerland's image abroad is very good or at least quite good. This percentage has not changed in the past four years.



Question: "In your opinion, how positive is Switzerland's image abroad?"

Main Objective – Improving the Image of Politics

Maya Graf, the next president of the National Council and the highest-ranking woman in Switzerland, is pleased to note that Switzerland has the most economical and efficient parliament in the world. Now she wants to improve the tarnished reputation of the country's democratic institutions.

Interview by Urs Reich and Andreas Schiendorfer

Ms. Graf, you are the third farmer in a row to hold Switzerland's highest political office. Are farmers particularly well suited to political leadership?

MAYA GRAF: Let me note, first, that I trained as a social worker, and I have also worked in that capacity. For the past 12 years, however, we have been operating our family farm as part of a farming cooperative. But to get back to your question: Farmers have always been very politically active and well organized. One reason, no doubt, is that agricultural policy is an important aspect of federal policy, and farmers are directly affected by the decisions made in Berne. The fact that farming enjoys considerable respect and trust certainly plays a role as well. Perhaps that's one reason why people trust us to represent parliament across party lines. And my background and that of my two predecessors reflect the enormous variety found in farming today: Jean-René Germanier (FDP) is a winegrower from French-speaking Switzerland, Hansjörg Walter (SVP) is a more traditional farmer from Eastern Switzerland, and I'm an organic farmer from Jura representing the Green Party.

What do you see as Switzerland's three main concerns?

MAYA GRAF: Next year, we need to prepare for a shift to alternative sources of energy. Clear legal provisions will promote investment security – not only for companies, but also for private individuals who want to protect the environment by modernizing

buildings and installing solar systems. As for financial and tax issues, we need to make a fresh start once and for all so that in the future, Switzerland will be known for its clean money strategy and tax equity. Particularly important, in my view, are urban and regional planning and systematic development. For too long, we have simply stood by and watched the overdevelopment of

serve; we need to train skilled workers in Switzerland, and not only in academic fields. If we succeed in doing that, we will no longer be as dependent as we are today on bringing in qualified workers from abroad. It is understandable, psychologically, that people are worried about retirement benefits, but fortunately there is little cause for such concern at present.

“I’m pleased to see that love of country is not the exclusive domain of the right wing.”

our countryside, as more and more residential and infrastructure construction has taken place. We need to focus our construction, make our cities attractive places in which to live and work, and do everything in our power to protect our farmland and our unique natural environment.

The Worry Barometer shows that a majority of the population has different priorities.

MAYA GRAF: Unemployment is always a topic of discussion, despite the fact that Switzerland's situation is very stable. But of course we are aware of the problems that exist all over Europe. One of my fundamental goals is to make sure that apprenticeships are given the importance they de-

There are major differences in how the various language regions perceive the country's problems. Does this mean that the so-called “Röstigraben” – the gap between Switzerland's German speakers and the other language regions – still exists after all?

MAYA GRAF: There is no such gap, in my opinion. The French- and Italian-speaking regions and the German-speaking part of Switzerland complement each other extremely well. Our French-speaking compatriots are demanding a greater commitment from the state. This perspective, which is keenly attuned to social issues, is a good counterbalance to sometimes extreme calls for privatization from the German-speaking side. But if there is a “Röstigraben,” it runs through the middle of my home region. In the Basel area, we usually vote with French-speaking Switzerland.

How do you explain the fact that for the first time, people on the political left are expressing greater national pride than those in the center?



Maya Graf (1962), a social worker and organic farmer, was elected to the National Council in 2001, representing the Green Party in Basel-Land. She will become its president in 2013. She is a member of the National Council's Committee for Science, Education and Culture and of the parliamentary groups for animal protection, Tibet and women's sports. She is also involved in Swissaid and the Swiss Greina Foundation for the preservation of Alpine rivers and streams, as well as the Basel-Olsberg Foundation for the disabled. www.mayagraf.ch

MAYA GRAF: I'm pleased to see that love of country is not the exclusive domain of the right wing. We have achieved a variety of political goals in Switzerland, and all of us, whatever our political persuasion, can be very proud of those accomplishments. We on the left, too, are very proud of our democracy, which is characterized by equity rather than exclusion.

Decision makers – including, this year, particularly the media and the trade associations – have lost trust.

MAYA GRAF: Media diversity is a valuable asset, and it has recently become increasingly threatened. Ultimately, there are only a few media groups that play a decisive role; in this context the combination of information- and entertainment-based companies is

particularly worrisome. There is also more and more danger of superficiality. The unions and employer organizations have gained trust over the past few years, so I wouldn't overestimate recent declines. In general, of course, you forfeit trust if you fail to meet expectations.

Why are the Swiss so skeptical about the European Union and the euro?

MAYA GRAF: This issue presents two challenges to us as politicians. First, we as Swiss citizens are simply mistaken if we don't see ourselves as Europeans, given that we are living in the heart of Europe and have an essential interest in Europe's fortunes. Second, we need to clarify Switzerland's relationship with the EU, and we must examine our bilateral agree-

ments and take specific steps to improve them as well as to seal further agreements – without allowing others to put pressure on us.

The issue of foreigners is becoming increasingly problematic, not least because of the highly skilled workers coming to Switzerland from the EU.

MAYA GRAF: We wanted them to come, and now they're here. This is a dilemma that we need to live with. It is important, in this context, to adhere to all of the regulations that relate to the free movement of persons. We need to take systematic steps to combat illegal employment of all kinds, and compliance with collective bargaining agreements is imperative. I'm convinced that Switzerland, which has been a country of immigration for over 100 years, is capable of integrating newcomers and that it will benefit from them, both economically and socially. Just look at our young national football team, which includes many players with immigrant backgrounds who are playing for Switzerland with great success.

What is your main goal as president of the National Council?

MAYA GRAF: After spending over 20 years in party politics, I appreciate the opportunity, as a member of a non-governing party, to represent the diversity of our political system and consensus between all sides. One of my main goals is to improve the image of politics and political parties. The people need to be able to trust their democratic institutions. We have a well-functioning Federal Council, and we have an excellent parliament – the most economical and efficient in the world, by the way. In the halls of the Federal Palace, I encounter many committed politicians who are seeking solutions to our country's problems, rather than the media spotlight, as many would contend.

Glad and Proud to Be Swiss

Giovanni Orelli, an intellectual from Italian-speaking Switzerland and recipient of the Schiller Prize, discusses Swiss identity, the tense relationship of his home canton to the rest of the country and the question of joining the European Union.

by Sandro Benini





Fifteen years ago you said in an interview that the Italian-speaking people of Ticino had practically no contact with the French-speaking region of the country, Romandie, and that they weren't particularly fond of the people of German-speaking Switzerland. Have things improved since then?

I don't remember that interview, so I can't say whether the situation has improved. But in terms of both quality and quantity, we have a better relationship with German-speaking Switzerland than with our cousins in Romandie. However, my impression is that the relationship between Ticino and the German-speaking region is somewhat worse today than it was 30 or 40 years ago.

Why is that?

