

# Bulletin

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Issue 3/2018

With the  
Credit Suisse  
Worry  
Barometer  
2018



## Ideas from Switzerland

A small country with a big impact





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# A small country with a big impact

Switzerland: As a country, we have fewer inhabitants than the

neighboring Lombardy region of Italy, less area than the German state of Bavaria, and we are landlocked. We also have 48 mountains over 4,000 meters tall that complicate transport and offer no natural resources other than water.

Nevertheless, this little country in the heart of Europe has been home to many developments that reach far beyond our borders, first and foremost being the International Committee of the Red Cross (ICRC). Founded in 1863 by Henry Dunant, the ICRC is the only organization specifically named in international humanitarian law and designated as a monitoring body. In an interview on the future of humanitarian work, current ICRC President Peter Maurer said: “Governments will never provide enough money to meet all of the humanitarian challenges we face.” And for that reason, the ICRC is increasingly calling on private investors and has begun issuing humanitarian impact bonds (page 18).

In the photo montage (page 6), we present a number of small and large Swiss ideas, including fighting malaria, filtering CO<sub>2</sub> from the atmosphere, building bridges, exploring Mars and much more. Georg Heitz, one of the creators of the FC Basel football club’s model for success, explains how a small football club can create an international stir (page 24). Anke Bridge Haux, Credit Suisse’s Head of Digitalization, outlines in an interview the opportunities that a connected, digital world offers Swiss banks (page 26).

We close this issue of Bulletin with a report on the annual Credit Suisse Worry Barometer, which yielded a number of surprises this year (beginning on page 53). Unemployment, which has long topped Swiss voters’ list of worries, has lost much of its fear factor. The Swiss are now more concerned about Old Age and Survivors’ Insurance, health and health insurance and migration. Swiss ambivalence towards the EU has deepened considerably. We cannot live without the EU, but it seems we don’t much enjoy living with it either. Federal Councillor Ignazio Cassis comments on the survey results in an interview and says about Switzerland: “We need open markets. We need to expect and promote individual initiative. And we need innovation.”

Happy reading!  
Your editorial team



Contributors to this issue include:

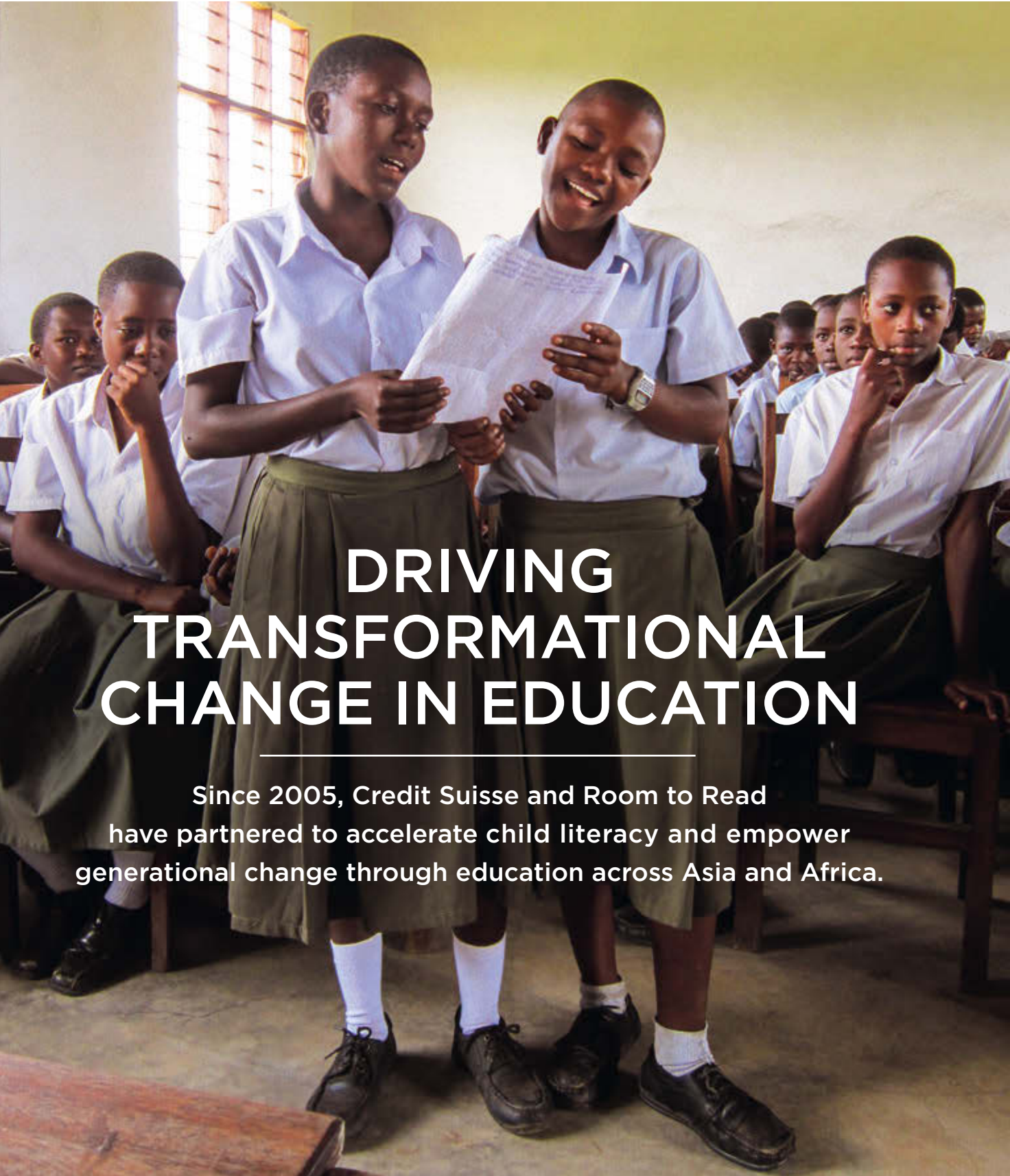
<sup>1</sup> Gerhard Schwarz Born in Vorarlberg, Austria, Schwarz is a fixture of contemporary Swiss journalism. He worked for the Neue Zürcher Zeitung (NZZ) for nearly 30 years – serving in a number of roles including business editor and deputy editor-in-chief. He is a major voice on matters relating to liberal market economy. In this issue of Bulletin, he talks about three things that make Switzerland a laboratory for forward-thinking ideas. Page 4

<sup>2</sup> Manuel Rybach The Global Head of Public Affairs and Policy at Credit Suisse is a Swiss citizen with a global outlook. Rybach completed his doctorate in St. Gallen, spent several years in Asia and also worked in Washington, DC. For this issue of Bulletin, he interviewed three prominent Swiss figures: ICRC President Peter Maurer, Federal Councillor Ignazio Cassis and entrepreneur Franziska Tschudi Sauber. Pages 18, 58 and 68

<sup>3</sup> Jost Dubacher and <sup>4</sup> Pierluigi Macor Lucerne-based Jost Dubacher knows the Swiss start-up scene like the back of his hand. He is a partner at an independent journalism office and works for startup-ticker.ch, a news portal for start-ups. Photographer Pierluigi Macor lives in Zurich after having lived in Paris and worked for Vogue and 20 ans magazines. Dubacher and Macor have teamed up to report on the booming biotech industry on Zurich’s west side and how start-ups are exploring the future. Page 34

Cover: ICRC President Peter Maurer in Nigeria, in the Niger Delta (2016). Interview on page 18. Photo: Kathryn Cook-Pellegrin/ICRC





# DRIVING TRANSFORMATIONAL CHANGE IN EDUCATION

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Switzerland's diverse population lives together in relative harmony.

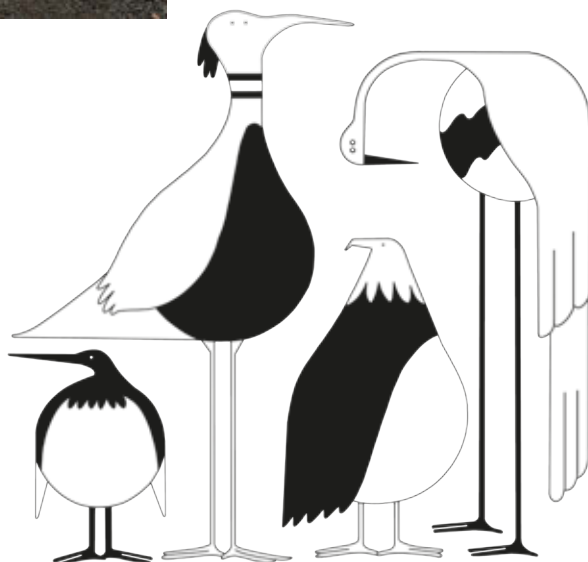
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# This is where the future

# is happening

The world is constantly changing. New challenges call for new ideas and solutions. Switzerland is better than virtually any other country at balancing stability and renewal, which is how it became a laboratory for the future.

Text Gerhard Schwarz

It's curious: For decades, a significant number of Switzerland's intellectual and political elite seem to have been "suffering" because of their country's uniqueness, its small size, its neutrality, its isolation from the EU and the distinctive features of its political system, and also because of its wealth. Many of these things are connected. Switzerland is a many-faceted entity, and one that has been unusually successful. It ranks at or near the top of countless lists, for prosperity, competitiveness, innovation, number of Nobel Laureates, stability, political participation and, especially, happiness. And these are only a few examples. Such success risks triggering smugness, but also moaning and groaning at the highest levels.

Yet Switzerland is indeed successful, and it has been for a very long time. The question is what has led to that success – in the economy, politics, science and culture. As the British magazine *The Economist* has pointed out, Switzerland is a country where many parents wish their children had been born. At the same time, it is something of a seismograph for what is happening in society. Marxist philosopher Ernst Bloch (1885–1977), who emigrated twice to Switzerland, once after World War I and a second time after Hitler seized power, spoke for many when he observed that in Switzerland, you notice most clearly what is happening, and more importantly what lies ahead. Over the centuries, Switzerland has become remarkably adept at three balancing acts that explain much of its success, but also reveal why, despite its conservative image, Switzerland often serves as a kind of laboratory for the future.





**IDENTITY AND OPENNESS TO THE WORLD** The first balancing act involves reconciling a local identity with openness to the world. Tiny Switzerland, a nation forged by the will of its people, has earned respect as a country where many different cultures, languages and religions coexist in relative harmony – because it has developed a fundamental tolerance for a wide range of differences, supported by a distinctly federalist system. Despite all clichés to the contrary, this – coupled with Switzerland’s small size – has led to a degree of openness that is unusual, yet not unlimited. One third of the population has foreign roots, and a good ten percent of Swiss citizens are living in other countries. Large cities often serve as melting pots; examples include Vienna and Berlin (at the turn of the 20th century) as well as London and New York. In Switzerland, the entire country is a melting pot. Early on, diverse cultures and global networking created a culture of international trade and a spirit of globalization, even before anyone was familiar with that concept. Switzerland’s economic success was built on diversity, which provided fertile ground for entrepreneurship and encouraged a broad view of the world. Thanks to diversity, trends are quickly recognized and embraced, as Switzerland is not fixated on a single cultural region – although the German-speaking part of the country is dominant.



**EMOTION AND RATIONALITY** The second challenge is to find a balance between emotion and rationality. Switzerland’s political system requires strong participation by the country’s citizens. Professional politicians are rare, and thus many people are active in shaping policy at the community, cantonal and federal levels, while simultaneously pursuing another career. Most notably, people are able to raise their concerns through the initiative process, and regular referendums are held on a variety of issues. This requires an informed citizenry. Obviously, when people cast their votes, emotions as well as political convictions are involved.

Despite what some critics suggest, however, our direct democracy rarely leads to populist extremism or excessive regulation. This is because “regular people” have a voice, not only in elections, but also on specific issues. Rational, realistic views predominate, and there is a tendency to be pro-business. People are more aware of what accounts for their prosperity. Where else would people so definitively reject longer vacations and shorter work hours?

And on those occasions when people let their emotions get the better of them, as in the case of the much-cited proposal to ban minarets, the damage is limited, since it’s only about a single issue. In other countries, populists are elected to office for an entire legislative period, potentially allowing them to have a profound impact on countless laws, not just on a single proposition.

It is essential for individuals to be able to express themselves freely, and that their concerns do not remain bottled up until they explode. Some Swiss initiatives have been harshly criticized by other countries as naive populism. Yet in many cases, the issues they have raised have eventually become the subject of even more heated debate in neighboring countries and beyond. Because popular concerns cannot be ignored in a direct democracy, discussions become less virulent. Referendums serve as a safety valve, and send a message to other countries.



**DISTANCE AND PARTICIPATION** The third balancing act is the most sensitive, as well as the most important: finding a balance between distance and participation. After its defeat to the French at Marignano (1515), if not before, Switzerland began to understand that it was a small country without a major role in European power politics, let alone on the global stage. Partly of its own volition, and partly because of circumstances, it came to play the role of a neutral observer. Many things can be recognized sooner and more clearly from a distance, although that is not always appreciated. Neutrality also made it possible to achieve domestic peace. It is particularly significant that Switzerland was able to welcome minorities that were persecuted in other countries – including skilled workers, entrepreneurs, scientists and artists. With them came economic stimuli, new ideas and inspiration. The things that laid the foundation for prosperity also created a climate of progress.

Switzerland was and is a laboratory for the future, not because some mastermind is pursuing grand plans, and not because a strong government is taking bold risks. It is the country’s unique character – as an alternative in a world that is alleged to have no alternatives – that helps us recognize, understand and confront the future and its challenges. Switzerland is a country of diversity and controlled openness, decentralized organization and respect for its people, skeptical pragmatism and a prudent skepticism toward excessively visionary ideas. This is the recipe for an ever-evolving, sustainable future. ■

Gerhard Schwarz (67), an economist who has received numerous awards, worked for the newspaper NZZ for nearly 30 years. He held the positions of chief economic editor and deputy editor-in-chief, among others. He subsequently served as director of the think tank Avenir Suisse and is currently president of the Progress Foundation. Schwarz was born in Vorarlberg, Austria, and holds both Austrian and Swiss citizenship.






Life-saving robot

**ROBOTICS** The Swiss Federal Institute of Technology Zurich (ETH), has developed a four-legged robot that has won awards and is “as versatile as a Swiss army knife” ([ingenieur.de](http://ingenieur.de)). ANYmal, as it is known, is the size of a dog and can be used in disaster recovery and rescue operations. It can also dance, carry loads, race, climb or simply go for a walk, as pictured here.



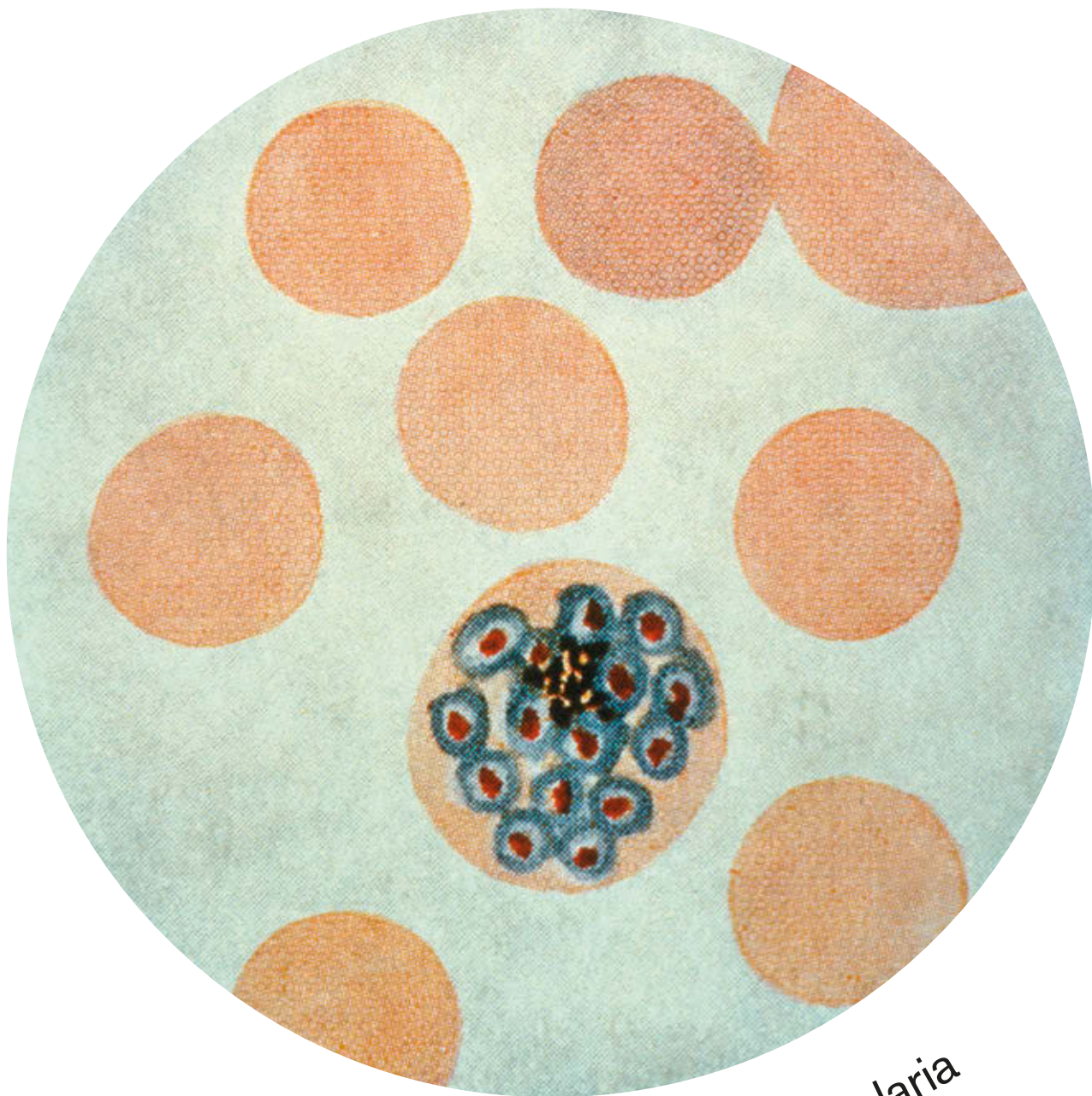


Eight big and  
small Swiss  
ideas that are  
improving lives.

