

CREDIT SUISSE

# Bulletin

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Exclusively in  
this issue:  
Credit Suisse  
2015 Worry Barometer  
#CSsoba

## The High-Rise Building

Architecture, Growth, Density: The Eternal Pursuit of Size

OYSTER PERPETUAL  
GMT-MASTER II IN 18 CT WHITE GOLD



**ROLEX**



**BUCHERER**

1888

*bucherer.com*



Contributors to this issue include

### 1 Simon Kuper

A British writer who studied German and history at Oxford and Harvard, Kuper is an expert on football and equally interested in the intersection of sports, culture and history – a topic he discusses in his award-winning books. Kuper examines the question of why the buildings in his adopted city of Paris are so low, and looks at how the city plans to grow upward. *Page 38*

### 2 Chris Dent

Dent, 31, grew up outside of London. As an illustrator, he is particularly interested in the history and architecture of New York City. He was an ideal choice to create our fold-out panoramic drawing of the tallest and most important high-rise buildings in history. *Page 32*

### 3 Edwin Heathcote

Heathcote, who is an architect and author as well as the architecture critic for the Financial Times, investigates these questions: Why have people always wanted to build upward? What did high-rise buildings signify in the past, and what do they mean today? *Page 6*

### 4 Alejandro Kirchuk

Photographer Kirchuk, 28, who lives in Buenos Aires, the city where he was born and raised, has won a variety of prestigious awards. Not only did he contribute the photographs for our report from the slums of his home city, he also made sure that our reporter, Andreas Fink, was able to gain access to the “forbidden city.” *Page 44*

## Objects of Desire

Hollywood is fond of skyscrapers as a setting for its movies – whether it’s King Kong climbing the Empire State Building, the US Army destroying the Chrysler Building (Godzilla) or Tom Cruise scaling the side of Dubai’s Burj Khalifa (Mission: Impossible). Batman, Sleepless in Seattle, Blade Runner: Skyscrapers play a key role in every one.

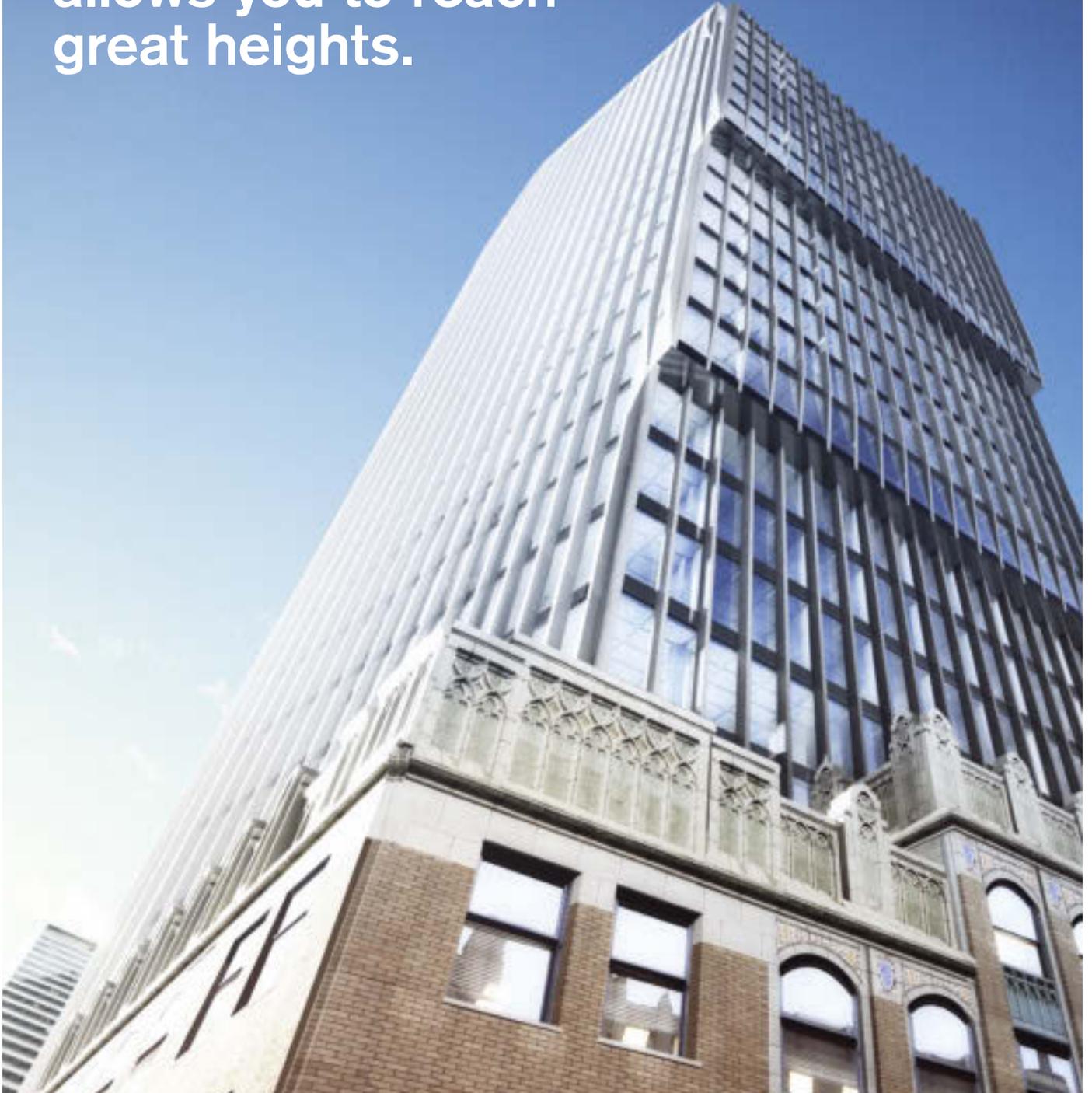
Blockbuster movies explore life’s big issues: rises and falls, power and corruption, love and hatred. The high-rise serves as both backdrop and projection screen, making it a compelling symbol for an ambivalent modern age.

It plays a similar role in real life, too, and thus also in this issue of Bulletin. These imposing buildings, made of steel and glass, are one solution to increasing urbanization and growing population density, as our interview with city planner Kees Christiaanse (page 34) shows – but they can also promote ghettoization, as explained in our report from the “elefante blanco” in Argentina (page 44) and our interview with slum expert Eugenie L. Birch (page 48). Skyscrapers are a good investment, but only when they do not exceed a certain number of floors, according to Credit Suisse’s Real Estate Research (page 12). Ultimately, however, high-rise buildings are always objects of desire – but they can also send a shiver down your spine. This is how Edwin Heathcote, architecture critic for the Financial Times, describes them in his lively essay (page 6).

This issue concludes with the Credit Suisse Worry Barometer, which has surveyed the Swiss population for the past 39 years to provide a unique look at how people in Switzerland are doing from one year to the next. Three findings from this year’s survey: The overwhelming majority of Swiss citizens are proud of their country, and they consider Switzerland’s neutrality to be its greatest strength. Asked whether they personally are doing well, 86 percent say yes. The new president of the National Council, Christa Markwalder (FDP), analyzes the survey’s political results; Urs Rohner, chairman of the Credit Suisse Board of Directors, discusses its economic findings.

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## Contents



**6 Towering Achievements**  
Vertical structures are a manifestation of human culture.

**12 Billion-Dollar Buildings**  
The economics of building a high-rise.

**15 High-rises before the Fall**  
What recessions and skyscrapers have in common.

**16 “That only happens in movies”**  
Thomas Oetterli, CEO of the Schindler Group’s China division, talks about elevators.

**20 On the Rooftops of the World**  
Nature, recreation and sports at dizzying heights.



**26 Glass, Glass and More Glass**  
Skyscrapers are modern – but not particularly environmentally friendly. That’s going to change.

**28 Big Things from Denmark**  
Architect Bjarke Ingels, sometimes called a modern-day Le Corbusier, is influencing an entire generation.

**32 Aiming High**  
Fold-out: The world’s 50 most important high-rise buildings and their predecessors.

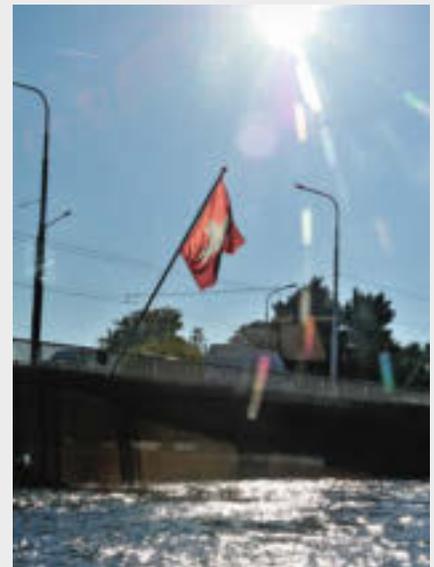
**34 “A Patchwork”**  
Urban planner Kees Christiaanse tells us what Asia can learn from Europe – and vice versa.

**38 A Matter of Height**  
Two Swiss architects are building a tower in Paris, a city with remarkably few skyscrapers.

**43 My Bird’s-eye View**  
What’s it like to work in Zurich’s tallest building?

**44 Buenos Aires’ White Elephant**  
Struggling to survive in a slum in Argentina’s poorest neighborhood.

**48 The Voice of the UN**  
Eugenie L. Birch talks about slums and urban growth.



### Credit Suisse Worry Barometer 2015 #CSsoba

- 1. WHAT THE SWISS ARE WORRIED ABOUT – 52**

---

- 2. CONFIDENCE AND STRENGTHS – 55**

---

- CHRISTA MARKWALDER  
INTERVIEW – 57

---

- 3. THE ESSENCE OF SWITZERLAND – 60**

---

- 4. THE INSIDER’S VIEW – 64**

---

- 5. LOOKING OUTWARD – 66**

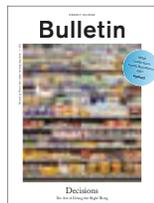
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- URS ROHNER  
INTERVIEW – 69

---

- THE LAST PAGE: BRIGHTER DAYS AHEAD! – 72

## Comments



*Bulletin*  
“Decisions,” 4/2015

### “Practical advice”

Absolutely top-notch! Practical advice on communicating in relationships and at work. Thank you.

*Hans-Beat Zangerl, St. Gallen*

### Interesting Topic

I happened to come across the latest issue of Bulletin, “Decisions.”

A very interesting topic, with great articles – bravo!

*Robert Akeret, Winterthur*

### Useful and Entertaining

Thank you for the latest issue of Bulletin on “Decisions – The Art of Doing the Right Thing,” which was both useful and fun to read. I appreciate the fact that Bulletin is sent to me automatically.

*Carl Bossard, Stans*



*Bulletin*  
“Africa,” 3/2015

### Excellent

This issue of Bulletin was outstanding!

*Ellen Ringier, Zurich*

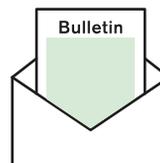
### Not Just a Run-of-the-Mill PR Publication

I just put down my copy of Bulletin, after reading it from cover to cover, and would like to congratulate you on another outstanding issue. As a journalist, I hold your magazine to journalistic standards because of its consistently high quality. It’s not just a run-of-the-mill PR publication.

Sometimes it seems that the media want to report only on negative events and lose interest when situations improve. Your article about Rwanda is a welcome change. It might well be possible to put out another issue on African topics such as Nigeria, Libya, Eritrea, Mali, Sudan, Islam, albinos, etc. Even then, I suspect, there might be some positive stories!

*Georges Müller, Thalwil*

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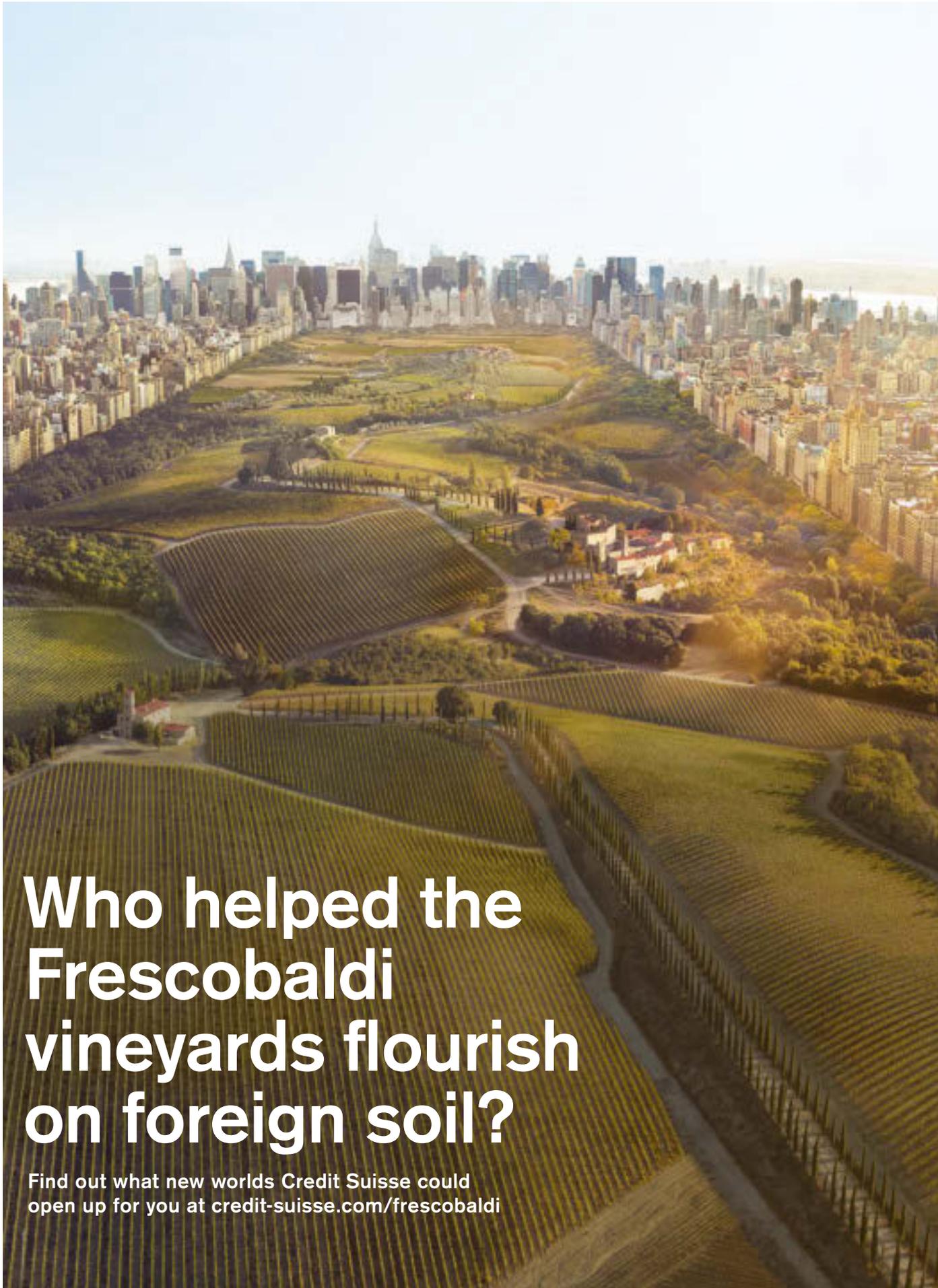
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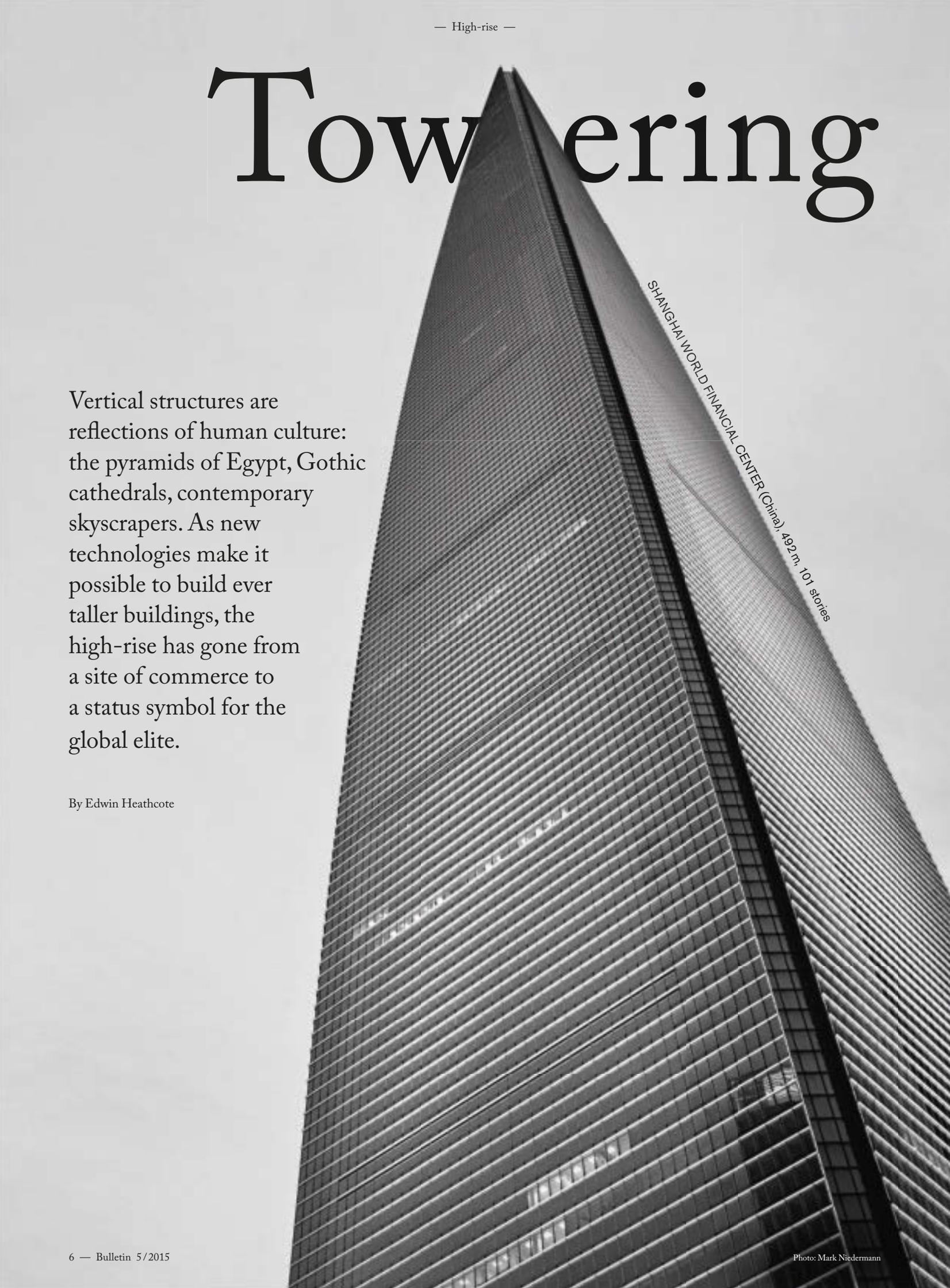




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# Towering



SHANGHAI WORLD FINANCIAL CENTER (China), 492m, 101 stories

Vertical structures are reflections of human culture: the pyramids of Egypt, Gothic cathedrals, contemporary skyscrapers. As new technologies make it possible to build ever taller buildings, the high-rise has gone from a site of commerce to a status symbol for the global elite.

By Edwin Heathcote

# Achievements

BURJ KHALIFA (Dubai, United Arab Emirates), 828 m, 163 stories



NEWS CORP. BUILDING (New York), 180 m, 45 stories

**C**ass Gilbert, architect of New York's Woolworth Building (1913), then the tallest structure in the world, called skyscrapers "machines for making the land pay."

The skyscraper is a vertical expression of the value of land – historically, this is why cities with the highest real estate prices have also been home to the densest concentration of towers: New York and Chicago, Hong Kong and Shanghai.

But skyscrapers are about more than property value. They embody the human ambition to defy gravity and to define the outline of a city. More than engines of profit, they are also monuments of culture. From the biblical Tower of Babel to the Burj Khalifa in Dubai today – towers are an expression of human hubris, the desire to create something remarkable and heretofore unseen in the world. The Egyptian pyramids, the spires of Gothic cathedrals, the silhouette of San Gimignano, and New York's spectacular Art Deco skyscrapers – all share the same inspiration.

And yet for decades, many of the world's great cities weren't interested in skyscrapers. In Paris and London, isolated structures like the Tour Montparnasse and the Centrepoint stood alone, as if the two cities wanted nothing to do with the spiky skylines of their international competition. But in the meantime, London has the Shard and a flourishing (if not quite first-rate) landscape of skyscrapers. And now that Paris has actually agreed to build the glass pyramid designed by the Swiss architectural firm Herzog & de Meuron, opposition against the project seems to have finally died down (see article on page 38). From São Paulo to Mumbai, the skyscraper has become the apparent symbol of a thriving metropolis.

### Symbol of Possibilities

The skyscrapers that sprang up in Chicago and New York at the end of the nineteenth century were a response to skyrocketing real estate prices in addition to

being the product of new construction technologies. Steel construction, in particular, enabled nearly unlimited heights. Before this, tall towers had depended on massive walls that left hardly any space at the foot of a building.

In 1854, Elisha Graves Otis invented the safety elevator. The arrival of the skyscraper coincided with the growing need for office space. And so in the first century of skyscrapers, they became a symbol of the commercial age – giant billboards reflecting the power of great corporations as well as the importance of the cities where their headquarters were located.

Towers reveal the ambitions of their times – the funerary cult of the pyramids, Roman triumphal arches, Gothic cathedral spires reaching heavenward. Skyscrapers of the 1920s and 1930s were emblems of technology and entrepreneurial spirit, the twin obsessions of the 20th century. These structures not only express economic and technological realities, but can also embody the dreams and nightmares of their builders. Towers are a key element of urban representations – from Expressionist artworks of the 1920s, to present-day comic books and their big-screen adap-

### Towers reveal the ambitions of their times – the funerary cult of the pyramids, Roman triumphal arches.

tations. Whether it's Batman fighting against corruption and crime in Gotham City, or Spiderman gliding high above the narrow streets of Manhattan: Both embody our secret desire to master the city and move effortlessly within it, as well as our fear of the sinister power schemes harbored underneath its jagged skyline. In Hollywood films from "The Towering Inferno" to "Die Hard," the skyscraper is a symbol of the city in peril, an image that became terrible reality on September 11, 2001.

And what do skyscrapers stand for today? Has anything changed? The Burj Khalifa in Dubai (currently the tallest building in the world) breaks all records. Even though the height of the Kingdom Tower in Jeddah (Saudi Arabia) was scaled down by about one-third from its original 1,600 meters, its design still proves that height is no longer a serious limitation for architects. Thanks to innovative elevator cables, more floors are possible than ever before. Despite 9/11, which for a short moment seemed like the skyscraper's death knell, high-rises now adorn cityscapes in ever greater numbers.

Mostly what has changed is the skyscraper's purpose. Once a symbol of big business, it is now >

of debate. Super-thin skyscrapers – the architectural equivalent of Tom Wolfe’s “social x-rays” – have sprung up at the city’s most expensive addresses. These skinny high-rises have altered the skyline, and many New Yorkers are complaining about the long shadows they cast over the park. The new pencil-thin towers have at most two, or maybe only one, apartment per floor. They are, in a sense, vertically-oriented housing developments. Whereas skyscrapers were once freely accessible elements of the city, public symbols of the metropolis, they now effectively represent the privatization of the sky above the city. These towers of immense wealth, inscribed upon an ever more exclusive skyline, have begun to meet with resistance.

#### **Is the Next Crisis on the Way?**

Will skyscrapers inevitably become a symbol of increasingly inequitable living conditions? Given the explosive growth of the world’s population, and the demand that land be reserved for food production or aesthetic conservation, are skyscrapers the only solution for ever larger, more densely built cities? It would be easy to say that the future of our cities depends on our ability to construct ever taller buildings, and to accept this as a consequence of our need for human coexistence.

Spiky cityscapes are thought to be evidence of prosperity – of dynamic, future-oriented cities and high real estate prices. Their relationship to real economic success, however, is ambiguous. The tallest New York skyscrapers, the Empire State Building and the Chrysler Building, were built in the worst years of the Great Depression. The Petronas Towers in Kuala Lumpur opened during the Asian banking crisis, and the Burj Khalifa during the global financial crisis of 2008. Construction of the world’s tallest building could presage the next economic crisis.

This isn’t as surprising as it sounds. Building these tow-

ers takes time and requires massive investment. They are typically conceived in a boom and completed in a bust. Despite Cass Gilbert’s apt definition, skyscrapers have always been more about ego than profit. Contractors, architects, engineers, cities – they are all driven by the ancient human desire to make a lasting impression on the skyline. And this won’t change anytime soon. □

**Edwin Heathcote** is a British author, designer and architect. He has written on architecture and design for the “Financial Times” since 1999. He has a column in “GQ Magazine” and has published several architecture books. He is a co-founder of the hardware company *izé*, which produces door handles and other fixtures in collaboration with renowned designers.

a status symbol for the global elite. The marketing materials of high-end real estate firms are overwhelmingly populated by attractive young men and women, about to go out on the town or freshly returned – ties loosened, high heels kicked off – gazing out at an idyllic view of the

## Today’s skyscraper is touted as a vertical metropolis, a cityscape tilted ninety degrees.

night skyline. Skyscrapers no longer represent work, but rather a contemporary, sophisticated lifestyle.

#### **Even Slender Towers Cast Shadows**

Today’s skyscraper – from London’s Shard to the Roppongi Hills in Tokyo – is touted as a vertical metropolis, a cityscape tilted ninety degrees. Its countless floors contain hotels, shops, observation decks, luxury apartments, even museums. But as real estate in the world’s major cities has become an increasingly coveted trophy, its other functions have faded into the background. In recent years, a new phenomenon has shifted New Yorkers’ perceptions of their already crowded skyline. While the rest of the world followed the latest controversies surrounding the redevelopment of Ground Zero, Central Park had long been a flashpoint



CHRYSLER BUILDING (New York), 319m, 77 stories

# Billions for Buildings

When land is scarce and expensive, just build upwards.

But it's not that simple.

On the economics of skyscrapers.

By Stephan Boppert



Before: Construction of London's monumental high-rise, The Shard, by Renzo Piano in 2011.



The demand for usable space in urban areas leads to enormous pressure on the price of land and to a compulsion to build upward. But not all metropolises grow upward equally. If high-rise construction is not constrained by regulations, two other factors will govern it: the economics of construction and users' willingness to pay.