One reason is the declining importance of Italian in Europe. That has to do with political and economic trends that I'd rather not go into, and with a weakening of Italian culture throughout the Western world. Unbelievably, when French, German or English authors write about European culture, they nearly always forget Italian culture. Students in

the high schools of German-speaking Switzerland are less and less likely to learn Italian, and while German-speaking politicians may talk about the importance of Italian culture and about respect for cultural minorities when they give speeches on our national holiday on August 1, they are in fact hardly interested.

Is the Ticino dialect as important to the identity of Italian-speaking Switzerland as Swiss German is for German speakers?

No. Swiss German has historically had a different sort of significance, as it played a more important role in distinguishing Switzerland from Nazi barbarism than the Ticino dialect did in setting us apart from Italian Fascism. I occasionally write in Ticino dialect for musical, linguistic or literary reasons, but not out of any antipathy toward our neighbors in Lombardy, and certainly not because I have anything against the Italian-Mediterranean culture. Whenever I get together with my cousin Giorgio Orelli – who is also a writer – we use our Ticino dialect, even when we discuss Roman Jakobson or Erich Auerbach.

The Credit Suisse Worry Barometer asked Swiss voters to name their greatest concern. What do you suppose they said?

No idea. But I would guess that they expressed concern about what is happening in the world right now, such as the conflict between Western civilization and the Islamic world. Personally, when I think about the countries of the Middle East, and also the Far East, I feel a great sense of uncertainty. I'm curious, and I try to stay informed and use common sense as I think about these issues, but I'm often just exhausted.

The most common response was that they were worried about unemployment. Isn't that strange, in a country where practically no one is unemployed?

I think it's understandable. If a 50-year-old loses his job, finding another one is very difficult, even in Switzerland. These situations sometimes lead to personal and family tragedies. In Italy, there have been increasing numbers ►

Giovanni Orelli was born in 1928 in Bedretto, a remote community in the Italian-speaking canton of Ticino. He studied medieval philology in Milan and Zurich. For many years he taught Italian at the cantonal school in Lugano. He spent one term as a Socialist member of the Ticino cantonal parliament. His literary career began in 1965 with the novel "L'anno della valanga" ("The Year of the Avalanche"). Widely regarded as his most important work is the novel "Walaschek's Dream," which the Neue Zürcher Zeitung newspaper called "a love letter to the country and its people, and an affecting reflection on the dark regions of its history." He has also written lyric poetry, some of it in the Ticino dialect. Giovanni Orelli is a cousin of the poet, translator and critic Giorgio Orelli. Together with Peter Bichsel, Giovanni Orelli was selected to receive the Schiller Prize, Switzerland's most important literary award, in 2012.

of suicides because of the economic crisis, even among the middle class.

In the past, writers and intellectuals have often described Switzerland as a boring, narrow-minded country that lacks any tragic dimension, a place that artists need to escape from if they want to fulfill their potential.

I've never felt that way. The best argument against that view is that two geniuses like Kant and Socrates never left the small towns where they grew up. Greatness does not depend on travel. But I'm familiar with such arguments from my days as a student, when my Italian friends would say that in Switzerland we didn't know what violence, war, death or killing really meant. And this was my answer: In order to express an idea about war, I don't actually need to go to war – which, as Kafka accurately pointed out, is a "monstrous failure of imagination." It is absurd for us to be ashamed of the fact that we have been a peace-loving people ever since the Battle of Marignano in 1515, and that our neutrality spared us the horrors of the last century.

You've never found it a burden to be Swiss?
No, never, absolutely not. I've always been glad and proud to be Swiss. And not just for pragmatic reasons, as a character put it in "The Betrothed," the most important book by the Italian author Alessandro Manzoni: Home is where you feel at home. But also because I admire Swiss culture, a culture of equality where people live together in peace. Our culture may have certain egoistic aspects, but for me the positive sides have always outweighed the negative. I taught Italian and Italian literature at a high school for 40 years. But asked whether I would rather be Italian, I would respond: No, definitely not. I want to remain Swiss.

What is at the heart of Swiss identity?
Values like freedom, tolerance and living together in peace. These are virtues that deserve the respect and admiration of other countries.

Not long ago the son of Giuliano Bignasca, founder of the Ticino League, said that he hoped he would soon see your obituary in the newspaper. Are Switzerland's fundamental virtues in danger from right-wing populist demagoguery, in Ticino and elsewhere?

Demagoguery certainly exists, but I have confidence in the Swiss people and in their sense of responsibility. I would also

might eventually spread throughout the world. But given the negative sides of globalization, the EU and particularly politicians, I have become much less certain. What the EU has done in the last few months and years is not very encouraging.

Should Switzerland join the EU?

Not right now. But in two, five or perhaps 10 years we may need to discuss this again.

Do you read contemporary Swiss authors?

Yes, quite frequently. I particularly appreciate and admire a number of German-speaking writers. For example, I've read several stories by Pedro Lenz, and have been very impressed. But I've also read Peter Stamm, Klaus Merz, Adolf Muschg and many others.

New beginnings are a central theme in contemporary Swiss literature. You have lived all your life in Lugano in Ticino. Why?
I just ended up there. It's not that I'm in love with Lugano. I actually find it boring compared with Milan or Zurich. In my next life I'll look for a modest position with the Swiss consulate in New York. Manhattan is one of the most beautiful places in the world. ■

The people in German-speaking Switzerland are more boring, but also better able to resist political demagoguery.

point out that, in this regard, I have greater confidence in the German-speaking Swiss than in their compatriots in the Italian-speaking region.

Why?

Because they are more reliable – perhaps more methodical, more pedantic and, yes, more boring, but also better able to resist any form of political demagoguery.

The left's criticism of staid, bourgeois Switzerland has since given way to a kind of progressive patriotism – because Europe is in the midst of an existential crisis, which has made the idea of an opening toward Europe less appealing.

Some time ago, I thought that Switzerland should become more open to Europe. It seemed to be only right for us to make a brave, perhaps somewhat utopian contribution to this ideal of solidarity, an initially European ideal, but one that

2012 Credit Suisse Worry Barometer
86 percent
of voters are proud to be Swiss.

Switzerland in Figures (3/4)

10 Railway Records

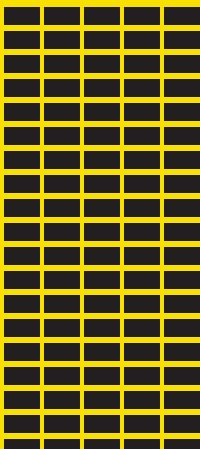
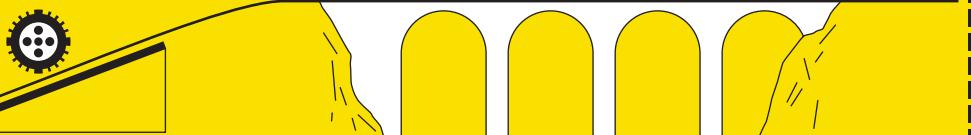


1. The Swiss are **world champion train riders**, racking up 2,258 kilometers per person in 2010, beating the Japanese. In terms of number of train trips, they rank second behind the Japanese.