# Solutions for the world

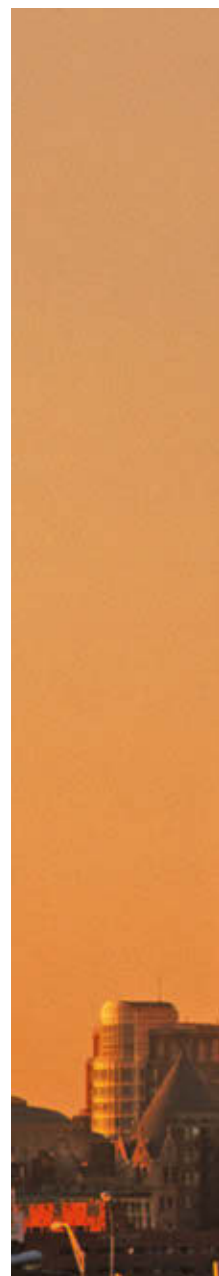
(and beyond)





## A world without malaria

**PHARMACEUTICALS** Malaria is the most common infectious disease worldwide, affecting some 200 million people each year. Fighting the spread of this disease calls for education, medicine, diagnostic equipment, mosquito netting and vaccine research. The Novartis Malaria Initiative has taken a lead role here. Since 2001, in collaboration with various organizations, the initiative has provided more than 850 million treatments – including 350 million for children – at cost and thus contributed to significantly reducing the death toll from malaria. While 839,000 people died from malaria in 2010, half as many deaths were associated with the tropical illness in 2016. Pictured: An infected cell.





## Building bridges

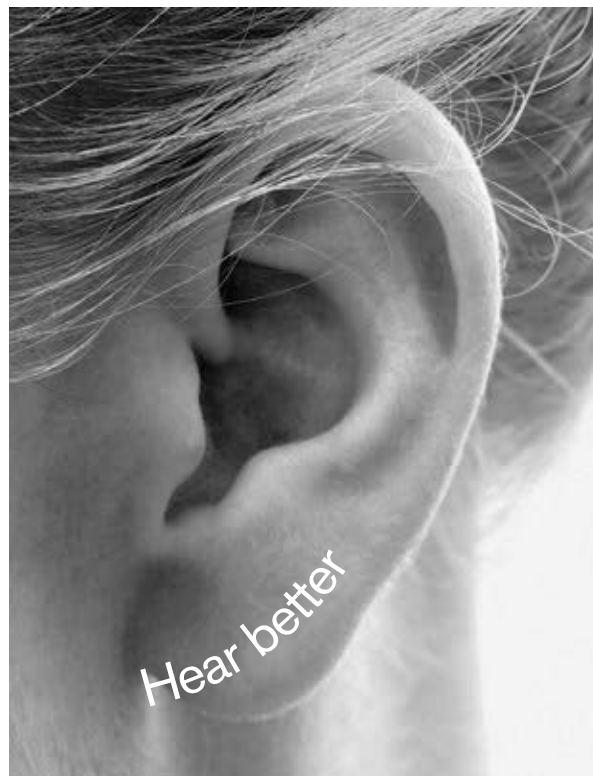
**THE ART OF ENGINEERING** The Swiss are legendary for their ability to build bridges – both literally and figuratively. Eight of the bridges connecting the island of Manhattan to neighboring communities were designed by Swiss-born and educated engineer Othmar H. Ammann. And this year, Christian Menn, the man the *Neue Zürcher Zeitung* dubbed the most important Swiss-born bridge builder of our time has passed away, and the world lost a master of bridges. Along with famous works built in Switzerland (Biaschina Viaduct, Ganter Bridge, Sunniberg Bridge), Menn also designed the Zakim Bridge which would become known as “the symbol of Boston” (Boston Globe) (2003, photo below).







**MEDTECH** One of the effects of aging is hearing loss. According to the World Health Organization (WHO), some 35 percent of people aged 65 or older are hearing impaired. They need hearing aids – preferably ones that nobody can see. The Swiss company Sonova has teamed up with Silicon Valley experts to develop Lyric, a hearing aid that is placed deep in the ear canal so that it is not visible and can be worn around the clock for months at a time – even for sports and in the shower.



**DEVELOPMENT AID** More than two billion people do not have access to clean drinking water. A Swiss innovation can help: The DrinkPure portable water filter developed by Zurich-based start-up Novamem uses nanotechnology to remove up to 99 percent of pathogens as well as discoloration and unpleasant smells from water. The filter screws onto PET bottles and water faucets alike and is a true life-saver in disaster areas and developing countries.



## Propelling planetary exploration

**HIGH TECH** Maxon Motor is a world-renowned specialist for precision small motors and drive systems. Founded in 1961, the family-owned company earned fame when eleven of its motors were used to drive the Sojourner Mars rover (Pathfinder mission, 1997). The Spirit and Opportunity rovers (landed 2004) and the latest Mars robot, Curiosity (landed 2012), are all driven by technology from Sachseln in the canton of Obwalden.

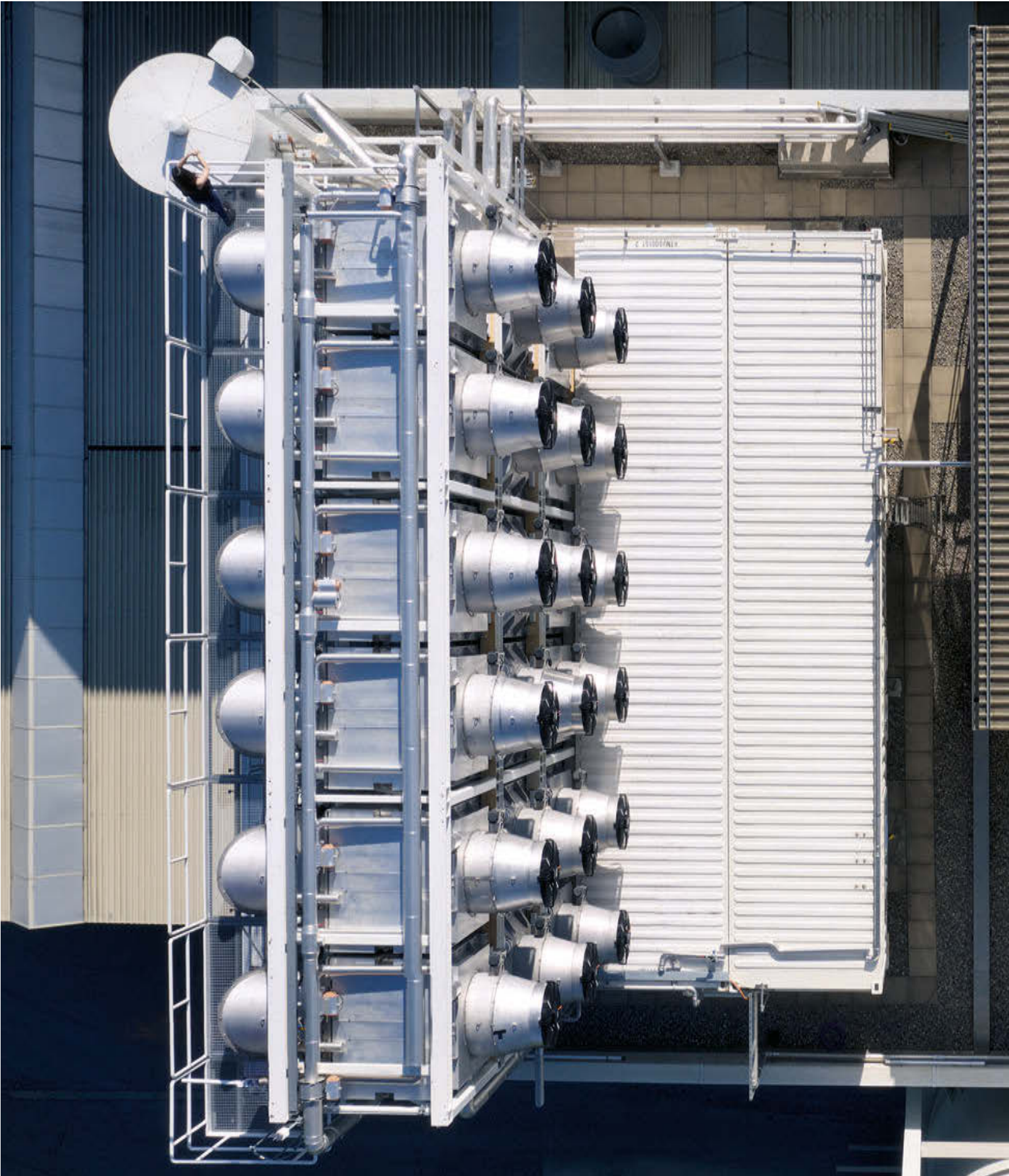


**RAIL TECHNOLOGY** The Central Bi-Oceanic Rail Corridor (CFBC) is the “Panama Canal of the 21st century.” Measuring just under 4,000 kilometers in length, the rail line will stretch from the Pacific to the Atlantic and is meant to connect land-locked Bolivia with the ocean and bring Brazil closer to the Pacific (as well as China and India) and Peru closer to the Atlantic (and Europe). The project of the millennium is slated to launch next year and will include plenty of Swiss rail expertise: More than 30 Swiss companies will be involved in building the line.





Reducing CO<sub>2</sub>





**CLIMATE CHANGE** The earth is heating up and the levels of CO<sub>2</sub> in the atmosphere are rising. The most sustainable action would be to reduce greenhouse gas emissions – or to filter them out of the air. Zurich-based Climeworks has developed Direct Air Capture technology for that very purpose. This spin-off of ETH Zurich employs 60 people and has already installed filtration systems in Iceland, Italy and Switzerland. “Our goal is to filter one percent of global emissions out of the atmosphere by 2025,” says Christoph Gebald, co-founder of Climeworks. “That would be equivalent to 300 million metric tons of CO<sub>2</sub> a year.”

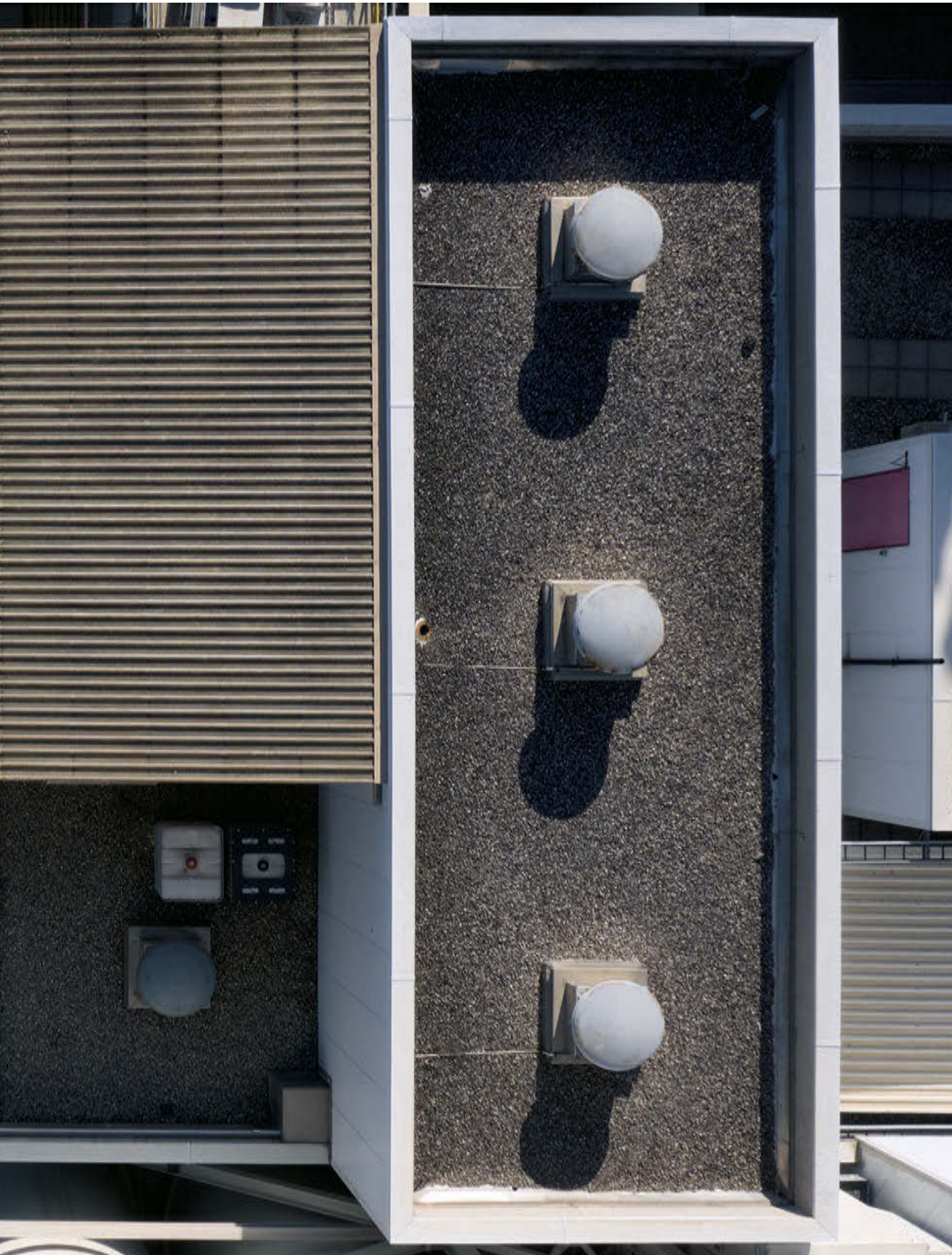


Photo: Noé Plun



## Edelweiss

It's considered the national flower of Switzerland – and there's even an airline named after it. Edelweiss also invokes the feeling of home for people from Austria, Bavaria and South Tyrol. But the little flower actually originated on the high steppes of central Asia, migrating west during the last ice age and creeping up the mountains after the ice crust melted away.

## Mountaineering

At least the location is right: Mountain climbing may have been invented in Switzerland, but not by the Swiss. The British were the first to climb the highest Pennine Alps in the mid-19th century and founded the world's first Alpine club. They almost always took Swiss mountain guides with them on their bold adventures, however.

# Who didn't

From fondue to the pocket knife: eight supposedly Swiss things that actually came from somewhere else.

Compiled by Mathias Plüss Illustrations by Elena Xausa

## Fondue

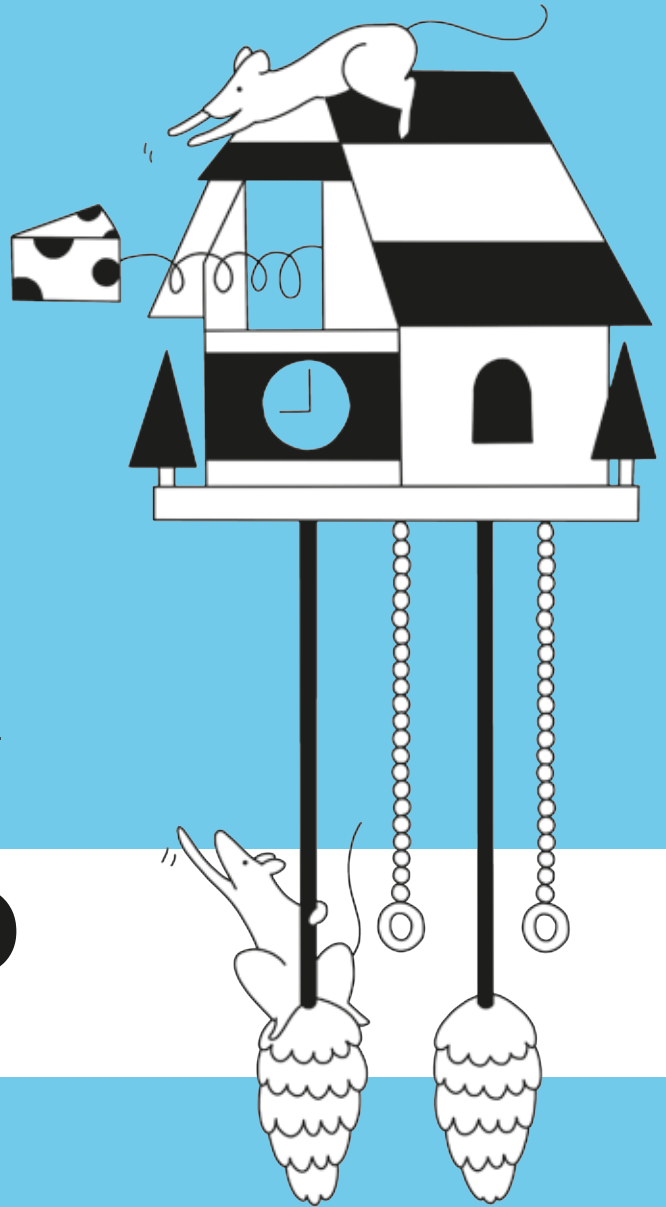
Fondue may now be the national dish of Switzerland, but it's been a staple in the French and Italian Alps for centuries. The current recipe, with just cheese and wine, was likely first made in Savoy, in what is now France. Presumably it spread from Savoy to western Switzerland, where it quickly became very popular.