In 2014, 97 skyscrapers taller than 200 meters were completed worldwide – a new record. What is the attraction of building upward instead of outwards? Compared to a building with fewer stories, a high-rise can offer more rentable space on the same amount of land. The share of land costs to total costs sinks accordingly. The scarcer and therefore more expensive land is, the greater the incentive to increase usable space by building high-rises. But what impact does increasing height have on construction costs? Are there additional economies of scale that make the high-rise construction economically worthwhile? On the contrary: the more floors, the greater the costs of the building structure, facade and installations.

The load-bearing structure represents the greatest portion of costs – more than one-fifth of the total. As height increases, so does the weight that the lower floors must support. That means that the design of walls and structures must be more stable. The wind load, which is sixty times greater at a height of 500 meters, requires more wind-resistant engineering. In the 508-meter-high Taipei 101, for example, a pendulum weighing 660 tons is used to compensate for building movements caused by wind. In threatened areas, earthquake resistance must also be incorporated in the construction.

### Sunlight Has Its Price

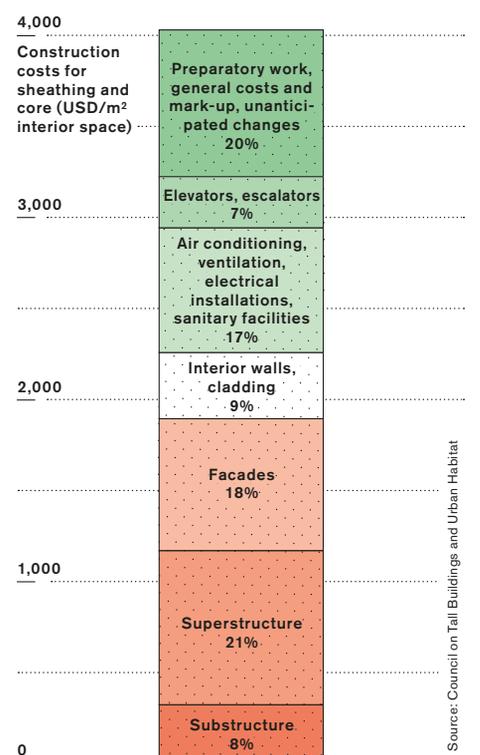
The facade contributes nearly as much to costs as the load-bearing structure. It must stand up to wind and weather, and it plays a role in ventilating and heating the building. These aspects, together with safety requirements, mean that special windows are needed. The architecture of the building often requires a specific design for the facade

as well. One way to reduce the cost of the facade is to build stories with greater floor space so that the portion of facade costs per story is lower. But the occupants' need for sunlight is an argument against this option. In office buildings, the ratio of facade to floor space is less than 0.5. Residential and hotel multi-storied buildings need significantly more window area. Complex footprints, like the y-shaped Burj Khalifa in Dubai, increase the ratio of facade to floor space, making them more costly. Simple rectangular footprints like that of the former World Trade Center are the best from the perspective of cost efficiency.

Skyscrapers pose particular challenges for building services. Transporting water to the upper stories requires pumps on mid-level floors, at the expense of rentable floor space. Heating, ventilation and power distribution all require high-output equipment. The cost of elevators increases disproportionately to building height. >

### What does a skyscraper cost?

The seven expenses involved in a fictitious high-rise in downtown London.



In order to limit transport and waiting times, more and faster elevators are needed (see page 16 as well).

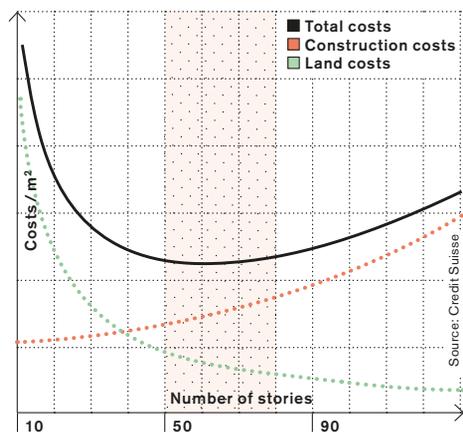
Along with construction costs, floor space efficiency represents another challenge. Every square meter that cannot be rented decreases profits. Elevator installations take up an especially large amount of space, and they are usually located in the core of the building, even when the space they occupy is limited by stacking elevator shafts. In that case, individual cars serve only one block of floors and are supplemented by express elevators. Safety installations such as escape stairwells and elevators for firefighters require space in the core of the building. Heating, cooling, electrical generators and water pumps are usually installed on separate floors, which again requires more space. In today's high-rise buildings, all this usually adds up to around 15 percent. In the end, the space utilization (the share of rentable space to the total) is approximately 70 percent. But for buildings with fewer stories, the figure can be as much as 90 percent.

**Ideal: 50 to 80 Floors**

As the height of a building increases, the cost of land falls while construction costs

**The most high-rise for the money**

Taller is not always cheaper. The optimal height is between 50 and 80 floors; above that, costs per square meter start to increase again.



rise, which results in a U-shaped cost structure (see graphic above). Depending on the price of land, wages and materials, the optimum from an economic perspective is between 50 and 80 floors. Many projects exceed these limits, however. Prestige often seems more important to builders than cost effectiveness. Building the more than 1,000-meter-tall Kingdom Tower in Jed-

dah (Saudi Arabia) is a good example of that – in a region where land is not scarce. Construction costs for the Kingdom Tower are budgeted at more than USD 1.2 billion. The disadvantages must be balanced by higher return potential. High-rises compete with buildings with fewer floors, so they must offer added value. The skyscraper as a symbol of financial power and the attention it attracts may represent such added value. The Petronas Towers in Kuala Lumpur are one such example, named for the oil giant that is the anchor tenant. Great views from upper floors can also mean added value for residential and commercial real estate, and tenants are prepared to pay the price for that. Height alone cannot guarantee a profit, however. Good accessibility to the location is critical, and unusual architecture – or simply more height – helps to distinguish the building from other skyscrapers.

If tenants' willingness to pay matches the higher construction costs, and if building laws allow it, building up, high up, can certainly be worthwhile, even when packed into locations with high land costs. The results are high-rise landscapes such as those in Manhattan, in Hong Kong and more recently in Chinese cities such as Shenzhen and Guangzhou. □



After: The Shard on the Thames in London.

**Stephan Boppert** works for Swiss Real Estate Research at Credit Suisse.

# High-rises before the Fall

Skyscrapers are symbols of economic boom periods. Once completed, however, some serve only as reminders of better times.

By Philippe Kaufmann

In 1999, economist Andrew Lawrence theorized a correlation between economic crises and the completion of the highest building in the world at the time (also known as the Skyscraper Index). According to his reasoning, high-rise buildings in general – and the tallest skyscrapers in particular – are typically commissioned during long phases of economic growth. As a result of the long planning and construction times, such major undertakings are often completed just as the soaring economy begins to slow or when the downturn has already begun, sometimes even during the crisis.

This correlation has been remarkable in many eras. The early days of the Great Depression were accompanied by the successive completion of three of the highest buildings in the world at that time. First, 40 Wall Street (formerly the Bank of Manhattan Trust Building) and the Chrysler Building opened in 1930, followed by the Empire State Building in 1931 – all in New York City. After six years of construction work, the Petronas Twin Towers in Kuala Lumpur (Malaysia) opened their doors in 1999, just after the 1997/98 Asian financial crisis reached its nadir.

The world's tallest building at present, the Burj Khalifa in Dubai, was inaugurated in 2010 as the commercial real estate markets in the United Arab Emirates and many other markets around the world were in shambles following the financial crisis. The next tallest building in the world is already under construction with the Kingdom Tower in Jeddah, Saudi Arabia, planned at over 1,000 meters. This is an incredible trend, considering the fact that the Middle East's first high-rise

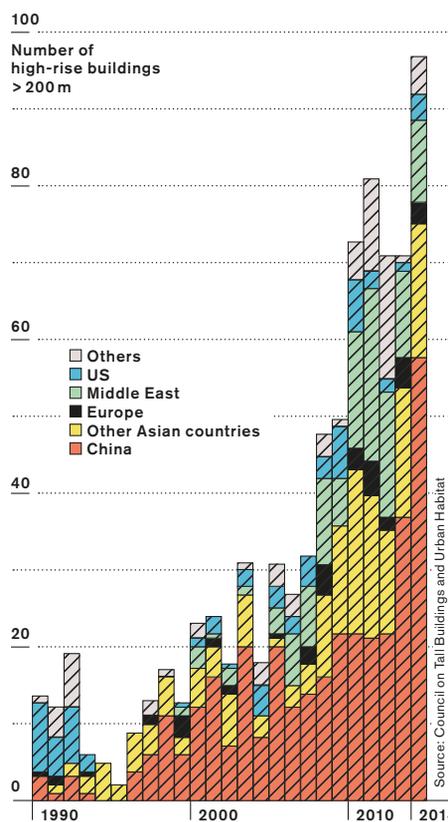
building over 200 meters was only inaugurated in 1999.

## Euphoria in China

The continental shift of the tallest buildings is remarkable. From the first high-rise buildings in the latter part of the 19th century through 1998, the tallest buildings were built in the US. Then Asia came on the scene with the Petronas Towers and the Taipei 101 in 2004, followed by the

## The Asian Century

25 years ago, most high-rise buildings were built in the US; today, China and other Asian countries dominate.



Burj Khalifa in the Middle East in 2010. In recent years, Asia has been the shooting star in the race to build the tallest high-rise. China stands out with 95 buildings exceeding 200 meters built between 2013 and 2014. This year, the second tallest building in the world was completed: the Shanghai Tower, at 632 meters.

Research conducted by Credit Suisse does not anticipate a major crisis looming in China, though. Nevertheless, the large number of finished high-rise buildings is still considered a warning sign. New square footage has outpaced demand in recent years, destabilizing the real estate market. Space for sale has peaked on the housing market, and the expansion of office space in cities like Shenzhen and Guangzhou is disproportionate.

If anything, the Skyscraper Index should serve as an anecdotal guideline in estimating cycles rather than a rule of thumb. Researcher Andrew Lawrence emphasizes this, too. From a scientific perspective, the theory lacks methodical evidence. This may be because many crises were actually preceded by a construction boom, but that not every construction boom is followed by a crisis.

In Europe, the Skyscraper Index is showing the right signals in that the limited number of new buildings exceeding 200 meters in height is maintaining a balance between many markets. In addition to sound economic performance, reserved construction activity is one crucial reason why the trend in rental prices on the commercial European real estate markets is picking up speed. The same holds true for the US where the list of completed high-rise buildings is also short, and commercial vacancy rates are falling. The Skyscraper Index also currently has a strong predictive quality in Moscow where five buildings exceeding 200 meters in height have been built this year alone. These are a relic of the last economic revival and are now coming on the market at just the wrong time during a deep recession. □

Philippe Kaufmann is the Head of Global Real Estate Research at Credit Suisse.



Elevators on the silver screen: "The Grand Budapest Hotel" (Wes Anderson, 2014).

# "That only happens in the movies"

Elevators are "vertical poetry," says Thomas Oetterli, and they played a key role in the emergence of the modern city. Oetterli, CEO of the Chinese division of the Schindler Group, talks about what makes the world's biggest market unique and how things are looking up for the future.

By Philipp Mattheis

*Mr. Oetterli, elevators receive less recognition as a groundbreaking invention than the steam engine, the telephone or the airplane. Is that a mistake?*

Absolutely. Elevators have existed for only 150 years. It was their invention that made skyscrapers possible, and with them the high-density metropolises of the modern world. Without elevators, New York and Shanghai would not be the cities we know today. A few years ago, the New Yorker magazine published a long article on the elevator. Referring to the "poetry of vertical transportation," it called elevators an "underrated" technology. I like that.

*Today China is building more skyscrapers, more quickly, than any other country in the world. Is this your dream job?*

Like our global competitors, we were focused on the Western world until a few

years ago. But what is happening in China is unique. We like to say that China is a new planet, representing two-thirds of the global market for new elevators and escalators. In that sense, yes, this is a dream job.

*What sets the Chinese market apart?*

Its size, obviously, but also its requirements. Since buildings are very tall – the average apartment building may well be 40 stories high – the elevators are larger and faster than in Europe. That means that they must meet the highest standards for quality and reliability. So "cheap and poor quality" doesn't apply to China in this context – on the contrary.

*Is being a Swiss company a strong selling point?*

Definitely. Switzerland stands for tradition and high quality. We're building on our reputation. We are globally active, but our

company, our values and our mentality are rooted in Switzerland. We combine Swiss history with Chinese dynamism.

*To what extent do you see the strength of the Swiss franc as a problem?*

It has little impact on our business in China. We are highly localized; we manufacture the goods in China that are intended for the Chinese market or for export to other Asian countries.



**Thomas Oetterli** is a member of the board of the Schindler Group and CEO of the company's China division. He is 45 years old and lives in Shanghai – on the 18th floor.

*Generally speaking, what are the essential features of a good elevator?*

We focus on three things: first, safety. People will only use an elevator if they feel safe. The second thing is quality: Elevators remain in operation longer than any other mode of transportation. The average lifespan of an elevator is 30 years. Just imagine a road where the average car is 30 years old. You would see all kinds of vehicles, including vintage cars. But the long lifespan of an elevator poses challenges for companies like ours. We need technicians who are familiar with old models.

*And third?*

Elevators have to meet a wide variety of requirements. The architect wants the elevator to blend in well with the building; the builder wants to save money; the owner wants to keep maintenance costs low; and users, finally, want the elevator to get them to their destination quickly. Sometimes these requirements change over time.

*Is it really possible for an elevator to crash?*

That only happens in the movies. Elisha Graves Otis invented the safety brake back in 1854. If a hoist rope snaps, the braking system immediately grabs onto the rail and stops the elevator. The doors will open and close only if the

elevator is level with a floor, and there are cushioned buffers at the bottom of the shaft to soften an impact.

*What are the trends in the world of elevators?*

Smart elevators are the future. Take, for example, the Ping An International Finance Center in Shenzhen, which will be the tallest building in China. When it opens in 2017, it will be over 600 meters and 115 stories high. Every day, 20,000 people will ride in its 76 elevators. This is a major challenge for normal elevators, which is why we developed the PORT (Personal Occupant Requirement Terminal) system.

*How does it work?*

The trick is to assign people going to the same or nearby floors to the same elevator. Assume, for example, that there are three elevators for 30 people. Ten people want to go to the fifth floor, ten to the tenth floor and another ten to the fifteenth floor. Normally, each of the three elevators would stop at every floor. But if the system knows which passengers want to go to which floor, it is possible to save considerable time and energy: One elevator takes 10 people to the 10th floor, another takes 10 people to the 15th floor, and so on. For this to work, the software needs to know who wants to go where. Employees at the Ping'an Financial Center will have

chip cards containing their daily itinerary: "8 o'clock, work on the 35th floor; 11:30, lunch on the 67th floor; after work, shopping at the mall on the 13th floor."

When employees enter the building, their cards will tell them which elevator to take. The software is a neural network that is constantly learning. This system allows for the optimal grouping of passengers.

*How much does an elevator cost?*

Again, let's use cars as a comparison. The least expensive elevators, found in smaller apartment buildings, cost about the same amount as a mid-size car. The cost goes up from there, up to the price of a racecar, depending on the elevator's performance capability and design.

*The taller the building, the larger the elevator?*

Yes, you could say that. Taller buildings have more passengers to be transported.

*Are elevators becoming faster and faster?*

That, too, depends on the height of the building. Today's Schindler elevators move at a rate of up to 10 meters per second. Technically, it would be possible to go faster, but there are certain limitations on speed. Many passengers begin to feel queasy when an elevator goes too fast.

*Have you ever been stuck in an elevator?*

Yes, that happened to me, along with >



"A Good Day to Die Hard" (John Moore, 2013).

five customers, several years ago in Switzerland. But we were lucky – there was a technician nearby. We didn't have to wait more than five minutes to get out.

*How important is maintenance for your bottom line?*

In China, our service business is still developing. More and more buildings are going up, and the average elevator is still relatively new.

than 100 years old – the Hammetschwand elevator in Bürgenstock. It's a steel structure that goes up from the lake more than 100 meters in the air.

*Are you familiar with the social unease that many people experience in an elevator?*

Of course. An elevator ride is too short for establishing contact with the other passengers, but it's too long to simply ignore them. The ride seems longer than it actually is.

*Do we underestimate the importance of elevators?*

For the most part, we pay attention to them only when they're not working. For me, an elevator is like a building's calling card. It's the first thing I notice, and it shapes my impression of the building.

*Is the future vertical?*

People are getting older and buildings are growing taller. So elevators are likely to play an increasingly important role in our lives.



“My Favorite Wife” (Garson Kanin, 1940).

*How often does an elevator have to be inspected?*

Under Chinese law, every two weeks. Regulations in Europe and the United States vary widely. Some elevators are inspected every four weeks, others four times a year.

*Does that mean that elevators are safer in China than they are here?*

They're no less safe, at any rate. How often inspections are required depends on the use of the elevator and the applicable regulations. More people customarily use the elevator in a high-rise building than in a five-story apartment building.

*Do you have a favorite elevator?*

I really like panoramic elevators with glass on all four sides. My personal favorite is an elevator in Switzerland that is more

*What do you do when you're in an elevator?*

I look down at the floor. But more and more elevators now have screens with news or advertisements. That gives you something to look at.

*Do Asians behave differently in elevators than people from Western cultures?*

Maintaining a certain physical distance is more important for Europeans and Americans. That's why elevators in China and Japan are usually more crowded. In Asia, the process of getting on and off the elevator is also more chaotic. The pace of life tends to be faster, so people often push each other aside in a rush to get on or off.

*What is your favorite elevator music?*

I like light, classical background music.

*In all, how much time have you spent in elevators?*

I honestly don't know. But I look forward to every new elevator experience, so obviously I haven't reached my limit. □

**Philipp Mattheis** is the China correspondent for the magazine “WirtschaftsWoche” and lives in Shanghai.

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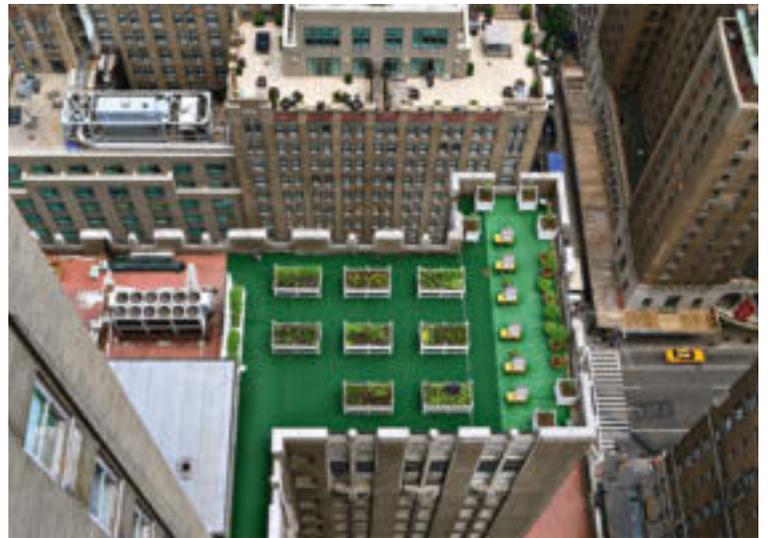
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# On the Roofs of the World

High-rises from a bird's-eye view:  
**NATURE, PLEASURE** and  
**SPORTS.** From cultivating herbs  
to playing tennis, life in all its diverse  
colors and forms at lofty heights.

1



2



3



## NATURE

1 — The herb garden at the Waldorf Astoria in New York.

2 — A private rooftop garden with vegetable beds at an apartment building in Hangzhou, China.

3 — Garden landscape on the Rockefeller Center in New York.

4 — Urban farming in Rotterdam, the Netherlands.

5 — Beekeepers from an urban bee farm on a rooftop in Hong Kong.

4



5



1

## PLEASURE

1 — Rooftop restaurant Sirocco, on the 63rd floor of the State Tower in Bangkok.

2 — Revelers partying 191 meters above the ground at the Marina Bay Sands Resort in Singapore.

3 — Swimming pool atop the Marmara Pera Hotel in Istanbul.

4 — Skye Bar on top of the Hotel Unique in São Paulo – the drinks are expensive, but the view is free.

5 — Beer garden, dance floor, waterbed pods and more at The Standard Downtown LA hotel in Los Angeles.

6 — The Randlords bar with a 360-degree panoramic view of Johannesburg.



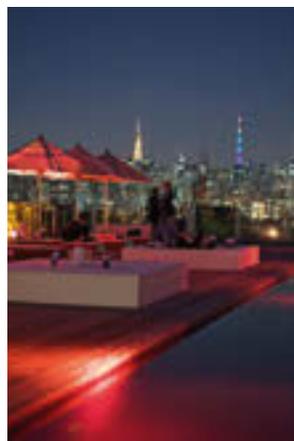
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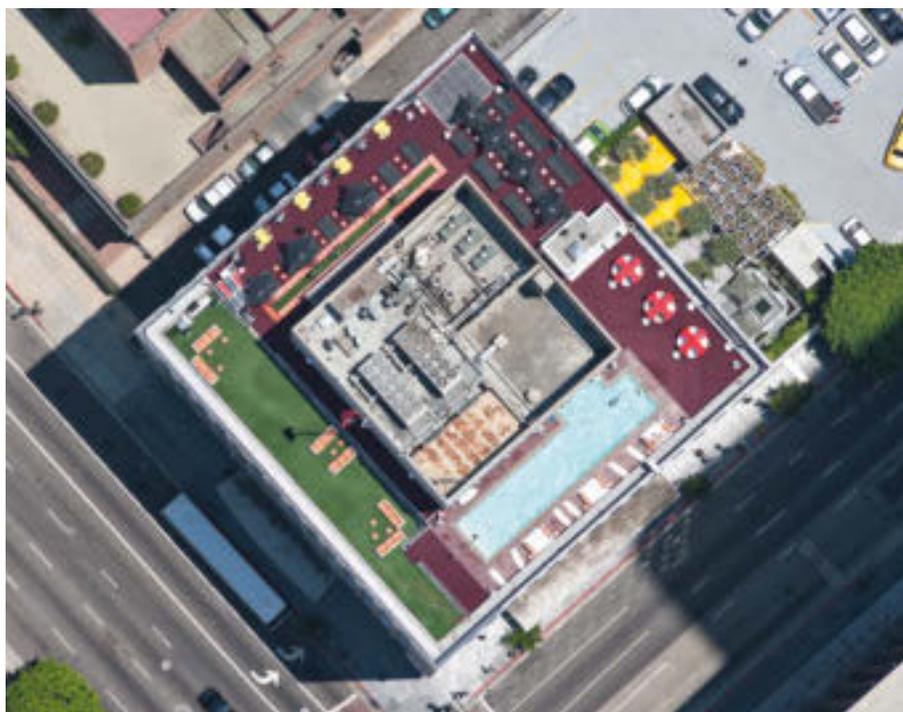
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## SPORTS

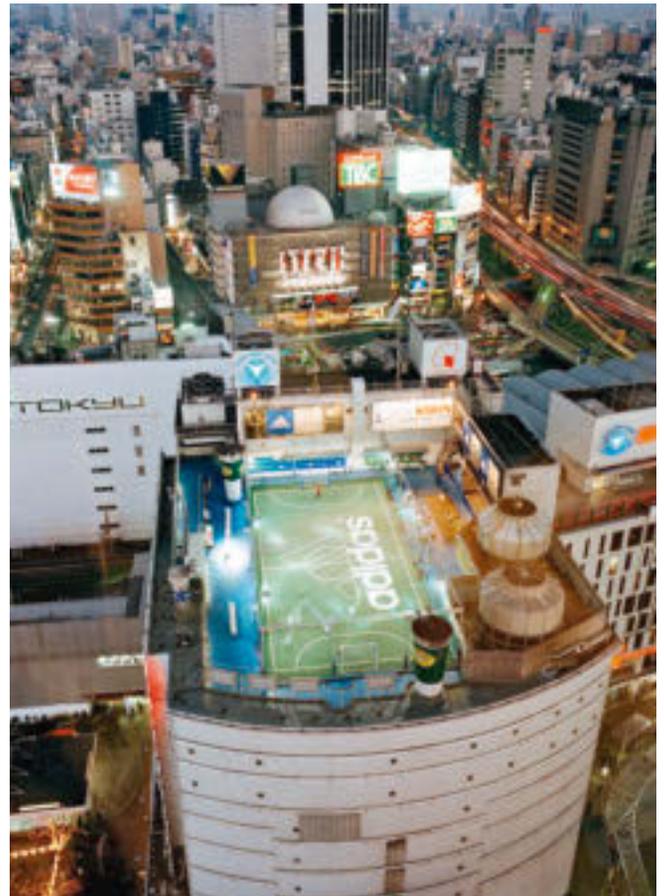
1 — Football pitch for rent (starting at 5,250 Japanese yen/hour) on top of the Tokyu Toyoko Department Store in Tokyo.

2 — Running track for hotel guests at the Ritz Four Seasons in Lisbon.

3 — Practice green for New York golfers on the 34th floor, on the corner of 63rd Street and Broadway.

4 — Sports field on a rooftop in Manhattan.

5 — Tennis stars Andre Agassi (US) and Roger Federer (CH) during a 2005 exhibition match on the helicopter landing pad of the Burj Al Arab in Dubai, 321 meters above the ground.



2



3



4



5



# Glass Presents Problems

Skyscrapers are considered a symbol of progress and elegance, but their energy footprint is often unsatisfactory. New standards aim to promote not only taller buildings but also more intelligent design.

By Nora Wassermann

In densely populated metropolises, skyscrapers make good use of space while signifying prosperity and progress. In recent years, however, questions of energy efficiency and environmental sustainability have gained importance worldwide. In industrialized countries, residential and office buildings already account for 40 percent of national energy consumption and a high proportion of carbon dioxide (CO<sub>2</sub>) emissions. In newly industrializing countries, the figure is approximately 25 percent but steadily rising.

A number of standards and certifications have been developed to make the energy efficiency and sustainability of buildings more transparent. One internationally used and comprehensive certification is the United States' LEED Standard (Leadership in Energy and Environmental Design). There are also many national standards, such as "Three Star" in China, "BEAM" in Hong Kong, "Green Mark" in Singapore, "Pearl Rating" in the United Arab Emirates and "Energy Star" in South Africa. These adapt the evaluation criteria to national circumstances and provide additional incentives – financial and otherwise – for property developers. The goal is to encourage not just higher, but also smarter construction.

However, the buildings with especially good certification include only a small number of skyscrapers. Despite their modern appearance, high-rises are not very advanced when it comes to energy efficiency and environmental impact. Both construction costs

and energy consumption per square meter are far higher than in traditional buildings.