2. The Swiss are also in a neck-and-neck race with the Japanese when it comes to **tunnels**: the Seikan tunnel (54 km) is currently the world's **longest**, but the Gotthard Base Tunnel (57 km) will take its place by the end of 2016. The longest narrow gauge tunnel in the world is the Vereina (19 km).

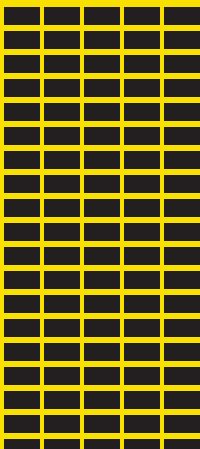
3. The **highest train station** in Europe is located on the Jungfraujoch (3,454 m). The highest spot in Europe reachable with a funicular railway is the Klein Matterhorn (3,883 m).



4. The world's **steepest cog railway** is the Pilatus Railway starting in Alpnachstad: At just 4,618 meters in length, it covers an altitude difference of 1,635 meters. At times the train is on an incline of up to 48 percent.



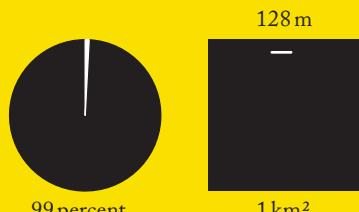
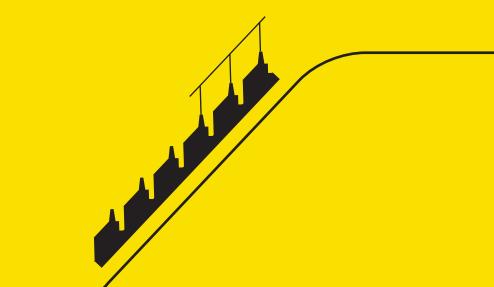
5. The Bernina Railway is in a beautiful location and, together with the Albula Railway, has been declared a Unesco World Heritage Site. What's more, it holds a European record: No other railway reaches such a **high altitude without a cog wheel** (Ospizio Bernina, 2,253 m).



6. The Swiss Federal Railways (SBB) have the **highest rate of network usage efficiency** in the world: On average, every section of rail is used by approximately 95 trains a day.



8. In 1982, the SBB became the first railway company in the world to introduce a **regular-interval timetable** nationwide. Today, this timetable is in effect for all railway and postbus lines, with only a handful of exceptions.



9. Two European records for **funicular railways**: The **steepest** is the Gelmer Railway near the Grimsel Pass (106 percent incline), the **longest** extends from Sierre to Crans Montana (4.2 km).

10. Ninety-nine percent of the Swiss railway network is **electrified** – a world record. With an operating length of approximately 128 meters per square kilometer, Switzerland also has the **densest railway network** in Europe.

Another View

How do photographers from around the world view Switzerland? Many things come to mind: the Matterhorn – the world's most-photographed mountain – and tourists snapping away on Lucerne's Chapel Bridge, or postcards of the Lavaux Vineyard Terraces, a UNESCO World Heritage Site on the shores of Lake Geneva.

Internationally renowned photographers show a different Switzerland, as you can see from the pictures in this photo essay. This alternate view of Switzerland begins in the 1930s, starting with Herbert List's love letter to the country's lakes and young men. The most recent picture here is by Mark Henley, an Englishman who lives in Switzerland, from his award-winning long-term observation of Zurich's Paradeplatz. And there is also a small snack, as satirical photographer Martin Parr discovered a new subject in 1997: grilled veal sausage. This photo essay was put together by Bulletin photo editors Andreas Wellnitz and Maria Leutner.

A poem by Jorge Luis Borges concludes this artistic overview. The Argentinian poet (1899–1986) spent a great deal of his youth in French-speaking Switzerland. He later returned to Geneva, where he died and is buried. “Los conjurados” (“The Conspirators”) is an ode to Switzerland, a nation by choice, which he saw as a model for a global community.

The editors

2012 Credit Suisse Worry Barometer

83 percent

believe that Switzerland
is well-regarded abroad.

VINCENT FOURNIER (FRANCE)



THE SCHILTHORN

This picture comes from Fournier's first volume of photographs, "Tour Operator," which is inspired by Jules Verne's book "Around the World in 80 Days" and is intended to show "tamed nature" around the world. Art photographer Vincent Fournier, 42, was born in Ouagadougou, Burkina Faso. He shot this picture in 2004.

MARTIN PARR (UK)



ZURICH

British documentary photographer Martin Parr, 60, loves to provoke others with his pictures. In 1994 he joined the famous Magnum Photos agency – despite vehement resistance from some of its members. Today he is world-renowned and greatly influences contemporary photography. This picture was taken in 1997.

MARK HENLEY (UK)



ZURICH, PARADEPLATZ

This image comes from “Bank on Us,” a long-term project by Mark Henley, 46, for which he received the Swiss Press Photographer of the Year 2012 award. Henley studied literature in York before traveling to China and documenting the student unrest there. Since then, he has worked in 50 different countries; he focuses on global current events.

ANDREAS GURSKY (GERMANY)

MALOJA

Andreas Gursky, 57, is one of the world's most successful contemporary photographers. His unique style and means of expression combines digital image editing, an extremely large format and color landscape pictures. Gursky has a close relationship with Switzerland; two of his early exhibitions were held in Geneva and Zurich.



ANOUSH ABRAR (IRAN)



PAYERNE

This 2001 series documents Payerne's military airport. Abrar, 36, has lived in Switzerland for some time and teaches at the Haute école d'arts appliqués (ECAL) in Lausanne.

HERBERT LIST (GERMANY)



LAKE LUCERNE

The picture was taken in 1936. List (1903–1975) was highly influential for modern photography. List took his cues from surrealism and the Bauhaus school, as he created austere still lifes and classically composed portraits of his friends.

JORGE LUIS BORGES (BUENOS AIRES / GENEVA), 1899–1986

Los conjurados

En el centro de Europa están conspirando.

El hecho data de 1291.

Se trata de hombres de diversas estirpes que profesan
diversas religiones y que hablan en diversos idiomas.

Han tomado la extraña resolución de ser razonables.

Han resuelto olvidar sus diferencias y acentuar sus afinidades.

Fueron soldados de la Confederación y después mercenarios,
porque eran pobres y tenían el hábito de la guerra
y no ignoraban que todas las empresas
del hombre son igualmente vanas.

Fueron Winkelried que se clava en el pecho las
lanzas enemigas para que sus camaradas avancen.

Son un cirujano, un pastor o un procurador, pero
también son Paracelso y Amiel y Jung y Paul Klee.

En el centro de Europa, en las tierras altas de Europa,
crece una torre de razón y de firme fe.

Los cantones ahora son veintidós. El de Ginebra,
el último, es una de mis patrias.

Mañana serán todo el planeta.

Acaso lo que digo no es verdadero, ojalá sea profético.