## Cheese

Humans probably discovered how to make cheese soon after the domestication of grazing animals more than 10,000 years ago, when faced with the task of preserving great quantities of milk. It's certainly possible that even older traces of cheese production will be found in the Alps one day, but the oldest clear evidence of cheese-making comes from present-day Poland about 7,500 years ago.



## The cog railway

England pioneered this as well. In 1812 the world's first cog railway began operation in the lowlands there. The United States was the first to climb up a mountain, opening a cog railway on Mount Washington, New Hampshire, in 1869. It wasn't until 1871 that Switzerland opened the Vitznau-Rigi Bahn – a highly successful project that triggered a mountain railway boom in Europe.

# invent it?

## Jass

No one knows who invented this card game that has become Switzerland's "national sport," but it was certainly not the Swiss. Mercenaries from Holland brought the game to Switzerland at the end of the 18th century. The words "jass" (jack) and "näll" (the second-best card) originate from the Dutch.



## The cuckoo clock

American actor Orson Welles helped fuel the myth that these clocks are originally from Switzerland. In the 1949 film "The Third Man," he improvised a monologue claiming that "in Switzerland, they had brotherly love, they had five hundred years of democracy and peace – and what did that produce? The cuckoo clock." In truth, the clocks are characteristic of the Black Forest. Where the first cuckoo chimed the hour, however, is unknown.

## The pocket knife

Here we have to yield to Austria: The oldest known jackknife, from Hallstatt in Upper Austria, is 2,500 years old. Ancient Romans used pocket knives as well. The famous Swiss Army knife, on the other hand, was invented in the 19th century.

“The goal of humanitarian work is to eliminate the need for humanitarian work”



“Conflicts are no longer flaring up where poverty is greatest.”  
Former diplomat Peter Maurer in Niger, 2016.



The Red Cross has had an enormous impact on the world. ICRC President Peter Maurer discusses new ways of financing humanitarian projects, modern conflicts and whether the world is doing better or worse today than in the past.

Interview Manuel Rybach





M

Mr. Maurer, is the world better or worse off today than it was in 1863, when Henry Dunant founded the International Committee of the Red Cross? Paradoxically, it is doing both better and worse. From a global perspective, we have seen improvement in many indicators, including infant mortality, life expectancy and education. In that regard we are experiencing a uniquely positive trend in human history. These advances are due in large part to the rise of half a dozen Asian countries – China, India and several economic tigers. But countries that are not doing well are facing an extremely difficult situation. And the difficulties are increasing.

In what way?

The majority of the 120 million people who rely on humanitarian aid are living in the ICRC's 15 largest areas of activity – which include such countries as Syria and Yemen as well as Central Africa. These few areas also account for 80 percent of the world's refugees who are fleeing violence. Migration flows are destabilizing not only the countries that are directly affected, but also neighboring regions and the global political situation. Underdevelopment, a lack of prospects and corruption are posing an increasingly serious challenge in the crisis regions, and this in turn is leading to the delegitimization of political institutions. As a result, conflicts are continuing for longer and longer periods, and we are spending more and more time in these regions.

The number of democracies has increased since 1946, and especially since 1990. Doesn't that bring more peace?

That's a misconception – in fact, the opposite is true. Conflicts are no longer flaring up where poverty is greatest, but more often in places where a middle class has emerged but lacks political power. The Arab Spring is a prime example. It ultimately led not to the freedom the crowds at Cairo's Tahrir Square were demanding, but to the opposite – namely to an avalanche of conflicts in the Middle East.

You have been president of the ICRC for the past six years. Were there some conflicts that you didn't see coming, and that took you completely by surprise?

The conflicts themselves haven't come as a surprise, but we haven't always been able to predict their timing and momentum. Let's start with Ukraine: I didn't expect that a major humanitarian relief campaign would

once again be needed in Europe. I never expected that a conflict like the one involving the Rohingya in Myanmar would escalate with such horrendous speed, forcing nearly a million people to flee their homes in the space of one month. And I didn't anticipate that we would be confronted so quickly with conflicts triggered by climate change.

How are modern conflicts and new types of warfare affecting the work of the ICRC?

Traditionally, a war meant two national armies fighting against each other. Today's conflicts often involve several actors that may be very different from one another. Research has shown that more armed groups have sprung up during the past six years than in the previous six decades. So there has been a dramatic increase in the number of conflict parties we need to negotiate with. Take Libya, for example. Practically every Middle Eastern power and every major international player has an ally or a representative in that country. Not only does that make our work more difficult; it also affects the UN Security Council, which has become virtually incapable of achieving a consensus on solving conflicts.

Given this situation, what role will your organization play in the future?

First of all, we need to find new ways to bring all of the actors to the table – including radicalized splinter groups – so that we can work together on humanitarian campaigns. Second, we need to think strategically about which tasks we are really able to take on. We are and will continue to be a humanitarian organization; we can't transform ourselves into a development or climate organization.

Countries that are not doing well are facing an extremely difficult situation.



We need to find new ways to work with education experts and/or the World Bank. It's all about networking.

And this networking involves closer cooperation with the private sector. Why are you focusing so much attention on that area?

Because of the obvious convergence of interests between the stabilizing nature of humanitarian work and efforts to stimulate regional economies. Conflicts have changed; they often last for many years, and they are destroying vital infrastructures needed to deliver water, energy and health care.

Where, specifically, are you seeing this happening?

As soon as crisis regions have achieved a minimum level of stability and people have managed to survive, thanks to our humanitarian efforts, we must support them as they try to move beyond dependence and make their countries attractive to investors once again. The goal of humanitarian work is to eliminate the need for humanitarian work. That can only happen by getting business cycles up and running, at least to a minimal extent. One of our goals, therefore, is to transition from providing humanitarian aid to

investing in a more sustainable future. In this context, the expertise of the private sector is of great interest. What are the right tools? In what context should they be used, and when? These are questions we need to think about and test together.

Is this a departure from your organization's traditional approach to financing? In the past, the ICRC's budget of over 1.7 billion Swiss francs has been financed almost exclusively by government contributions. Government funding and philanthropic contributions from private sources still play an important role. But whether the money comes from governments or companies, what matters is that we are able to work independently and neutrally – and we insist on that. I should also note that we have a long history of cooperation with the private sector, dating back to the organization's founding. Our successful corporate partnerships, such as with Credit Suisse,\* are one prominent example. We are also trying new approaches, and they pose new challenges.

One new funding instrument is your Humanitarian Impact Bonds, a means to encourage social investment from the private sector. What are you hoping to gain

from impact investment – an approach that is designed to bring about quantifiable social and environmental change while also yielding financial returns? The ICRC's expenditures are not decreasing, but rather increasing. Governments will never provide enough money to meet all of the humanitarian challenges we face. So we need additional sources of funding – and we believe in investments in the humanitarian sector that can have an impact. These humanitarian bonds are one initial approach. They enable private investors to invest in aid projects, with measurable results and the repayment of capital at the end of a five-year period.

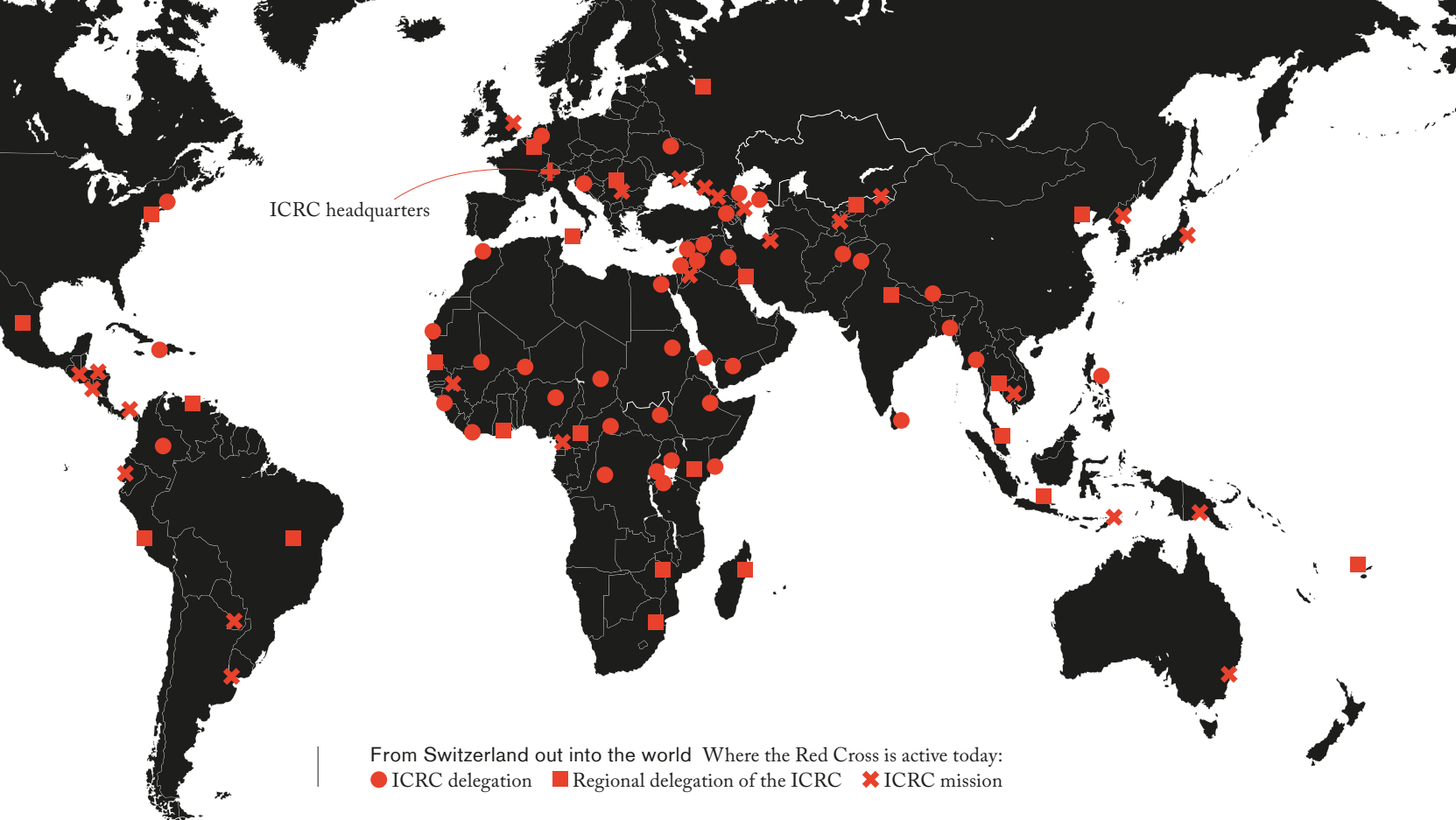
Where is the money in this pilot project being invested?

Private investors have contributed a total of 26 million Swiss francs, which has been invested in three ICRC rehabilitation centers – in Mali, Nigeria and the Democratic Republic of the Congo. The money will also be used to modernize the management of these centers. If these projects are successful, several countries and a foundation are guaranteeing the repayment of the capital with a low level of interest. The amount of repayment



Peter Maurer (62) has served as head of the International Committee of the Red Cross (ICRC) since 2012. He previously spent six years as Switzerland's Permanent Representative to the United Nations, before returning home in 2010 to accept a position as State Secretary in the Swiss Federal Department of Foreign Affairs.

\*In 2008, Credit Suisse became the first globally active bank to join the ICRC Corporate Support Group, a group of donors made up of Swiss companies and foundations dedicated to supporting the work of the ICRC.



depends on the performance of the three centers. One might also invest in a hospital in a crisis region, setting quantifiable goals for the hospital to achieve. We are confident that there is a market for humanitarian projects.

Humanitarian aid and financial returns – isn't that a contradiction?  
That's a misconception. The purpose of humanitarian bonds is to mobilize money that would not otherwise be invested in humanitarian activities. We are mobilizing investments in an effort to ensure that our social engagement has a greater impact – and this, in turn, can be expected to have a positive economic effect. We're not primarily concerned with the profits of individual companies or countries. We repay the capital and offer a small amount of interest so that investors don't take a loss. An important consideration is transparency – the public needs to know where the money comes from and what rights and obligations are involved.

Digitalization has radically changed how wars are waged. Is that true of humanitarian aid as well? Will we soon be seeing robots used in your activities?

That is still far off in the future, but it's certainly conceivable that robots will eventually play a role in our work, for example by protecting victims. To take advantage of technological change, we are collaborating with external experts, developing new instruments in a global laboratory and testing them in everyday situations. In Kenya, for example, we have tested stethoscopes made with 3D printers and they are far cheaper than conventional ones. And we have worked with EPFL to design new prostheses that will allow disabled people to be more mobile, even in difficult environments. In addition, an energy-saving power supply system for a mobile operating room is currently in development.

Digitalization also means decentralization and delocalization. What does that mean for the ICRC headquarters in Geneva?  
In the past few years, we have moved some of our services to other locations. Our IT department is in Belgrade, bookkeeping and reporting are in Manila, and we have decentralized our logistics. This has saved us tens of millions that can now be used to help more people. But I'm confident that for the foreseeable future, Geneva will

remain the home of our headquarters and the place that is most closely identified with the ICRC. This historical connection and its symbolism are important.

The Red Cross movement was a fundamentally Swiss idea that originated with socially committed businesspeople, and it earned Henry Dunant the very first Nobel Peace Prize in 1901. How "Swiss" is the ICRC today?

The people who work for the Red Cross come from over 130 different countries. We need their cultural expertise; as a globally active institution, it is important for us to reflect the world's diversity. But Swiss values are still at the heart of the ICRC. These include neutrality, which allows us to talk with all of the involved parties; a practical, solutions-oriented perspective; and a bottom-up organization – principles that are not only distinguishing features of our organization, but also, in a sense, part of Switzerland's DNA.

Speaking of personnel: Millennials have a reputation for insisting on doing meaningful work. So has the number of applications to the ICRC increased over the past few years?



There is a great deal of interest worldwide in working for the Red Cross. We receive between 15,000 and 17,000 applications for roughly 500 positions as ICRC delegates. That allows us to meticulously screen applicants and recruit highly motivated young people. At the same time, it is becoming increasingly difficult to find experienced people who are willing to take assignments in dangerous crisis regions. We have had to create a new system of compensation and incentives to attract people who are prepared to accept such risks.

For you, personally, is it difficult to remain neutral – for example, when you're negotiating with people who are bombing hospitals?

I'm able to stay neutral because I know, rationally, that the only way to create humanitarian safe zones, and ultimately to solve conflicts, is through direct communication and consensus. Excluding some parties from the negotiating table makes it impossible to reach a solution. But emotions play a role, and I express mine. Emotions are a sign of authenticity. That's important when attempting to persuade people.

Has your view of human beings changed? I am continually surprised, as well as deeply impressed, by people's resilience and capacity for innovation, and by how they are able to organize their lives even under the most adverse conditions – how they create a certain degree of normalcy despite all of the misery they endure. They serve as an example for me. They also give me a sense that I am doing work that matters and makes a difference. ■

Manuel Rybach is head of Public Affairs and Policy at Credit Suisse.

## Three contributions to the world

Switzerland shares its expertise in democracy and decentralized administration with other countries.

Text Daniel Ammann

Neutrality, democracy, decentralized administration: Experts agree that these three elements have played a major role in making Switzerland, despite linguistic, cultural and religious differences, the highly stable country it is today. At an official level, Switzerland is helping other countries to benefit from its experiences and expertise. One of the core concerns of Swiss foreign policy is to promote democratization and the decentralization of public administration.

The Swiss government is therefore supporting former dictatorships and countries torn by civil war, such as Myanmar and Tunisia, in their efforts to create democratic institutions, hold elections and carry out constitutional reforms. In Latvia and Bulgaria, for example, Switzerland is participating in projects intended to strengthen civil society. It is helping countries like Albania to improve government services, such as the waste disposal system, through decentralization.

Of Switzerland's foreign-policy efforts, the oldest and best-known are probably what are referred to as "good offices." Because Switzerland is neutral, it has considerable credibility as an impartial mediator. Sometimes the "good offices" role simply involves providing a neutral location for negotiations, as in the case of the 1985 summit meeting between US President Ronald Reagan and Soviet leader Mikhail Gorbachev, which was held in Geneva. Switzerland also regularly serves as a mediator between opposing parties, for example in Ukraine and Sudan.

Moreover, its tradition of representing foreign interests dates back more than a century. Switzerland first served as a so-called "protecting power" during the Franco-Prussian War of 1870/71. When countries break off diplomatic relations, Switzerland is able to assume some of the responsibilities of those countries' official representatives. At present, Switzerland is representing the interests of the United States in Iran as well as Iran's interests in Egypt and Saudi Arabia. ■



Can football success be planned? FC Basel's former sporting director reveals how the club became Swiss champion eight times in a row and caused a sensation in Europe.