To ensure stability, the building structure is primarily made of concrete and steel, the production of which entails high CO<sub>2</sub> emissions. Furthermore, most large glass façades in skyscrapers increase the need for temperature regulation. Air-conditioning systems are real energy guzzlers in large buildings. And in winter, glass has very little insulating effect.

### **Wind Turbines and Gardens**

The design of a building, its façade and its central heating and air-conditioning systems plays an important role in energy efficiency. The two tallest

In the United Arab Emirates, where the sun's glare is strong, builders invest mainly in the functionality of façades. They draw on elements of traditional Arabic architecture, such as the mashrabiya, a wooden lattice screen that inspired the external shading system of the imposing Al Bahar towers in Abu Dhabi.

### **What about Wood?**

Despite these examples of improved energy efficiency in high-rises, a true revolution has not yet occurred. Especially in weaker economic cycles with low raw material costs, sustainable building is often a secondary concern.

LEED-certified buildings in the world demonstrate that the latest technology can at least reduce the energy consumption of high-rises. Taipei 101 in Taiwan, currently the tallest certified building, has an optimized ventilation, heating and air-conditioning system. This makes it possible to use 30 percent less energy and water than in the (fictitious) average building of the same height.

This year, Taipei 101 was surpassed in height by the Shanghai Tower, soon to be the world's second-highest skyscraper. At more than 600 meters tall, the tower's glass façade twists as it rises. This is intended to reduce wind loads, thereby saving on material costs and making it possible to collect rainwater for temperature regulation. Wind turbines installed on the roof will also generate power for exterior lighting. And "sky gardens" located inside the building are likewise designed to help with temperature regulation.

Innovative ways to regulate temperature are often inspired by "old" technology and adapted to local conditions. In Singapore, for example, high-rise buildings may incorporate plantings. Trees, bushes and flowering plants help regulate the temperature inside buildings while protecting them from the elements. In addition, they improve the quality of life for occupants (blocking out noise, filtering the air, having a calming effect). As urban gardens, they also serve a social purpose.

Unconventional thinkers such as Canadian architect Michael Green, who advocates constructing tall buildings with wood, have yet to make significant headway. The world's tallest building constructed of wood is located in Vancouver and stands just 30 meters high. Taller buildings such as the HoHo project in Vienna (at 84 meters) are in the planning stages, but many questions – such as fire protection – still need to be answered. In matters of energy efficiency, the mantra is thus "Less (tall) is more." □

**Nora Wassermann** works in Global Macro Research at Credit Suisse.



A new generation:  
Bjarke Ingels –  
in a suit, for once.

# Big Things from Denmark

Architect Bjarke Ingels, 40, first created a stir in his hometown of Copenhagen. Now he's building some unusual skyscrapers in New York. It's only in Switzerland that he builds closer to the ground.

By Clemens Bomsdorf

Among the great architects of our time, one stands out as different from the others: Bjarke Ingels. It starts with his external outward appearance. He likes to wear printed T-shirts, and even in official photos he has a mischievous grin, like a little boy caught with his hand in the cookie jar. "I enjoy being in a good mood," says Ingels. He rarely wears a suit, and his hair is untamed, except for a bit of gel.

At least superficially, Ingels bears little resemblance to equally well-known but much longer-established colleagues like Zaha Hadid, Rem Koolhaas and Peter Zumthor – who are generally seen as serious and authoritative, and who usually wear the architect's traditional black "uniform." Ingels is a laid-back kind of guy in his private life, too. When I met him for the first time, at a party in Brooklyn with Dan-

ish and American friends and colleagues, he didn't exude the aura of a star. He was hardly noticeable; like everyone else, he was

## The Wall Street Journal named laid-back architect Bjarke Ingels Innovator of the Year.

holding a drink in his hand, smiling and joking around. He wasn't the center of attention.

This is the man who, in 2011, was named Innovator of the Year by the Wall Street Journal. Wired magazine called him a "brash Danish prodigy," while The New

York Times observed that "When it comes to New York's urban future, Bjarke Ingels may be the most important architect you have never heard of."

Despite all of the praise he has received, even as a very young man, Ingels – who just turned 40 – has remained laid back. In a subtle jab at Rem Koolhaas, he complained in an interview with the "Frankfurter Allgemeine Sonntagszeitung" that far too many people think high-quality architecture is possible only at the cost of terrible suffering. Ingels worked for Koolhaas as a young architect. He admires his former boss, but not the tense, anxious atmosphere that characterized his firm. "We work hard in my office too, of course. But you unleash far more creativity when you love what you do than when you're scared to death." This is a very Danish perspective. >

In Denmark, perhaps more than in any other country in the world, an authoritarian management style is frowned upon.

Bjarke Ingels stands for a new generation of architects – indeed, he embodies this new generation. Rather than presenting himself as a supreme authority, he takes a playful approach aimed at stimulating public enthusiasm for his buildings, and for architecture and urban planning in general. He likes to use comics to present his ideas. A man whose original goal was to become a cartoonist, he piques the interest of the public by showing his own enthusiasm.

The first few pages of his book “Yes Is More” describe the Islands Brygge harbor bath project, a public swimming facility that he and Julien De Smedt designed when they were partners in the PLOT architectural firm. The harbor bath opened in the summer of 2002, when Ingels was just 27 years old. According to a photo caption, printed in a comic-style font, the goal was to extend urban life from dry land into the water.

## His works put their stamp on neighborhoods and even entire cities.

A particularly striking feature of this early project is a wooden diving platform in the shape of a ship’s prow, a reference to the ships that used to be common in Copenhagen’s harbor. Since the facility opened, the long-neglected Islands Brygge neighborhood has been infused with new life – just as Ingels had hoped. In one of his first published works on high-rise buildings, he observed: “When we focus only on beautiful buildings and attractive details, we lose sight of the big issues of the cities and of life itself.”

### A Le Corbusier for Our Times

Today the diving platform is among Copenhagen’s best-known vertical structures, and for the citizens of Denmark’s capital the harbor bath is a modern symbol of their city.

The qualities that have made Ingels a star can already be seen in this early design. His works do not conform to traditional norms, and they put their stamp on neighborhoods and even entire cities.

This was no doubt Ingel’s rather ambitious vision from the very beginning. After all, he chose a less-than-modest name for his firm; using his initials and the first letter of the word “group,” he named it BIG. While his persona is modest, his ideas are not.

“At the tender age of 37 he has gained a world-wide reputation for daring to think grandly about cities in the visionary manner of Le Corbusier,” *The Wall Street Journal* wrote. He doesn’t want to shine as a master of beautiful but impractical designs. His basic idea is to combine several functions under one roof, since they “complement one another when it comes to sunlight, access and depth,” as he puts it.

### A Museum Shaped Like a Watch Spring

In New York, where he has lived for the past few years, he is working on what he calls a “vertical village”: 2WTC – the final skyscraper of the new World Trade Center. It is a terraced structure consisting of seven blocks – or villages – that decrease in size as the building rises. That leaves an open space on each block for an elevated terrace, a place where employees can congregate outside of the building, even on the 50th floor, as if they were meeting at the village square.

Project developer Larry Silverstein, who was originally skeptical about Ingels’s design, told *Wired* magazine: “I hadn’t seen a building like this beforehand.” Internet giant Google was so impressed that Ingels was chosen to help design the company’s new headquarters in California. Ingels, for his part, is not surprised that his relatively young firm is winning such high-profile contracts. “Facebook is only a year older than our company, which was founded ten years ago,” he says.

In the Chinese city of Shenzhen, he is creating what he refers to as a model for the 21st century skyscraper. A clever design lets in as much daylight as possible, while minimizing the amount of direct sunlight and thereby reducing the need for the use of power-guzzling air conditioning.

In Switzerland, finally, the Danish star who is best known for his skyscrapers is building closer to the ground. In Le Brassus, Ingels’s firm is creating a museum for watchmaker Audemars Piguet that could become a symbol of the company. The spiraling design is reminiscent of a watch spring. Ingels also designed the renovation and extension of the Transitlager building in Basel’s Dreispitz neighborhood, which will be not even ten stories high.

As much as Ingels appreciates high-rise buildings, when only a smaller building will do, because of the surroundings or the client’s preferences, the saying “big is beautiful” refers not to the building’s size,

The saying “big is beautiful” refers not to the building’s size, but to the idea behind it.

but rather to the idea behind it. Ultimately, Ingels is a pragmatist who seeks to produce the best results given the circumstances. As Ingels says, “We’re like cooks, working with ingredients others have chosen for us.” □

**Clemens Bomsdorf** is a freelance journalist and lives in Copenhagen

# Bjarke Ingels's Projects and Ideas



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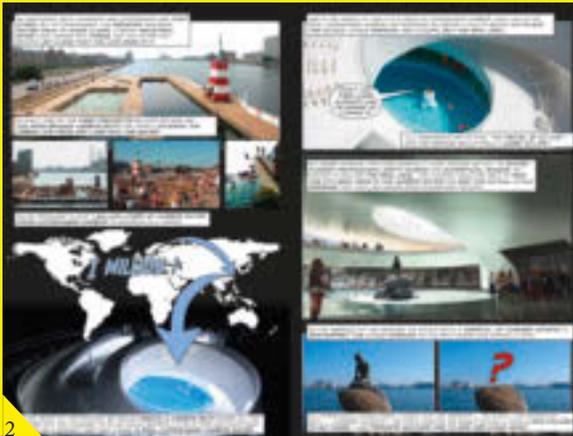


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- 1 — 2WTC in New York.
- 2 — From the book "Yes Is More."
- 3 — The diving platform in the Islands Brygge area of Copenhagen.
- 4 — Transatlager building in Basel's Dreispitz neighborhood.
- 5 — New Google headquarters in California.
- 6 — Specially designed façade for a high-rise building in Shenzhen.



2



3



6

800

# Aiming High

700

600

What are the most important skyscrapers in the world? The Council on Tall Buildings and Urban Habitat\* has selected 50 extraordinary examples and ten forerunners for Bulletin.

Illustration: Chris Dent

500

400

300

200

100

### MATTER OF TASTE

The Shard – Like many skyscrapers, the tallest building in the EU created an uproar when it opened: Is it an aesthetically pleasing masterpiece or does it blemish the city's skyline? Nonetheless, in a field of 300 other buildings, The Shard won the 2013 Emporis Skyscraper Award, the jury described it as "impressive" and as London's new emblem.

### THE TOWER OF BASEL

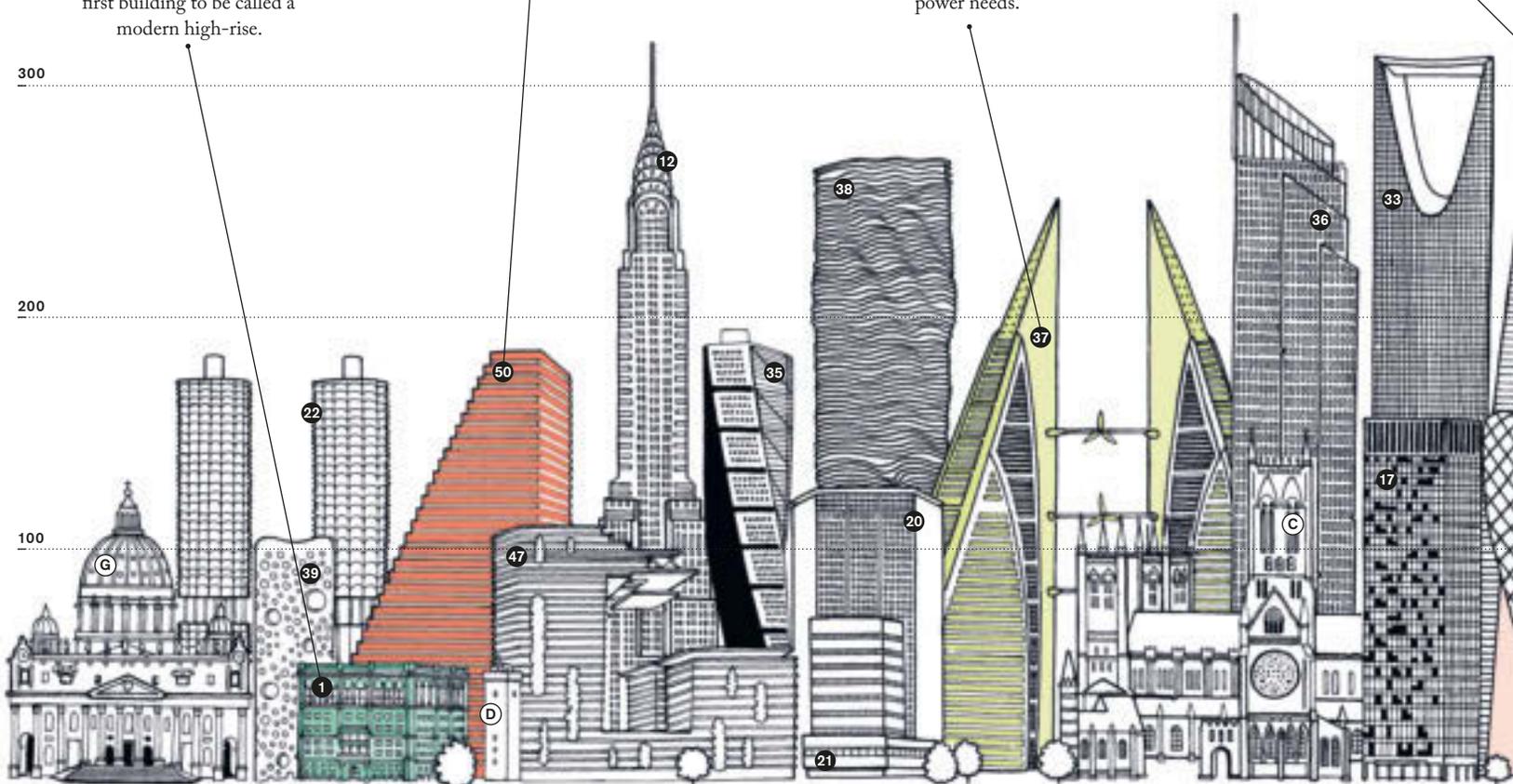
Roche Tower Building 1 – The tallest building in Switzerland opened its doors on September 8, 2015, rekindling old discussions on whether skyscrapers belong in Swiss cities at all. Globally, the Roche Tower Building 1 is not very tall, 1,655 buildings reach higher into the sky than this one in Basel.

### THE FIRST

Home Insurance Building – Built in Chicago in 1885 using structural steel, which was considered revolutionary at the time, it is the first building to be called a modern high-rise.

### THE WIND MACHINE

Bahrain World Trade Center – The wind turbines installed on the cross-struts cover 11 to 15 percent of the building's power needs.



**THE GREEN GIANT**

Shanghai Tower – The second tallest building in the world is one of the most sustainable: The facade reduces the wind load by 24 percent, the twist of the building collects rain water for the air-conditioning and heating system, wind turbines generate energy. The building’s double walls insulate the interior like a thermos bottle.

**RECORD DESIGNERS**

John Hancock Center – one of many skyscrapers that emerged from the pens of Skidmore, Owings & Merrill LLP. The architecture office from Chicago has designed the largest share of the world’s skyscraper record-holders. Also designed by SOM: 25, 31 40, 46.

**THE MEMORIAL**

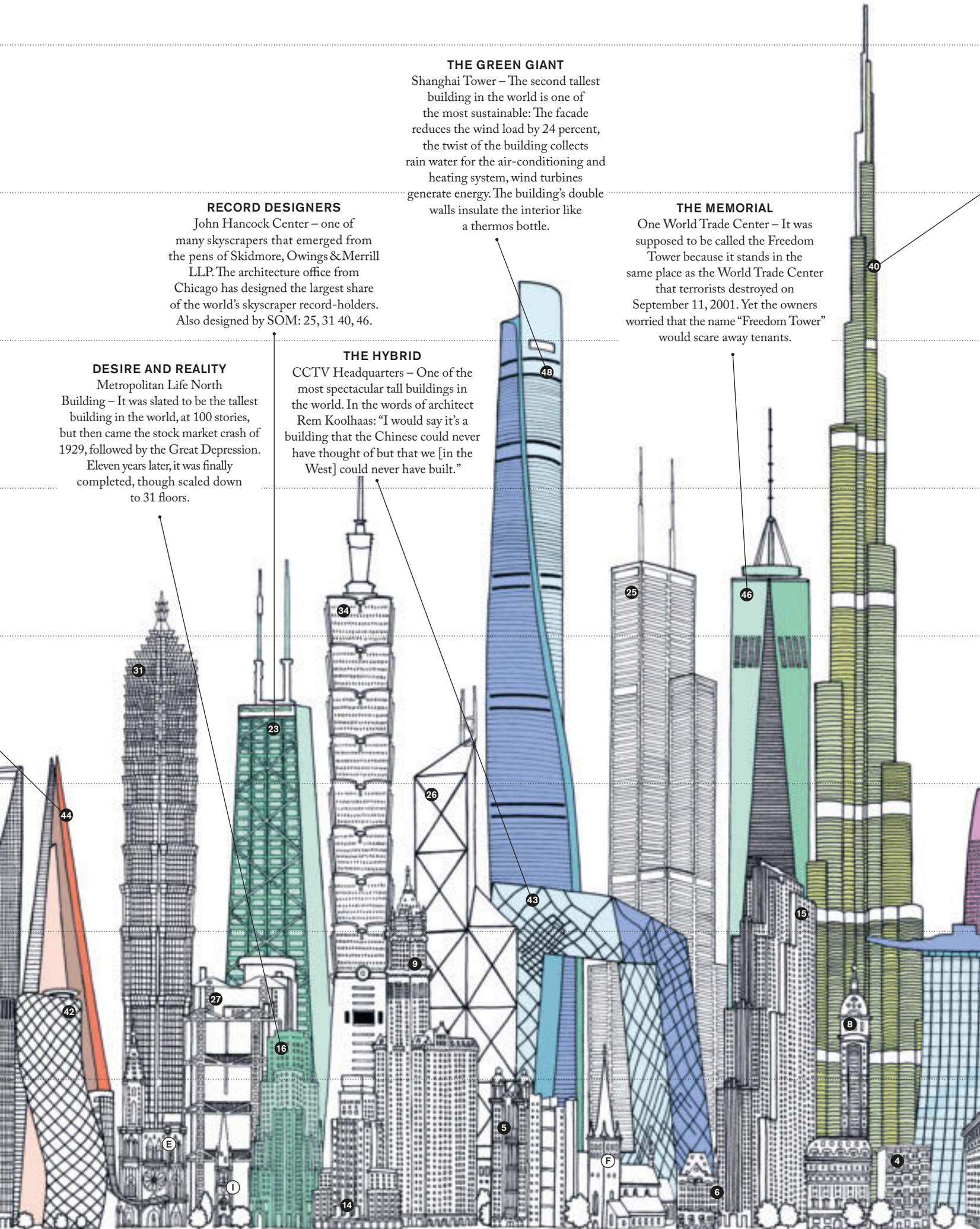
One World Trade Center – It was supposed to be called the Freedom Tower because it stands in the same place as the World Trade Center that terrorists destroyed on September 11, 2001. Yet the owners worried that the name “Freedom Tower” would scare away tenants.

**DESIRE AND REALITY**

Metropolitan Life North Building – It was slated to be the tallest building in the world, at 100 stories, but then came the stock market crash of 1929, followed by the Great Depression. Eleven years later, it was finally completed, though scaled down to 31 floors.

**THE HYBRID**

CCTV Headquarters – One of the most spectacular tall buildings in the world. In the words of architect Rem Koolhaas: “I would say it’s a building that the Chinese could never have thought of but that we [in the West] could never have built.”



### THE NUMBER 1

Burj Khalifa – The tallest building in the world measures in at 828 meters and broke six additional Guinness World Records when it was completed in 2010.

### THE MOST EXPENSIVE CASINO IN THE WORLD

Marina Bay Sands – The most striking building in Singapore's skyline, which looks like a propped-up bow of a ship, is mainly known for its 150-meter pool on the roof, but it is also the most expensive casino ever built (over 5 billion Swiss francs).

### THE UNIVERSITY

Lomonosov University – The largest university in Russia with over 40,000 students was the tallest building (239 meters) outside of North America when it was completed in 1953.

### THE LONER

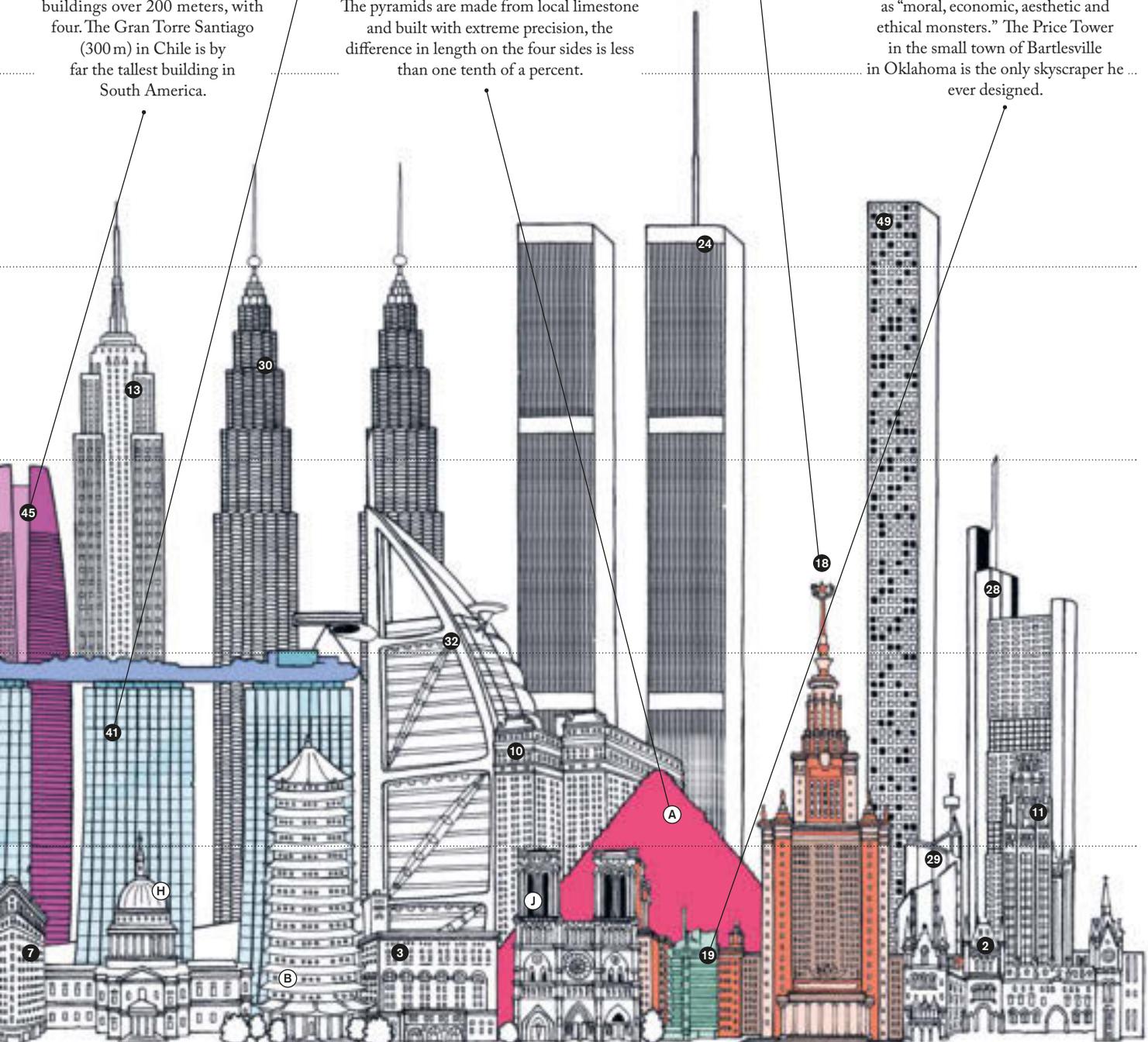
Gran Torre Santiago – Aside from Africa, which has only one such high-rise, South America is the continent with the fewest buildings over 200 meters, with four. The Gran Torre Santiago (300m) in Chile is by far the tallest building in South America.

### THE FORERUNNER

The Great Pyramid of Giza – By 2560 B.C. the Egyptians had already figured out how to build a tomb 146.6 meters high, taller than Zurich's Prime Tower (126 m). The pyramids are made from local limestone and built with extreme precision, the difference in length on the four sides is less than one tenth of a percent.

### THE FRANK LLOYD WRIGHT BUILDING

Price Tower – American star architect Frank Lloyd Wright despised big cities and described skyscrapers as "moral, economic, aesthetic and ethical monsters." The Price Tower in the small town of Bartlesville in Oklahoma is the only skyscraper he ever designed.