The Conspirators

There is a conspiracy right in the middle of Europe. It began in 1291 and brought together people of different backgrounds, different religions and different languages. They made the strange decision to be reasonable. They chose to set aside their differences and emphasize their similarities. They were soldiers of the confederation and later mercenaries. Poor and accustomed to war, they understood that all human undertaking is but earthly vanity. There was Winkelried, who took the enemy's pikes to the chest so that his comrades could advance. Among them was a surgeon, a shepherd and a lawyer; but also Paracelsus and Amiel and Jung and Paul Klee. Right in the middle of Europe, in Europe's mountains, a tower of rationality and of firm belief has been built. Today it has twenty-two cantons. That of Geneva, the last one, is one of my homelands. Tomorrow they will grow to encompass the whole planet. What I say may not be true, but may it be prophetic.

What China Thinks of Us

Neutral Switzerland was held in great esteem by Mao's China. Former ambassador Uli Sigg tells how the new China, courted by the whole world, views Switzerland.

By Michael Krobath

Mr. Sigg, how well-known is Switzerland in China?

Switzerland's reputation goes well beyond its dimensions in terms of size. A survey held before the 2010 expo in Shanghai measured the reputation of the European nations. In terms of public image, Switzerland was number one.

Why is that?

Historically, Switzerland was highly respected for the fact that it remained strictly neutral during the Cold War. Switzerland was one of the first countries to recognize Mao's China in 1950; in 1975, Swissair was the second airline in the world to establish air connections with the People's Republic. Today, Chinese consumers like Swiss products such as clocks and chocolate. And they love Switzerland as a holiday destination, as its unspoiled natural surroundings offer them something they can't find at home.

That sounds more like a traditional view of Switzerland.

We Swiss often prefer quite another image. We would like to be seen above all as an innovative, high-tech country, far from cheese, chocolate and clocks. I think this is a mistake. We need to expand our

image to include these dimensions, but we should not tinker with the established image.

Can Switzerland learn from the Chinese and their highly acclaimed ability to think very long-term and strategically?

Yes. When I negotiated with the Chinese on behalf of the elevator manufacturing company Schindler in 1979, they said: "We need your technology today, but in a hundred years, you will need our technology." On the other hand, the Chinese are "doers" – they get to work on things without spending a great deal of time weighing up the pros and cons. The reformer Deng Xiaoping liked to use the image of a river for this: "Cross the river by feeling the stones."

What role does Switzerland play in the Chinese economy's long-term plans?

Looking forward, China's biggest problem will be how to satisfy the country's enormous appetite for raw materials. In this regard, Switzerland is uninteresting. However, Switzerland does play a certain role as a technology contributor. Many Swiss companies are leaders in their fields and highly attractive to China's economy. Switzerland's chances as the European headquarters for Chinese companies are also improving, even if it may not be obvious to a Chinese company why its European headquarters should be set up in a country that is not part of the EU.

If Switzerland succeeds in attracting many Chinese companies, will they create Chinese districts or villages in the medium term, like those in Africa?

The Chinese like to form clusters, you can see that in the major European cities. Such clusters are mostly made up of Chinese from the same province – some groups go to Italy, others to Paris. That also applies to companies. When a company has a good experience at one location, the next one is more likely to go there, too. However, a development like the one currently seen in Africa, where they are building company towns for their skilled workers, will never occur in Switzerland. But a certain concentration is definitely possible.

And what do Swiss companies need to be aware of in China?

The central question is "do I have the right product?" For example, a shampoo producer started off by placing the same sized bottles in the stores as the ones we have here. But they stayed on the shelves, because the purchasing power was too low at that time. The Chinese bought single-day sizes and preferred to go shopping two or three times a week. However, as a foreigner, earning the respect of the Chinese is just as important as the product.

How does this work?

On an individual level, one earns this respect through knowledge about China. That sounds mundane, but it takes quite a lot of time. Nothing is quite as insulting to the Chinese as when people or politicians provide uninformed advice. That also applies to human rights issues, where there is a great deal that needs to be addressed. But when this is brought up by people who lack detailed knowledge, barely anything is achieved.

And economically?

Switzerland has an excellent reputation in this respect thanks to the many companies that distinguish themselves through their good products and reliability. But there are two state visits per week in China, as all countries are vying for the attention of China's top politicians – in a situation like this, we cannot let up. Signing a free trade agreement with China would be pivotal for Switzerland. It is currently in negotiation and would provide new momentum to the Sino-Swiss economic relationship. ■



Uli Sigg, 66, was ambassador to the People's Republic of China, North Korea and Mongolia in Beijing (1995–1998). He founded the first joint venture between a western industrial company and a Chinese state-owned company (1980), and he is considered one of the world's greatest collectors of Chinese contemporary art. He holds a doctorate in law and lives at Schloss Mauensee (canton of Lucerne).

Switzerland in Figures (4/4)

10 Special Cases



1. Switzerland has **no official capital city** – Berne is merely the “federal city,” meaning it is home to the most important federal institutions. This was a result of a compromise reached in 1848 to ensure that no city would become too strong.

2. **Bivio** in the **canton of Graubünden** is the only **trilingual** (German, Italian and Romansh) municipality in Switzerland and the only village north of the Alps where Italian is spoken.

3. The **Appenzell region** abounds with special cases. The two semi-cantons are the only ones in Switzerland **not connected to the SBB rail system or the highway system**. In the canton of Appenzell Innerrhoden, parking is free and there are no traffic lights.



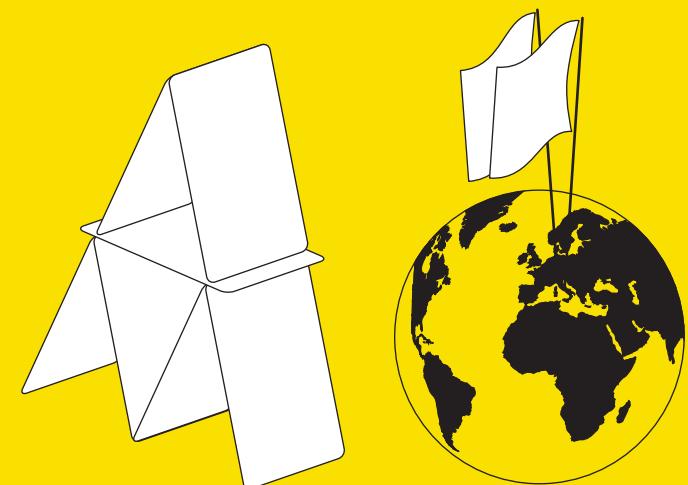
6. The Swiss railways all run on normal or narrow gauge. The only exception: In Neuchâtel, a **broad-gauge** funicular railway of just over 300 meters in length connects the university with the train station.

7. The **Piz Bernina** (4,049 m) is the **only 4,000-meter peak in the Graubünden Alps, and in fact in all of the Eastern Alps**. All of the other 4,000-meter peaks in Switzerland are located in the Bernese Oberland or in Valais.

8. **Swiss German** is practical: It has **no future or simple past tenses, and no genitive**. Well, almost. In some locations in Valais, the inhabitants have maintained the Old High German genitive endings: *Psinntsob di no der flottu Tago im letschtu Jaar?* (“Do you remember the nice days we had last year?”).