Text Georg Heitz

# The art of optimization

## 1 Positioning

The basic requirement for all success is the correct positioning: You have to know who you are – and not overestimate yourself in your markets. In the case of FC Basel, we first had to develop success at the national level before we could gain access to the lucrative world of international competition. Over the years, players and trainers have come to appreciate FC Basel as a good launching point for playing in bigger leagues. The team enjoys a relatively high viewership, so young players learn how to deal with high-pressure situations.

In the best-case scenario, FC Basel is considered the best first stop in Europe or – for young Swiss players – an ideal final stop before making the jump to playing in foreign leagues. In this way, both sides benefit: The club can acquire players who are too good for Switzerland's “small” national league, but who are highly motivated, and

be paid accordingly; whether he's come up through the team's junior ranks or from a prestigious club abroad. Because players are often with a club only for a short period of time, it is necessary to respond quickly to excellent performance. Unhappy players will be quick to ask to be transferred to another club.

However, from the employer's perspective contract changes are not simply altruistic gestures. Instead, the focus is on a player's transfer value or his federal rights. The compensation the former club receives when a player does not complete his contract largely depends on what the new club is willing to pay. However, there are factors that can contribute to a higher payout: the player's statistics (number of appearances, goals, assists), age (see above), status (for example, is he a national team player?), and the time left on the contract with the previous club. For this reason, every club would be well-advised to lock in its best players for the long term. One rule of thumb is if a player has not

Football has taken on an absurdly important role in society, which has resulted in rising revenues for the top clubs, but also a lower tolerance for when players make mistakes.

In this stressful environment, the most difficult task for a club's managers is to maintain a level head and follow certain communication rules.

## 6 Communication

Football's popularity means that every move is publicly scrutinized. Every personnel decision is commented on and discussed. The media love uncovering discord in the club. This makes a uniform communication strategy all the more important. For example, goals for the team should always be discussed internally before they are announced publicly. It's essential to have external communication guidelines,



can effectively audition for clubs that have more athletic and economic clout. The players have the opportunity to prepare for the next level in a relatively quiet, but still challenging environment.

## ② Putting together a squad

Aside from international competitions, the most important economic tool for Swiss clubs is transfers. The clear market trend is to secure players as young as possible so their transfer rights can then be sold at a profit later on.

At the same time, a team is more competitive when it has experienced players, and fans want to see well-known names, as that makes the game more appealing. The “rule of thirds,” where one-third of the squad is home-grown talent, one-third up-and-coming foreign players and one-third stars, is not always possible in practice – the team’s home-grown players can have too wide an age range and not every club in the world will be able to acquire the players it targets. Nevertheless, this formula does serve as a good guide.

## ③ Contract management

One of the main focuses of a club’s sporting director is contract management. It is important to pay a player an appropriate salary. If he is a mainstay on the team, then he should

extended his contract at least a year and a half before it expires, then he won’t do so (or only at an exorbitant price). At the end of a contract, a player can leave his old club on a free transfer.

## ④ Provide new incentives

Critics often complain about players moving on from a club, but they have to bear in mind that every departure also represents an opportunity. It is only human for people to want to improve in their profession. It is normal to experience a lull following a triumph, for motivation to wane and to no longer view the challenge the same way.

So players who win often need new incentives: a new boss (trainer), new teammates, new infrastructure, where possible, new goals, although this last point can be difficult to achieve if you’re the Swiss leader. At international level, the economic disparity among clubs in the top leagues is growing, making it difficult to improve when it comes to results. Success sparks interest; winners receive offers. However, this gives the transferring club the opportunity to obtain a new, hungry and usually less expensive player.

## ⑤ Rationality

The most dangerous moment for a club’s management is when it wins. The trainer and his players can bask in having done a great job, but the work never ends for those in charge of the club. They already have more decisions to make, and they’ll only find out later whether they made the right ones or not. The people congratulating the club today are the ones criticizing it tomorrow.

With few exceptions, a football club is in a constant state of hysteria. Each match is a sort of annual meeting of shareholders with direct judgment passed on the players.

especially as everyone working for a professional club may be asked to do an interview on any topic – from the kit manager to the club’s physical therapists to its chairman.

The club’s managers are also at constant risk of being drawn into publicly discussing players or trainers – i.e., their own employees. This is a fundamental difference to other industries – and a trap that some inevitably fall into at some point. That’s why interviewees often – especially after a match – rely on platitudes.

## ⑦ And last but not least, it takes luck

Football is still a game. In addition to strategy and tactics, luck also plays a role in the outcome. A ball that bounces off the post and onto the pitch can have a decisive influence on how millions are spent as well as players’ careers. An unwanted red card can determine the outcome of a match.

Those who remember this, especially when they win a title, learn to be a bit humble when it comes to the vagaries of football. ■

Georg Heitz (49) was the sporting director at FC Basel from 2009 to 2017. He currently manages a consulting agency with FC Basels former chairman, Bernhard Hoesler, and Werthmüller.



A woman with long brown hair, wearing a dark blue blazer and a matching skirt, is walking from left to right. She is carrying a grey bag in her left hand. The background consists of a wall with vertical wooden slats. The lighting is warm, suggesting late afternoon or early morning. The text "Partnerships are the best kind of relationship" is overlaid in white, centered on the image.

“Partnerships  
are the best  
kind of relationship”



# Swiss banks can hold their own against major international banks, fintechs and tech giants, says Anke Bridge Haux. The Head of Digitalization & Products at Credit Suisse in Switzerland discusses increasing collaboration, “magic moments,” and her own analog side.

Text Simon Brunner Photos Yves Bachmann

Ms. Bridge Haux, in a digital, globalized world, what do Swiss banks stand for? Our clients can answer that question best. The aspect they mention most often is still trust. The banks’ immense stability and longstanding collaboration are also important to them. We already focused on these client needs in the past. We still do today and will certainly do so even more in the future. In an increasingly complex world, people need secure, strategic partners in financial matters – such partners can be found in Switzerland.

Swiss banks are considerably smaller than their American and British competitors and have correspondingly smaller development budgets. How does Credit Suisse manage this disadvantage when it comes to innovation?

Although I am the Head of Digitalization, I find the quest to have the highest possible digital budget is an antiquated notion. Digitalization is an enabler. It serves to make things possible, but it is not an end in itself. Let’s compare digitalization to the invention of the steam engine, which only offers any benefit when it is used correctly. In other words, the very first thing you need to know is what the budget is for. Moreover, the investment needs decline over time. Once you’ve built a good platform, it’s relatively easy to add smaller, lighter modules later on.

Will that be sufficient against the strong competition, some who also come from different industries?

Swiss companies work together today more than they did in the past. Such partnerships are a key feature of the Swiss economy. In recent years we have seen

the rise of a mindset recognizing that there are advantages in working together on common solutions to some issues – even though some of these companies are competing with each other. Companies are becoming more aware that by acting together on these initiatives, we are supporting the Swiss economy as a whole.

In the last century, it took almost 50 years for the Swiss to agree on a joint clearing house. Suddenly, everyone is working so well together these days – where did this culture of collaboration come from?

The partnerships began in payment transactions, where digitalization disrupted the status quo early on – even beyond the borders of Switzerland’s financial center. Recently, for example, the TWINT payment platform appeared. Another example is electronic identification, the e-ID, a major and critical innovation that will be practical in a wide array of different industries and something that tends to be underestimated. A joint office for “know your client” processes and a digital Swiss Exchange are also being discussed a good deal. These could all be opportunities to create synergies while still complying with client confidentiality guidelines.

In the world of finance, fears that one of the new tech giants could completely throw the sector into turmoil are nothing new. Why hasn’t that happened – at least not yet?

The large tech companies usually operate in a less regulated environment, with a completely different culture. The relatively heavy regulation in the financial sector represents a barrier to their entry into the market. This takes a great deal of expertise, and the cost associated with that is high. Rather than founding a bank or buying one,

Anke Bridge Haux (40) is the Head of Digitalization & Products of the Swiss Universal Bank division of Credit Suisse.

they are therefore looking for ways to operate alongside us.

And then?

The question is always how can elements of different value chains be combined. How can the best aspects of the bank be combined with the best of the tech company. I think it's a positive development that partnerships are being considered more, although we typically partner with the smaller fintechs, rather than very large companies.

There was still a lot of skepticism just a few years ago about the young start-up companies in the financial sector. We believed they represented a threat to the business of the traditional institutions. Are you afraid of the competition? No, the fintechs are a positive addition. Here, too, partnerships are the best kind of relationship. They allow both sides to use their core competences optimally. The fintechs develop solutions for a very specific problem. And they do this very well. We, the banks, handle integrating the solutions into the regulatory framework and into our channels. This creates economies of scale. At Credit Suisse, we serve half a million clients through Online and Mobile Banking. It would be practically impossible for a fintech to build a market like this on its own. What consumer wants to have ten different banking apps, each one for a single banking service?

Improving human interaction: Impact Hub innovation center in Zurich, supported by Credit Suisse.



## Human contact cannot be digitized.

How do partnerships like these work?

We have a team that works exclusively with fintechs and is deeply embedded in that scene. More and more, there are occasions when our own clients are involved with start-ups and let us know, "This company has a great solution – take a look." If we like the idea and if the underlying platform is well built, then integrating those innovations moves along relatively quickly.

How do clients benefit?

Let's take a recent example. A fintech developed a platform that brings together invoice issuers and payers in order to motivate them to pay early. Offering discounts can be an attractive option in a low interest rate environment. We recently integrated this platform, and it's being used a great deal.

Now let's get to the analog part of the interview. Why will the personal consultation still be important in a hundred years?

There are some key moments in client relationships, internally we call them "magic moments," that leave a lasting impression on people – in terms of their experiences and the resulting future decisions. These consultations will never be possible digitally.

Such as when buying a house?

For instance. For most people, buying real estate is the biggest transaction they will ever make. The accompanying consultation focuses on much more than the technical aspects of a mortgage, interest rates, tranche sizes and fixed versus variable rates. The questions include things like what if something happens to me? What happens when the children move out and the house is empty? What if I retire – how can I pay the interest on the mortgage? These magic moments also include decisions concerning retirement provision.

Which part of your life can you personally not imagine ever doing online?

*(Laughs)* I deal with digital things all day long, but I am more of an analog type of person. My environment is essential to me. Human contact cannot be digitized. I'm a passionate gardener, and I love to jog and ride my mountain bike – I love being outside in nature. And even my work is fundamentally about people. Technology has to help improve human interaction – that's its only objective. ■



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# "The magic word"





Mathias Venezuela/Chile



Saya Switzerland/Ecuador



Vincent Russia/Germany



Diego Switzerland/Italy

Switzerland is one of the world's most multicultural countries, and its diverse population lives together in relative harmony. What factors promote successful integration? Walter Leimgruber, president of Switzerland's Federal Commission on Migration, suggests some answers.

Text Michael Krobath Photos Véronique Hoegger

# is education"

# M

Mr. Leimgruber, how many of Switzerland's 8.3 million residents come from a migrant background?

Nearly 40 percent have one parent who is an immigrant or are immigrants themselves. Percentages of that magnitude are otherwise found only in Australia, New Zealand and Luxembourg. Roughly 25 percent of people in Switzerland – a little over 2 million – have a foreign passport. Half of them come from neighboring countries and Portugal, another 400,000 from other EU countries, and 650,000 from the Balkans and Turkey. Just under 55,000 have been granted refugee status.

Yet there are no banlieues or “no-go zones,” and there is little of the social tension found in neighboring countries. Is that simply because Switzerland is so prosperous?

There's no doubt that prosperity is beneficial for integration. More consequential, however, is Switzerland's low unemployment rate, allowing people to find work quickly. It is particularly significant that we don't have a concentration of troubled areas – places that industry has abandoned, for example, or where hopelessness is passed on from one generation to the next.

What role does Switzerland's geographical structure play?

It's very important. There is no one center of business activity, and even many small towns and rural regions have a diversified economy. So immigrants are dispersed throughout the country, and that promotes integration.

Primary schools are often cited as an important factor driving integration.

Do you agree?

Yes, because they lay the necessary groundwork. In school, every child learns a national language, all social classes are represented, and everyone learns the basic rules of society. Schools also ensure that the second generation of immigrants has access to the same educational resources as those whose roots are in Switzerland.

There are also various programs that provide support for schools with a highly diverse student body. However, we need to do more at the preschool level.

Roughly three-quarters of working-age migrants are employed, which puts Switzerland at the top of the OECD rankings.

Why has our country been so successful at integrating immigrants into the workplace?

Integrating members of the second generation into the job world has been a crucial factor. We have been able to do so successfully because of our dual educa-

tion system, which provides all young people with an excellent start in life. The system depends on Switzerland's many SMEs that are flexible and open-minded when providing apprenticeships. Demand for workers has always been an important factor as well. In the past, the construction, hospitality and tourism industries have had to bring in foreign workers, many of whom lacked sufficient training. In recent years the demand for highly skilled immigrants has grown.

What role does the liberal and flexible nature of our labor market play?

Societies with an open labor market, like Switzerland and the United States, are better able to integrate newcomers into the economy. The more regulations are imposed on the labor market, the more difficult it is for people to start a career. We have seen this with refugees in Sweden, for example, as their program for integrating migrants into the labor market is not the most efficient.

“Schools are the foundation for successful integration,” says Walter Leimgruber. Sixteen countries are represented in this sixth grade class in Zurich-Wollishofen. The names of the children are followed by the countries of origin of their mothers and fathers.

Sinan Turkey/Switzerland







Sebastian Romania/Romania



Muriel Switzerland/Switzerland



Roni Kosovo/Kosovo

Does direct democracy promote integration? Direct democracy is a double-edged sword. On the one hand, it can reinforce the perception that migration is a long-term problem. As a result, the opportunities afforded by immigration are pushed aside in the public discussion. And endless debates can make immigrants feel unwelcome. On the other hand, discussing this issue communicates to Swiss citizens that their concerns are being taken seriously. Referendums can be very emotional, but they convey information and are helpful in finding compromise solutions.

Is there more pressure to assimilate in Switzerland than in other countries? There is a useful metaphor of “coconut” and “peach” cultures. In the first case, you have to work hard to penetrate the hard shell before reaching the sweet fruit inside. In the second, the sweet fruit is immediately accessible, but eventually you come to the hard stone. Switzerland clearly belongs in the first category. Moreover, the Swiss have very stable social relationships, so they tend to be less interested in making new contacts. Migrants often mention how long it takes to be invited into a Swiss person’s home, or to gain someone’s trust.

Despite the fact that many things are going very well, “foreigners” and “refugees” are among people’s greatest concerns, according to the Credit Suisse Worry Barometer. How can Switzerland improve when it comes to integration? The big challenge will be to continue to handle training and vocational integration successfully. This is an issue particularly for refugees, but also for the many migrants

who lack vocational skills. For both groups, the magic word is education. We need to make much more consistent efforts to integrate refugees into our society. We need more teachers from a migrant background, better and more affordable support structures, more time and money, personal coaching, and close cooperation with public authorities, the business community and civil society. All of this obviously costs money. But saving money in these areas now will mean far greater costs in the future. ■



Walter Leimgruber (59) is head of the Institute of Cultural Anthropology and European Ethnology at the University of Basel and president of the Swiss Federal Commission on Migration. He is originally from Fricktal, a region in the canton of Aargau that was part of Austria until 1799.



Research at the Institute of Laboratory Animal Science: hormones from a test tube.







The medications of tomorrow are being developed in the western part of the Zurich metropolitan area – for the entire world. A visit to the Schlieren Bio-Technopark.

Text Jost Dubacher Photos Pierluigi Macor

“We’re the only  
ones  
doing this”

T

The crawler excavator stirs up a lot of dust, while the concrete pulverizer bites loudly into the walls and ceilings. A new building is rising in the Schlieren Bio-Technopark, on the site where employees of the Schweizerische Wagons- und Aufzügefabrik AG assembled locomotive engines decades ago. The new building, scheduled to open in 2020, will include eleven stories of laboratories, offices and conference rooms for biologists, biochemists, molecular biologists, physicians and lab technicians.

“We are already overbooked,” says Mario Jenni, manager of the biotech park. Interested parties come from all over the world, not just Switzerland. This is yet more evidence of a development that experts have been taking note of for some time: The Zurich metropolitan area is joining Oxford and Cambridge as one of the most attractive biotech hubs in Europe. The basic research comes from Swiss Federal Institute of Technology (ETH) and the University of Zurich. Schlieren is the workshop where scientific findings are turned into products that can be sold all over the world, products that are enjoying steadily growing demand (see graphic, page 41). The sale of medicinal products produced using biotechnology has nearly doubled over the last decade to 230 billion dollars.

Patrick Amstutz came as a young researcher to the Bio-Technopark, which was founded in 2003. He was part of a research group in the University of Zurich’s Department of Biochemistry that had made a groundbreaking discovery. Professor Andreas Plückthun’s team had succeeded in building proteins that act like antibodies in the body’s own immune system, but are smaller and more versatile. The scientific journal *Nature Biotechnology* called it “Nobel prize worthy.”

**INVESTOR MEETINGS INSTEAD OF PETRI DISHES** The researchers dubbed this new class of molecules DARPins, short for Designed Ankyrin Repeat Proteins. In 2004, they founded their own business, Molecular Partners (MP), and moved to Schlieren. “And we’ve been pursuing a single objective ever since,” states Amstutz. “Developing DARPIn drugs that offer patients a real benefit.”