# Tower by Tower

**1 Home Insurance Building**, Chicago, 1885, 55 m, fl. 12, William LeBaron Jenney

**2 St Pancras Chambers** (St. Pancras Renaissance Hotel London), London, 1873, 82 m, fl. 9, Sir George Gilbert Scott

**3 Auditorium Building**, Chicago, 1889, 72.6 m, fl. 17, Adler & Sullivan

**4 Reliance Building**, Chicago, 1895, 61.5 m, fl. 15, D. H. Burnham & Co.

**5 Park Row Building**, New York, 1899, 119.2 m, fl. 30, Robert H. Robertson

**6 Witte Huis**, Rotterdam, 1898, 42.3 m, fl. 11, Willem Molenbroek

**7 Flatiron Building**, New York, 1902, 86.9 m, fl. 21, D. H. Burnham & Co.



**8 Singer Building**, New York, 1908, 186.6 m, fl. 47, Ernest Flagg

**9 Woolworth Building**, New York, 1913, 241.4 m, fl. 57, Cass Gilbert

**10 Equitable Building**, New York, 1915, 169.2 m, fl. 38, Graham, Anderson, Probst & White

**11 Tribune Tower**, Chicago, 1925, 141.1 m, fl. 34, Howells & Hood

**12 Chrysler Building**, New York, 1930, 318.9 m, fl. 77, William Van Alen

**13 Empire State Building**, New York, 1931, 381 m, fl. 102, Shreve, Lamb & Harmon Associates

**14 Boerentoren/KBC Tower**, Antwerp, 1932, 97 m, fl. 26, Emiel Van Averbek; Jan R. Van hoenacker and Jos Smolderen

**15 Comcast Building**, New York, 1933, 259.1 m, fl. 70, Corbett, Harrison & MacMurray; Raymond Hood; Reinhard & Hofmeister

**16 Metropolitan Life North Building**, New York, 1950, 137.5 m,

fl. 31, D. Everett Waid; Helmle, Corbett and Harrison

**17 Seagram Building**, New York, 1958, 157 m, fl. 38, Ludwig Mies van der Rohe

**18 Lomonosov University**, Moscow, 1953, 239 m, fl. 39, Lev Vladimirovich Rudnev



**19 Price Tower**, Bartlesville, 1956, 58.2 m, fl. 19, Frank Lloyd Wright

**20 Pirelli Tower**, Milan, 1958, 127.1 m, fl. 32, Gio Ponti, Pier Luigi Nervi

**21 SAS Royal Hotel (Radisson Blu Royal Hotel)**, Copenhagen, 1960, 69.6 m, fl. 22, Arne Jacobsen

**22 Marina City Complex**, Chicago, 1964, 171.4 m, fl. 61, Bertrand Goldberg & Associates

**23 John Hancock Center**, Chicago, 1969, 343.7 m, fl. 100, Skidmore, Owings & Merrill LLP

**24 World Trade Center (original)**, New York, 1973, 417 m, fl. 110, Emery Roth & Sons; Minoru Yamasaki Associates

**25 Sears Tower (Willis Tower)**, Chicago, 1974, 442.1 m, fl. 108, Skidmore, Owings & Merrill LLP



**26 Bank of China**, Hong Kong, 1990, 367.4 m, fl. 71 I.M. Pei & Partners

**27 Hong Kong & Shanghai Bank**, Hong Kong, 1985, 178.8 m, fl. 43, Foster + Partners

**28 Commerzbank**, Frankfurt, 1997, 259 m, fl. 56, Foster + Partners

**29 88 on Field**, Durban, 1985, 146.5 m, fl. 26, Stauch Vorster and Murphy/Jahn Architects

**30 Petronas Towers**, Kuala Lumpur, 1998, 451.9 m, fl. 88, Cesar Pelli & Associates

**31 Jin Mao Tower**, Shanghai, 1998, 420.5 m, fl. 88, Skidmore, Owings & Merrill LLP

**32 Burj Al Arab**, Dubai, 1999, 321 m, fl. 56 Atkins,

**33 Kingdom Centre**, Riyadh, 2002, 302.3 m, fl. 41, Ellerbe Becket; Omrania & Associates

**34 Taipei 101**, Taipei, 2004, 508 m, fl. 108 C.Y. Lee & Partners Architects/Planners



**35 Turning Torso**, Malmö, 2005, 190 m, fl. 57, Santiago Calatrava, Architects & Engineers

**36 Q1 Tower**, Gold Coast, 2005, 322.5 m, fl. 78, Innovarchi, Sunland Group

**37 Bahrain World Trade Center**, Manama, 2008, 240 m, fl. 45 Atkins

**38 Aqua**, Chicago, 2009, 261.8 m, fl. 86, Studio Gang Architects

**39 O-14 Tower**, Dubai, 2010, 105.7 m, fl. 24, Reiser + Umemoto RUR Architecture

**40 Burj Khalifa**, Dubai, 2010, 828 m, fl. 163, Skidmore, Owings & Merrill LLP

**41 Marina Bay Sands**, Singapore, 2010, 206.9 m, fl. 57, Moshe Safdie and Associates

**42 Capital Gate Tower**, Abu Dhabi, 2011, 164.6 m, fl. 36, RMJM

**43 CCTV Headquarters**, Beijing, 2012, 234 m, fl. 54, Office for Metropolitan Architecture (Rem Koolhaas)

**44 The Shard**, London, 2013, 306 m, fl. 73, Renzo Piano Building Workshop

**45 Gran Torre Santiago**, Santiago, 2014, 300 m, fl. 62, Pelli Clarke Pelli Architects

**46 One World Trade Center**, New York, 2014, 546.2 m, fl. 94, Skidmore, Owings & Merrill LLP

**47 One Central Park**, Sydney, 2014, 117 m, fl. 34, Ateliers Jean Nouvel



**48 Shanghai Tower**, Shanghai, 2015, 632 m, fl. 128 Gensler

**49 432 Park Avenue**, New York, 2015, 425.5 m, fl. 88, Rafael Viñoly Architects

**50 Roche Tower Building 1**, Basel, 2015, 178 m, fl. 41, Herzog & de Meuron Architects

## The Forerunners

**A The Great Pyramid of Giza**, Giza, 2560 B.C., 146.6 m

**B Six Harmonies Pagoda**, Hangzhou, 970, 166.5 m

**C Lincoln Cathedral**, Lincoln, 1092/1311, 82.6, 160 m

**D The towers of San Gimignano**, San Gimignano, Middle Ages, ~50 m

**E Strasbourg Cathedral**, Strasbourg, 1439, 143.9 m

**F St. Olaf's Church**, Tallinn, 1450, 123.7 m

**G St. Peter's Basilica**, Vatican City, 1626, 132.5 m

**H St. Paul's Cathedral**, London, 1723, 111.4 m

**I Trinity Church**, New York, 1846, 86.6 m

**J Notre-Dame Cathedral**, Paris, 1345/1850, 96 m

*m* = architectonic height in meters: with tower, without antennas, masts and flagpoles  
*fl.* = floors, not including basement levels  
Sources: Council on Tall Buildings and Urban Habitat; others

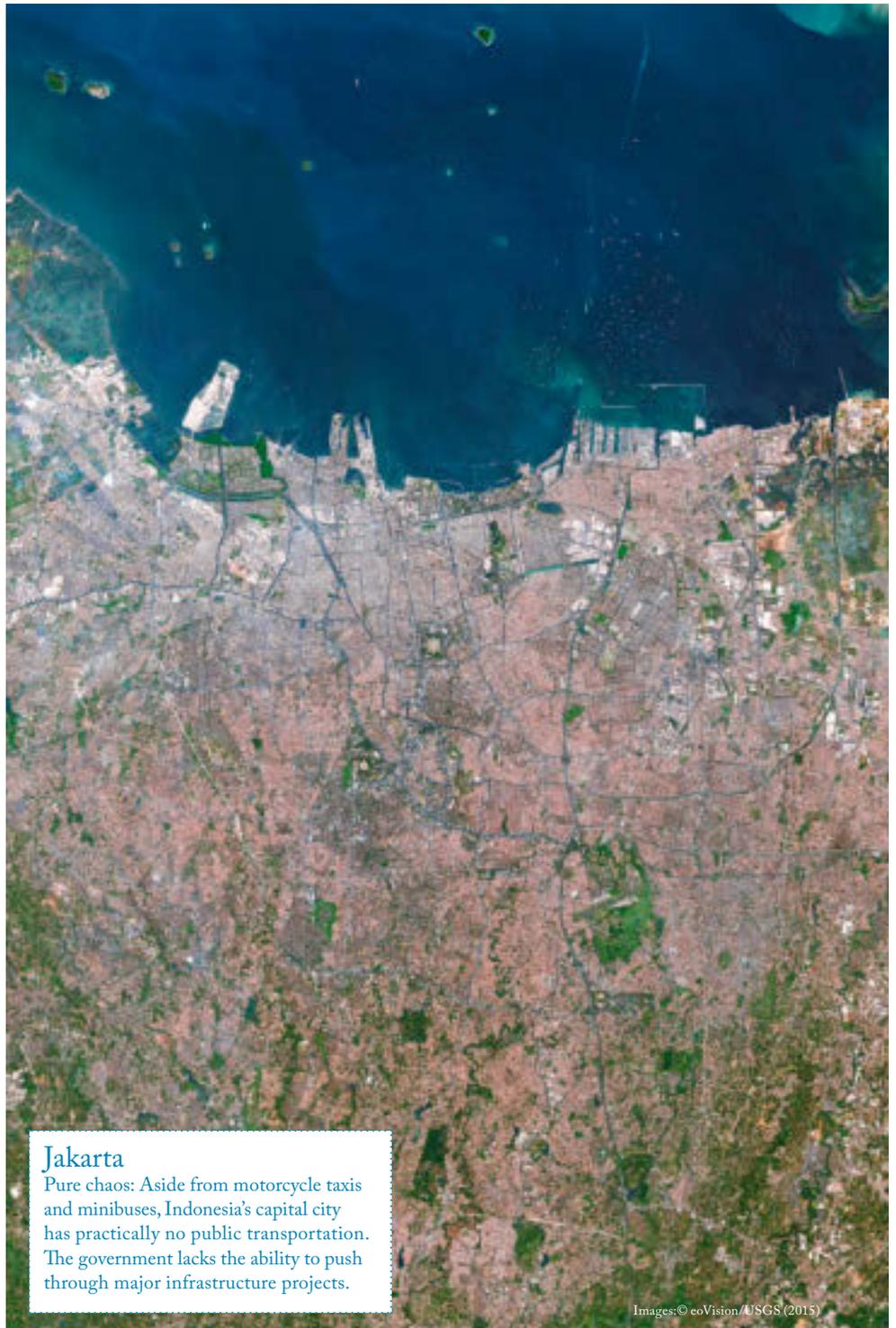
■ North America  
■ Europe  
■ Asia/Australia  
■ Africa  
■ South America  
■ Middle East

# “A Patchwork of Cities, Villages and Landscapes”

What can be done to fix Jakarta’s traffic chaos? What can Thailand learn from Switzerland’s Mittelland region? Why isn’t Hanoi building a subway system? Are high-rise buildings the answer? City planner Kees Christiaanse on metropolises and landscapes in Southeast Asia.

By Simon Brunner and Michael Kroboth

52.5 km



## Jakarta

Pure chaos: Aside from motorcycle taxis and minibuses, Indonesia’s capital city has practically no public transportation. The government lacks the ability to push through major infrastructure projects.

Images: © eoVision/USGS (2015)

*Mr. Christiaan, you have lived and worked all over the world – which place do you like best?*

To be honest, it's hard to top Zurich's sixth district.

*You mean Zurich beats cities like New York and Singapore?*

It's a ten-minute walk to the woods or the train station. It takes 20 minutes by train

to get to one of the world's best airports and only an hour to reach the mountains. There's a lake, a wide range of cultural activities, and both public and private transportation function well. It's no wonder that Zurich always does so well in international quality-of-life rankings.

*This is the century of the city. According to UN figures, 54 percent of the world's*

*population now lives in urban areas, and that share will increase to 66 percent by 2050. Will all of our grandchildren be living in megacities?*

No, that's not going to happen. If you look at a world map of population density, you'll see that it's a myth that over 50 percent of the world's population lives in cities, despite what politicians say. Large metropolitan areas are most densely populated. I'd estimate that about 25 percent of people actually live in cities. Another 25 percent live in urbanized areas, so-called *desakota* regions.

*Where does that term come from?*

It's an Indonesian word for a densely populated patchwork of cities, villages and undeveloped landscape, where agricultural activity and industrial production exist side by side. Such regions exist in Java and Vietnam's Mekong Delta, but also in Europe – in Italy's Veneto, Germany's Ruhr region and, to some extent, in Switzerland's Mittelland.

*Why are these areas relevant?*

Take a look at Thailand, one of the world's largest producers of rice. It's interesting to note that half of Thailand's rice is produced in the greater Bangkok region – in other words, in an urban area. These areas are doubly productive. You also see this on a smaller scale in Switzerland's Mittelland region, which is not only home to nearly half of the country's population, but also where most of Switzerland's agricultural production takes place. It's a matter of coexistence. Productive landscapes have emerged that combine industry, agriculture and residential use. Whether we like it or not, this is another, inevitable model of urbanization of the future, which will take its place alongside dense cities. So we need to be thinking about it.

*Why are large cities booming?*

First, because of the population explosion. In the growing societies of Asia, Africa and South America, people are moving to the cities because there is no infrastructure, job or future for them in rural areas. In Western countries, where the population is stable or shrinking slightly, people are >



### Switzerland

A model of urbanization for the future: Nearly half of Switzerland's population lives in the Mittelland region. This is also where most of the country's agricultural production takes place..

52.5 km

moving to the cities for training and jobs, but also because of the cultural and social opportunities cities have to offer. So villages and small towns are losing population to the large cities.

*Where you live is no longer as important as it used to be – you can always use email, the telephone or video conferencing to communicate with other people.*

*Will digitalization put a halt to the urbanization boom?*

No. Thankfully, that is not going to happen. On the contrary, the “new economy” has triggered an urban renaissance. In the digital age, we are learning that direct, physical proximity and touch are an essential part of human life. Physical mobility is increasing; train, car and air traffic are continuing to experience exponential growth. In the business world, too, job-related travel has increased, despite the option of video conferencing. It is important for people to share meals and participate in on-site crisis meetings lasting long into the night. It has been shown that when people with very different perspectives come together in one place, it leads to innovation and economic development.

*As cities grow larger, they need to become denser. Are high-rise buildings the ideal solution?*

In places like New York, Tokyo and Hong Kong where large numbers of people live and work in a limited amount of space, there are good arguments in favor of high-rise buildings. In Europe, such buildings tend to serve as a symbol or landmark, rather than as a necessary means of increasing population density. It is a myth that Europe needs high-rise buildings because so many people are living here. Compact four or five-story buildings such as in London or Wilhelminian-style buildings in Charlottenburg in Berlin can house a large number of people in a relatively small space.

*Yet European cities like Milan, London and even Zurich are experiencing an unprecedented boom in the construction of high-rise buildings.*

This makes sense for large European cities with extensive networks as centers of finance, culture and knowledge, where land is expensive. These cities are going to attract people, and those people will find high-rise buildings appealing. In London, many high-rises are being built because property prices have soared a result of favorable tax rates for foreigners.

*When is a high-rise building best suited to office use, and when to residential use?*

Apart from the very best locations, it doesn't pay for a high-rise office building to have an area of less than about 1,000 square meters per floor, and such buildings are massive and lack grace. The Prime

Tower in Zurich found an elegant solution to this problem; despite its size, it doesn't seem ungainly. Narrow high-rise buildings are better suited to residential use, or perhaps as hotels. An interesting trend is the so-called permanent stay hotel. Many such residential hotels already exist in Hamburg, New York and Amsterdam. Companies or universities rent apartments for temporary use by their employees or guest lecturers.

*Are high-rise buildings also a way of dealing with demographic change?*

*Are they a good option for seniors?*

Yes, certainly. A retirement home with dining facilities and other amenities on the ground floor is an excellent model for an urban high-rise building. Today a variety of “menu” options are available to customize the level of care, between fully independent living, on one end, and round-the-clock care on the other. As people age, they can pay for additional levels of care as needed. Some of our buildings have an atrium with a hair salon, a swimming pool, restaurants and retail outlets. Since these facilities are also open to nonresidents, they help to revitalize the surrounding neighborhoods.

*You are the director of the Singapore-based Future Cities Laboratory, which was established by the Swiss Federal Institute of Technology Zurich to conduct research on urbanization. What, specifically, is your mission?*

Singapore has undergone incredibly swift changes, transforming itself from a port city into a center of industrial production, then into a high-tech city and now a financial center. Today, its strategy is designed to make Singapore one of Asia's most important knowledge hubs and allow it to catch up with cities like Tokyo. Our original mission was to work on optimizing Singapore's urban development and infrastructural conditions. But we

## In the digital age, direct proximity is essential.

were able to convince our clients that it was necessary to expand our focus to a larger region in Southeast Asia, including Malaysia, Indonesia, Thailand and South China.

*Why?*

Southeast Asia – not including South China – is home to far more than half a billion people. And it is here, in an area that accounts for only a relatively small part of the Earth's surface, that the most intensive and rapid process of urbanization the world has ever seen is taking place. This creates enormous challenges. These countries differ dramatically in their development – with regard to infrastructure, prosperity, environmental quality and quality of life – and in their building stock. Through our research, we seek to identify the changes that are taking place and offer governments and their partners design guidelines and recommendations for action.

*Because of growth, traffic in some of these cities threatens to break down completely.*

Yes. In Jakarta, for example, the chaos is truly overwhelming, even worse than in São Paulo or Lagos. Aside from motorcycle taxis and minibuses, there is no public

transportation – while the number of private vehicles continues to grow. But the government lacks the ability to push through major infrastructure projects like the metro in Shenzhen or the elevated rail network in Bangkok, which have utterly transformed those cities.

*What can an urban planner do in such situations?*

Three years ago, a Bus Rapid Transit system (BRT) was introduced to address the most urgent problems. This system was invented in the Brazilian city of Curitiba in 1974 by architect and governor Jaime Lerner. Bus lanes are created that are physically separated from other traffic, with express buses departing every three minutes and at intervals of 300 meters. Jakarta has created bus lanes that cross the city. This is a first step, and it has eased the situation somewhat. Unfortunately, however, cars and taxis use these lanes illegally, causing considerable disruption to the system. For a city like Jakarta, the only real solution is to put in place an extensive network of subways or elevated railways.

*What effect is air traffic having on urban development?*

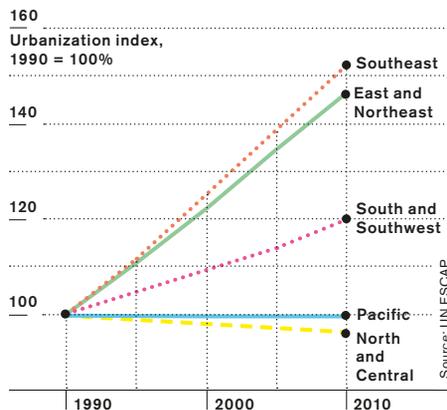
In Southeast Asia, planes have the function trains did in 20th-century Europe. Yesterday's train station is today's airport. Most airports in Europe are located no more than 15 kilometers from the heart of the city. To give you one example: I landed in Zurich yesterday at 6:05 a.m., and by 6:37, I was taking a shower at home. Our airports have become centers of urban life. They are located on important transport routes and linked to the Intercity rail network. At Zurich's Kloten airport, you will find just as many commuters as airline passengers.

*And in Asia?*

In Asia, the airports are out in the countryside, far removed from the cities. They often lack good rail connections and are not part of urban life. Their main purpose is air travel, and their surroundings are very different. However, since planes have become the main means of transportation between the large cities – since

**Urbanization in Asia**

Southeast Asia, with countries like Indonesia, Thailand and Vietnam, has experienced more growth in urban population than any other region in Asia.



there is a lack of infrastructure for other options, and because of geographical barriers like water – the airports will, in the future, have to become urban centers as well.

*Is the type of government an important factor in how quickly and effectively urbanization-related problems are solved?*

Governments that have a great deal of power, like China's, have an easier time putting their agenda into practice. The subway systems in Beijing and Shanghai were built in record time, for example. Singapore, with its highly developed organizational structure and centralized government, is also in a powerful position when it comes to urban planning. The results can sometimes be unfortunate, as when residential neighborhoods are relocated or large-scale construction projects reduce the level of diversity.

*Asia's "turbo-urbanization" has resulted not only in an increase in traffic, but also in another major problem: worsening pollution.*

*What measures might address this issue most effectively?*

A reduction in harmful emissions, a sustainable approach to the disposal of waste and sewage, appropriate water management and a functioning public transport system.

*Can we Europeans learn anything from the urbanization taking place in Asia?*

Actually, I think a look at Asia makes it clear just how successful our model of urbanization has been. Western Europe has approximately 600 cities with a population of between 50,000 and 100,000, plus a few cities with more than a million people. We still have an acceptable mix of populated and unpopulated areas. And our cities are well connected by a high-quality network of highways, railroads and air traffic.

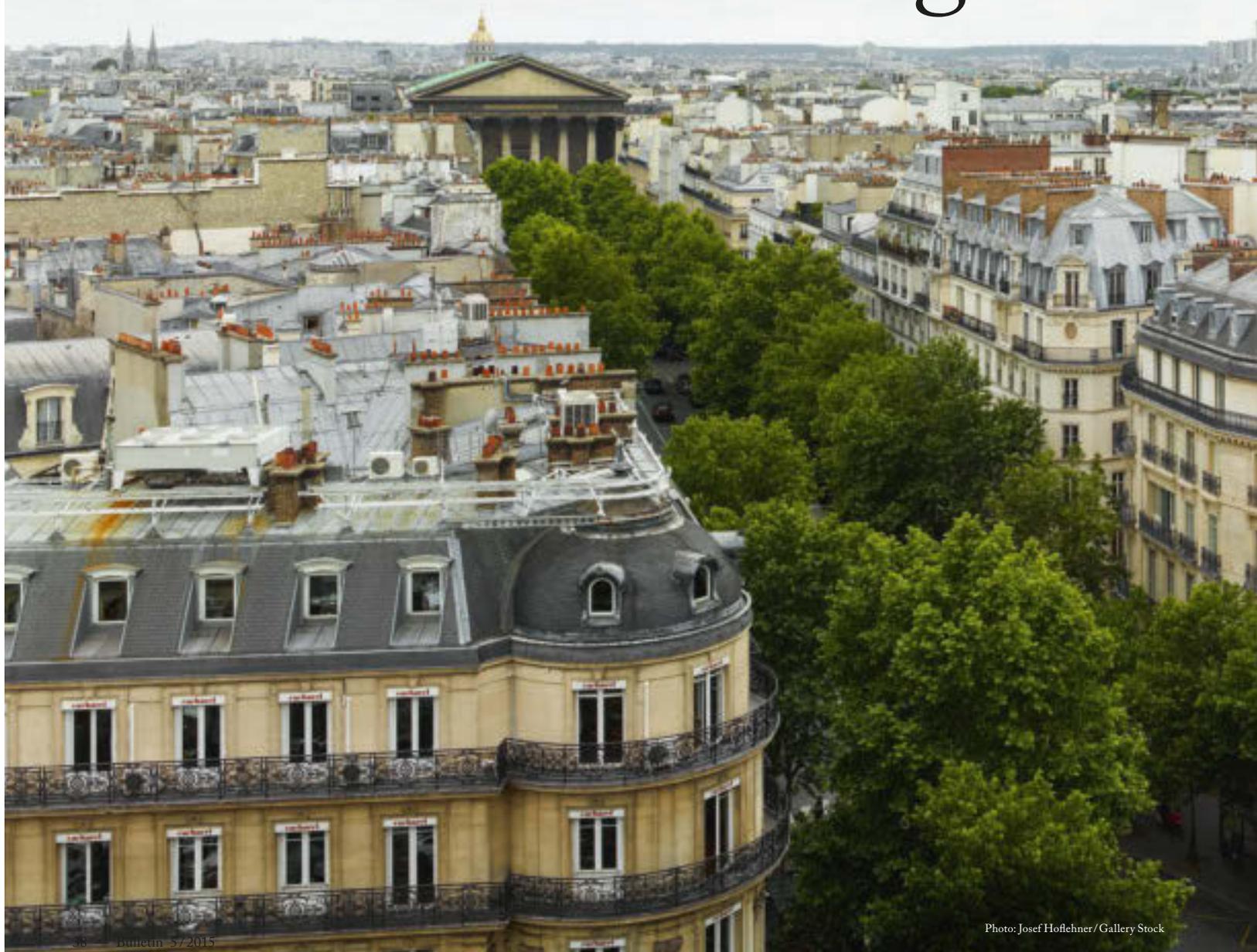
*Zurich's Europaallee, the HafenCity project in Hamburg, 600 apartments in Rotterdam, the new Eindhoven airport, as well as projects in Asia: Are there still more architectural or urban-planning challenges you'd like to tackle?*

We have designed and implemented many master plans, and have built many office buildings and residential units, as well as a few schools. But we've never completed a major public building. The airport in Eindhoven was an interesting project, but rather modest in size – it was intended to accommodate six or seven million airline passengers per year. I would love to design a large, sustainable, international airport to serve as a model for an urban center. □



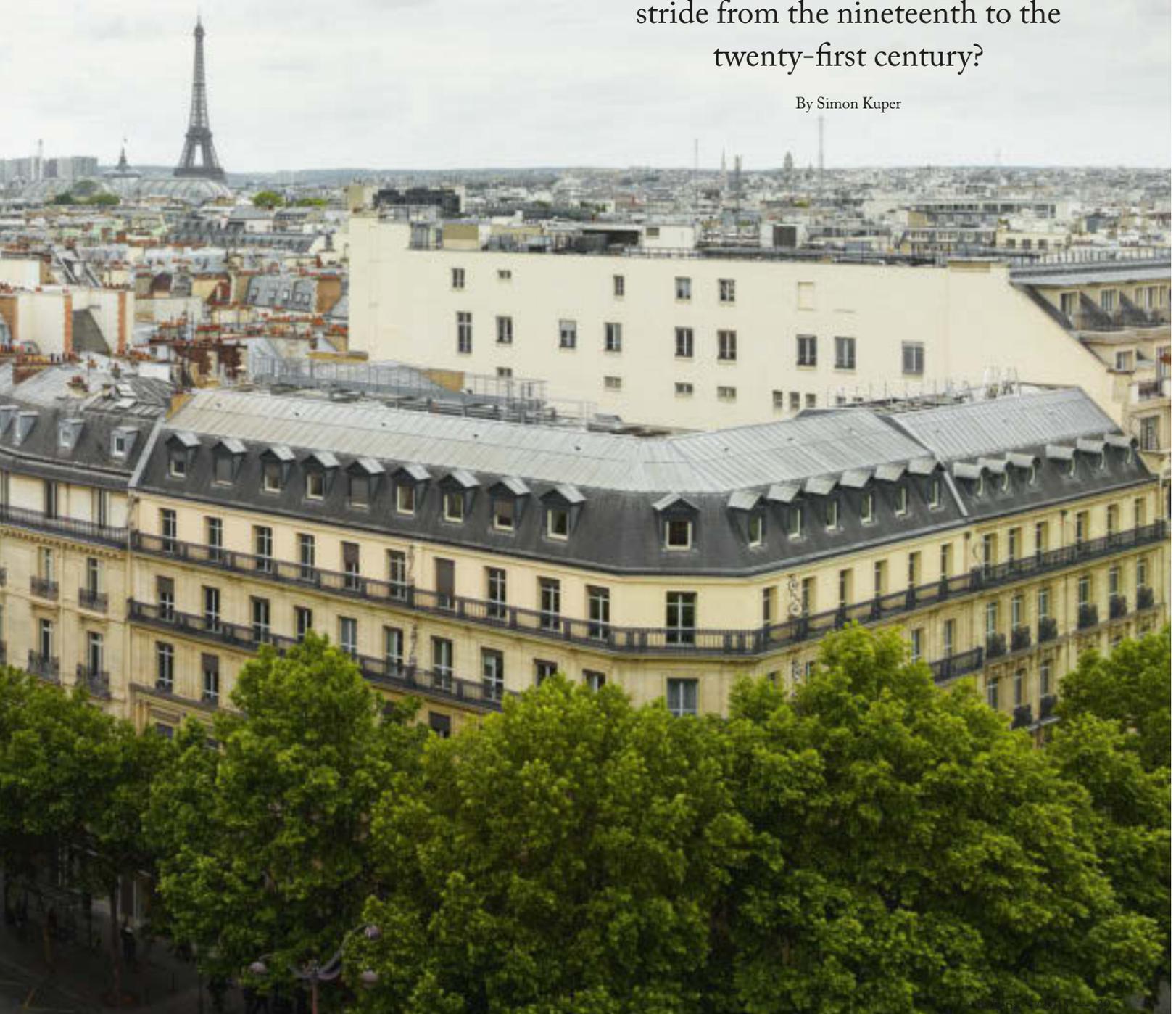
**Kees Christiaanse**, 62, has been a full professor of architecture and urban design at the Institute for Urban Design, Swiss Federal Institute of Technology Zurich, since 2003. He is head of the research group for contemporary design strategies and director of the Future Cities Laboratory in Singapore, overseeing a staff of 75. Originally from the Netherlands, Christiaanse is also founder and partner of Kees Christiaanse Architects & Planners (KCAP), which has offices in Rotterdam, Zurich and Shanghai. Christiaanse lives with his wife and three children in a five-room house in Zurich.