4. The **Alemannic dialect** is spoken throughout German-speaking Switzerland – except in **Samnaun** in the **canton of Graubünden**, where a southern Bavarian dialect is spoken. Stadtbaseldeutsch or the German spoken in the city of Basel is another special case: It is the only Swiss dialect that belongs to the northern Alemannic dialects.

5. The **Aare** is not just a Swiss river – it also carries **French water** from the Orbe, the source of which is just across the border. It is also not entirely true that the Rhine begins in Switzerland: One of its 14 source rivers, the Reno di Lei, originates in Italy.



9. When it comes to **card games**, French cards are used west of the so-called “Brünig-Napf-Reuss line” and German-Swiss cards are used east of it. Exceptions to this are the canton of **Graubünden** and parts of **Thurgau**, where the inhabitants prefer French cards.

10. There are only two countries in the world with **square flags**: the Vatican and Switzerland.



Good, But Could Do Better

In an international comparison, Switzerland has an excellent standing as a location for education. But further steps are needed to catch up with the top US universities.

An analysis by the president of the École polytechnique Fédérale de Lausanne (EPFL).

By Patrick Aebscher

1 — Transformation of International Science

Changing energy systems, the revolution of neurosciences, skepticism about current physical models, hyper-personalization: The problems of our world are simply too complex today for any single scientific field to provide conclusive answers. Researchers have to learn to talk to one another in order to bring together their areas of expertise – but unfortunately, IT specialists, biologists, sociologists and engineers do not always speak the same language.

We need to have greater interaction between the fields. But science – singular – has become fragmented into so many fields in just a few centuries that it is more realistic today to speak of sciences in the plural. Research has to navigate the winding path between hyper-specialization of our researchers, between our will to unceasingly expand the boundaries of our knowledge and the necessity to improve the dialogue between the disciplines.

2 — The State of Education in Switzerland

Within this global trend, Switzerland demonstrates a pioneering spirit both in research and creativity. It is worth pointing out that Switzerland has generated the most scientific publications per resident in the world in recent years, although this fact is often overlooked in Europe. Our European neighbors, however, regard Switzerland as performing well in multiple areas: with our dual system, which gives equal weighting to apprenticeships and university studies, our democratic model of government and how scientific research is funded.

And we have our finger on the pulse: The EPFL neuroprosthesis center is a wonderful example of interdisciplinary cooperation required today. Here, IT specialists, neuroscientists, doctors and engineers collaborate closely. Without the desire to communicate in working toward a common objective, our teams would never have created the phenomenal interfaces between man and machine that allow a wheelchair to be driven solely by the power of thought. To achieve this, an electrode cap transfers the brainwaves of a paraplegic patient to the wheelchair via computer, and the patient gains back a freedom of movement and autonomy once thought lost.

Our researchers succeeded in finding a common language to break through the walls of their respective fields. Hearing prosthetics, retina implants, prosthetic arms – all of these highly complex feats of engineering will soon be part of our everyday life, giving rise to a myriad of technology centers and patents. There is only one body part that cannot be replaced, namely, our brain.

3 — Cooperation With Industry

The willingness to cross the boundaries of the individual fields is giving rise to numerous start-ups. In western Switzerland, Endoart, a company in the biotechnology sector, was sold for over 100 million Swiss francs in 2007. Other companies such as Kandou, HouseTrip, Typesafe, Aleva Neurotherapeutics and Nexthink have proven the innovative potential of our region. A success story like that of Sensefly, a company that produces low-cost drones able to map terrain in 3D, provides proof

of just how a small innovation can change the perspective of the world. Another example is Siri, the iPhone voice recognition program, which was co-developed by one of our researchers in the US. There are also examples from German-speaking Switzerland, of course, such as Doodle, Optotune, Molecular Partners and many others.

Besides supporting start-ups, we have expanded our collaboration with multinational companies and SMEs in a wide variety of areas such as medicine, IT, automotive and, of course, banking, through Credit Suisse's IT Development Center, which is located in the heart of EPFL's campus.

Scientists have nothing to lose by facing the realities of industry; in fact they can only gain. And in our laboratories, companies find things they can build upon for subsequent innovations. This cycle is beneficial to all involved. For example, data centers make up more than 2 percent of energy consumption in the US, and Europe is doubtlessly keeping pace. This issue can only compound, as energy consumption is growing exponentially. Two EPFL scientists have now developed a solution to convert waste heat from data centers into energy.

4 — The Future of the Classroom

Another breakthrough innovation from the US is revolutionizing the classroom: MOOCs or massive open online courses. Stanford and MIT (Massachusetts Institute of Technology) spearheaded the initiative by offering top-of-the-line university courses via the Internet for free, crossing boundaries previously considered

SWISS FEDERAL INSTITUTE OF TECHNOLOGY, ZURICH (ETH)
AND ÉCOLE POLYTECHNIQUE FÉDÉRALE DE LAUSANNE (EPFL)

Starting Point of Successful Start-Ups

DOODLE
The scheduling platform is considered "Switzerland's best-known start-up" (startwerk.ch). Tamedia acquired 49 percent of the company last year.

MOLECULAR PARTNERS
One of the "most successful Swiss biotech companies" (Finanz und Wirtschaft), cooperations with Allergan and Johnson & Johnson.

OPTOTUNE
Lenses made from elastic polymers that focus like the human eye, expected to revolutionize optics. Switzerland's best start-up in 2011 (startup.ch).

SENSEFLY
Manufactures ultra-light drones for civilian use. Was recently acquired by the market leader in cordless devices for mobile phones.

HOUSETRIP
Europe's largest online vacation rental booking site, Switzerland's best start-up in 2012 (startup.ch).

KANDOU
Innovative semiconductor company with over 100 patents obtained or pending.

ENDOART
Developed a remotely controlled gastric band for the treatment of extremely obese patients and the company was sold for over 100 million Swiss francs.

taboo. The universities of the future will most likely change their size, moving from 400 students in a single auditorium to several thousand in front of computer screens. Professor Odersky produced our first online course and more than 46,000 people signed up for it within just a few weeks. The software behind this was written in "Scala," the programming language also used for Twitter.

When talking about the opening and democratization of the universities, it should also be mentioned that rapid changes are occurring in how innovations are viewed globally. MIT biologists developed a game which allows thousands of Internet users – biologists as well as lay-persons – to participate indirectly in modeling a protein. Of course there are natural limits to this participative research method, and it can in no way replace traditional research.

However, this project brought to light interesting intellectual possibilities. Ordinary Internet users developed a complex theory in a virtual space, and came up with solutions that even a supercomputer would not have been able to create.