Today, Amstutz (43) is the CEO of a publicly traded biotech company with more than 100 employees and a market capitalization of 500 million Swiss francs. Petri dishes and pipettes are no longer part of his daily routine. He now spends his time on key indicators, milestones and investor meetings. The most progress has been made on a medication to treat age-related macular degeneration (AMD). Vascular endothelial growth factor (VEGF) plays a key role in this common eye disease. Blood vessels grow behind the retina and develop edema, which detaches the retina and ultimately causes blindness. AMD is treated with medications that block the VEGF proteins. The physician injects the drug into the patient’s eyeball every 4 to 6 weeks. With Abicipar, this extremely uncomfortable procedure would only need to be repeated every three months.

“Development of Abicipar is now in Phase III,” says Amstutz. In ordinary language, this means that different hospitals are conducting independent double-blind studies to de-



Schlieren Bio-Technopark: 20 companies, with roughly 1,000 highly qualified people.



termine whether Abicipar has a statistically significant effect in large patient populations. Molecular Partners' stock price is treading water and will likely increase or decrease substantially, depending on the data yielded by the ongoing Abicipar study.

#### MAJOR FIRMS AND SPINOFFS UNDER ONE ROOF

Around 20 companies are working on new medications in the Bio-Technopark. These include primarily young university spinoffs as well as major companies like Roche and Johnson & Johnson. Together with suppliers for the biotech industry and a variety of academic institutions, they employ roughly 1,000 highly qualified people.

For example, the University of Zurich occupies the 10 upper floors of the Wagistrasse 12 building. The elevator stops on the fifth floor: The Institute of Laboratory Animal Science: Even though Wagi S – a combination of a cafeteria, café and lounge – is located on the main floor, Jane Beil-Wagner only indulges in a sandwich. She is a BioEntrepreneur Fellow at the University of Zurich and is researching the sexual hormone gonadotropin.

“The pork and beef industries use it to shorten and synchronize reproductive cycles,” explains Beil-Wagner. The hormone is derived from the blood of pregnant mares. Argentina and Uruguay are the top suppliers, where some horses are kept under concerning conditions. Public pressure has meanwhile resulted in gonadotropin being banned in Switzerland. “So we asked ourselves whether we could produce the hormone in a lab,” says Beil-Wagner, specifically in the form of recombinant protein – produced via biotechnology – such as from a cell line from a Chinese dwarf hamster. ►

## Mario Jenni, manager of the park

“A place where young, entrepreneurial researchers could work on developing their ideas.”



Dr. Beil-Wagner uses third-party funding from various non-profit foundations to pay for a part-time employee and operating costs. So far she has collected 600,000 Swiss francs, which should last through the end of 2019. She will then need to provide evidence that gonadotropin can be produced in vitro. "If we succeed," says Beil-Wagner, "we will patent the process and look for investors."

This approach is typical for biotech entrepreneurs. Developing medications is expensive, and often profits may only emerge decades later. These projects are usually financed by venture capitalists. More than 1 billion Swiss francs have flowed into newer Swiss biotech companies since 2015.

Other funding sources include initial public offerings as well as partnerships with major pharmaceutical companies, which then take over the distribution rights for a promising active substance and provide milestone payments for it. Molecular Partners has taken in more than 200 million US dollars with such licenses.

**ALWAYS ON THE EDGE OF THE UNKNOWN** The fact that they are always operating on the edge of the unknown is a primary cost driver in pharmaceutical research. Many seemingly promising solutions turn out to be dead ends, and entire series of tests worth millions need to be written off.

"Frustration is a part of research," says Jane Beil-Wagner. However, she does not sound like it bothers her much. Quite the opposite, in fact: "Setbacks only motivate me more." When it became clear that artificial gonadotropin could not be produced from Chinese dwarf hamster ovary cells, she started over again from scratch and is now working with embryo cells. "We're breaking



**Patrick Amstutz, researcher and CEO**

**"We are currently focusing  
on our cancer program."**



Jane Beil-Wagner, researcher

“Frustration is a part of research, but setbacks motivate me.”



new ground,” she notes soberly. “We’re the only ones doing this.”

She is currently creating an optimal habitat for the embryo cells. If this gentler method also fails to succeed, she will resort to invasive measures. “Then we will try to reach our objective with genetic manipulation.”

Experts in the field refer to protein engineering, the construction and production of biological macromolecules. This branch of biochemistry also has a tradition at the ETH and the University of Zurich, where researchers have been working with it since the 1990s. Zurich’s excellence in immunology research reaches back even further. Back in the 1970s, Rolf Zinkernagel published groundbreaking findings about cellular immune defenses from the University Hospital and later won the Nobel Prize.

Both progress in fundamental research and new technological possibilities resulted in a boom in antibody research leading up to the year 2000. “What was missing,” says Mario Jenni, manager of the park, “was a place where young, entrepreneurial researchers could work on developing their ideas.” Fortunately for Zurich, Leo Krummenacher, a real estate entrepreneur, entered the picture. He was operating a commercial center in the Wagi district, where the ETH had located some of its labs. When the university moved its campus to Hönggerberg and canceled its leases, Krummenacher took a calculated risk: He began leasing to startups.

Soon the industrial park was making headlines. It was the era of mad cow disease, BSE, and Prionics, an ETH spinoff, launched the first rapid test on the market. Roche’s acquisition of Glycart, a startup, also attracted attention. In 2005, the Basel-based giant paid 235 million Swiss francs for this small Zurich company that had a protein-based active substance against cancer in the pipeline. The drug entered the market in 2013 and is prescribed in Switzerland under the name of Gazyvaro.

Many other deals followed this initial one. Major pharma companies have spent more than 1.5 billion Swiss francs on acquisitions in Schlieren so far. Some have taken the acquired expertise with them – like Novartis did with Esbatech, a startup. Others, like Roche, have put down roots in Schlieren.





The original entrepreneurs are also faced with the question of whether they should stay or go. Selling, in any case, means the start of a new life for them. Some move on to tackle the next project, while others stay and begin their corporate career.

**YEARS OF TESTING IN THE BASEMENT** Reto Naef is going in the opposite direction – and proving that courage and creativity are not solely for the young. The 64-year-old points at the plain parking lot in front of his office. “You know,” he gushes, “I love the atmosphere here in the Technopark.”

Naef has worked in the Basel pharmaceutical industry for 30 years; first for Sandoz, then for Novartis after the merger. His name is listed as the inventor on a variety of patents still in use today. “But at some point,” says Naef, “I had enough of the routines and often purely political considerations that take up so much time in big companies.”

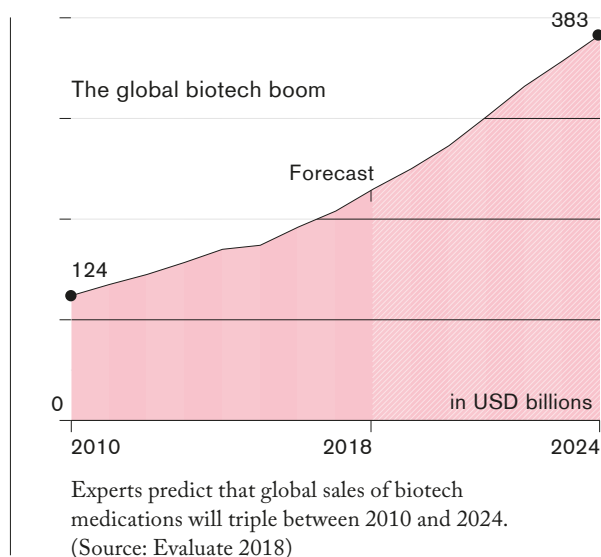
After years of conducting testing in his basement at home, he quit his job in 2015. He started his own company, Topadur, and moved it into the Bio-Technopark. Naef and his 15 employees are developing an active substance that stimulates the circulation of blood in capillary vessels and promotes wound healing.

The potential areas of application for TOP-N53 are extensive. Impaired wound healing can occur after severe burns as well as with paraplegia and diseases including cancer, AIDS, diabetes and gout. “We’re concentrating on the diabetic foot,” explains Naef, “because the medical need is greatest there.” In fact, one out of ten diabetics suffer from open wounds on their feet. These can grow, causing tissue to die and ultimately require amputation. Every year, more than one million diabetics worldwide have to have their foot ampu-

Reto Naef, entrepreneur

“At some point, I had enough of the routines and often purely political considerations in big companies.”





tated, leading to heavy costs in human suffering. The financial costs come in at 6.2 billion dollars annually in the US alone.

Naef and his team are currently preparing the documentation for Phase I of clinical trials at the University of Grenoble. He anticipates market launch in 2022, knowing full well that a lot can happen between now and then. According to the statistics, nine out of ten candidate active substances fail in the clinical trial, perhaps because they cause side effects or because they are not much more effective than existing medications.

One concern that Naef does not need to worry about as a startup: running out of room in Schlieren. Leo Krummenacher's successors are ready to invest more in the Bio-Technopark. There is no timeline or schedule. "Expansion will be driven," explains Mario Jenni, "by our tenants' needs." Anyone who wants to move from the University or the ETH to Schlieren, or anyone who needs more lab space and offices because they have overcome the next hurdle with their drug candidates.

**A DRUG TO TREAT ALZHEIMER'S** A bright future is predicted for Neurimmune, a university spinoff founded in 2006, for example. The company is developing medications to fight neurodegenerative diseases like Alzheimer's and Parkinson's. The most promising of these is Aducanumab, an Alzheimer's drug from a Neurimmune partner, Biogen, that binds with protein deposits in the brain and removes them. The latest issue of *World Preview* from the British market research firm Evaluate declares that the antibodies from Neurimmune represent the third most important development project in the entire pharmaceutical world. If Aducanumab successfully makes it through the final clinical trials, it could mean that the world's first effective Alzheimer's medication was developed in Zurich.

The coming months are key for Molecular Partners. Although the latest studies show that Abicipar significantly reduces the number of eye injections needed, they also revealed that one out of seven test subjects experienced an inflammatory reaction. Irish pharma company Allergan, which

will distribute Abicipar, is working on alleviating this side effect through a refined production process and is sticking to its plans to market Abicipar in 2019. When the market launch happens, Molecular Partners will see payments in excess of 300 million Swiss francs as well as annual licensing fees.

"We are currently focusing on our cancer program," says Patrick Amstutz. Two molecules are in the pipeline: one that fights lung and blood cancer, and another that fights breast cancer. The company plans to develop these new active substances initially on its own – without licensing contracts with big pharma – and ready them for market launch.

Back at Wagi S. The woman behind the counter at Caffè Momento laughs at the question of whether you can recognize researchers by how they look. "No, they rarely come here wearing lab coats." Things have gotten quiet here in the late afternoon. The café closes at 5 PM.

It only stays open late on the first Tuesday of every month for the "Bio-Technopark after work networking aperitif" event with around 200 attendees. People make contacts, share ideas and forge plans. The usual office chat, and yet it's a bit different at a place where drugs are being developed. Ultimately, it's about healing patients, alleviating suffering and extending lives.

People like to think of deadly diseases as something very distant, but they can then suddenly become very personal. That was the case with Christian Zahnd, the founding CEO of Molecular Partners who succumbed to a brain tumor in November 2017. "At our company," says his friend and successor Patrick Amstutz, "everyone knows what they're working for." ■

Jost Dubacher has been following the entrepreneur and innovation scene in Switzerland for over 20 years and is a partner at JNB, an independent journalism office.

## Time required to start a business

Over the past few years, Switzerland's position on the World Bank's "ease of doing business" index has steadily dropped. Most recently we ranked 33rd out of 190, behind such countries as Georgia, Macedonia and Mauritius. It takes ten days to register a company in Switzerland; in New Zealand, the world's most business-friendly country, it can be done in only half a day.

## Trash

Per capita, Switzerland produces 720 kilograms of trash each year – or about two kilograms per person per day. According to Eurostat, the only countries in Europe that produce more waste are Denmark and Norway. While the amount of trash generated in the other European countries stayed about the same between 1995 and 2016, it increased by 20 percent in Switzerland.

## Private debt

Swiss household debt rose by 40 percent between 2007 and 2017. Switzerland leads the world in this category, with per-capita debt amounting to approximately 100,000 Swiss francs (nearly 130 percent of our gross domestic product). When people in Switzerland purchase an apartment or a house, we keep the mortgage for decades. Nearly everywhere else mortgages are eventually paid off. Our higher indebtedness is related to a steady rise in the rate of home ownership.

# Switzerland in

From biodiversity to trash to – no surprise – friendliness: Eight areas in which Switzerland's performance is less than stellar.

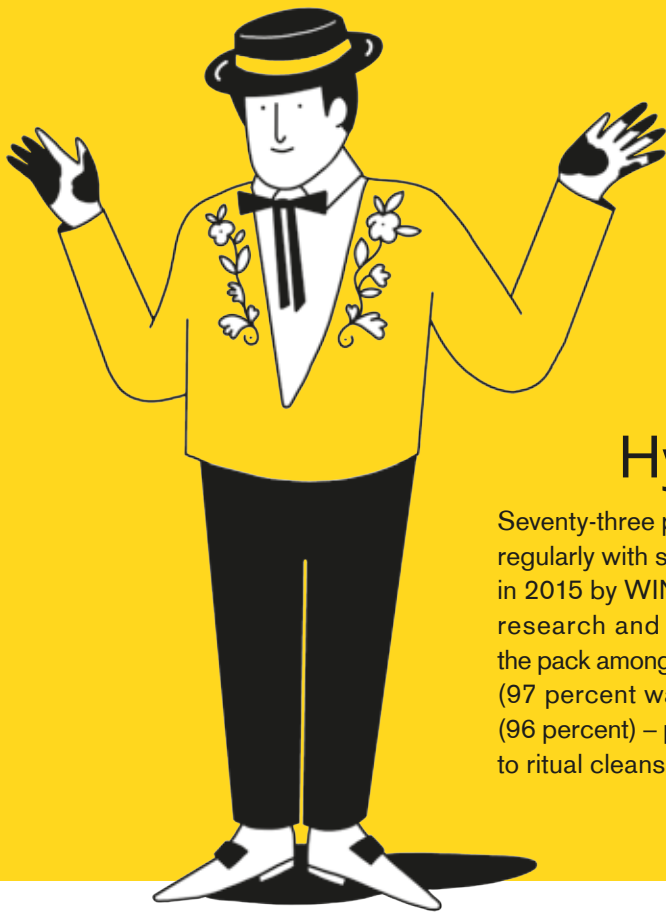
Compiled by Mathias Plüss Illustrations Elena Xausa

## Biodiversity

We are seeing a dramatic decline in biodiversity in Switzerland. The situation is particularly worrisome for cultivated land: Between 1990 and 2016, the populations of birds typically found in agricultural regions decreased by over 50 percent, according to the new Atlas of Breeding Birds published by the Swiss Ornithological Institute in Sempach. Species such as the skylark have become quite rare. Neighboring countries do better, at least near the border; apparently our neighbors allow a bit more room for nature than we do.







## Health care costs

Health insurance premiums have more than doubled in the last 20 years. Switzerland ranks second among the OECD countries, after the United States, in its per-capita expenditures on health care. When only out-of-pocket costs are taken into account, Switzerland is number one by far.

## Hygiene

Seventy-three percent of Swiss people wash their hands regularly with soap, according to a major study conducted in 2015 by WIN, an international network of 75 market research and polling firms. This puts us in the middle of the pack among 63 countries. At the top are Saudi Arabia (97 percent wash their hands regularly) and Bosnia (96 percent) – probably because of the importance attached to ritual cleansing in the Muslim countries.

# the middle

## Friendliness

Expats living in Switzerland give us poor marks. When it comes to safety, Switzerland tops the list published by InterNations, the international network for expatriates. However, it ranks only 44th of 68 on the list of the “best countries.” The reason: Foreigners often find it difficult to live here. We rank at the bottom in such categories as “friendliness” and “making friends.”

## Internet access on trains

Anyone who travels abroad will have noticed that public transport in Switzerland is relatively reliable and punctual. But we lag behind when it comes to innovation. In the Netherlands, for example, travelers can purchase a reloadable card that enables them to use all of the country's trains, buses and subways, with no need for cash. In the Czech Republic, it has been possible for many years to load a ticket with the half-price fare. Czechs and others have also had access to Wi-Fi on trains for a while now, while it is only just being introduced in Switzerland.





Building  
for the world





3

## Swiss architecture has been a popular export since the Baroque era. Four ingredients for its success.

Text Köbi Gantenbein

The small village of Fläsch is tucked in between mountains and vineyards in the canton of Graubünden. Again and again, I have shown visitors what our village has to offer when it comes to “Baukultur,” the combination of architecture, engineering, planning, design and environment. Interest in the village has risen sharply since 2010, when Fläsch received the Swiss Heritage Society’s Wakker Prize for outstanding local planning, essentially the Swiss Oscar for Baukultur. Word has gotten out that Fläsch is well worth a visit. In addition to curious visitors from the Swiss lowlands, I have led tours of the village for a number of groups from abroad, whether from Italy, Germany and

Austria, or even China and Japan. Occasionally, cheerful groups come to visit on educational trips, mostly architects and planners.

And this is the *first ingredient* in why Swiss architecture has gained renown around the world: We build well, and we like to talk about it. People from other countries come to Switzerland to learn from us, whether as part of their initial training or in continuing education courses offered at the Swiss Federal Institute of Technology in Zurich and Lausanne or at the Accademia di Architettura in Mendrisio. These institutions enjoy a good reputation around the world, and they are entrusted with the holy grail that is Swiss architecture – one-third of those drinking from this vessel come from other countries around the world, and they return home inspired by Swiss ideas.