# A Matter of Height



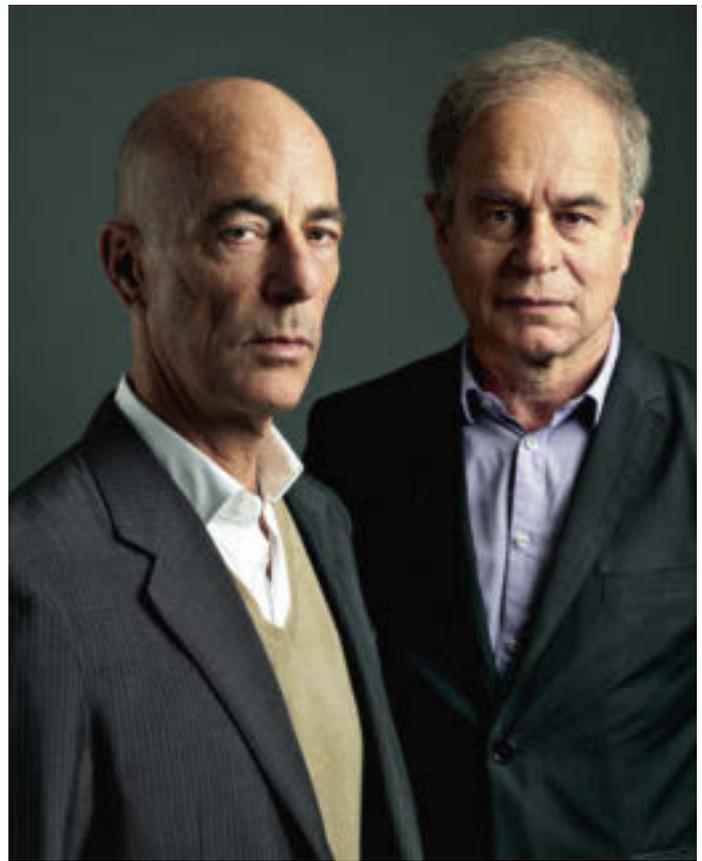
Even with the Eiffel Tower, Paris has been called the flattest big city on earth. Now two Swiss architects are building a new skyscraper. Will the metropolis stride from the nineteenth to the twenty-first century?

By Simon Kuper





Jacques Herzog (left, with business partner Pierre de Meuron), says of the design for the high-rise, “It continues that idea of geometrical clarity.”



It’s difficult, in the flattest big city on earth, to get permission to build a skyscraper. Indeed, the plans for the Tour Triangle were very nearly tossed out. Last November, the 42-story glass pyramid – designed by the Basel architects Jacques Herzog and Pierre De Meuron – was rejected by the Paris city council.

That would normally have been the end of it. However, in the euphoria of victory, the naysayers on the council made the mistake of announcing their “no” votes. That broke the rules of the secret ballot. The city’s mayor, Anne Hidalgo, who favors skyscrapers, used the technicality to force a new vote. It came on June 30, and this time the council approved the Triangle (or “Toblerone,” as opponents call it). It is to be the inner city’s first skyscraper in over 40 years.

Meanwhile two other star architects, Jean Nouvel and Renzo Piano, have also planned skyscrapers for Paris. Will the French capital now rise to the sky along with other European cities like London, Zurich and Milan? Can the “capital of the nineteenth century,” as the German thinker Walter Benjamin called Paris, become a capital of this century too? The question of height is also the question of what Paris is.

### The Eiffel Tower Stood Alone

In 1853, when city planner Baron Georges Haussmann set out to give Paris a modern face, all cities were flat. The technology to build high did not yet exist. Haussmann created a city of uniform grey-white five-story buildings along symmetrical streets – Paris as we know it. In the 1880s, the Eiffel Tower went up. At 301 meters tall, it was a kind of exclamation mark over the city, almost a third dimension. But it stood alone.

Haussmann succeeded. “Paris is perhaps the most beautiful city in the world because it’s perfect. It’s planned to be perfect,” Jacques Herzog told me in a phone interview. And ever since Haussmann, he added, almost every significant new building in Paris has been ushered in by the French authorities: the Pompidou Centre in the 1970s, for instance, and then during François Mitterrand’s reign of aesthetic megalomania, the glass pyramid at the Louvre, the Bastille Opera and the Bibliothèque Nationale de France. Some of Paris’ grand projects failed (the ugly Bastille Opera is said to be the result of Mitterrand accidentally pointing to the wrong design at the selection ceremony), but many work. Herzog says: “No other city of

this size has built so many beautiful buildings due to state-backed initiatives.”

### “Dangerous perfection”

France is run by graduates of the Ecole nationale d’administration, as schooled in the arts as they are in politics, and sometimes their sophistication pays off.

But Herzog believes that the French statist tradition constricts the city. “Paris has a perfection that is also dangerous,” he says. “It is a perfection not designed for taking on board the free dramatic life that exists in London, or even Switzerland. Somehow the beauty of Paris expresses the problems of France: total control. That’s where architecture, history of the economy and politics come together. City development has a lot to do with psychology.”

The contrast is London, the French capital’s new twin city, just 2 hours 15 minutes away by Eurostar. Here’s an essential difference between the two cities: Whereas the French state made Paris, developers made London. For Herzog, the British capital’s new forest of skyscrapers is a serious problem. “There are so many that you can’t distinguish one building from the other. But it expresses the total liberation that has made London so successful.”



At 180 meters, the tower designed by Herzog&de Meuron will define the Paris skyline. The “Triangle” will cost 500 million euros.

Paris is perfect, planned and nearly horizontal. There are a few drab tower blocks in the 13th arrondissement in the city’s south, but for now the only actual skyscraper in the city proper is the Tour Montparnasse. The tower went up in 1973, at a time when city planners worldwide thought the future was car-friendly downtowns.

But the 210-metre eyesore “is a disaster, from any point of view,” says Michel Mossessian, a Parisian architect who works in London. The Tour Montparnasse is out of sync with Haussmann’s Paris. It so traumatized the city’s leaders that they forbade any new buildings above 37 meters in Paris proper. All Paris’ other skyscrapers today are outside the city, chiefly in the unlovely business district just west of Paris, La Défense.

Only in recent years has Paris relaxed its ban on height, and looked upwards again. This shift doesn’t signal a sudden infatuation with skyscrapers, cautions Mathieu Lefevre, a Parisian who is executive director of the New Cities Foundation, an international think tank. He says the arguments over the Triangle left “blood on the floor.” Now there is no appetite to turn Paris into a European Manhattan. The Triangle, says Lefevre, could

be “a new icon. But rather like Beaubourg (the Pompidou) or the pyramid at the Louvre, it’s an exception rather than the rule.” Indeed, Renzo Piano’s planned new 160-meter Palais de Justice in western Paris has hit opposition and delays just as the Triangle did.

#### A City as Romantic Museum

However, adds Lefevre, the city’s mayor, Anne Hidalgo, “wants to change Paris, to make Paris into a modern city.” Many foreign romantics would love Paris to be an unchanging museum, but the people who run Paris want it to be a global city – an equal to London or New York. That means adding new kinds of beauty without destroying Haussmann’s perfection. It also means luring more international companies, most of whom would like to be in central Paris rather than La Défense, but who tend to find the existing buildings outdated and cramped. The global urban renaissance has increased demand for square meters in city centers. Paris must either find central space, or build it.

Already the process of finding space has begun, notes Lefevre. This is densification: filling up Paris’ last empty bits by building on disused railway land, or turn-

ing unoccupied offices back into apartments. Paris was mostly built before cars, and is therefore much denser than automobile-era cities like Dallas or Los Angeles. Now that cars are being forced out of downtowns, Paris’ density – a nineteenth-century quality – equips it perfectly for the twenty-first century.

However, densification alone cannot create much more space in what is already Europe’s densest big city. To make more central space, Paris would need to build upwards. This is the trend in the world’s increasingly pricy downtowns, notes Mossessian: “Everybody’s having a tower craze, every city wants a silhouette.”

Mossessian doubts that Paris can join this new wave. He says, “Because of the harmony notion of Paris’ urban scale, I’m not sure it can find the dynamic renewal that London has. The majority of London’s construction is just pragmatic, the convenience of the market. So when a building is not needed, you just destroy it. Is Paris a finished city or can it become more?”

#### Wanted: Suitable High-rises

Anne Hidalgo wants it to be more. Like many Parisian modernizers, she eyes London’s growing forest of skyscrapers with >



Mayor Anne Hidalgo wants to develop Paris, a city where high-rises in the banlieues have created a fear of height. “It won’t turn out like London,” she says.



a certain curiosity. She reassures Parisians: “I won’t conduct the policy of my counterpart in London, with over 300 towers along the Thames.” But even with more modest ambitions, she and other modernizers have to answer a difficult question: What kind of skyscrapers might work in Paris? The city needs buildings that tower over the Haussmannian streetscape but without disrupting it the way the Tour Montparnasse does. Herzog, whose firm is known for buildings that fit into their context rather than simply expressing the architects’ signature style, insists his 500-million-euro Triangle will be in tune with Paris.

Admittedly the building will dwarf its neighborhood. At 180 meters high, the maximum height allowed under Paris’ new regulations, it will be the city’s third tallest building after the Eiffel Tower and the Tour Montparnasse. However, Herzog points out, it will sit on the city’s southern edge, exactly where Paris proper meets the Périphérique. “It is very precisely implemented in that Haussmannian pattern. It is part of that heritage. It is a single piece that continues that idea of geometrical clarity.” And because the Triangle tapers into a pyramid, it won’t cast much of a shadow over the buildings be-

neath it. Mossessian backs Herzog. The Basler architects, he notes, aren’t mediocrities like the creators of the Tour Montparnasse: “It’s good to disassociate what is done by masters from what is done by the economy.”

But the standard debate about skyscrapers in Paris overlooks the city’s greatest flaw: the “Périph.” The ring road is the ghastly moat around the perfect city. It cuts off Paris *intra muros* from its suburbs: the banlieues, full of tall buildings, most of them monstrosities from the 1960s and 1970s. “The real problem of Paris,” says Herzog, “is the banlieue.”

#### Unsuccessful Version of Modernity

One reason many Parisians fear architectural modernity is that the banlieues have been such an unsuccessful version of modernity. Now the city has a second chance to do things better. A skyscraper like the Triangle could divert people and action from Paris’ center to the rim. The building could give beauty and identity to what is currently a soulless zone. It could also help build bridges – physical or metaphorical – across the Périph. Lefevre sketches a future of “horizontal skyscrapers” that reach across the Périph. He hopes that one day sections

of the ring road will be covered over, perhaps with parks that connect Haussmann’s Paris with the banlieues.

The French state is thinking along similar lines. Its new “Grand Paris” project aims to unify the whole 12-million-person region, creating new transport networks and neighborhoods. That could turn Paris into a single city with magnificent skyscrapers in its outer sections to match Haussmann’s magnificent creations in its center. Then Paris could be a (if not the) twenty-first century capital. The fantastically ambitious arch-modernizer Haussmann would surely have approved. □

**Simon Kuper** is a British writer and sports journalist. He studied German and history at Oxford and Harvard and now writes for the Financial Times. Simon Kuper lives with his family in Paris and he wrote this article prior to the attacks of November 13, 2015.

# My Bird's-eye View

She came to Switzerland from Kosovo as a 16-year-old with no training. Today she has a job with a view: Kumrije Bajra, 43, works on the 22nd floor of the Prime Tower in Zurich.

“At first it made me dizzy to stand at the window and look down. And when it was windy outside, I wondered, ‘Can the tower take it?’ And the elevator! That was really bad. It goes from the 22nd floor to the ground floor in 23 seconds. That’s more than six meters per second. You can literally feel the pressure. In the beginning, I covered my ears and closed my eyes.

Right after lunch, I would start to pray: Please don’t let it be quitting time yet – I don’t want to take the elevator! But now I think it’s fun to zip down to the ground floor so fast. And of course, it’s practical. Before I started to work here, I read an article in the paper that said that the people who work in the Prime Tower were only allowed to smoke outside, on the ground floor. Because I smoke now and then, I did the math: If it took me five minutes to get down from the 22nd floor, five minutes to have a smoke, and five minutes to get back up, and I did that five times a day – that would add up to more than an hour of wasted time. I never would have thought that the elevator takes only 23 seconds.

When I told my friends that I had gotten a job in the Prime Tower, they were all excited. They asked, ‘But what do you do there?’ It’s complicated. I do so many things! My contract says ‘daytime cleaning,’ but I don’t do any cleaning at all. The offices are actually cleaned at night. I’ll do a quick cleanup if someone spills something, or drops and breaks a glass, but that’s all. Otherwise, I make sure the coffee machines are working, refill the milk, and check that the cleaning team hasn’t forgotten anything. I order fruit and beverages, toilet paper and soap. If something isn’t working properly, I arrange for a technician. There’s always something to do – after all, almost 270 people work on the four floors that I take care of.

## Zurich from Above

Early morning is the best time in the Prime Tower. I always start work at six, to be sure the coffee machines are up and running when the first employees arrive. I’ve taken pictures of the most amazing sunrises. The mountains in the distance, the airplanes taking off or landing in Kloten, the city

spread out below me – sometimes I can hardly believe I ever got this job.

I’ve already been working here for a year and a half, but I still take pictures with my phone every day. Fortunately, though, I no longer get dizzy when I stand at the window. Quite the opposite: I think it’s great to have a bird’s-eye view of all the people below. When I get on the tram in the morning in Schwamendingen, I ask myself, ‘What will the view be like today?’ It’s different every day. The sunsets in winter are often very colorful, and the rain clouds drifting across the city are so dramatic. And when fog rises, you could be on the 24th floor and be in the middle of the clouds, all you see is white, while the 21st floor is already below the blanket of fog.

## My Son, the Facebook Star

I came to Switzerland from Kosovo in 1987, when I was 16 years old. The situation was chaotic. I didn’t like it here at all. I had no friends, my parents worked all day long. I was bored. So I began working in Wädwil at a big bakery for the Coop supermarket chain. At first I thought, I’ll do this for one or two years, then return to Kosovo. I wanted to go back to school. But with the war and all, it was out of the question.

Then I met and married my husband, and we had children. My oldest is named Bendrit. He’s made a name for himself as a Facebook comedian. I’m proud of him. When the children grew older, I went back to work at Coop, but then I started having back problems. Luckily, here in the Prime Tower I don’t have to lift anything heavy. And I can set my own working hours. For me, that’s pure luxury. If they’ll have me, I’ll stay here until the day I retire.” □



Job with great views: Kumrije Bajra takes care of four floors in Switzerland’s second tallest building.

Adapted by **Stefanie Rigutto**

# Buenos Aires' White Elephant

It was supposed to become the biggest hospital in South America – instead it became a refuge for those without hope. One young family describes life in Buenos Aires' “elefante blanco.”

by Andreas Fink (text) and Alejandro Kirchuk (photos)



Looted and dangerous:  
The “elefante blanco” as a symbol of  
the flagging power of a world that once  
attracted millions of poor Europeans.

Luis Piedrabuena Avenue is one of those destinations that every taxi driver tries to avoid. It's a wide band of asphalt near the outer ring, where Buenos Aires gives way to neighborhoods of the poor and slums. Nearby are the cattle market, the mataderos – slaughterhouses – and the stadium of the first league's underdogs, "Neuva Chicago." Diesel buses travel the Avenue, where tires can be repaired on its

medians and a mother guides her two small children over a bumpy path along a rusty chain link fence with more holes than links. On a side street, a gendarmerie post stands sentry; the men in uniform freeze in the harsh southern wind and one has an automatic rifle slung over his arm. The winter sun is incapable of providing any real warmth but at least it mercifully spreads a little light on a scene that could work for a film about the end times.

The monolith on the north side of the Avenue is known as "elefante blanco" in Argentina's capital, where it has reigned over the southwest side of the metropolis for seventy years, long since having lost its purpose. Its fourteen-story plaster facade still exudes the power of the new world that once attracted millions of poor Europeans with the hope of a prosperous future. And its empty window frames testify to the disintegration of their dreams. Today the building is in ruins, looted and dangerous. Its basement reeks of foul odors, and there are more than a few along the Rio de la Plata who would say the same is true of their country.

The history of the "elefante blanco" is one of social justice and political despotism, of shelter and vermin, of child's play and rot, of solidarity and drug addiction, of new beginnings and decay, of existence and excrement. It is the history of a slum within a slum, the home for those without hope. A high-rise with two names: Outsiders know it as the "elefante blanco." Lola and Jonatan call it "hospitalito," the little hospital.

#### **A Building with a Hundred Stories.**

Lola Saravia and Jonatan Carmona played in the empty shell when they were still children. They started their family on the ground floor. They feared for their baby's life there. They fought with the rats that were as big as cats. They plastered walls, they laid tiles on the floor. They even created their own equity in this forsaken spot.

Today they live across the way in a small house, protected by bars, painted yellow, with corrugated sheet metal for a roof. From the window of their kitchen, Jonatan can see the rear of the "little hospital" that remains unplastered. He says, "That building has hundreds of stories."

We'll start with the official one. As early as 1820, the city administration had decided to establish a lung sanatorium far beyond the gates of the settlement at that time. It would be more than a century, in 1923, before a public collection and a subsidy from Congress made it possible to establish a treatment center for tuberculosis. Construction began in 1938 but was soon stopped when the money ran out. Then under populist President Juan Domingo Perón work resumed, with the goal of establishing the largest hospital in Latin America. Perón had made health a basic right and declared that public health care should be free. >



When the conservative military launched a coup against Perón in 1955, they withdrew all the workers from the hospital construction site. What was left behind was the shell of a building, with roofs covered, facade only partially plastered, its walls filled with bricks and stairwells with cement. There were no windows, doors, water pipes, or electrical wiring.

It wasn't long before the sanatorium mutated into a stone quarry. Even while Perón still ruled, poor migrants had already begun to settle in the shadow of the new hospital. After construction stopped, they started to eviscerate its shell. Today "Villa Miseria No. 15" spreads behind the ruins, as the slum is officially called. Its more commonly used name is "ciudad oculta," after the military had a wall built in 1978 to hide the misery there from visitors to the FIFA World Cup.

### A Slum Grows Vertically.

By the time the Junta stepped down in 1983, Argentina had been bled dry. The economy was on life support and the "hidden city" mushroomed within those walls, becoming what is called a vertical slum. The fact that slums grow upward is a product of necessity seen in many densely populated areas in developing and newly industrializing countries. In São Paulo and Johannesburg, for instance, apartment buildings became slums after surrounding areas sank into poverty. In Buenos Aires, a second, half-finished hospital left after Perón's time housed 2,500 people for more than 25 years. It was evacuated and demolished in 1991.

Last year in Caracas, Venezuela's capital, the government relocated all the families who had occupied "Torre Confinanzas" since 2007. The 190-meter-high building remained unfinished and became the property of the government. This didn't prevent people from establishing permanent make-shift arrangements all the way up to the 28th floor, without elevators, railings or sewer connections.

This is precisely what has fascinated urban planners and sociologists about "Torre David," named after the original builder, David Billembourg, now a vertical slum with kiosks, restaurants, beauty parlors, and car repair shops. Are high-rises in fact more suitable buildings for accommo-



"Sometimes I miss life the way it was there." Former occupants Jonatan and Lola.

dating the continuing stream of migrants coming into the cities?

Latin America is the continent with the highest degree of urbanization. Although all countries in Latin America have relatively low population density, most people live in urban areas. In total, 14 million people live in "Buenos Aires." Industrialized agriculture has spread since 2001, driving out farm workers and poisoning the land of small farmers. That's why the hidden city continued to balloon. And that's why 120 families set themselves up

In Buenos Aires, the  
population in poor  
areas grew by 52 percent  
from 2001 to 2010, to  
163,600 people.

over the first three floors of the "elefante blanco," even though word was that only ghosts lived within its walls.

The population of Buenos Aires's slums grew 52 percent between 2001 and 2010, to a total of 163,600 people. The city's housing authority estimated the number of slum residents at 275,000 in 2013, that is, almost 10 percent of the capital's population.

### Girl in a Refrigerator

"For us kids, the 'hospitalito' was an adventure," says Jonatan Carmona, now 27 years

old, dressed in a Boca Juniors jersey, track pants, and sneakers. Back in the day, he ran with his pals, all the way to the roof, and played in the water tanks in summer. They played soccer on the terraces and guerrilla war on the empty floors above; there were certainly enough rocks to throw. During one of these battles, a friend of his fell from the seventh floor down an elevator shaft — and survived. Some were not so lucky. Addicts drowned in the tanks, graffiti sprayers tumbled from the tenth floor, and someone even found the body of a girl in a refrigerator. The case was never solved.

In 2006 the mayor of Buenos Aires gave the building to the Foundation of the Mothers of the Plaza de Mayo. The women who had once led the resistance to the military opened a kindergarten on the ground floor and set up training centers that the Foundation was supposed to supplement with a residential construction project. It came out in 2011 that millions in subsidies to the "Mothers" had vanished. The Foundation was forced to fire almost its entire staff and withdraw from many projects, including the "elefante blanco."

Today the ruins are controlled by the "punteros" of the hidden city. Those are the dubious characters in the gray area between politics and the underworld, who organize the votes of the slum residents and distribute welfare payments in return. Their foot soldiers make sure that no new migrants settle in the building. That's because the courts determined in 2013 that



No one is supposed to live in here anymore. The city administration has sealed up the building.

the little hospital makes people sick. Too dirty, contaminated and dangerous.

#### **Rats, Cockroaches, Mosquitoes**

Of course, they knew that when they moved in back in 2008. Jonatan was 18, Lola was 25 and the mother of two children. They had just gotten together when Lola became pregnant again. Jonatan worked as a security guard, twelve hour shifts Monday through Sunday, earning 1,700 pesos, which was about 400 dollars at the time. That was not enough to rent someplace where five people could live, not even in the hidden city.

They had only one option: “Elefante blanco,” ground floor. That floor had the advantage that water came out of the pipes there. And the disadvantage that water also seeped through the walls and the floor. The building literally stood on a swamp, two of the three basement floors were full of water. “It was a dump for everyone and everything that ever lived there. Many of our neighbors, too,” said Jonatan, listing off the fauna with whom they had to share their two rooms. “First I chased away the rats – as big as cats. As soon as it got warm, we had swarms of cockroaches and mosquitoes. We had to sleep covered up, wear caps and gloves when we ate, even in the heat of summer.” The children were teased at school because they were covered in bites.

The “elephant children” were rejects even in the slums. “On the first day I promised my oldest daughter Estrella that this

was only an emergency solution for a short while,” Lola explained. Her third child, Tiziano, was born just as the walls around their two rooms were finished. The ceiling was five meters high but the bricks for the walls came up only to 2.8 meters. “It was the middle of winter, ice cold and impossible to heat,” said the mother who almost lost her baby because its lungs became sick in the cold and filth and needed years to fully recuperate.

That only happened when they were able to leave the “hospitalito.” Jonatan was constantly at work on their hovel, building walls, plastering, laying tiles – obsessed with the idea that someday he would be able to sell it. They still find it hard to believe that his plan actually worked. One morning there was a knock on the door. Someone asked if the apartment was for sale. “Spontaneously I said yes. But then I had to think about how much I should ask for it,” Jonatan said.

What is the value of an apartment in a building with no heat, no gas, and no connection to the sewer? “Honestly, I felt bad asking for money for it,” Lola said. They got 40,000 pesos, about 8,000 dollars at the time. Almost enough to buy the smaller shack that is their home today: an eat-in kitchen with air conditioning, flat screen TV, and two formidable loudspeakers: The man of the house raps. Behind that are three bunk beds, curtains in place of doors. As cramped as on a ship, but drier than in the “hospitalito.”

#### **“This is the life!”**

Their old neighbors were able to sell at even higher prices. Forced by the courts to renovate the building, the city administration paid up to 15,000 dollars. The building has been officially sealed off but kids still play soccer on the first floor terrace, dogs climb through the ruins, and it smells of feces and urine. In one corner, junkies smoke paco, the Argentine version of crack. The relics of the old housing are evident – dismantled walls, torn-out sinks. No one is supposed to live in here anymore.

“It may sound funny,” Jonatan says, “but sometimes I miss life the way it was there.” He describes how people cooperated with each other there, so much so that they were even able to drive out the drug dealers. Theft, gang wars, and murder increased in the hidden city. “But we closed the gates. We really succeeded in keeping them out.”

According to the UN, Argentina has now become the country with the second highest cocaine consumption in the Americas and the third most important transit country for that drug. Battles between drug gangs are a constant theme in Argentinian TV news.

Alma was born in August, Lola’s fourth and Jonatan’s second child. She will hopefully enjoy a childhood far from vermin and cholera. The family wants to move to the countryside. “Our goal is a small cottage,” Jonatan says. “A small lawn at the front and back. Then I can sit in my chair, take a deep breath, and say, ‘Hey, this is the life!’” □

**Andreas Fink** is the South America correspondent for the “Tages-Anzeiger” (Switzerland), “Focus” (Germany), and “Die Presse” (Austria). He is 50 and has lived in Buenos Aires since 2007.

**Alejandro Kirchuk** is a photographer and works in Buenos Aires, his hometown.

# “The management of urban growth has failed”

More than 863 million people are living in slums. Are high-rise buildings the solution? Eugenie L. Birch, chair of the UN World Urban Campaign, responds to urgent questions.