5 — Opportunities for Europe and Education in Switzerland

I have the feeling that our continent has stopped believing in itself. However, the example of Switzerland – as well as Germany and Scandinavia – shows that Europe is in no way condemned to sitting on the side lines while others create and innovate. The Federal Institute of Technology, Zurich (ETH), and the EPFL are now regarded as exemplary across the entire continent. Both have mastered the challenge of interdisciplinarity; they have opened themselves to industry and attracted the world's best researchers. But now they must join forces with the best universities in order to contribute to an academically strong Europe, in order to compete with the economic strength and

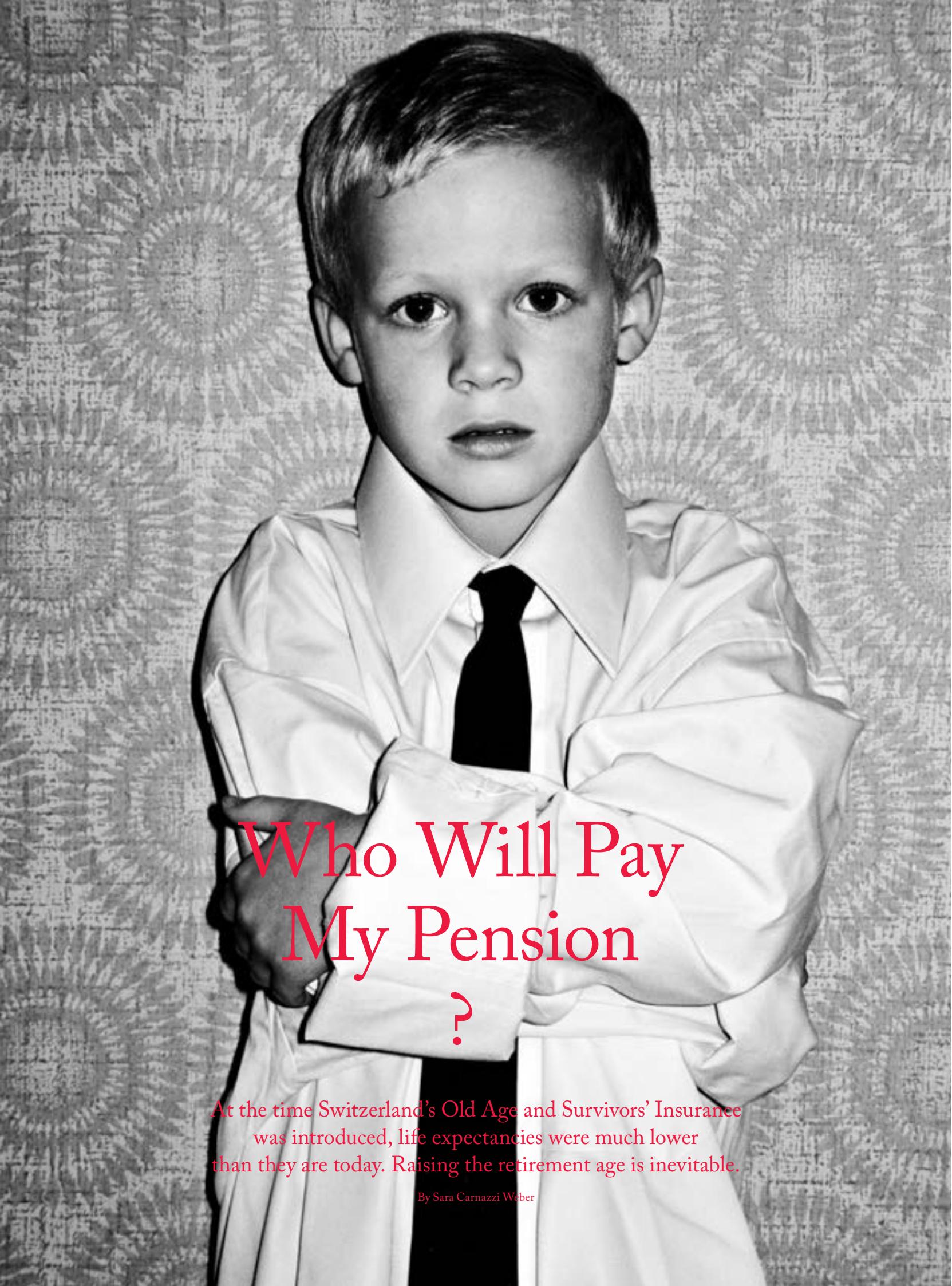
inventive spirit of US universities and the up-and-coming Asian universities.

Our trump card? Interestingly, Switzerland's low taxes have not been the primary attraction for US and European researchers in recent years, but rather the culture, the freedom to conduct research and the unique intellectual environment at our universities are the main draws. But we cannot allow ourselves to rest on our laurels. We have to continue to uphold our belief in a scientific Switzerland and invest in creating a climate of innovation. We do not want a Switzerland that thinks in the short term but rather an imaginative one, and one deeply supportive of the human dimension and social interactions. The goal is to create high-quality jobs and to improve education for the younger generations, now and in the future. ■

2012 Credit Suisse Worry Barometer

At 41 percent, respondents consider education as Switzerland's biggest strength.

Patrick Aebischer is president of the École Polytechnique Fédérale de Lausanne (EPFL).



Who Will Pay My Pension ?

At the time Switzerland's Old Age and Survivors' Insurance was introduced, life expectancies were much lower than they are today. Raising the retirement age is inevitable.

By Sara Carnazzi Weber

It is a fact that we are living longer and longer. When the Old Age and Survivors' Insurance (AHV) was introduced in Switzerland in 1948, conditions were quite different. The majority of the population never reached retirement age, set at 65 at the time. Today, statistically speaking, a 65 year-old man has a remaining life expectancy of 17.1 years; a woman, 20.9 years.

It is a fact that we are living longer and longer, and our health is better. In Switzerland, the so-called healthy life expectancy is currently 73.7 years for men and 76.8 years for women.

It is a fact that life patterns are changing. The boundaries between the individual life stages are becoming increasingly blurred. So are the lines between education and gainful employment – thanks to longer study programs and lifelong learning – and those between work and retirement, as a result of flexible retirement options.

Until now, the regulatory framework of AHV has only reacted cautiously to these changes and challenges. Astonishing, considering that we can forecast fairly reliably that the population will age. Depending on the assumptions, scenarios and models can differ slightly, but they remain the same in their basic message: The ratio of older people to people of working age has increased steadily over the course of time and will, in the future, change even more rapidly to the detriment of the younger generation. This trend places a growing strain on the pay-as-you-go AHV and charts the road into deficit. Though in an international comparison, Switzerland is still doing very well in terms of their retirement provision with the three-pillar system composed of occupational and private pension schemes, in addition to the AHV state pension.

In around half of OECD countries, people will need to work longer in the future before they can retire. In contrast, little has changed in Switzerland since increasing the retirement age for women from 62 to 64 years of age under the 10th AHV revision. The uniform retirement

age of 65 for both men and women was rejected with the 11th AHV revision of 2010. What needs to be done in order to also secure pensions in the long term for future generations? Reforms of the AHV can basically target either funding or benefits.