Unlike the large, urban creations in cities like Berlin, London and Paris – which we are told we should emulate more – we have a lot to offer on a smaller scale. Since the days of Ticino native Francesco Borromini, a 17th century architect who built a dozen churches in Rome, this ability has taken form in structures built in other countries. And it continues to this day with firms like Mario Botta, Herzog & de Meuron and Gigon/Guyer.

The *second ingredient* for the success of Swiss architects abroad is their knack for design – their ability to give a building both shape and personality. Haldenstein-based architect Peter Zumthor understands this aspect masterfully. We can experience this in his Kolumba Museum in Cologne, which houses the treasures of the Catholic Church. Zumthor built the museum on the ruins of a church that was bombed during World War II, simultaneously reflecting the history of the location while also providing a symbol for the faithful with its sweeping dignity. Above all, it is a museum where the highest level of art can



2

1

be exhibited in an exciting sequence of rooms and unique light design. In short, Swiss architects excel in designing buildings and creating spaces, often in conjunction with high expectations for the craftsmanship of the builders, that make their work highly sought-after in other countries.

Looking from works produced by Swiss architects at the time of Borromini to the present day, we see that they rarely involve functional architecture of the sort that makes up 95 percent of construction activity. Instead, these are buildings that radiate power and splendor, often the winners in high-profile architectural competitions. Churches for Catholic princes; a monumental stadium in Beijing for the Communist government; the magnificent Elbphilharmonie concert hall for the proud people of Hamburg; city halls, universities, museums, libraries for republican cities – they all need the luster and radiance that the stolid Swiss have to offer. Familiarity with refinement is the *third ingredient* for success: Whether it's an imposing palace or a high-tech machine tool, the Swiss clearly know how to get it done.

But when architecture is intended to improve the lives of the world's most abject people, the imagination and skills of architects from the home of the Red Cross have a good deal to offer, too. It is worth highlighting the work of urban planner Fabienne Hoelzel, who, with her Fabulous Urban agency, has implemented innovative projects in the slums of Lagos, Nigeria, and Toni "El Suizo" Rüttimann from Pontresina. Rüttimann builds suspension bridges for pedestrians, bicycles and motorcycles in Latin America and Asia, using (and reusing) just a few components in a toolbox he developed himself. The materials include old pipes and ropes that have been scrapped by Swiss mountain railways. Rüttimann works with locals who build the bridges themselves. Toni "El Suizo" has built 780 bridges in 13 countries for people who live in remote areas, so that they can get to hospitals, schools and markets. His ability is the *fourth ingredient* for the success of Swiss Baukultur in other countries: Whether the project is a tunnel, bridges or cable cars – Swiss engineers know how to build well. ■



4



6



5

Köbi Gantenbein (62) is editor-in-chief and publisher of Hochparterre, an architecture magazine based in Zurich.





7



10



9



8

Ten significant buildings by Swiss architects abroad – selected by Köbi Gantenbein

1 Herzog & de Meuron:  
Elbphilharmonie, Hamburg,  
Germany – “The Elbphilharmonie  
has already become a city  
landmark.”

2 Francesco Borromini:  
Sant'Ivo alla Sapienza Church,  
Rome, Italy – “The church creates  
a heaven on earth.”

3 HHF Architects:  
Labels 2 fashion center, Berlin,  
Germany – “The Labels 2  
department store has become  
a part of the landscape.”

4 Peter Zumthor:  
Kunsthhaus Bregenz, Austria  
“A crown jewel for art at Lake  
Constance.”

5 Toni “El Suizo” Rüttimann:  
Suspension bridge in the village  
of Taung Kyar, Myanmar – “A  
Swiss architect builds bridges that  
bring people together.”

6 Bearth & Deplazes:  
Künstlerhaus Marktoberdorf,  
Germany – “A small art venue is  
transformed by its use of space.”

7 Justus Dahinden:  
Basilica of the Uganda Martyrs,  
Namugongo, Uganda  
“The church commemorates the  
suffering of Ugandan martyrs for  
the 5,000 faithful.”

8 Gigon/Guyer:  
Archaeological Museum and  
Park Kalkriese, Osnabrück,  
Germany – “The facility is a total  
work of art, with museum and park.”

9 Mario Botta:  
Museum of Modern Art, San  
Francisco, United States – “The  
architect plays with light, circles,  
columns and cubes in his design  
for the Museum of Modern Art.”

10 Le Corbusier:  
Unité d'habitation, Marseilles,  
France – “This housing concept  
shows why Le Corbusier set  
the bar for modern architecture.”

Photos: Peter Rigaud/laif / Keystone; Aik Lian; Architects: Bearth & Deplazes Architects, Chur / Zurich,  
Valentin Bearth – Andrea Deplazes – Daniel Ladner. Photo: Ralph Feiner; Josef Dahinden; (architects) Annette  
Gigon / Mike Guyer Architects. Photo: Heinrich Helfenstein; Pino Musi; Edmund Sumner / View / Keystone

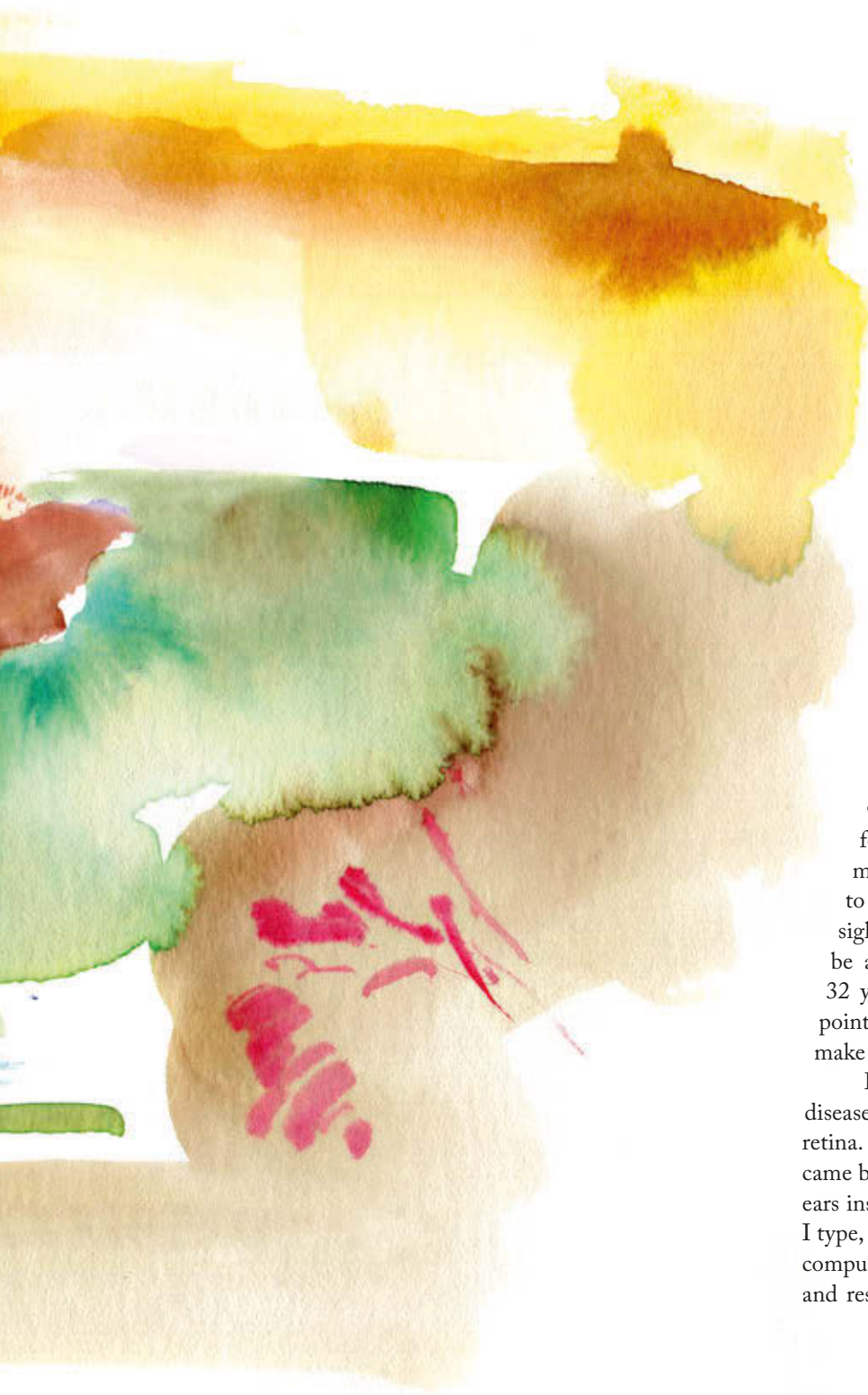
# A feeling for beauty





What is the most beautiful place in Switzerland?  
Christoph Ammann knows, but he can't see it. Ammann,  
a blind travel journalist, explains how he uses his  
other senses to explore the many-faceted world around him.

Text Christoph Ammann Illustration Elisabeth Moch



The quacking of ducks, the flap of powerful wings as swans take flight, the roar of the water at the hydropower plant – these sounds conjure up an image of Rheinau Island. I remember the outline of the dense forest on the German side of the river, Rheinau Abbey and its baroque twin towers, and the monastery complex with its multiple wings. The complex was a psychiatric clinic for 140 years. Since 2015, the island's choirs and orchestras have held their rehearsals there.

For me, Rheinau Island is the most beautiful place in Switzerland – and not only because of the statue of my namesake, St. Christopher, on the bridge connecting Klosterplatz with the island. On this little island in Zurich's wine country, you can practically taste history, while also feeling very close to nature.

**"I HEAR EVERY LETTER"** Sounds and smells help me form a mental picture of my surroundings. Sometimes memories will come back to me, and sometimes I need to use my imagination – because I can no longer rely on sight. I'm blind, doing a job no blind person should really be able to do. I've been a travel journalist for the past 32 years. In 2010, my vision rapidly deteriorated to the point of blindness over just a few months. Today I can only make out light – street lights, windows, the sun.

Like my grandfather and father, I have a hereditary disease called retinitis pigmentosa, or degeneration of the retina. But I have an enormous advantage over those who came before me: Thanks to modern technology, I can use my ears instead of my eyes to use a computer. I hear every letter I type, use key combinations to edit my writing, and rely on a computerized voice named "Max" to read newspapers, notes and research materials aloud. As the travel editor for some



prominent Swiss newspapers, I am responsible for planning and coordinating the travel section. I brief writers, edit their texts and dream up new ideas.

**ON THE ROAD 50 DAYS A YEAR** What I most enjoy is researching travel stories. I'm probably on the road 50 days a year. Destinations and modes of travel are chosen to accommodate my disability; trekking in Mongolia and safaris in South Africa are no longer options for me. With rare exceptions, I now look for stories in Switzerland and other European countries. It sounds simple, but every one of my projects requires meticulous preparation.

Partners on site have to be informed of my disability, and the program has to be tailored as closely as possible to the needs of a blind person. Above all, I need knowledgeable support staff. Whether touring the island of Jersey, visiting the Christmas market in Nuremberg or visiting a resort in the Engadine region, when you're blind you have to rely on assistants to guide you through unfamiliar territory, read the menu in a restaurant and search for hidden hazards in hotel rooms.

Little has actually changed in my work as a travel journalist. My task is to convey an atmosphere, take notice of every detail and provide reliable information. However, I'm more dependent now on detailed descriptions from a knowledgeable guide or assistant. I'm sure it can be annoying when I keep asking questions about the details of the arched windows in a cathedral or the colors used in decorating a hotel.



Christoph Ammann (60) is the travel editor for the newspapers SonntagsZeitung, Tages-Anzeiger and Der Bund in Zurich. He has been a travel journalist for 32 years and blind since 2010. Married with two daughters, he lives in Marthalen in the canton of Zurich.

“When I tap my cane,  
it sounds different  
in an open field than when  
I’m surrounded by buildings.”

But it is seemingly insignificant details like these, along with information from my interviews and research, that make my travel stories come alive.

**AIR CURRENTS SIGNAL AN INTERSECTION** As a blind traveler, the most common question I'm asked is whether my other senses improved since I lost my sight. My answer: I can't hear, smell, taste or feel any better than before. But my situation forces me to make the best possible use of my four remaining senses. Walking alone, I use sound to orient myself. When I tap my cane, it sounds different in an open field than when I'm surrounded by buildings. And I pay attention to smells; a clothing store smells very different from a bakery. Air currents tell me when I'm approaching an intersection, a gap in a row of buildings or a bridge. My white cane, which serves as an extension of my arm, helps me recognize the edge of a sidewalk and navigate over cobblestones and steps.

The raised lines in train and bus stations are essential for my safety and orientation. With their help, I can easily commute to work alone, from a rural community outside of Zurich to the heart of the city.

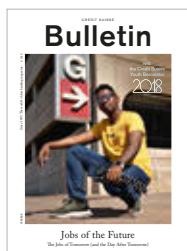
But on Rheinau Island – in front of the abbey, in the little park behind it and at the river – I need someone to guide me. One hot and humid June evening, as we were walking across the bridge to the island, a powerful bolt of lightning struck the Rhine. The earth shook, and the thunder was deafening. If I were superstitious, I would have interpreted this show of nature's power to be a sign from heaven, and quickly abandoned my favorite place. After all, there are more than a few other gorgeous places in Switzerland: Have you ever been to the Munot, a medieval fortification in Schaffhausen, or to the picturesque Graubünden mountain village of Latsch, situated high above the Albula valley? Or to tranquil Klöntal Lake in the Glarus region? ■



A portrait of Roger Federer, a professional tennis player, looking off to the side with a slight smile. He is wearing a blue crewneck sweater. The background is a bright, out-of-focus outdoor setting.

# Globally successful. At home in Switzerland.

We have been providing support to Roger Federer his entire life and share common values, such as the pursuit of exceptional performance.  
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## Bulletin Jobs of the future 2/2018

### Must-read material

I always love reading Bulletin magazine. This issue was simply outstanding, and I would like to suggest it as required reading for my colleagues on the Board of Directors.

Peter Artho, owner of Artho Bodenideen, St. Gallen

### Ideal for executives

For the last 19 years, we have given about 250 young people their first taste of the labor market with internships. Your last issue of Bulletin, "Jobs of the future," is ideal reading for our executives.

Michael Hein, CEO Job Factory Basel AG

### What will work be like in the future?

My comments on this issue: People are still very skeptical about the transformation to a digital economy on multiple levels. When consulting experts, it's not enough to listen only to the pessimists or optimists. Nor is it enough to base arguments only on past developments and fear of change. Practical relevance and clear facts are necessary here, and without spin. It cannot come down only to beliefs. Unfortunately, these discussions usually focus on the upper quarter of society, rather than examining the future for the remaining three-quarters of society.

More instruction on life skills, better self-assessment and flexibility in charting a life course are needed. It's crucial also to have strong social skills and individual competence, so that self-employed entrepreneurs transform into multiple employers. There is a great future ahead for "jobs with heart" that call for much creativity, spirituality, empathy and interpersonal interaction (such as caregiving, education, negotiation) or communication/information. A good future is also predicted for individuals and all types of small businesses in agriculture, trades/crafts and services.

Bruno Bettoli, Gross

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# Credit Suisse Worry Barometer 2018

58 %

feel that self-centeredness is a risk to Swiss identity – they could also be referring to the decline in associations and clubs.

The BASEL VOLUNTEER FIRE DEPARTMENT was founded in 1845 and currently has 115 members. It provides support for the professional fire department and is deployed to help with fires and natural disasters, long-distance water transport, setting up and operating mobile medical aid stations, providing security services and much more.



Switzerland has 5,357,836 voters. What are their concerns? Whom do they trust? What values are important to them? The Worry Barometer checks the electorate's pulse.



# SOLUTIONS NEEDED



Not only does the Worry Barometer provide guidance on how public opinion is formed, but also it has been a political fixture in Switzerland for more than 40 years. Every year it shows what people in Switzerland are thinking and feeling, and it has likely led to some political advances. “The Worry Barometer,” according to Federal Councillor Ignazio Cassis, “is an important political tool for Switzerland. It shows developments and relationships over a longer period, which I prefer over the topical snapshot provided by a one-time survey” (starting on page 58).

Indeed, the principal result of this year’s survey can be classified only with a long-term view. In two-thirds of the 37 surveys conducted since 1976, unemployment was the biggest worry. This year it ranked sixth, with 22 percent of respondents selecting it as one of Switzerland’s biggest problems.

Jobs are considered safe. There is nevertheless a great deal still to be done in the supposed paradise of Switzerland. Major political decisions must be made, and the electorate is demanding solutions for Old Age and Survivors’ Insurance, health insurance and relations within Europe. We hope you enjoy reading this edition of the Worry Barometer.