Simon Brunner (interview) and Roderick Aichinger (photography)

*Dr. Birch, can you explain to us in one sentence what a slum is?*

As defined by UN-Habitat\*, a slum is a distinct geographic district containing close-packed dwelling units. That was one sentence. Allow me to add the following characteristics: People in slums have limited access to basic services, including water, sanitation, garbage collection, electricity, schools and health facilities. The dwelling units are poorly constructed. Slums are overcrowded, and property rights are not secured.

*The UN estimates that 863 million people now live in slums, an increase of 33 percent since 1990. Why?*

This is rooted in two socioeconomic phenomena: the upsurge of people migrating from rural areas and the improved conditions in the slums themselves. Today, the second factor is particularly important. Health care has improved somewhat, the infant mortality rate has declined, people are living longer. And the residents have more money. As a result, slum populations could grow faster than their rural counterparts.

*Are slums exclusively a phenomenon of developing countries?*

Between 1990 and 2000, the annual urbanization rate in Africa was 3.5 percent, and the rate in Asia was 3 percent. During the same period, Europe was still urbanizing at a rate of 0.21 percent. But we should not forget that the industrial countries also had to cope with severe problems as their cities grew in the 19th century. This was comparable to today's

developing countries, except that the absolute population numbers were much, much lower.

*UN-Habitat\* writes: “Slums are a clear manifestation of a poorly planned and managed urban sector” and [the situation] “calls for a paradigm shift in housing policy, urban planning and building practices.” These are clear words for the United Nations.*

Since its founding in 1978, UN Habitat\* has paid considerable attention to the effects of rapid urbanization in the developing countries. All the data

## The battle for sustainable development will be won or lost in the cities.

and case studies reveal the failure of managing urban growth in all spheres of government. Only scant progress is being made to create a supportive environment at the national level and to empower and train local and regional governments to undertake the planning and management necessary to arrest the growth of slums.

*Are high-rise buildings a solution for the slums?*

They can help the residents. One of the positive examples is found in Medellín in Colombia. In the poor neighborhood of Santo Domingo, homes had to give way to a new cable railway, public areas,

libraries and schools. Instead of moving the residents into another quarter, the city housed them in high-rise apartment buildings. Another good example is Pune in India, where slum residents were housed in taller buildings. This created room for public areas and communal facilities. These are positive examples, but there are also many negative examples in which residents were subjected to mass eviction or their dwellings were torn down and they were relocated to high-rise buildings in a bad location, without appropriate transportation and other services.

*How can large cities keep slums from being built in the first place?*

The local government must identify large areas where the poorer population can live, but it must also build streets and communal facilities, provide water and sanitation, and protect these public spaces from private incursions. Although this formula may sound simple at first glance, it is complicated and expensive. In the long term, however, the result is worth it for every city.

*The UN Millennium Development Goals were to be met by this year.\*\* Slums were one target. What is your conclusion?*

The goal of “achieving a significant improvement in the lives of at least 100 million slum dwellers by 2020” was well meant, but misguided. The nations quickly met this target, but the number of slum dwellers continued to rise. The role that cities play in regard to development was neither recognized nor understood.

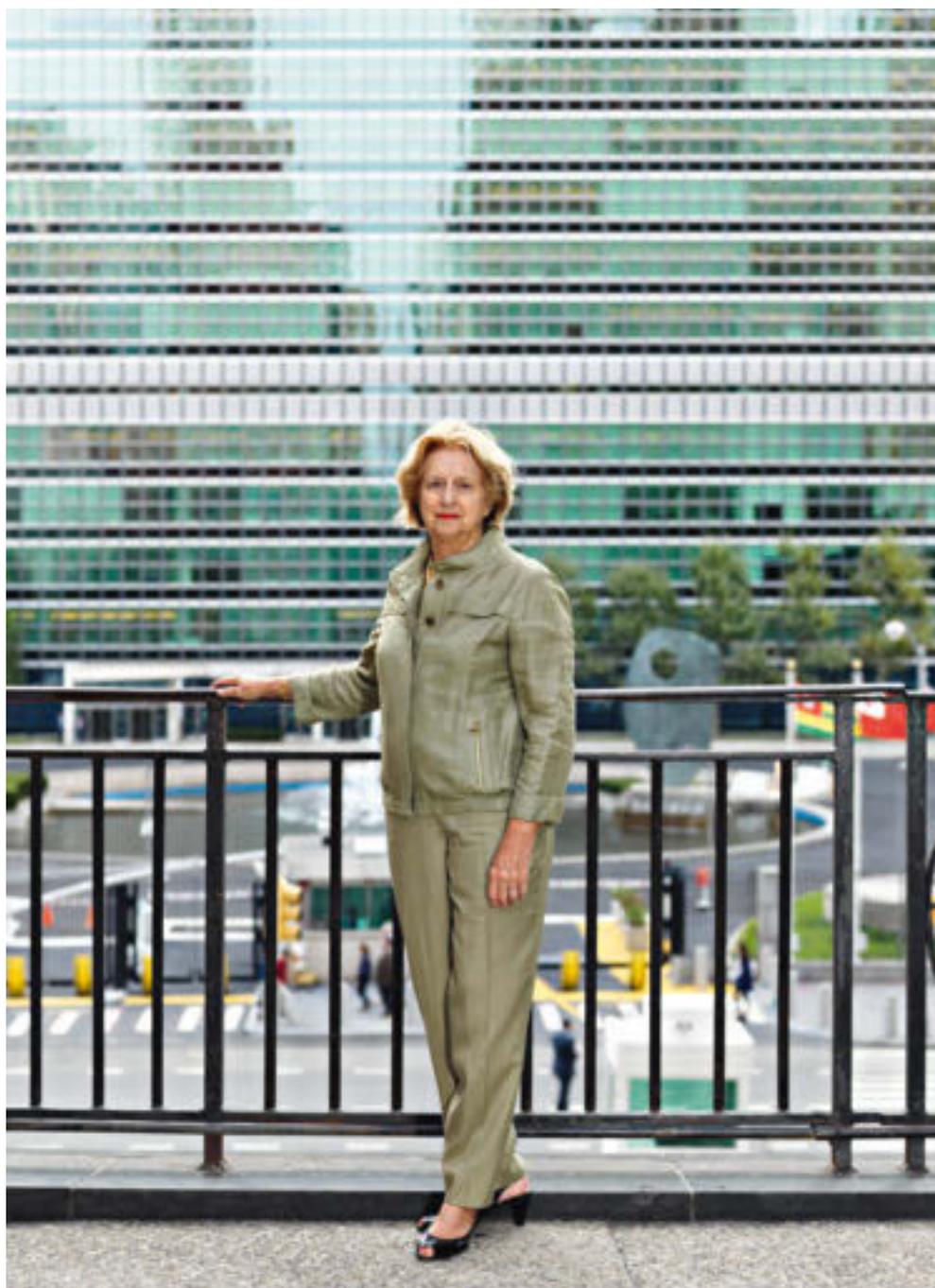
*At the end of September, the UN adopted the Sustainable Development Goals. \*\*\* Goal 11 directly targets cities, or specifically slums. Have the shortcomings of the Millennium Goals been remedied?*

Yes. This time around, the SDG authors had a much better understanding of the oft-quoted statement, “The battle for sustainable development will be won or lost in cities.” They composed a goal with seven associated targets that include the multiple systems and conditions – housing, transport, spatial planning, cultural and natural heritage, environmental impact, resilience and public space – necessary to provide the frame for achieving the other goals, especially tackling poverty.

*Habitat III will take place in Quito, Ecuador at the end of October 2016. What do you expect from the UN’s largest summit on urban development, which only takes place once every 20 years?*

Habitat III should create a global consensus, to be summarized in the New Urban Agenda. This is a set of strategic actionable recommendations that will help ensure that the economic, social and environmental potential of cities will be realized in the next two decades. Though ambitious, this objective is absolutely essential in the face of anticipated urban population growth. □

**Eugenie L. Birch** is a professor of Urban Research and founding co-director of the Penn Institute of Urban Research at the University of Pennsylvania. Birch chairs the UN-HABITAT’s World Urban Campaign (WUC) and serves as president of the General Assembly of Partners, a WUC special initiative. The award-winning urban planner is married and has three adult children. She lives in New York City, on the tenth floor of a building.



\* The United Nations Human Settlements Programme (UN-Habitat) is the UN agency for human settlements and sustainable urban development.

\*\* The UN Millennium Development Goals (MDG) are eight goals, to be achieved by 2015, that were formulated in 2000.

\*\*\* The Sustainable Development Goals (SDG) are aimed toward ensuring sustainable development (economic, social and ecological). Unlike the MDG, which applied particularly to developing nations, the SDGs were designed for all the world’s countries.

#CSsoba

# Switzerland, Where Is It Headed?

The country has voted and important tasks now lie ahead: Switzerland's relationship with the EU is under pressure, the Gotthard Base Tunnel, the largest federal construction project of all time, is scheduled to open in 2016 and immigration continues to be an issue among the Swiss people and politicians. Now is the right time to ask about the mood among Swiss voters.

**W**hat worries the Swiss? What do they identify with, whom do they trust? For the 40th consecutive year, the Credit Suisse Worry Barometer reveals the mood of the Swiss nation. The representative survey has been conducted since 1976 and allows the mood of the nation to be measured and then compared over the years. Findings: In addition to unemployment, the issue of foreigners is increasingly becoming a major source of concern. The Swiss Federal Court and the Swiss Federal Council enjoy the highest level of trust. Switzerland's neutrality is seen as its most important identity marker and its greatest strength. Egotism is seen as the biggest risk to Swiss identity. The Swiss are satisfied with the current economic climate and even with their own financial situation. However, one or more clouds could darken the bright economic sky in the next year.

The results are summarized in five articles with numerous charts and graphs. Christa Markwalder, the new president of the National Assembly, as well as Urs Rohner, chairman of the Board of Directors at Credit Suisse, interpret the results from a political and economic perspective.

## Your editorial team

### THE SURVEY

On behalf of and in cooperation with Credit Suisse, the research institute gfs.bern conducted a representative survey among 1009 eligible voters in Switzerland from July 24 to August 17, 2015. The statistical sampling error is  $\pm 3.1$  percent. A project team from gfs.bern scientifically analyzed the two studies "The Three Biggest

Problems: Unemployment, Foreigners and Retirement" (Credit Suisse Worry Barometer 2015) and "Swissness Is Alive and Well, But Switzerland Is Politically Challenged" (Credit Suisse Identity Barometer 2015).

The findings were written up for Bulletin by **Andreas Schiendorfer** (schi).

### PHOTOGRAPHY

**Mark Henley** traveled around Switzerland for the Worry Barometer and photographed his interpretation of the results. The English photographer has lived in Switzerland, in Geneva and Zurich, for 15 years. He has won the Swiss Press Photographer of the Year award twice (2012 and 2014) in addition to other awards.

The full survey and other articles are available for download at:  
[www.credit-suisse.com/worrybarometer](http://www.credit-suisse.com/worrybarometer)

## Contents

### 1. THE PROBLEMS OF SWITZERLAND

Page 52

### 2. CONFIDENCE AND STRENGTHS

Page 55



### THE VOICE OF POLITICS

National Council President Christa Markwalder talks about neutrality, refugees and negotiations with Europe

Page 57

### 3. THE ESSENCE OF SWITZERLAND

Page 60

### 4. THE INSIDER'S VIEW

Page 64

### 5. LOOKING OUTWARD

Page 66



### VOICE OF THE ECONOMY

Urs Rohner, Chairman of the Board of Directors at Credit Suisse, in a year-end interview

Page 69

### LAST PAGE: BRIGHTER DAYS AHEAD!

Page 72

## 1. THE PROBLEMS OF SWITZERLAND

# Foreigners, Unemployment, Retirement

## What concerns voters?

Immigration seems to pose a growing threat, while people are also afraid that jobs will be lost and their retirement jeopardized.

Switzerland is one of the European countries with a particularly high percentage of foreigners, and that figure has increased substantially over the last 30 years. The permanent resident foreign population was under 15 percent in the 1980s, and it is close to 25 percent today. According to the recent survey conducted as part of this year's Credit Suisse Worry Barometer, this trend is increasingly perceived as a burden. In 2003, only 18 percent of those surveyed characterized "foreigners" as Switzerland's main problem, while that number currently stands at 43 percent. That perception has not been changed by the approval of the popular initiative "against mass immigration" in February 2014 – quite the opposite, as according to two surveys conducted in the meantime, the issue of "foreigners" has gained another six percentage points (pp) in the ranking of top concerns and is currently at an all-time high.

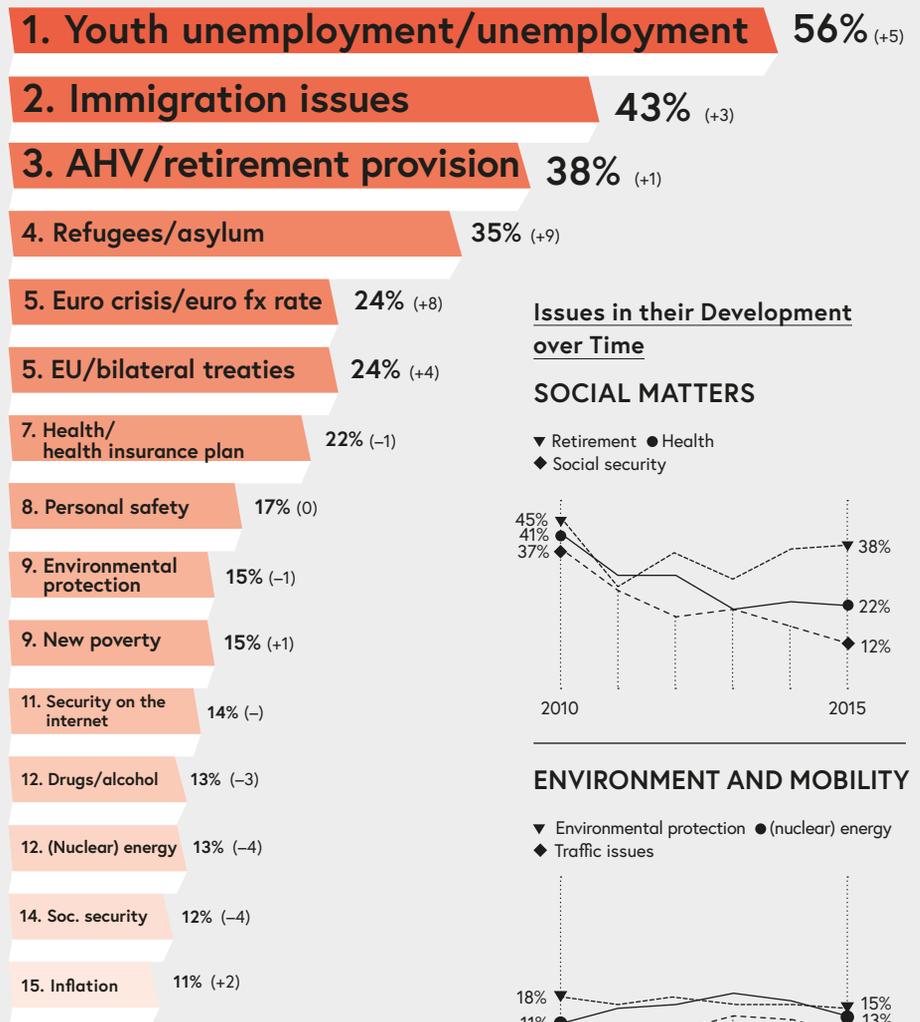
In addition, the worsening of the global refugee situation is also being felt in Switzerland. Thirty-five percent of voters consider refugees to be a problem; this number was higher in 2006 (39 percent) but still less than its peak of up to 56 percent from 1999 to 2004. In other words, the high percentage of newcomers is unsettling to the population, although there is some good news in this regard, too. Racism and xenophobia (10 percent), coexistence (7 percent) and religious fundamentalism (6 percent) are considered to be marginal concerns.

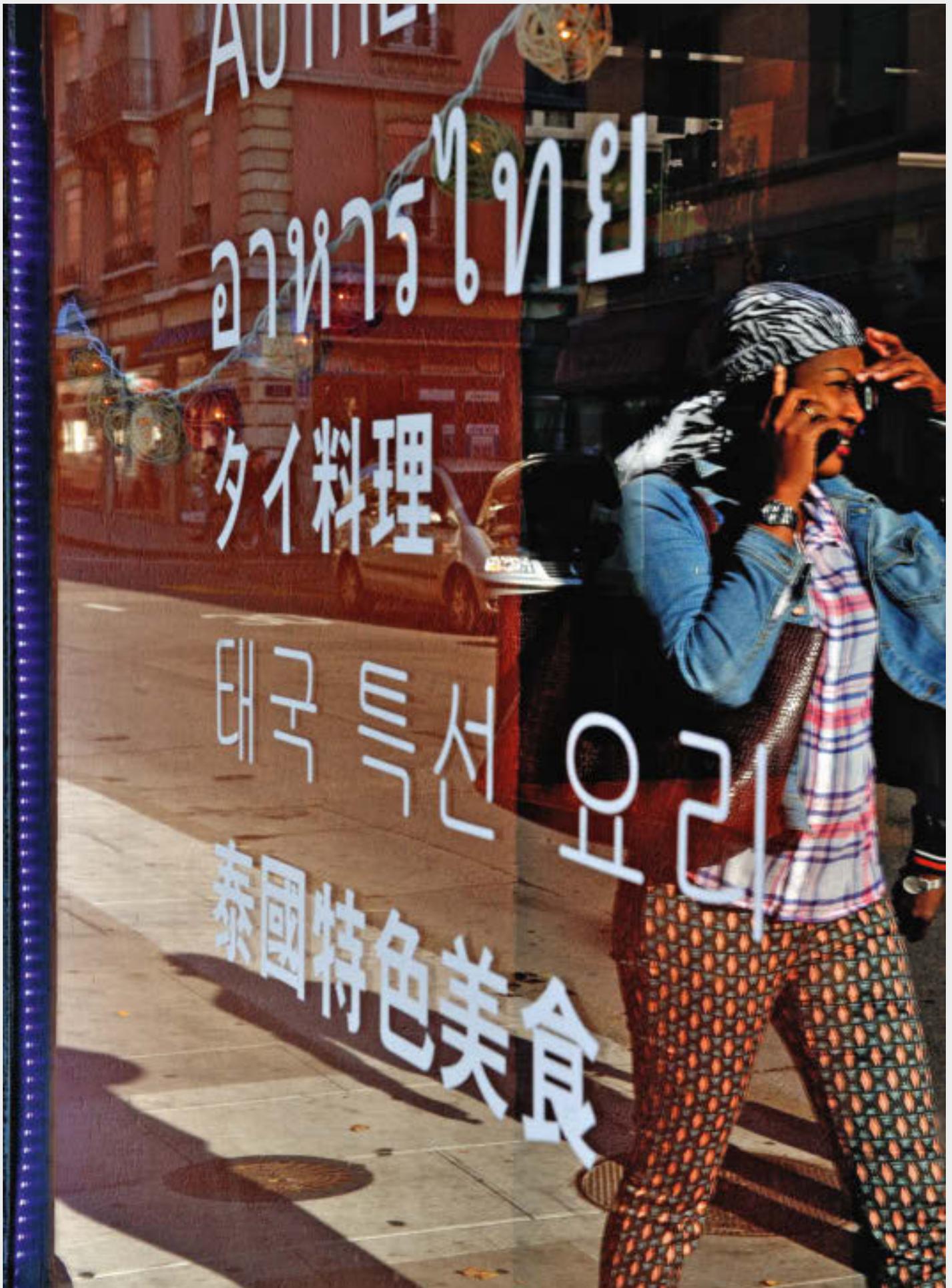
As has been the case since 2003, unemployment is still considered the main worry of the Swiss. In order to better >

Chart 1: Key Concerns of People in Switzerland

### WHERE THE PROBLEM LIES

"Out of all of the cards, please choose those five that you personally consider to be Switzerland's most significant problems."



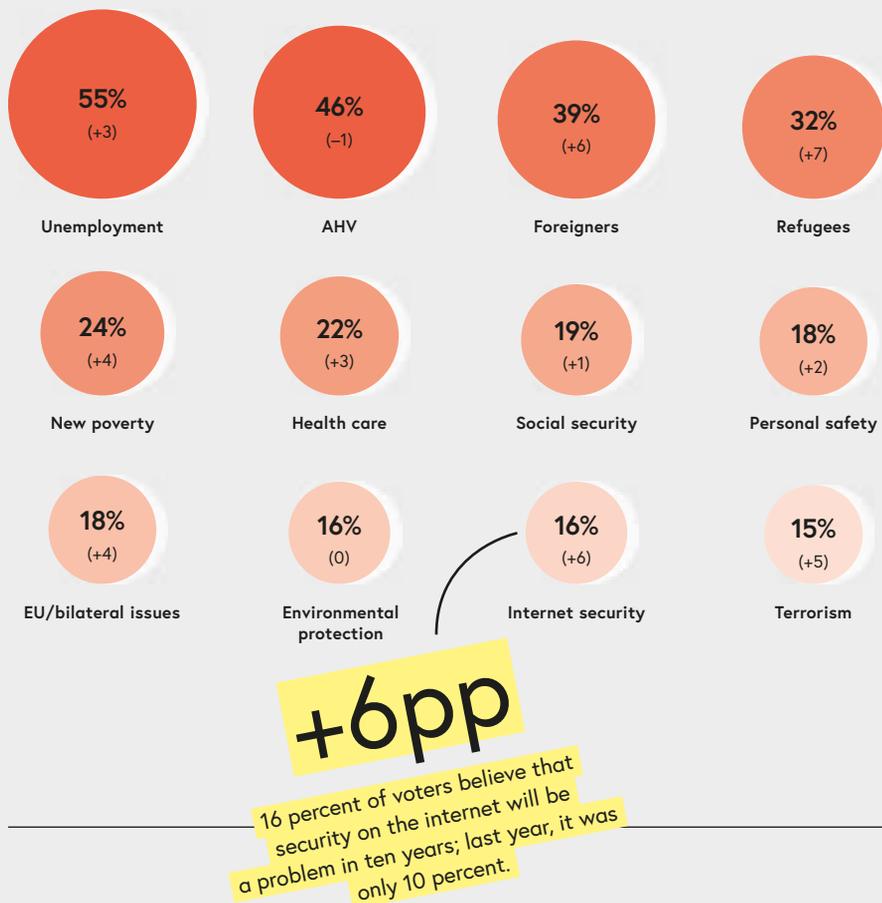


43 percent are concerned about foreigners in Switzerland (pictured: Thai restaurant in Geneva)

Fig. 2: Problems to Come

## TOMORROW'S CONCERNS

"Out of all of the cards, please choose those five that you personally consider will be Switzerland's most significant problems in ten years' time."



understand this, the Worry Barometer began last year to differentiate between overall unemployment\*\* (41 percent, +5 pp\*) and youth unemployment (26 percent, +4 pp).

As expected, youth unemployment represents a widespread concern (47 percent) among young people up to 25 years of age, who are possibly directly affected. Yet when it comes to unemployment as a general, non-age specific topic, a marked difference can be noted between French-speaking Switzerland (48 percent) and German-speaking Switzerland (38 percent), but also between respondents who identify themselves as politically centrist or left (43 percent) and those sympathizing with the right (31 percent).

Over the last 20 years, an average of 60 percent of respondents indicated that unemployment is one of their main concerns. And the latest results are close to this figure as well, yet they are a far cry from the peak reached in 1993 (89 percent), and the

highest recent figure (2010: 76 percent). In line with this, the unemployment rate has remained stable at 3.2 percent for two years.

The latest uptick in concerns about unemployment (+12 pp over the last two years) could be related to the ongoing strong Swiss franc, a problem that has been exacerbated by the discontinuation of the minimum euro exchange rate in January. It

### Measures taken in the health care system seem to have bolstered confidence.

is therefore understandable that people are concerned about the economic trend. The survey does not, however, reflect fear of an economic crisis (7 percent) or problems related to financial issues such as taxes (9 percent), wages (10 percent) or inflation

(11 percent). Even the phenomenon of a "new poverty" (15 percent) is ranked significantly lower than at its peak of 2005 (29 percent).

### Greater Concern for AHV than Health

Three additional phenomena have been at the top of the worry hit parade for years. In an average of the last 20 years, unemployment (60 percent) is still followed by health care (44 percent) and AHV (42 percent), well ahead of refugees (33 percent) and foreigners (28 percent) as well as relations with the European Union (25 percent).

Securing retirement benefits is one of the main concerns of the Swiss public in 2015, as well. This time, 38 percent (+1 pp) indicated that AHV is an issue; the last time it exceeded this amount was in 2010 (45 percent). Since 2003, however, health care shows an almost linear trend, declining sharply from 64 percent to 22 percent today. Measures enacted to counteract the skyrocketing cost of health care seem to have successfully bolstered the people's confidence in the relevant stakeholders. Concerns about the European Union are on the rise and currently stand at 24 percent (+10 pp since 2011). That could be related to the implementation of the mass immigration initiative and uncertainty surrounding the bilateral agreements (see page 68). But the current level is a long way from that seen during the years directly following the rejection of the EEA accession and during negotiations for the first bilateral agreement (1999). Between 1995 and 2000, an average of 40.5 percent of respondents were concerned about Swiss-EU relations.

And what problems will concern the Swiss people in ten years? As perceived today, the ranking is as follows: unemployment (55 percent), retirement (46 percent), foreigners (39 percent), refugees (32 percent), new poverty (24 percent), health care (22 percent), social safety (19 percent), as well as personal safety and the European Union (both 18 percent). In a Switzerland in transition, one thing remains more or less constant: the main concerns of the population. (schi) □

\* Percentage points are in comparison to 2014 unless stated otherwise.

\*\* A few respondents cite youth unemployment and unemployment as a problem, the total limit is therefore 56 percent and not 26 percent (youth unemployment) plus 41 percent (unemployment).

## 2. SWITZERLAND'S CONFIDENCE AND STRENGTHS

# Politics is Reliable

The government and parliament enjoy unparalleled levels of confidence; banks and churches have improved their reputations. On the other hand, trade unions and employer organizations are losing credibility.



No institution in Switzerland is trusted more than the Federal Supreme Court in Lausanne.

**T**he Federal Supreme Court has topped the trust ranking for the seventh time over the last ten years. 68 percent (+6 percentage points\*) of Swiss people have the utmost confidence in the Supreme Court in Lausanne (see next page). Last year's top ranked institution, the Swiss National Bank, was downgraded, possibly as a result of the scrapping of the Swiss franc cap against the euro, sliding down to eighth place with 52 percent (-12 pp). The police, which last

topped the rankings list in 2012, managed to hold on to last year's third place with 57 percent (-3 pp). Those surveyed feel – as they do about the Federal Supreme Court – that they can rely on the police.