Working Past the Retirement Age

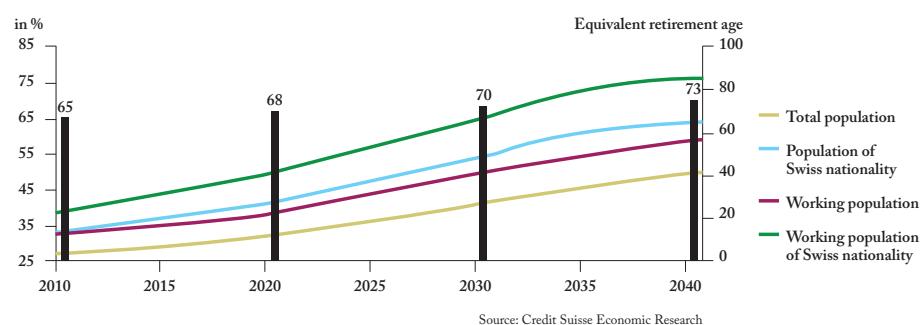
Discussions on funding focus mainly on a higher percentage of wages or tax increases (usually a value-added tax increase). But raising the percentage of wages increases the labor production factor. As a result, it burdens only the current workforce and has a more drastic impact on competitiveness than a value-added tax increase. A higher value-added tax, however, also has

er Social Insurance Office, more and more working people in Switzerland are continuing to work past the retirement age. From 2008 to 2011, this number averaged just over one-third. In contrast, the trend toward extending early retirement has weakened, although in past decades, retirement provision regulations and a concerted focus on youth in the job market fostered this trend.

There is therefore a substantial potential pool of workers who would like to continue working. However, the job market lacks a systematic human resources policy to address this proven need. In order to promote the employment of older workers by creating more flexible conditions to take full advantage of their expe-

BY 2040, THERE WILL BE ONLY TWO EMPLOYED PERSONS FOR EACH RETIREE

The Potential Support Ratio shows the ratio of those 65 and older to those between the ages of 20 and 64. The equivalent retirement age is the retirement age when the value of the Potential Support Ratio is held steady at the 2010 level. In 2040, this would need to be 73 years of age.



a negative economic impact in that it raises the cost of private consumption. On the benefits side, pension standards can be adjusted, limiting expenses to some extent. But this does nothing to change the growing burden on the active generations from the growing number of retirees under the pay-as-you-go system. This burden can only be counteracted in a sustainable manner by changing the mathematical ratio between those entitled to a pension and those contributing.

There is no alternative to raising the statutory retirement age or making it flexible in an upward direction. Implementing a debt brake for social insurance along with adequate automated processes would be helpful in achieving this. And extending the length of working life has long since ceased to be a revolutionary idea. According to a recent study by the Fed-

rience and expertise, employers will have to rethink their position. This is in their own interest, too, as they will soon be confronted with an increasingly aging staff. ■

2012 Credit Suisse Worry Barometer

At 95 percent,

securing retirement provisions is considered to be the most important task of politicians.

Sara Carnazzi Weber is the Head of Macroeconomic and Policy Research at Credit Suisse.

How Switzerland Came to Be

Ten historical events that played a crucial role in making Switzerland the country it is today. (No, they don't include the founding of the confederation in 1291.)

By Thomas Maissen

The Swiss Confederation developed over time from a network of city alliances, which were common in the Holy Roman Empire during the 14th century. What was unusual was that it grew into a unified confederation of adjacent territories not only through partnerships, but also through subjugation. It became a sovereign entity under international law in the 17th century, achieving the status of a nation-state in the 19th century. During the period of revolution from 1798 to 1848, the ruling German-speaking alliance of 13 cantons (Dreizehn Orte) developed into a multilingual federation, in which equal rights were afforded to the French- and Italian-speaking subjects. The premodern sovereignty of the cantons was reflected in a federalist constitution that provided for both a national council and a council of states; and, to prevent centralist control at the national level, in 1874 Switzerland's direct democracy was introduced with its "Ständemehr" feature, which required the support of a majority of the cantons.



Bridging the Gap Between Urban and Rural, and Between East and West

Berne formed an alliance with Uri, Schwyz and Unterwalden, which had allied themselves with Zurich two years earlier. Such temporary agreements between free cities and wealthy farmers and mercenary leaders were not expected to endure, just as now-forgotten alliances of the past (such as the one concluded in 1291) had not. However, a loose network gradually became a group of neighbors, as Zurich, Lucerne and particularly Berne acquired large territories through purchases and naturalizations, and largely without resorting to violence.

2012 Credit Suisse Worry Barometer

Security and neutrality are the most important concepts associated with Switzerland; each was mentioned by

20 percent
of respondents.

I450



Reinterpreting the Past

In 1415, the “Eight Old Cantons” (with Zug and Glarus) conquered the Habsburg district of Aargau. An assembly known as the “Tagsatzung,” the only collective institution that existed prior to 1798, was formed to administer the “Gemeine Herrschaft,” a territory under the administration of several cantons. During the so-called “Old Zurich War” (1440–1450), however, Zurich invoked its alliance-free status and sought help from the Habsburgs. When the people of central Switzerland prevailed in 1450, they viewed that step as a betrayal. They soon created a legend about Swiss liberation that featured William Tell, an oath of allegiance and the so-called “Burgenbruch,” the destruction of the local bailiffs’ castles. The legend sought to create the impression that hostility to the Habsburgs was rooted in a distant past.

I515



Inability to Act in Foreign Affairs

During the Burgundian Wars (1476) and the Swabian War (1499), the Swiss employed a tactic akin to the Roman phalanx to defeat armies of nobles on horseback. This tactic made infantry troops a powerful factor in their own right until 1515, when French artillery, a costly new weapon of war, defeated the fragmented Swiss in what is now Melegnano. From then on, the Swiss fought only as mercenaries in the service of foreigners. A joint foreign policy became impossible, as Zwingli’s 1523 reformation pitted Catholics and Protestants against each other.

I648



Entering the World of Nations

The rift between Protestants and Catholics paralyzed the confederation and prevented it from taking sides in the Thirty Years’ War.

In 1648, as the war came to an end, the confederation was granted privileges by the emperor, almost by accident, that gradually came to take on the character of sovereignty in the decades that followed. Then, in 1674, the Tagsatzung declared itself to be a neutral state – evidence that Switzerland had (finally) become an entity under international law that was not bound to the emperor or the empire.

1798



The Experiment of a Nation-State

With the Swiss revolution came popular sovereignty and a separation of powers, Switzerland's first government and a national parliament, as well as equality under the law for those who had previously lacked equal rights in the territories. Switzerland's elites had been both unwilling and unable to carry out such reforms. At the same time, this period of Swiss history, up to the end of the Helvetic Republic in 1803, left a legacy of unpleasant memories: the centralized state, the "French period," the "terror of Stans" and the country as a stage on which the European powers carried out their wars.

1848



1803



Napoleon Establishes Cantons

With the Act of Mediation, Napoleon ended the civil wars between the reformers of the Enlightenment and conservatives, effectively establishing modern Swiss federalism. The country now included the new cantons of St. Gallen, Aargau, Thurgau, Graubünden, Ticino and Vaud, largely formed out of "subject lands" that had previously been controlled by other cantons. In 1814, Berne and central Switzerland sought to reestablish the inequality that had existed in the past, but Russia's Czar Alexander I offered protection to the new cantons and was able to prevent civil war.