Manuel Rybach

Global Head of Public Affairs and Policy

1 What worries the Swiss (p. 54)

Federal Councillor Ignazio Cassis  
“There’s no insurance for prosperity.” (p. 58)

Special: Retirement provision (p. 60)

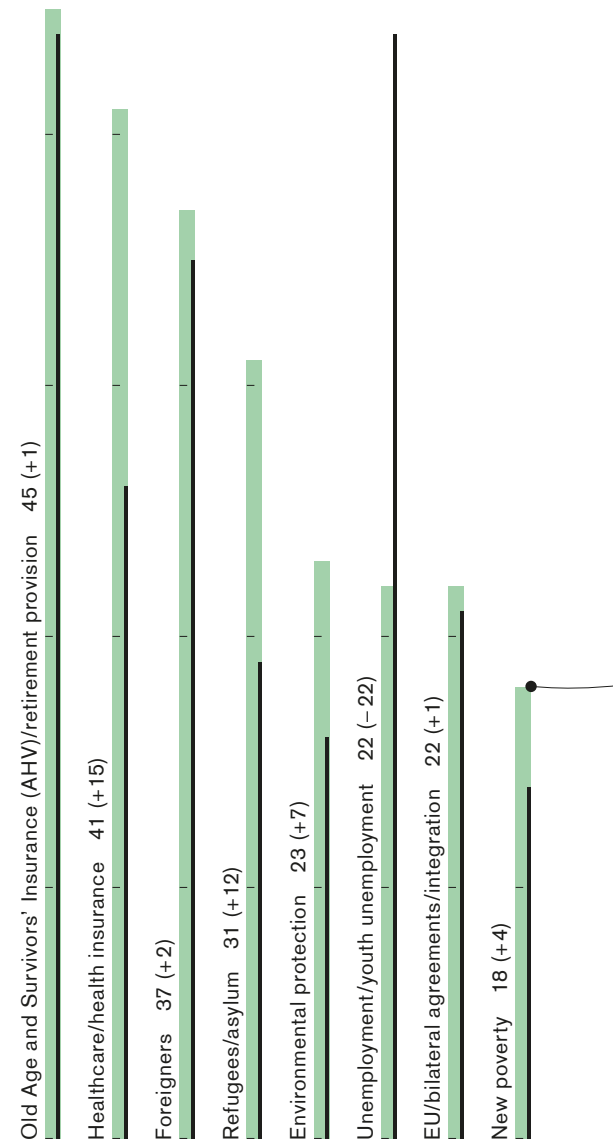
2 Trust and politics (p. 63)

3 The EU and abroad (p. 66)

Entrepreneur Franziska Tschudi Sauber  
“I would like to see a little more optimism” (p. 68)

4 Identity under siege (p. 69)

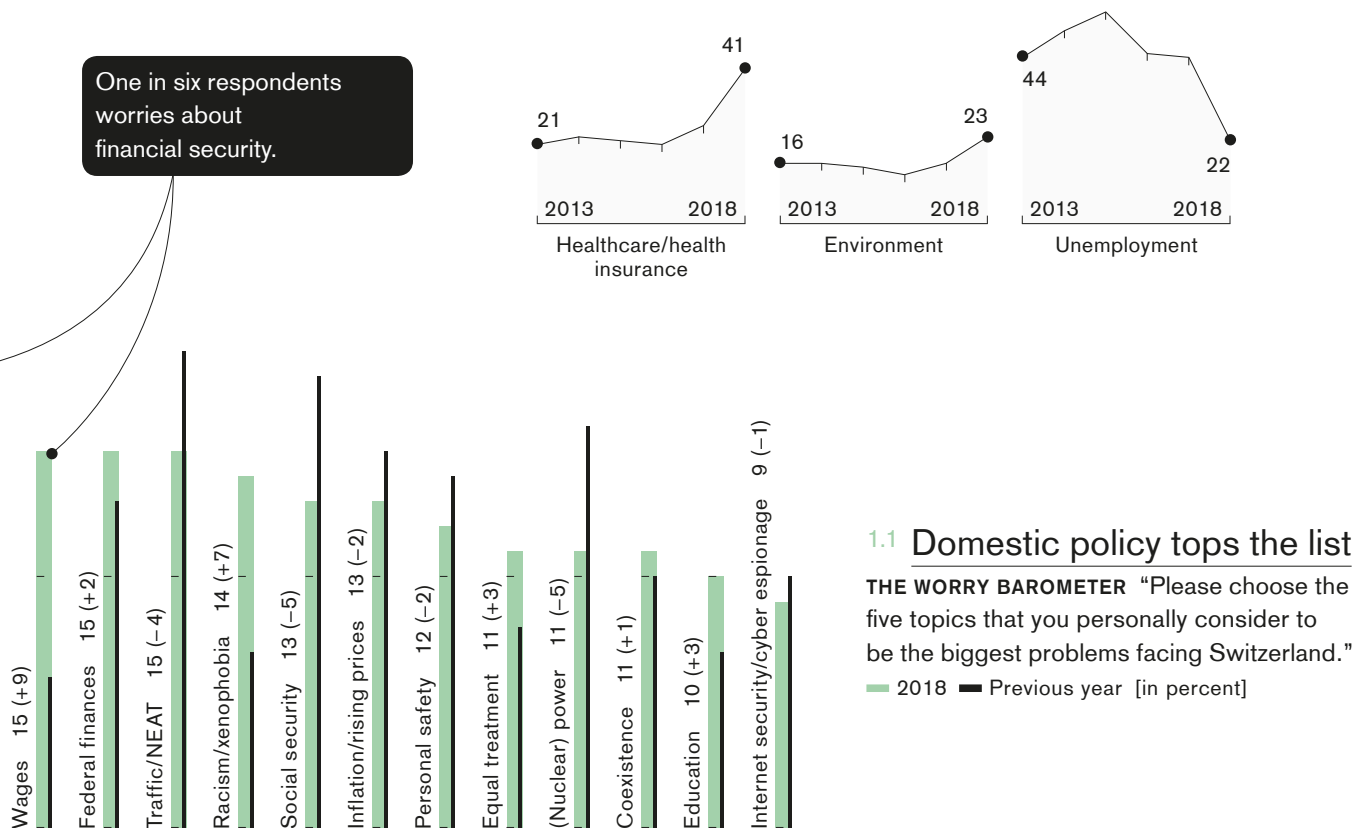
# 1



## New priorities

Voters are less worried about unemployment (traditionally a top concern) and do not feel their jobs are threatened by digitalization. The most urgent issues are pensions, healthcare and migration.





Ever since Credit Suisse conducted the first survey in 1976, the Worry Barometer has sought to identify Switzerland's most pressing problems and give unique insight into the prevailing mood among Swiss voters. The most notable result of this year's survey is illustrated in Figure 1.1: Unemployment, which has long topped the list, has slipped into sixth place.

But first, let's look at the top five: 45 percent (+1 percentage point) of voters said their biggest worry was Old Age and Survivors' Insurance (AHV) and retirement provision, citing these as their highest political priority (Figure 1.3). Current debate over the failed reform of the Old Age and Survivors' Insurance was likely a major reason this issue ranked so highly (see our feature article on page 60 for more on this topic).

Ranking second on the worry list were healthcare and health insurance (41 percent, +15 percentage points). Like pensions, this topic has gained prominence in the last two years. It now ranks second among political priorities. It is interesting to note that these two issues have trended in parallel over the last 30 years, both gaining in importance from the

end of 1980 through 2000, rising to well over 50 percent. However, they were then overshadowed by the events of 9/11, the bursting of the tech bubble and increasing immigration. In 2016, fewer than 30 percent of voters thought retirement or healthcare was much of a problem.

Moving down the list, we see that retirement and health are followed by a number of topics relating to migration, namely foreigners (37 percent, +2 percentage points) and asylum matters (31 percent, +12 percentage points). This marks the first time in three years that these worries have gained importance – despite the fact that both immigration and the number of asylum seekers have decreased slightly.

The environment (23 percent, +7 percentage points) ranks fifth among Swiss voters' greatest concerns. That is an increase from 2016 but still far below the numbers collected in the '70s and '80s, when it regularly topped the list with 70 percent of responses. "The unusually hot, dry summer this year may have raised environmental awareness," says study director Lukas Golder of the gfs.bern research





18 %

are concerned about new poverty in Switzerland; in 2017 the figure was 14 percent.

The SWISS RED CROSS is a relief organization that supports disaster response and recovery, health and community care, integration and education. The Swiss Red Cross was founded in 1866. Its second-hand shops (pictured) give low-income individuals and families a place to buy clothing and other items at low cost.



institute. “Climate change has been in the news a lot.” But as mentioned at the start of this article, the most surprising result of this year’s survey is the drop of unemployment in the ranking. That is a historic change. The Worry Barometer was launched 42 years ago, and unemployment has figured as the top concern in 24 of the last 37 surveys (at the start, the survey was only conducted every two years). On average across all of those surveys, nearly 60 percent of voters have considered unemployment as Switzerland’s biggest problem. This year, it was named by only 22 percent of respondents (down 22 percentage points from the previous year). As a result, unemployment now ranks sixth among Swiss worries. In the history of the Worry Barometer, only once before has unemployment received this little attention. In the boom years following the fall of the Berlin Wall and the opening of Eastern Europe, the unemployment rate dropped to 0.5 percent and worries about it to 21 percent (1990). Today, too, the unemployment rate is relatively low (2.4 percent in August 2018), having dropped significantly over the past several years especially. As a result, it has also become less of a political priority (Figure 1.3).

Survey respondents seem optimistic about the future. Despite increasing digitalization and the threat of technology eliminating jobs, 75 percent of respondents deem it unlikely that their jobs will be automated in the next 20 years. By contrast, people are more ambivalent about the impact of new technologies in general (Figure 1.2). Positive and negative statements both received high scores on the survey. At least 60 percent of respondents said they agreed with the following statements: “New technologies improve

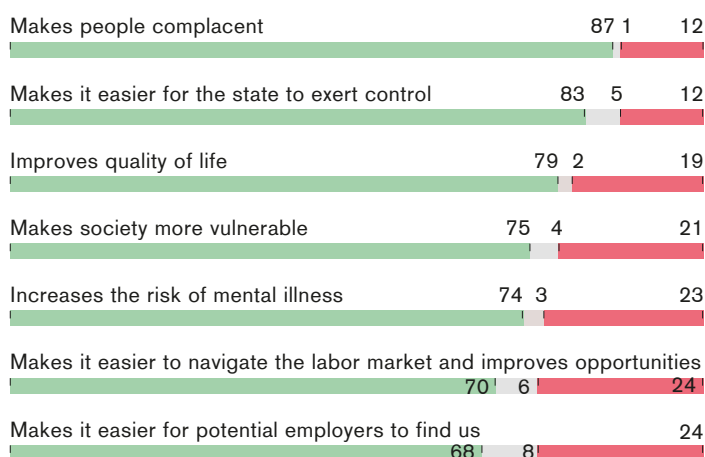
our quality of life,” “...make it easier to navigate the labor market and improve opportunities” and “...make it easier for potential employers to find us.” At least as many, if not more, people also agreed with these statements: “New technologies make people complacent,” “...make it easier for the state to exert control,” “...make our society more vulnerable” and “...increase the risk of mental illness.”

So, jobs are secure and people are aware of the risks and opportunities of digitalization. Does that mean all is well on the Swiss labor market? Not quite. Concern about “new poverty” (18 percent, +4 percentage points) and wages (15 percent, +9 percentage points) has increased. One in six respondents worries about financial security. Study director Lukas Golder sees that as an “indication that inequality is increasing and the number of working poor is rising.” That may be related to the fact that real incomes have been slow to increase and, in fact, recently decreased despite the strong economy. ■

## 1.2 Opportunities and risks

**DIGITALIZATION** “What impact does technology have on your daily life and on the future of your work?”

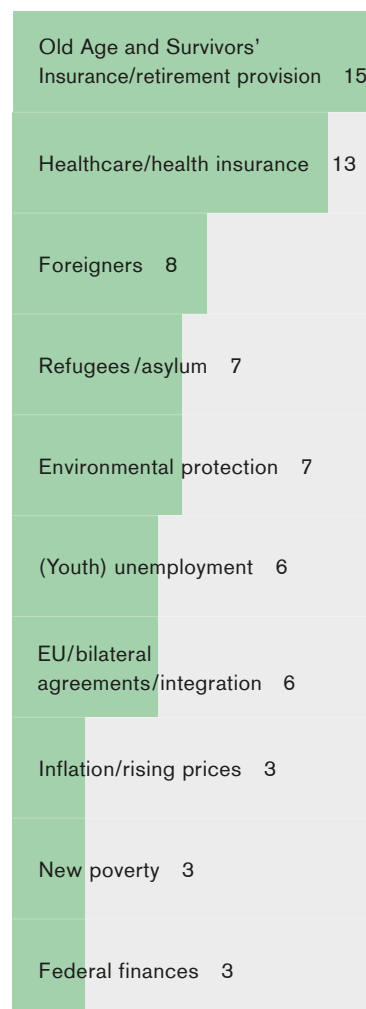
■ agree / strongly agree ■ don't know / no response  
■ disagree / strongly disagree [in percent]



This year's survey showed that 75 percent think it is unlikely that their job will be automated by robots, new technologies or intelligent software within the next 20 years.

## 1.3 A lot to do

**POLITICAL PRIORITIES** “Which problems are the most urgent in Switzerland?” [in percent]



# “There’s no insurance for prosperity.”

Federal Councillor Ignazio Cassis is concerned about Switzerland's position as a business location, would like to cure the Swiss of their perfectionism and supports bilateral agreements.

Interview by Manuel Rybach



Ignazio Cassis (57) has headed the Federal Department of Foreign Affairs (EDA) since 2017. For the two years prior to his election to the Federal Council, Dr. Cassis, a physician, was president of the FDP. The Liberals parliamentary group, which he has been a member of since his election to the National Council in 2007.

This interview was conducted on September 12, 2018 [editor's note]

Councillor Cassis, Swiss voters view pensions, healthcare and health insurance, and migration as the nation's most pressing problems. What do you make of these concerns?

They are the classic worries of people living in rich countries. Migration, unemployment and retirement provision all relate to things our society holds dear: security, independence and ensuring our prosperity. What I find interesting is that healthcare and health insurance have become more of a hot-button issue even though the debate over rising health insurance premiums has been ongoing for several years at the same level of intensity.

Why do you think that is the case?

Clearly, it's a matter of perspective and context. In the last several years, people seem to have been more concerned with other issues like migration, refugees and unemployment than with health care. But migration has decreased and unemployment is now low.

What do you consider the country's most pressing problems?

I do worry about Switzerland's position as a business location. We can't simply assume that our prosperity is a divine right. We must understand that there's no insurance for prosperity. We are all responsible for maintaining it – each and every one of us.

What factors are most critical for Switzerland's future?

We need to keep three key points in mind. We need open markets. We need to expect and promote individual initiative. And we need innovation. That last point sounds easy but requires a real change in our thinking. Because of our prosperity, we Swiss suffer from perfectionism. On the other hand, innovation entails taking risks and making mistakes. So, we have to develop a culture that allows that – that allows people to take risks and make mistakes and learn and grow from them.

Europe ranks seventh on the Worry Barometer. While 40 percent of voters in the years between 1985 and 1990 were concerned about the EU, bilateral agreements and integration, only 22 percent are today. Are Swiss voters underestimating the importance of our relationships with the EU?

I don't think so. I get the sense that people are simply more relaxed about it. A year ago, in the run-up to the Federal Council elections, there was a great deal of commotion about “foreign judges” and the “death of direct democracy.” Since then, people have come to understand what it's really about – namely, regulating market



access and not killing democracy as some were claiming. Maybe the outreach efforts that business groups started this year in collaboration with policymakers are working.

The survey took place in the summer of 2018. When they were asked what kind of relationship Switzerland should have with the EU in the future, 65 percent of respondents said that they would like to keep the bilateral agreements. In addition, 82 percent consider the bilateral agreements important or even very important. How do you see Switzerland's future relationship with the EU? Let's consider what Switzerland wants to gain from the bilateral agreements. We want to obtain the best possible access to the EU's single market while giving up as little of our sovereignty as possible. That covers two fundamental objectives of our constitution: prosperity and independence. If we deem the bilateral agreements to be the right path forward in the future, we will also need the EU to be on board. It takes two to make a marriage work. We are currently working within the institutional framework to develop solutions – and, like the EU, we are trying to ensure that Switzerland gets the best deal possible.

More than half of the survey's respondents feel that strengthening trade ties with large countries like China or the US could be enough to make up for the loss should market access to the EU deteriorate for the Swiss economy. Is that realistic? That could theoretically be possible, but in actuality it would take a lot of time. Companies don't change their business models or their customers that quickly. Besides, I don't want to merely "make up" lost business – that isn't ambitious enough. I want us to grow our trade with the EU and with other countries. If we can do that, Switzerland will remain a leader. To accomplish that, we will need to maintain and cultivate the majority of our trade relations with the EU for the decades ahead. Especially those with our immediate neighbors. We have to be careful not to underestimate their importance.

In what way?

I'll give you three examples. Our trade with neighboring regions is almost

one-quarter more than with all of the BRICS countries (Brazil, Russia, India, China, and South Africa) combined. Our current trade volume with Baden-Württemberg and Bavaria alone is almost one-quarter larger than the volume with all of China. And we trade more with the Lombardy region of Italy than we do with Japan. Of course, we also want to grow in new markets. But it would be unrealistic to think that we could simply swap out our trade with the EU market for a different, faraway trading partner at the drop of a hat.

The survey showed that 69 percent of voters would like to see their government take a more aggressive stance toward other countries. What do you make of that?

I see it as an appeal to the Swiss government to be more assertive, to state more clearly that our sovereignty and our borders are important. We haven't seen that attitude among voters for quite some time but it is gradually becoming more mainstream again across Europe. It's important to have a certain level of self-confidence. But at the same time, we have to be wary of hubris. We are what we are. That is, we are 8.5 million people in the heart of Europe, surrounded by the EU. We are diplomatically and economically important but we are not a global military power. So, we need functioning, multilateral treaties.