The national government is the big winner, steadily rebuilding its basis of trust among the people from its low point in 2003 (37 percent). The Federal Council took second place for the first time ever with 63 percent (+6 pp). Other governments can only dream of trust levels this

high (in similar surveys conducted in Germany and Austria, fewer than 50 percent have confidence in their government). Even the Swiss Federal Assembly was able to maintain a high level of voter confidence, the National Council ranking third with 57 percent (+1 pp) and the Council of States seventh, holding steady at 55 percent. The political parties have achieved an increase in confidence to 46 percent (+4 pp), coming close to the administration (49 percent, -1 pp).

### Banks: Biggest Rise in Trust Levels

Banks saw the biggest rise in trust levels, up +11 percentage points within a single year to reach 57 percent, putting them in a three-way tie for third place with the police and the Federal Council. Unlike the dot-com crisis, which led to a low of 33 percent in 2001, in the eyes of the Swiss, the banks have weathered the financial crisis extremely well. Churches gained in popularity during this time of uncertainty, managing to continually build on the population's confidence since 2008 (36 percent), even gaining 10 percentage points this year to reach 56 percent. At 51 percent (+1 pp), the armed forces also still enjoy the trust of a majority of the population.

NGOs, included in the survey for the first time, were unable to pass this threshold (47 percent). This also holds true for the EU, which, after gaining 5 percentage points, achieved its highest ranking to date of 42 percent, a somewhat surprising result in light of the refugee crisis and the financial crisis in Greece (the long-term average is 29 percent).

The media comparison shows the winner to be radio with 52 percent (-2 pp), but only because television experienced an even greater loss of confidence, reaching its >

lowest value to date of 50 percent (-9 pp). Paid newspapers not only gained trust (51 percent, +3 pp), but were also able to surpass free newspapers (46 percent, -3 pp). The internet also managed to gain credibility (48 percent, +3 pp).

Employee organizations (-9 pp to 47 percent) and employer organizations (-15 pp to 38 percent) saw their trust ranking collapse which is a result both dramatic and difficult to interpret. One explanation could be the charges leveled at representatives from the business community that, in tough times, they do too little in the interest of the common good. Despite that, as of last year, 65 percent of those surveyed still held the opinion that business leaders never (14 percent) or only seldom (51 percent) failed in crucial respects. The last time business leaders achieved figures this high was in 2000.

**Switzerland Stands for Neutrality**

When it comes to Switzerland's strengths, political characteristics are at the forefront, mainly neutrality at 48 percent (+15 pp), education at 32 percent (-6 pp), peace at 30 percent (+2 pp) and coexistence of cultures at 29 percent (-2 pp). Only then does Swiss quality follow as the strongest economic aspect at 28 percent (+4 pp). Between 2006 and 2011, this term always ranked in first or second place, peaking with figures up to 50 percent. Last year's results were improved somewhat, which holds true for most other sectors as well: the pharmaceutical industry gained +6 percentage points to reach 25 percent, the financial center +9 percentage points to 22 percent, the watch industry +1 percentage point to 18 percent and agriculture +3 percentage points to 15 percent.

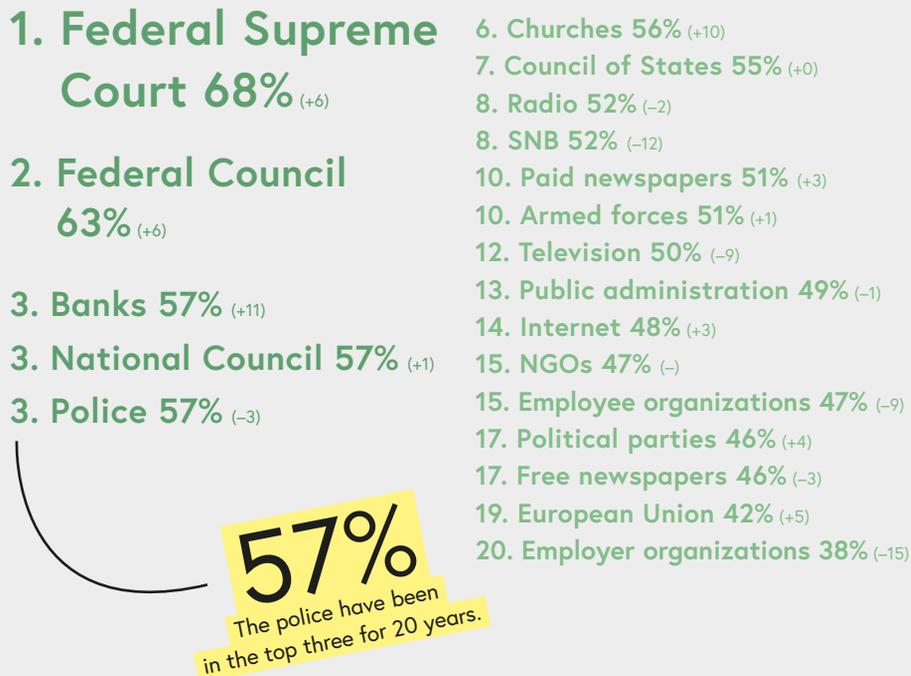
Only the healthcare industry (24 percent, -2 pp) and tourism (17 percent, -2 pp) fell in the ranking. The fact that only 16 percent (-1 pp) of those surveyed referenced a generally strong economy as one of the country's main strengths highlights the currently ambivalent attitude toward the economy. (schi) □

\* Percentage points (pp) are compared to 2014 unless otherwise stated.

**Fig. 3: Who the Swiss Trust**

**FEDERAL SUPREME COURT LEADS IN CONFIDENCE**

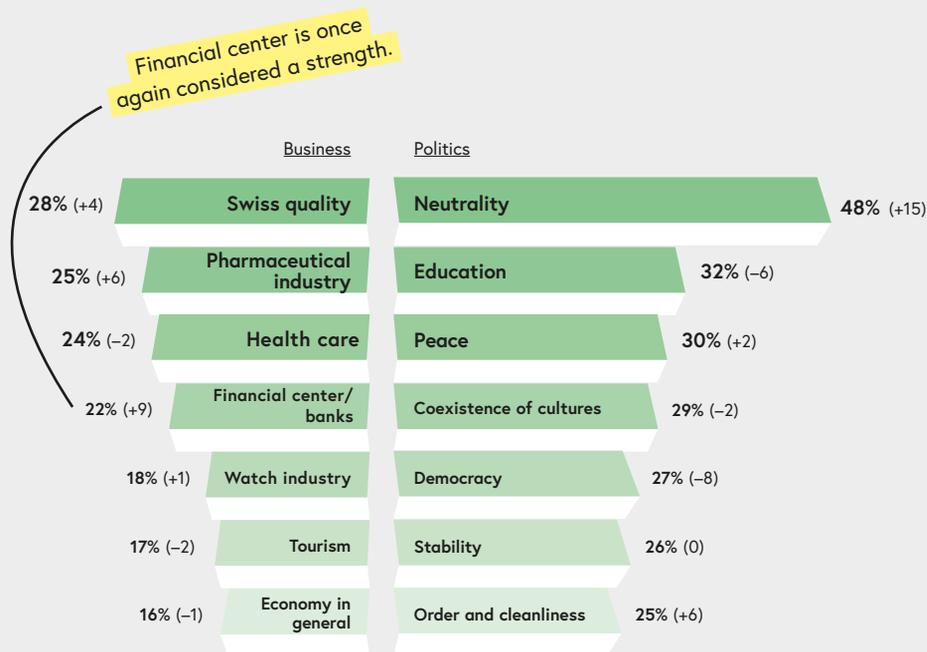
"From 1 (no confidence) to 7 (high level of confidence), how much confidence do you, personally, have in these institutions?"



**Fig. 4: Switzerland's Strengths**

**POLITICS IN BETTER SHAPE THAN THE ECONOMY**

"These cards show some of Switzerland's strengths. Please choose the five that you personally consider to be the most important."



THE VOICE OF POLITICS

# "Neutrality doesn't mean apathy."

**Christa Markwalder, who as president of the National Council holds the highest position of any woman in Swiss politics, discusses refugees, the patriotic left, negotiations with Europe and her motto for the year ahead: "Respect."**

Interview: Simon Brunner and Elena Scherrer, photography: Noë Flum



*The Swiss are most worried about unemployment, immigration and retirement provision. What do you think are the country's most important issues?*

In my view, Switzerland's greatest challenge is maintaining its international competitiveness and appeal as a business location. Of course this has consequences for the labor market, either as low or rising unemployment. Other works in progress include the Pensions Reform 2020, the Energy Strategy 2050 and our future relationship with Europe.

*Worries about foreigners have increased dramatically since 2009. There are concerns about immigrants in general as well as about asylum seekers. Why? What needs to be done?*

The referendum against "mass immigration," which was passed by a narrow margin in February 2014, was an expression of this rising concern. Although immigration can heighten the pressure on housing and transport, we shouldn't lose sight of its positive side. Thanks to the free movement of persons, highly qualified foreign nationals contribute to Switzerland's prosperity through >

**Christa Markwalder** (40) has served as National Councillor (FDP) since 2003. She is president of the large parliamentary chamber in 2015/16. She works as an attorney at Zurich Insurance and resides in Burgdorf.

their labor and taxes, as well as their consumption. We have additionally tightened spatial planning regulations and are in the process of expanding our transport network. Businesses must also consider their own recruitment strategies. In the end, it's their decision to search for employees who are already in Switzerland.

*Switzerland has a long tradition of accepting refugees and asylum seekers. Is this under threat? What role should Switzerland play in the current refugee crisis?*

We have good reason to take pride in our humanitarian tradition. As long as it's not exploited,

now the norm, but the willingness to engage in volunteer work has unfortunately declined. It's precisely this social engagement – whether for politics, culture, sports or charitable organizations – that is among the greatest accomplishments of Switzerland and its militia system.

*The percentage of those who are "proud to be Swiss" has increased steadily over the past ten years, above all on the political left. Today those on the left are better represented in the "very proud" group than those on the right. Has the right lost its "Swissness?"*

I'm pleased that pride in our country is so pronounced on all sides of the political spectrum.

*The Swiss have a great deal of confidence in the Federal Council, the National Council, and the Council of States. These institutions have attained a level of trustworthiness far beyond politicians in other countries. Why does politics enjoy such a good reputation here?*

I see that as an affirmation of the value of our efforts. Direct democracy certainly plays a positive role, since it provides people with a means of participating in the political process, so they feel part of the system. I interpret relatively low voter participation as an expression of satisfaction, rather than frustration with politics.

*The survey results consistently emphasize the importance of neutrality. Is this a sign that the Swiss want to separate themselves from the rest of the world in these difficult times?*

Neutrality doesn't mean apathy! Even as a neutral state, we assume international responsibility by participating in the community of states, humanitarian aid, good offices and protective power mandates.

*The internet has brought clear challenges to the political arena, including demands for better protection of personal data and photos and criminal prosecution for attacks on digital identity.*

*Is enough being done here?*

Data protection in the digital age is an enormous challenge, since no one has territorial jurisdiction over the internet. Switzerland would be wise to consider introducing a "right to be forgotten" here as well. Last year the National Council and Council of States brought a motion from my colleague Raphaël Comte (FDP) to the Federal Council to make abuse of digital identity a criminal offense. But in the end, the internet

## We're all interested in good and well-regulated relations with the EU.

I don't think it's under threat. We've expedited asylum procedures considerably, so it no longer takes years for a ruling to take effect. Paradoxically, the Swiss People's Party (SVP) has proposed another referendum against this revision to the asylum law.

*When asked about Switzerland's future relationship with the EU, 47 percent agree with the bilateral approach. Only 18 percent support its termination. What does that mean for the Swiss government's relations with Brussels?*

We're all interested in good and well-regulated relations with the EU, not least because a substantial part of our prosperity depends on it. But first we must find a way to implement the new constitutional article on managing immigration (a result of the February 2014 referendum) without endangering the bilateral agreements. Then we want to consolidate and further develop the bilateral approach within an institutional framework. With solid popular support, our negotiations with Brussels will be stronger.

*Egotism was identified as the greatest danger to Swiss identity, ahead of the EU and immigration. How do you interpret this result?*

Our society is becoming more and individualistic. Diverse lifestyles and family models are



"Data protection in the digital age is an enormous challenge, since no one has territorial jurisdiction over the internet."  
(pictured: Google street view of Bahnhofstrasse in Zurich).

is like any other aspect of life, in that everyone must be accountable for their own actions. You should only post what you're willing to stand behind later.

**In the end, the internet is like any other aspect of life, in that everyone must be accountable for their own actions.**

*68 percent of those surveyed want internet voting – Swiss living abroad can already vote online. When can everyone else?*

Soon, I hope, since that's a logical next step in our digital age, just like the introduction of voting by mail in an earlier era. E-voting is important not only for Swiss living abroad; it can also increase the democratic participation of "digital natives."

*As president of the National Council, what are your plans for the year ahead?*

First of all, I place great importance in a well-functioning Council that fosters fair, respectful and meaningful debates. I would also like to represent our values and strengths at home and abroad – including freedom and accountability, democracy and constitutionalism, tolerance and solidarity, commitment and dependability. Simply put, the motto of my presidential year will be "respect." □



This country is best defined by its neutrality, according to respondents. How do foreign deployments fit in?  
(Picture: Swisscoy soldier serving in the Kosovo Force, KFOR, an international peacekeeping mission.)

3. THE ESSENCE OF SWITZERLAND

# The Year of Neutrality

Apparently no one can resist a country that stands for neutrality, security and peace. National pride remains at record highs.

**"D**on't build your fence too wide." Brother Klaus (1417–1487), hermit and patron saint of Switzerland, is supposed to have given his countrymen this early warning to keep to themselves, saying something along the lines of "Don't get involved in other people's affairs." His words are often quoted even today, and Swiss citizens allegedly swore an oath to them after losing the Battle of Marignano (1515). The neutrality that developed from those beginnings is for many a central component of the small alpine nation's success. Swiss neutrality was permanently estab-

lished at the Congress of Vienna in 1815 by the powers that had defeated Napoleon, and with their guarantees of protection.

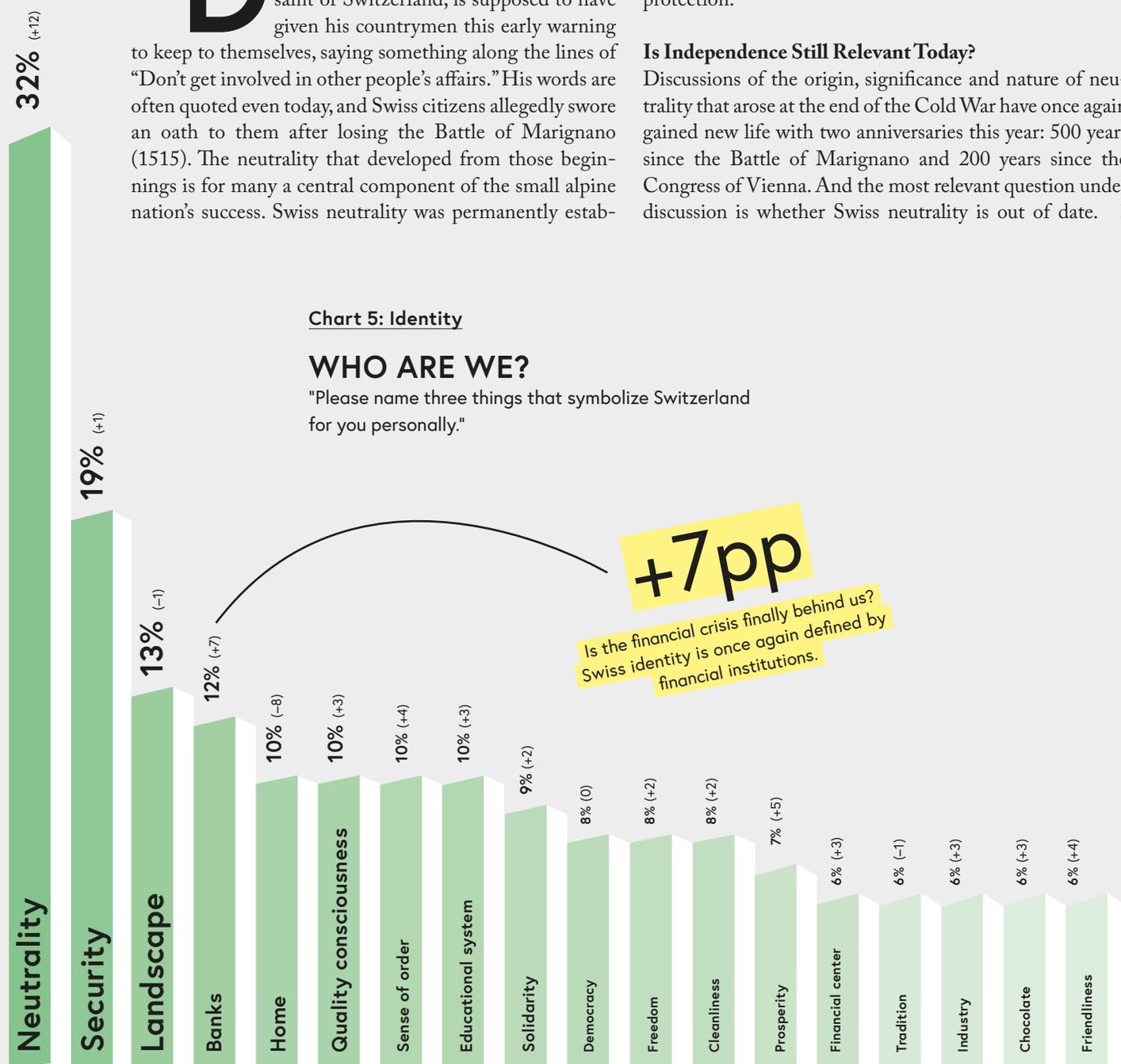
### Is Independence Still Relevant Today?

Discussions of the origin, significance and nature of neutrality that arose at the end of the Cold War have once again gained new life with two anniversaries this year: 500 years since the Battle of Marignano and 200 years since the Congress of Vienna. And the most relevant question under discussion is whether Swiss neutrality is out of date. >

Chart 5: Identity

## WHO ARE WE?

"Please name three things that symbolize Switzerland for you personally."





The 21st century is characterized by pronounced Swiss national pride. (Pictured: Obwalden, view from Brünigpassstrasse.)

The Worry Barometer gives a clear answer: For the citizens who responded, neutrality is an unshakable value; they effectively named 2015 the Year of Neutrality. As in the previous year, 96 percent of respondents are proud or very proud of Swiss neutrality. What's more, fully 48 percent (+15 percentage points, or pp\*) view it as Switzerland's primary strength. Switzerland's widely praised role as chair of the OSCE mediation effort in the Ukraine conflict almost certainly contributed to this response. Finally, no other term was cited more often than neutrality at 32 percent (+12 pp; average since 2004: 20 percent) as one of the things that defines Switzerland.

#### Security and Peace

For 19 percent (+1 pp) of the citizens responding, Switzerland also stands for security and peace. That's not surprising since the average over many years was actually 22 percent. The landscape came in third as something "typically Swiss" for 13 percent

of the respondents (-1 pp; average since 2004: 16 percent). The related term "Alps/mountains" garnered just 5 percent this time (-6 pp; average since 2004: 10 percent), not so high on the list. But at 12 percent (+7 pp; average since 2004: 7 percent) the banks took a big step forward. They are inseparable

**In 2014 the "Swissness" trend broke the 90 percent barrier; the percentage of respondents who are proud to be Swiss is now up to 94 percent.**

from Switzerland in the view of the sovereign. Along with banks, "financial center" was also mentioned more often (6 percent, +3 pp) than last year. Banking client confidentiality remained stable at 1 percent.

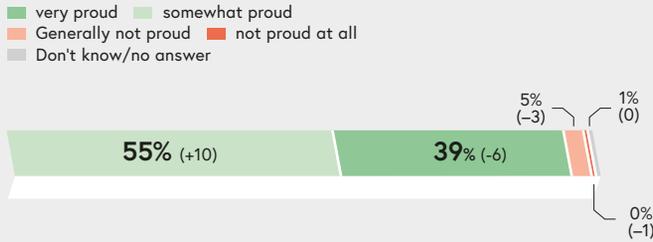
The 21st century is characterized by pronounced Swiss national pride. Between 2004 and 2006, on average 75 percent of respondents were already reporting that they were proud of their country. By 2013 that average rose to 84 percent. Then in 2014 the "Swissness" trend broke through the 90 percent barrier, and has now achieved a new height of 94 percent. Just how unique those numbers are becomes apparent when their opposite is considered. A mere 5 percent of respondents are explicitly not proud to be Swiss (1 percent gave no answer).

French-speaking Switzerland and those on the political left are primarily responsible for that large increase. The difference between the proud German-speaking majority and the skeptical French-speaking minority averaged 29 percentage points over many years, but that difference evaporated in 2015. A similar development was evident among political trends. The difference between the right and the left previously averaged around 21 percentage points,

**Chart 6: National Pride**

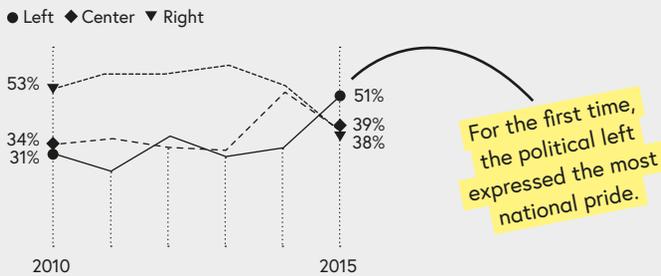
## A COUNTRY CELEBRATES ITSELF

"Are you proud to be Swiss? Would you say you are ..."



### Chronological Trends

"Very proud" according to political allegiance



Left: N=141, Center: 431, Right: 195 (2015)

but today they are almost even. And for the second time, the political center expressed the greatest national pride; normally the right leads them by a hair.

Even more astounding is the development among another group who responded that they are "very proud" to be Swiss. While the difference between right and left was 41 percentage points in 2005, it is now just 13 percent – but in the opposite direction. 51 percent of left-leaning respondents are "very proud" to be Swiss, versus only 38 percent of those leaning to the right (compared to 64 percent in 2009).

### Typically Swiss Industries

The Swiss are particularly proud not only of their neutrality (96 percent very/somewhat proud), but also of the Federal Constitution (93 percent), people's rights (89 percent), independence (84 percent), federalism and coexistence (81 percent each). The numbers for consensus (79 percent) and the militia

system and social partnership (77 percent each) were all somewhat lower.

When evaluating the economy, that pride is concentrated on certain industries. Industries that are regarded as typically Swiss by large sections of the population (see page 56) usually enjoy a very good reputation. The watch-and-clock-making

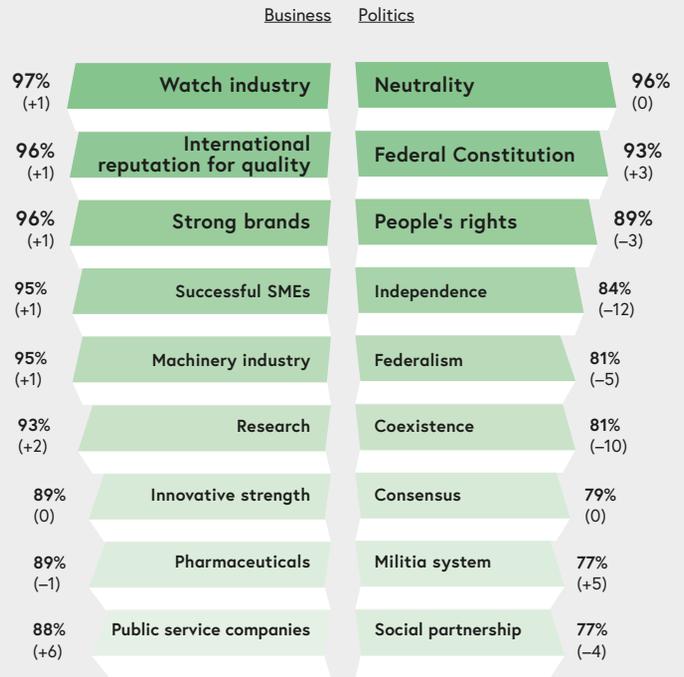
## The economy contributes to strong national pride.

industry came out on top (97 percent of those asked are proud of it), ahead of "international reputation for quality" and "Swiss brands that are strong abroad" (96 percent each), SMEs and the engineering industry (95 percent each), and research and innovation came in slightly lower (at 89 percent each), followed by public service

**Chart 7: Proud of Economic and Political Things**

## CLOCKS MORE THAN NEUTRALITY

"Are there certain features of Swiss politics or the economy of which you are proud or very proud?"



N = 1009

N = 1010

**+6pp**  
The Swiss are once again proud of their public service companies.

companies (88 percent). International corporations in Switzerland (82 percent), the financial center (80 percent), and banking confidentiality (78 percent) had high numbers but trailed somewhat.

Political terms received a respectable average of 84 percent (-4 pp) in response to the question of what one is proud of. Economic terms were ranked slightly higher, at 90 percent (+2 pp), although the political factors came in ahead of them in terms of Swiss strengths (see Fig. 4, page 56). According to these responses, the economy contributes greatly to the strength of national pride. (schi) □

\* Where not otherwise indicated, the comparison of percentages refers to 2014.

4. THE INSIDER'S VIEW

# The Swiss Sense of Belonging

Where do the Swiss feel at home? What do they think of their own economic situation? And what puts their identity at risk? Surprising answers reveal the respondents' feelings.

No less than 707 Swiss municipalities – almost a quarter of the total – have disappeared due to consolidation since 1990. These consolidations, combined with a general increase in mobility, could be one reason why the municipality or commune no longer represents the uncontested center of self-identity. While 44 percent of Swiss citizens surveyed primarily felt a sense of belonging to their commune in 2011; today it is only 19 percent (+2 percentage points\*).

According to the Worry Barometer, the Swissness curve of the last few years has stopped rising: The sense of identification with Switzerland as a whole has dropped 2 percentage points to 26 percent in 2015. The language region (+5 pp) and the canton (+2 pp) are nearly the same at 24 percent. The results become more significant if you also add the place that comes in second among respondents: Switzerland ranks first at 50 percent (-6 pp), with the language region coming in second at 47 percent (+12 pp); both are ranked considerably higher than the canton

71 percent consider egotism to be a major danger to Swiss identity.

of residence at 36 percent (-5 pp) and the municipality of residence at 31 percent (+3 pp). Europe, at 15 percent (-2 pp), and the world, at 9 percent (-2 pp), offer little in the way of a sense of identity.