A Federal State, Thanks to the Revolution

Radical liberals and Catholic conservatives escalated their disputes in the 1840s, with both sides overstepping the law. This led to the dissolution of the monasteries, the recalling of the Jesuits, the armed radicals and the Swiss civil war of 1847, known as the Sonderbund War. General Dufour's swift victory did not mark the end of a religious war; it was a political decision in favor of a liberal constitution that established a nation-state. The constitution provided for federal institutions under the bicameral system (modeled after that of the US); a national army; freedom of the press, association, trade and establishment; and uniform currency, customs duties, measures and weights.

1939



1989



United in Achievements and Guilt

The war had many sides. Switzerland's primary goals were to maintain its independence and secure the country's basic needs. There was a focus on defense readiness through the "National Redoubt" strategy and economic integration into German-dominated Europe, which also included purchasing Nazi gold. Other factors included profit-focused thinking and efforts to prevent a repeat of the social crisis of 1918. There was anti-Nazism as well as anti-Communism and anti-Semitism. Private individuals provided humanitarian aid. At the same time the country's borders were closed to Jewish refugees.

1918



A Divided Country

During World War I, divided loyalties drove a wedge between the French- and German-speaking regions of Switzerland. Laborer families bore the burden of active service, with no income compensation, no rationing and dramatic inflation. A nationwide general strike was called in November 1918, but was suppressed when General Wille called out the troops. From then on, there was profound mistrust between the left wing and the centrist coalition, made up of liberals, Catholic conservatives (represented in the Federal Council since 1891) and now also the farmers' party (later the Swiss People's Party).

A Rude Awakening

The fall of the Berlin Wall shook the fundamental consensus that had existed during the Cold War, based on neutrality and anti-Communism, as well as the so-called "magic formula" for allocating seats on the Federal Council among the ruling parties. The resignation of Elisabeth Kopp, the first woman on the Federal Council, reflected the decline of the Liberals (FDP). The secret-files scandal known as the "Fichenskandal," along with an unexpectedly high level of support for an initiative to abolish the army, clearly showed that a new era had dawned – and Switzerland has chosen to maintain its special status following its rejection of the European Economic Area. Globalization has produced losers as well as winners: structural unemployment, Swissair, the bank crisis, migration.

Thomas Maissen is a professor of modern history at the University of Heidelberg. His book "Geschichte der Schweiz" ("History of Switzerland"), published in 2010 by hier+jetzt, Baden, is currently in its fourth printing; Maissen's illustrated volume "Schweizer Geschichte im Bild" ("Swiss History in Pictures") was released by the same publisher in 2012.

On the Offensive

Seventy-two percent of voters would like to see their government take a more aggressive stance toward other countries.

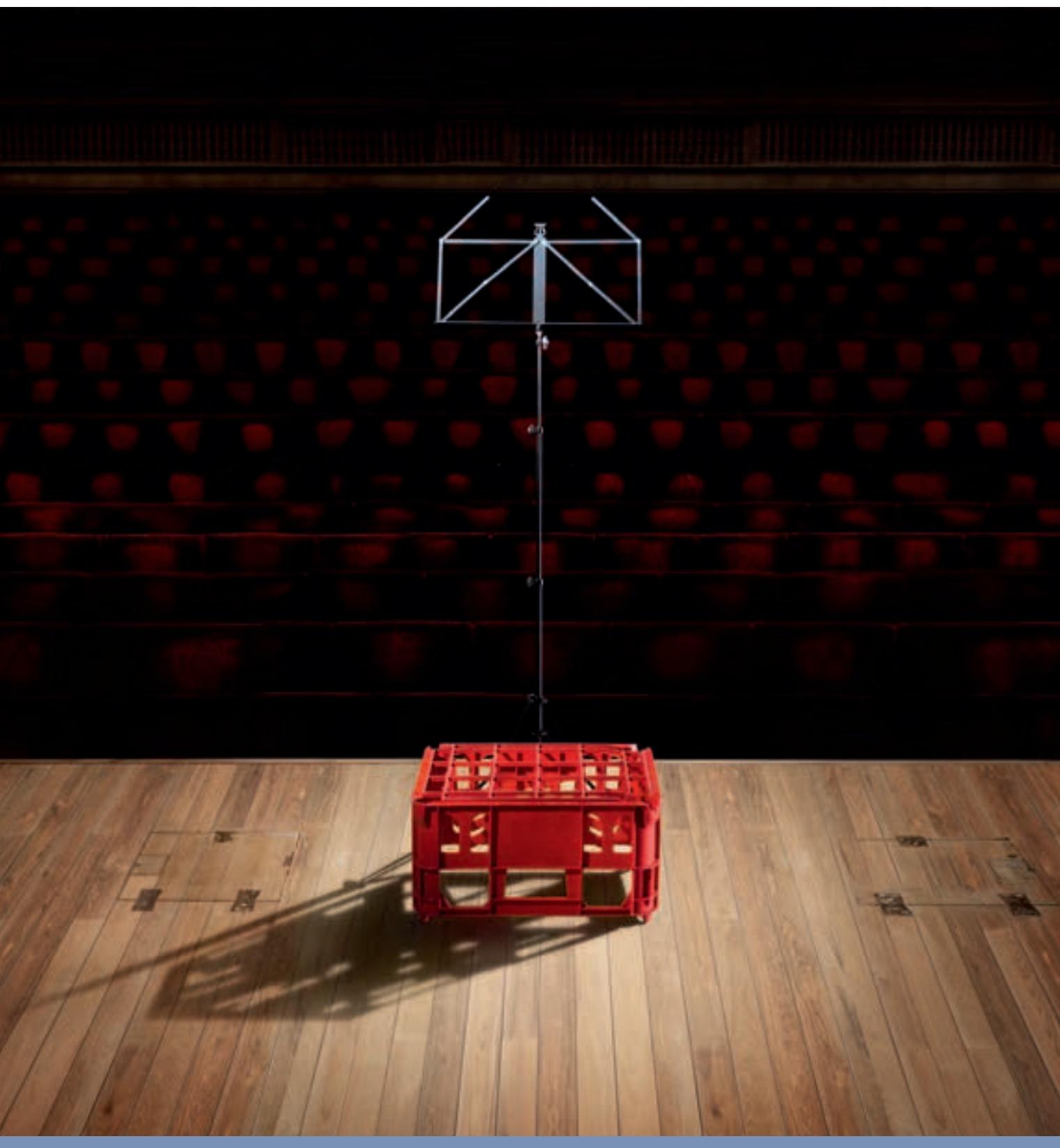


ANDREAS GEFE "The picture shows two players on a tennis court. One of them is serving and the other is getting ready for the return. It's worth noting that the player returning the ball is off the baseline, fairly close to the net, demonstrating his offensive game."

Andreas Gefe is known for his work in Die Weltwoche, NZZ Folio and NZZ am Sonntag. His graphic novels have been published by Edition Moderne.

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