Are language regions therefore becoming increasingly important? The long-term trend is clear: In 2007, only 8 percent felt they primarily belonged to French-speaking, Italian-speaking or German-speaking Switzerland; today three times as many feel this way.

Fig. 8: Personal Economic Situation Today and Tomorrow

## GOING WELL, WILL CONTINUE TO DO SO

"How would you describe your personal economic circumstances at the moment? And in the next 12 months?"

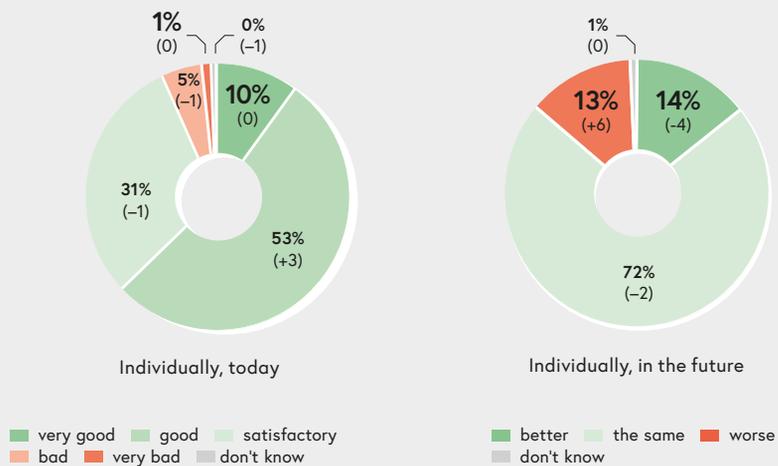
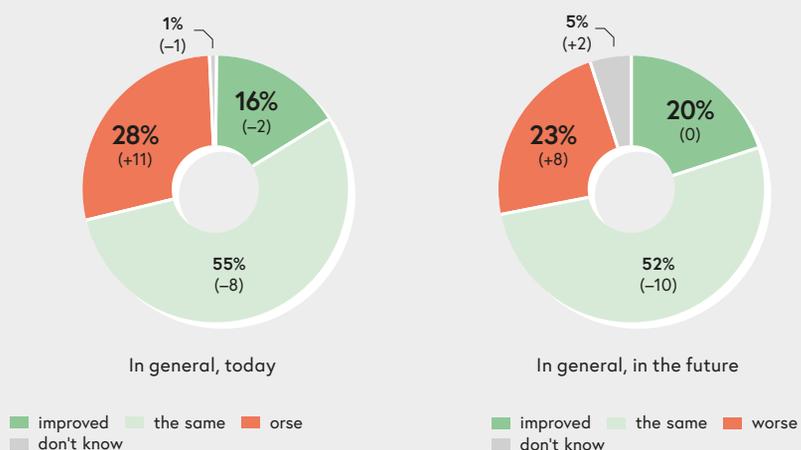


Fig. 9: General Economic Situation Today and Tomorrow

## THE GENERAL SITUATION IS NOT AS GOOD

"In your view, how has the general economic situation in Switzerland developed in the last 12 months? And how will it change in the next 12 months?"





How do belonging and identity develop? (Pictured: Houses belonging to local farming families are painted on a wall in Lohn, Graubünden.)

**Fig. 10: Threats to Swiss Identity**

## WHAT THREATENS US

"What do you consider to be a threat to the Swiss identity?"

1. Egotism 71% (+4 percentage points)
1. EU problems 71% (-5)
3. Immigration 70% (-3)
4. Reform backlog 67% (+3)
5. International opening 66% (-4)
6. Polarization 58% (+3)

This trend toward identifying with larger regions also apparently brings with it the risk of diminishing solidarity. Egotism (at 71 percent, +4 pp) is considered as much a threat to Swiss identity as the relationship with the EU; in French-speaking Switzerland, egotism is considered a somewhat greater risk (75 percent) than in German-speaking Switzerland (71 percent). The disinterest in important political issues (14 percent) was mentioned almost as frequently as retire-

ment concerns (16 percent) in the open survey concerning Switzerland's main problems. The reform backlog (67 percent, +4 pp) and polarization (58 percent, +4 pp) are also increasingly seen as a risk to Swiss identity.

### Taxes Are Becoming More of an Issue

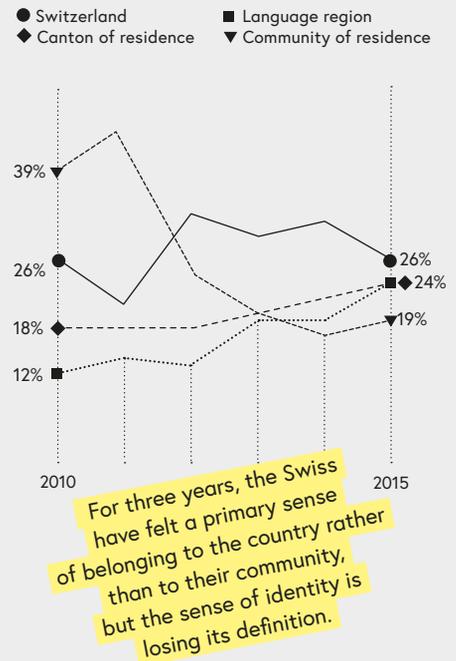
When asked about fair taxation, certain recognizable individual tendencies appeared. No one likes paying taxes, yet in 2011, 40 percent of those surveyed still believed that the tax burden was just right. Now it is just 27 percent. Likewise, four years ago, only 54 percent complained that taxes were too high; now it is 70 percent. Taxes will also probably become more of an issue as the sense of solidarity falls.

However, there is also a connection between the tax questions and the respondents' assessment of the general and their personal economic situations. In this case, a somewhat more pessimistic view of the future can be observed at a very high level, though only 8 percent (+1 pp) worry specifically about losing their jobs over the next 12 months. 63 percent (+3 pp) of the respondents rated their current economic situation as good or very good. And 86 percent (-6 pp) believe that next year they will be even better off or at least the same. On the other hand, though only 6 percent (-1 pp) complained about a bad financial situation, 13 percent (+6 pp) worry that things will

**Fig. 11: Belonging**

## MY PATCH

"To which geographical entity do you feel the greatest sense of belonging?"



worsen – that's higher than it has been since 2002 (1 percent gave no answer).

### Only 20 Percent Believe in a Recovery

General economic trends are seen as somewhat gloomier. 28 percent (+11 pp) of those surveyed have noticed a worsening in the general economic climate, and 23 percent (+8 pp) assume that the economic climate will worsen further. This is not yet a concern, but only 20 percent (unchanged) believe that the economy will recover.

The majority of the population believes that Switzerland will be doing better in ten years in terms of cohesiveness between the language regions (65 percent, -8 pp), the environment (61 percent, +8 pp) and cooperation among the most important political parties (51 percent, -4 pp). Those surveyed predict the spread of poverty (64 percent, +0 pp), as well as a more disadvantageous age distribution in the Swiss population (57 percent, +2 pp). Responses were split on the question of whether co-existence with foreigners will improve (48 percent, -2 pp) or worsen (48 percent, +3 pp). (schi) □

\* Percentage points are compared to 2014 unless otherwise stated.

5. LOOKING OUTWARD

# Better Than Other Countries

Switzerland should take a more assertive stance in its foreign policy, because according to a majority of voters, the image of Switzerland abroad remains very positive. But Swiss self-confidence is showing cracks.

For 61 percent\* of those surveyed, one of the main concerns is the relationship with foreigners in Switzerland, including refugees and asylum seekers. Concerns about immigration are associated with Switzerland's relationship to other countries. Most important in this regard is the European Union, by far the main source of immigrants.

Has Switzerland's reputation suffered since voters approved the initiative against mass immigration? Yes, but not dramatically, according to those surveyed. While two years ago 31 percent of Swiss voters believed that the country's image abroad had worsened in the past year, now 38 percent believe this. On the other hand, 40 percent of voters believe that Switzerland's image has improved.

Accordingly, a majority of 73 percent (-3 pp\*\*) consider Switzerland's image abroad to be good or even very good. However, the share of voters who hold a critical view has risen to 25 percent, a significant increase (+14 pp).

### Economically Superior

The confidence manifested in these figures is related, not least, to views of the country's economic strength. As in the past, 93 percent expressed the opinion that Switzerland's economy is better than that of other countries; for 28 percent, it was even "very good" by comparison. Nevertheless, this optimism is increasingly tinged by critical voices, and some uncertainty is evident, particularly with regard to Switzerland's political behavior. While in 2013 two thirds of voters felt that policymakers took a defensive stance, this camp is now >

Fig. 12: Image of Switzerland Abroad

## THE REPUTATION IS GOOD

"What is your opinion about the reputation/image of Switzerland abroad?"

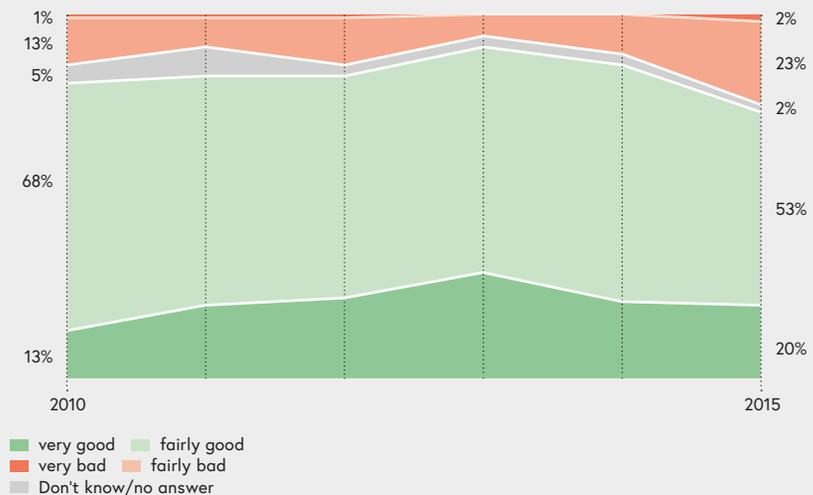


Fig. 13: Foreign Policy Stance

## ASSERTIVE OR DEFENSIVE?

"How should Swiss politicians conduct themselves abroad?"

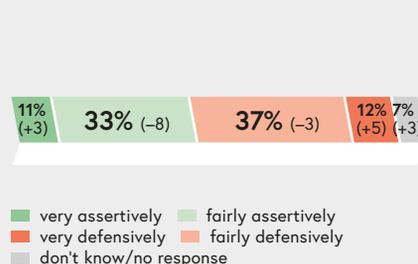
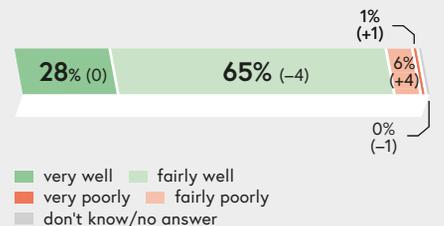
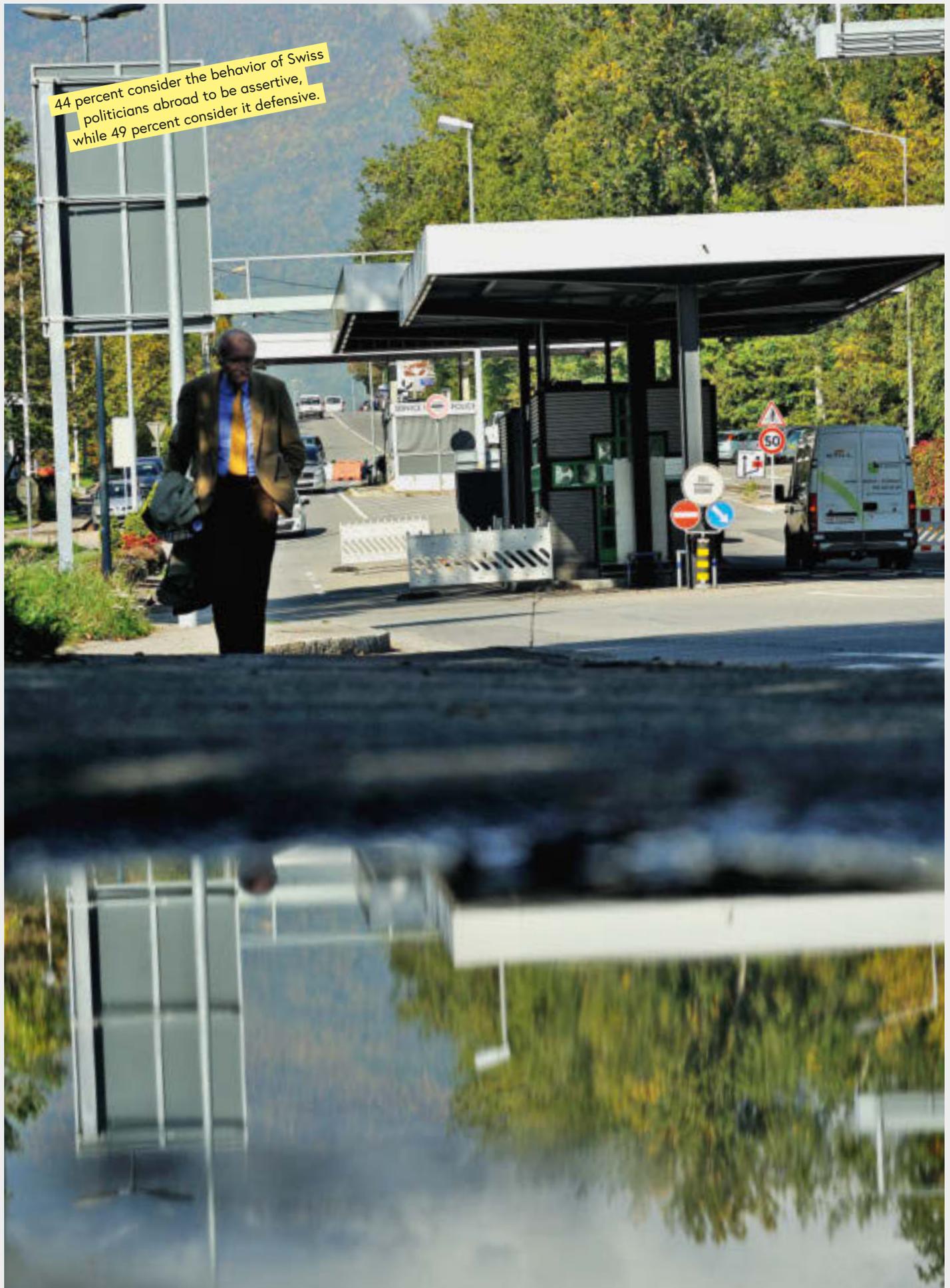


Fig. 14: Swiss Economy

## STRONG ECONOMY

"How is the Swiss economy doing in comparison with the economies of other countries?"





44 percent consider the behavior of Swiss politicians abroad to be assertive, while 49 percent consider it defensive.

What to do with the neighbors? (Picture: Border crossing between Meyrin and Saint-Genis-Pouilly.)



## Swiss Compass

(publication available in  
German and French only)

### A Look at Our Political Future through the Credit Suisse Worry Barometer

#### From the Table of Contents:

#### Ending Your Working Life with Dignity

Dr. Jean Christophe  
Schwaab



#### Our Balanced, Far-Sighted Politics Is Crumbling

Valentin Vogt

#### Switzerland: 21st Century Land of Opportunity

Flavia Kleiner



#### Switzerland Is the World's Most Outward-Looking Country

Luzi Stamm



#### Learning from the Young

Maurus Blumenthal



#### Meaning Promotes Health

Dr. med. Hans Groth



#### No Awareness of Risk

Dr. Armin Eberle



#### The Energy Transition: Our Greatest Opportunity

Adèle Thorens Goumaz



approximately equal to those who hold the opposite view. Currently 44 percent (-5 pp) feel that Swiss politicians are assertive in foreign policy affairs, while 49 percent (+2 pp) consider their posture defensive.

However, as in the past, a clear majority of 64 percent (-15 pp) support their policymakers and would like them to take an (even more) assertive posture in the next twelve months. At the same time, the number of respondents who would like to see a judicious and more defensive approach is higher than ever before: 30 percent (+13 pp) compared to the previous high of 22 percent in 2012.

#### Would the EEA be an alternative?

When asked specifically about Switzerland's future relationship with the European Union, most Swiss voters endorse the status quo, that is, continuation of the bilateral treaties. Continuation would be approved as a first priority by 47 percent (-3 pp) and as a second priority by another 13 percent (-3 pp). Joining the European Economic Area (EEA) would be considered as an alternative to be seriously explored, as a first priority according to 18 percent (+6 pp) and as a second priority according to another 28 percent (-1 pp). When asked about going one step further and joining the European Union, only 8 percent (+4 pp) would be willing as a first priority, while another 15 percent (+5 pp)

support terminating the bilateral agreements is found among voters for the SVP (24 percent) and the SP (22 percent), as well as independents (20 percent), with significantly less support among FDP (16 percent) and CVP (13 percent) sympathizers.

Those most likely to vote for the EEA are respondents close to the FDP (22 percent) and independent voters (21 percent), followed by sympathizers of the SVP (19 percent), CVP (18 percent) and SP (13 percent). Those who could least imagine joining the European Union include followers of the FDP (5 percent), the SVP (7 percent) and the SP 8 percent), while CVP sympathizers were more likely to consider it (13 percent). Voters who feel no ties to any party were most in favor of the idea (15 percent). According to these data, a new party advocating EU membership would probably not carry the country, but it would presumably have a certain potential for attracting voters. (*schi*) □

### Most Swiss voters approve the continuation of the bilateral treaties.

would be willing as a second priority. Meanwhile, 18 percent (-6 pp) support terminating the bilateral agreements as a first priority and 6 percent (-1 pp) support this as a second priority.

When the various positions are categorized by political party, the following picture emerges (first priority): Those in favor of continuing the bilateral agreements are primarily sympathizers of the CVP (55 percent), the SP and the FDP (49 percent), while the least likely supporters were SVP sympathizers (41 percent) and indepen-

\* Some respondents name both foreigners and refugees as a problem. Therefore, the cumulative value is 61 percent (+6 pp), rather than the sum of 43 percent (foreigners) and 35 percent (refugees).

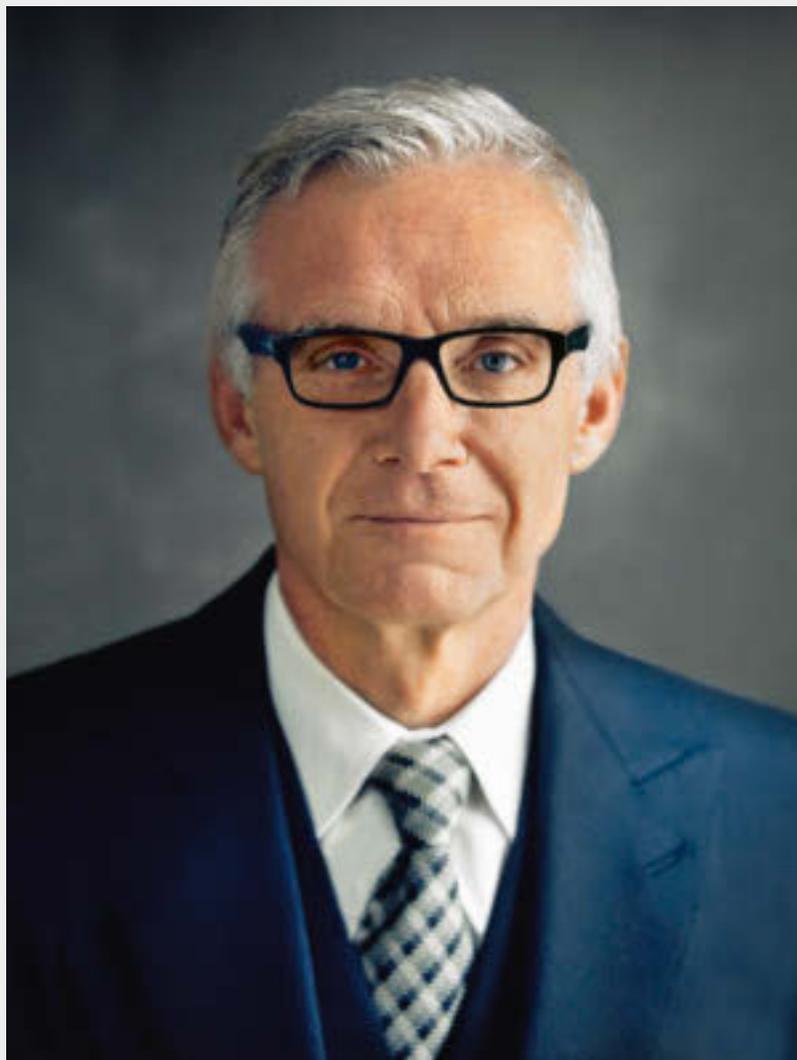
\*\* Where not otherwise indicated, the comparison of percentages refers to 2014.

VOICE OF THE ECONOMY

# "CS would not be conceivable without the strong domestic market."

An end-of-year discussion with Urs Rohner, Chairman of the Board of Directors of the Credit Suisse Group, about the growing significance of the Swiss market, the improved perception of the financial center, and the right balance between rules and self-accountability

Interview: Daniel Ammann



*Mr. Rohner, the new strategy you announced in October seems to direct the focus of Credit Suisse back to Switzerland.*

That's right. After increasing our involvement abroad in the past, we will work toward a targeted expansion of our presence in Switzerland in the years ahead. I am convinced that Credit Suisse would not be conceivable without the strong Swiss domestic market and, at the same time, Switzerland would not be the same without Credit Suisse. Next year, in fact, we will have successfully operated here for 160 years, and we are deeply committed to our success as Switzerland's first bank for entrepreneurs. There are many reasons for us to increase our involvement and that is what we intend to do.

*What exactly does that mean?*

We have designated 400 million francs to be invested in Switzerland, in areas including expansion of our workforce, compliance and not least in digitalization. Overall we would like >

**Urs Rohner** (56) is the Chairman of the Board of Directors of Credit Suisse Group. He previously served as COO and General Counsel on the Executive Board of Credit Suisse. Urs Rohner has four children and lives in Küsnacht.



"We have designated 400 million francs to be invested in Switzerland."  
(pictured: Zurich, Paradeplatz)

to contribute more locally – for our customers and our employees.

*The results of the Credit Suisse Worry Barometer this year are very positive with regard to the financial center. Nearly one in five of Swiss respondents consider the banks to be one of the country's strengths – the highest point since the financial crisis began. What do you make of this?*

It is great to hear that the involvement of the financial sector is resonating positively with the public. In fact, our financial community has overcome some challenges, be it legacy issues in private banking or the comprehensive, "Too big to fail" regime for systemically important banks. Most institutions have also invested in innovation and new technologies – we are looking to the future and preparing our business for new customer needs. The significant improvement in perception of the financial center is an important sign that we are on the right path. But it is still no reason for complacency.

*In terms of the culture of the industry, for example? Last year, behavioral economist Ernst Fehr came to the conclusion that the banking industry is marked to some extent by the wrong values.*

I fully agree with Professor Fehr: It is important to communicate and practice clear values within the company. This applies to banking as well

## The improved perception of the financial center is no reason for complacency.

as to other industries. If I remember correctly, with this study, the University of Zurich suggested that the business culture for bank employees could lead to dishonesty in certain areas. However, it would be quite an overstatement to apply this conclusion to the entire industry.

*Are internal rules of conduct sufficient?*

Finding the right balance between rules and personal responsibility is crucial, especially when the goal is also to promote the commitment of the employees. Rules of conduct are the prerequisite, but still far from a guarantee of success. In my view, the influence that a corporate culture has on individuals cannot be underestimated. It is the job of management and the Board of Directors to define and consistently model the right values and behavior. Innovative technologies can be used

## Finding the right balance between rules and personal responsibility is crucial if the goal is also to promote the commitment of the employees.

in the company to detect any possible deviations from the desired code of conduct. But, as I said, a certain degree of accountability at the individual level is essential, and we actively promote this.

*Yet the trend seems to suggest things are moving in the other direction – there are more and more laws and regulations.*

Regulation can certainly be necessary, especially for determining the latitude of industry stakeholders. It becomes difficult, in my opinion, when the regulations are so detailed that they are nearly incomprehensible or, once implemented, they come into conflict with other rules and standards. In principle, though, regulation – particularly in banking, but in other sectors, too – creates a certain level of security for investors. On the other hand, the resultant sharp rise in operating costs has a negative impact for companies.

*Against this backdrop, what do you think about the idea of the Swiss Financial Market Supervisory Authority (FINMA) to provide regulatory assistance to FinTech start-ups?*

I believe that, regardless of the industry, innovation is among the most important drivers of competitiveness and growth, and it has to be encouraged. There is no question about that. I can't speak to the effectiveness of easing existing legal regulations, for example in the area of money laundering controls. That is for the regulatory organization to decide. I would certainly be happy to see more innovative start-ups in Switzerland;

this would be advantageous for the financial center and ultimately for customers.

*Outside of Switzerland, where are the young, innovative minds?*

Silicon Valley in California is still the leader by far when it comes to creating and supporting start-ups. Interestingly, as the result of a targeted cooperation between politics and industry, London has become the second most important location for FinTech start-ups. I would like to see similar successes in Switzerland. Our financial center could certainly benefit from more new ideas and talent.

*Let's talk about the future: An extraordinary General Meeting is now behind you. What's next?*

Yes, we implemented a significant capital increase a few weeks ago. The next step is to allocate the capital among our business areas. This means that the wealth management business and the most important growth markets will have more available capital in the future – this will reinforce the effect of currently-known measures. These changes are designed to achieve sustainable, profitable growth and a measurable added value for our shareholders, which will also become evident over the course of time in our distribution of dividends. □

# Brighter Days Ahead!



The overwhelming majority of Swiss citizens are proud of their country, and they consider Switzerland's neutrality to be its greatest strength. Asked whether they personally are doing well, 86 percent say yes.

(pictured: Farmers in the canton of Uri, 2,000 meters above sea level).



**GUSTAV**

Residence & Apartments



## How about an apartment where the breathtaking view is only the first thing on a long list of special features?

The new apartments on the Europaallee in Zurich boast more than just fantastic views – they also come complete with all the extras which make living in serviced accommodation so enjoyable. Without even mentioning the restaurant, café and bar in the complex! Interested?

Residence | Apartments | Restaurant | Bar | Café

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# LUXURY APARTMENTS

## WITH HOTEL SERVICES IN LUGANO



### APARTMENTS for SALE and for RENT

*for both long and short periods, with SPA, restaurant, indoor and outdoor pools.  
Few minutes away from Lugano city centre, with breath-taking panoramic views.  
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