You have been working on the Vision 2028 foreign policy. Where are we headed?

As I mentioned earlier, we're seeing the pendulum swing back from globalization towards more protectionism – and borders are becoming more important again. The result is a multipolar world with increased uncertainty and a variety of different players. For us, that means we have to be flexible and smart – in our negotiations with all countries and in offering our services as negotiators. Increased polarization means increased risk of tensions. And we Swiss are experts at resolving tensions. Increased polarization could also make travel more cumbersome again, requiring more passport checks, visas and such. That in turn would mean more work for our consulates – despite the benefits of digitalization. Each year, the Swiss log 12.5 million non-business trips outside

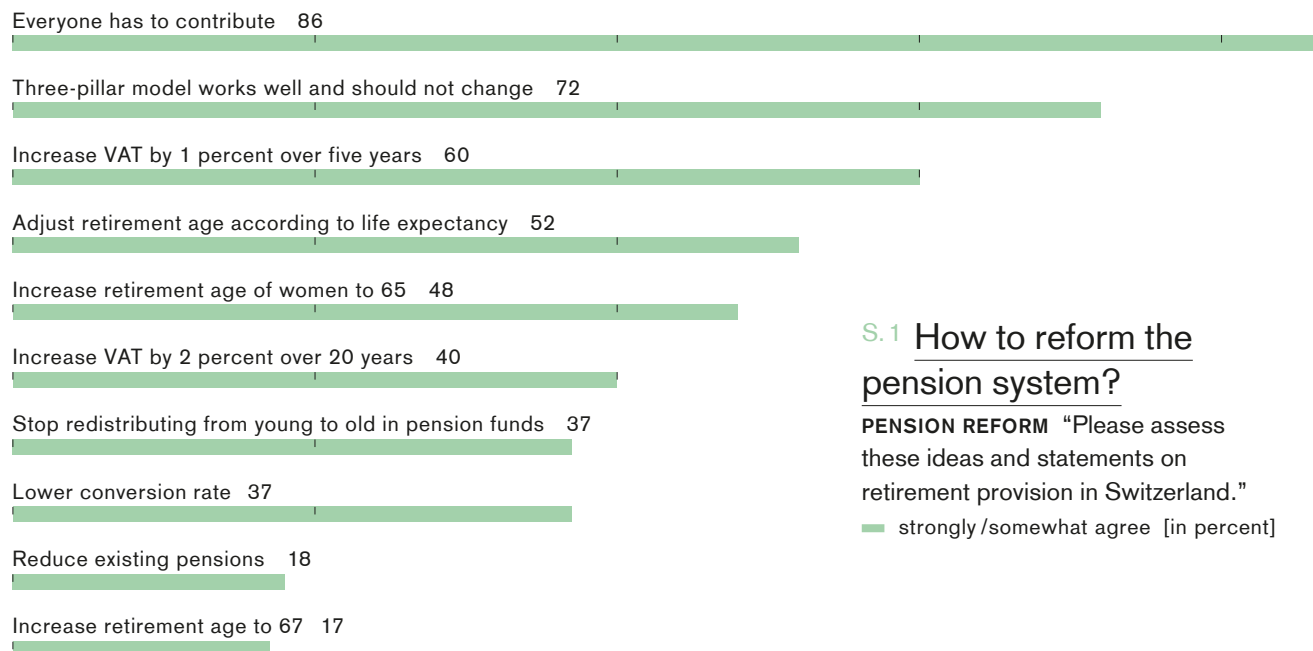
the country. And that is not counting the 800,000 or so Swiss citizens living abroad.

In terms of policy, survey participants are sending mixed signals. On the one hand, their confidence in political institutions is exceptionally high. On the other, there appears to be a general sense that policies and policymakers are failing us. In 2017, 24 percent felt that policies often fail, but 45 percent say so today.

I don't see that as contradictory. The institutions are the infrastructure, and policy is the output. Our mechanisms work well, even in times of crisis. But the results – the decisions that are made within those mechanisms – are increasingly driven by uncertainty. Stagnant prosperity, increasing global conflict and terror attacks in Europe are all issues that have arisen. They can give us a sense that policies have failed. We find ourselves in a difficult situation, feeling we have less control over our own destiny than we did twenty years ago.

The Swiss are generally very optimistic about the future. Only 7 percent feel that we will be worse off in a decade's time. Do you share this optimism? Yes, because it is justified. Our society and economy stand on a very sound footing. As a member of the government, I consider this the best news of all from the survey. It reflects Switzerland's stability and the strong general sense of trust that our people have in our country.

You went to medical school and then worked in internal medicine. What can medicine teach us about politics? The German pathologist and politician Rudolf Virchow once said, "Politics is nothing else but medicine on a large scale." And I think he is right. Medical scientists and politicians are very similar. Their work centers on people and all of their contradictions, hopes and fears. I find it more surprising that I am only the second physician to serve on the Federal Council. The first was Adolf Deucher, from Thurgau. He was elected in the late 19th century and remained in office for nearly 30 years. That's quite a standard to live up to (*laughs*). ■



### S.1 How to reform the pension system?

**PENSION REFORM** "Please assess these ideas and statements on retirement provision in Switzerland."

— strongly /somewhat agree [in percent]

# Grand disillusions

Old Age and Survivors' Insurance (AHV) is Switzerland's problem child. Even the planned reforms are inadequate – the country should and must aim for a master stroke.

Text Sara Carnazzi Weber and Oliver Adler

\*Link: [credit-suisse.com/youthbarometer](https://credit-suisse.com/youthbarometer)

Concerns about retirement provision are growing among the Swiss population. According to the Worry Barometer, around 45 percent of respondents list this as the most important and urgent problem facing Switzerland. Retirement tops the list of the Youth Barometer\* for the first time as well. Grand disillusion is spreading, especially among those who will only retire in the decades to come. And for good reason.

Old Age and Survivors' Insurance (AHV), the first pillar of the Swiss system of retirement provision, already spends more than it collects in contributions. Every scenario indicates that the current system will be unable to cover the additional financing required starting in 2020. New projections for AHV finances through 2045 show that the deficit will even reach 220 billion Swiss francs if there is no reform. And in employee benefits insurance, the second pillar, current active insured are subsidizing the generation of retirees to the tune of 5 billion francs every year due to excessive pension promises. Pension funds are increasingly exploiting any latitude open to them wherever their hands are not legally tied. Conversion rates are falling for extra-mandatory coverage. Future pension recipients must therefore expect to receive lower retirement benefits from the capital they have saved. It is not surprising that the third pillar – where there is no cross-funding – has the highest rate of satisfaction of the three [Figure S.2](#).

The underlying problem of retirement provision is a simple one and has been no secret for quite some time. We are living longer and longer and in better



45 %

consider retirement provision as  
Switzerland's biggest problem.

The FITAS 55PLUS HIKING CLUB from  
Zug organizes day hikes, hiking weeks and  
cultural days. Founded in 2002, the club currently  
has around 120 members. The hikers may not  
be the youngest any more, but Fitas emphasizes  
"We are a hiking club, so we sometimes tackle  
tougher routes."

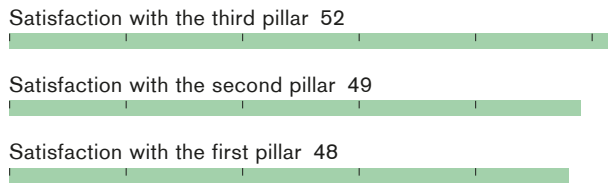




## S.2 Private is best

**THREE-PILLAR MODEL** “On a scale of 0 to 10, indicate how satisfied you are.”

■ Satisfied [Values above 6, in %]



health. However, the years spent in active employment – the time when money is saved for retirement – have remained the same or even shortened. Longer periods spent in training and education mean people are entering the workforce later, and early retirement means they are leaving it sooner. While there were more than six active insured for each pension recipient when the AHV system was introduced in 1948, today there are only about three, and there may only be two in 2045.

After the failure of the 2020 pension reform package last year, the Federal Council got right to work on developing a new bill. Measures to shore up AHV include plans to increase the retirement age of women to 65 and to raise VAT and payroll contributions. In addition, the first pillar will receive added annual income of two billion Swiss francs to compensate for lower corporate taxes under the planned tax bill. Such measures would provide AHV with a brief reprieve, though they will not secure funding in the long term. The shortfall by 2045 will still reach 55 billion Swiss francs. Equally important, the reform of employee benefits insurance has been put off until later.

It could be argued that the funding gap is not that big after all. However, considering the forecasted deficit of 220 billion Swiss francs without reform, the

average annual commitment to AHV by 2045 would be double the Confederation's annual expenditures for education. These resources are not available for other services that promote Switzerland's prosperity, and future generations will be the ones to foot the bill.

**PREDESTINED FOR GREAT THINGS** What is needed is a master stroke in terms of pension policy, visionary decisions that reflect not only the aging demographic by gradually increasing the retirement age, but also changes in how people live. The boundaries between the individual stages of life are blurring more and more. So are the lines between education and gainful employment – thanks to longer study programs and lifelong learning – and those between work and retirement, as a result of flexible retirement options. New forms of work are becoming more common, increasingly testing the viability of the system, particularly in employee benefits insurance. Furthermore, the traditional division of roles between men and women no longer represents the predominant social model.

When asked [Figure S.1](#), voters recognize that “everyone has to do their part” to achieve pension reform; they value the three-pillar model and appear open to different solutions. As a country with one of the highest life expectancies in the world as well as a strong service sector and only a small percentage of the workforce subject to hard, physical work, Switzerland would seem predestined for a major political master stroke. However, the fact is that, in an OECD comparison, Switzerland is among those countries with the lowest retirement ages and correspondingly the longest periods in which retirement benefits are paid out. The planned reform will not change this very much. ■

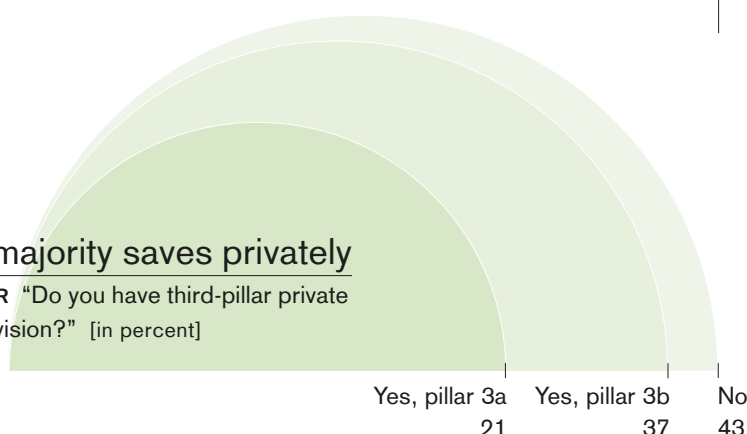
Sara Carnazzi Weber is Head of Swiss Sector and Regional Analysis, and Oliver Adler is Chief Economist Switzerland at Credit Suisse.

**Further Studies** “Swiss Financial Center 2018: from crisis to growth” May 2018 • “Occupational pensions: Lump sum or annuity?” 2018 • “Private retirement provision: 3a saving in Switzerland” 2018

Download at: [credit-suisse.com/publications](https://credit-suisse.com/publications) → Markets & trends → Swiss economy

## S.3 The majority saves privately

**THIRD PILLAR** “Do you have third-pillar private pension provision?” [in percent]





# Let's get to it!

Almost nowhere in the world do people have as much faith in their institutions as in Switzerland. The army and the police continued to gain trust while political parties lost some.

The quality of Swiss institutions has long been a cornerstone of Switzerland's success. The strong Swiss franc is a testament to international investors' confidence in Swiss stability. The Swiss themselves also have deep trust in their institutions. According to the OECD, no other country's citizens trust their government more than the Swiss do (80 percent, global average: 43 percent). According to the European Social Survey, the Swiss believe the police generally make fair, just

decisions – only four out of the 20 countries studied rate the police higher, and only slightly.

Swiss confidence in the nation's institutions is very broad. Topping the Worry Barometer's list (Figure 2.1) are the judiciary (Federal Supreme Court), followed by the various bodies of the executive branch (Federal Council, administration/public authorities, police and the army), and the legislative branch (National Council and Council of States).

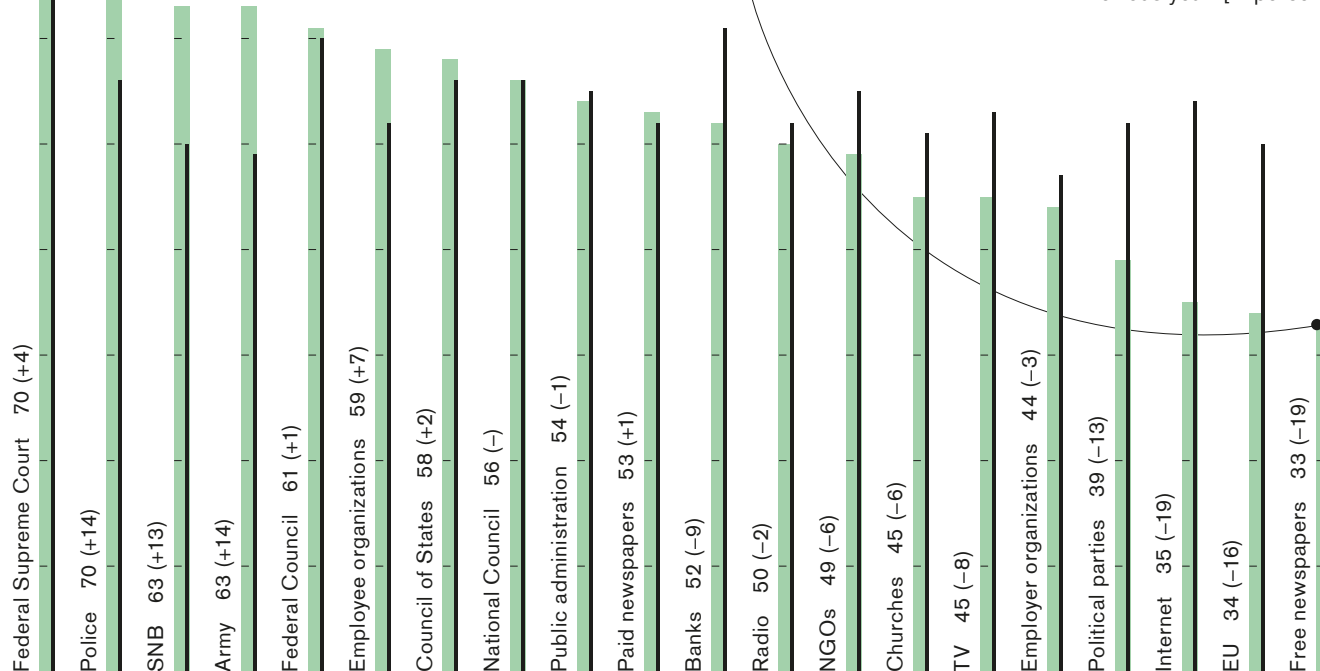
Most trustworthy:  
The Federal Supreme  
Court in Lausanne.

The biggest losers: free  
newspapers, the internet,  
the EU and political parties.

## 2.1 What we believe in

**TRUST** "Based on this scale, tell me what your level of trust is in each of these institutions."

■ 2018 ■ Previous year [in percent]



# 70%

of Swiss citizens trust the police.

The ZÜRICH CITY POLICE BAND was established in 1902 and currently has 76 members. The amateur band plays light music and aims to foster good relations between the police and local residents and to “give members an alternative to the hectic pace of daily life.”





More than half of Swiss voters place their trust in the Swiss National Bank, employee organizations, paid newspapers and banks.

The biggest winners of this year were the police and the army (both +14 percentage points). Crime rates have been declining steadily for many years, a fact that may be attributed to the police's work. The army may have benefited from rising geopolitical uncertainties and has been steadily gaining trust since 2004, when the trust level was 31 percent (today it is 63 percent). A comparable survey ("Security 2018") conducted by the Swiss army and the ETH revealed that people's trust in both institutions has been growing for several years now.

The Swiss National Bank's trust rating also increased significantly (to 63 percent, +13 percentage points). However, it should be borne in mind that last year's figure was unusually low. The trust level has consistently been at or above 60 percent in previous years.

**THE LOSERS** While the level of trust in most media was more (paid newspapers) or less (radio and TV) consistent with last year, trust in free newspapers declined steeply (33 percent, -19 percentage points). That matches the results of the Credit Suisse Youth Barometer\*, in which 16- to 25-year-olds indicated that they rely less on free papers for news. The internet also lost credibility at a similar rate (35 percent, -19 percentage points). Widespread discussion of fake news in the last 12 months may have been a factor in both of these cases. Swiss voters also expressed less trust in the European Union (34 percent, -16 percentage points).

Current voter feelings about Europe are ambivalent. For more on that, see our discussion of Switzerland's foreign relations beginning on [page 66](#).

Finally, political parties seem to have gambled away a great deal of voters' trust (39 percent, -13 percentage points), which fits with the Worry Barometer ([see page 54](#)). These results indicate that the biggest problems and priorities from the perspective of Swiss voters are domestic issues like AHV (Old Age and Survivors' Insurance) and health insurers. One might conclude that respondents feel policymakers have not done their job. But it's not all bad news for politics: Interest in politics has never been so high ([Figure 2.3](#)), with 29 percent of respondents saying they are very interested and another 45 percent saying they are somewhat interested in political issues. Swiss citizens seem to be aware that there are important matters at hand and they are clearly willing to help work on finding solutions.

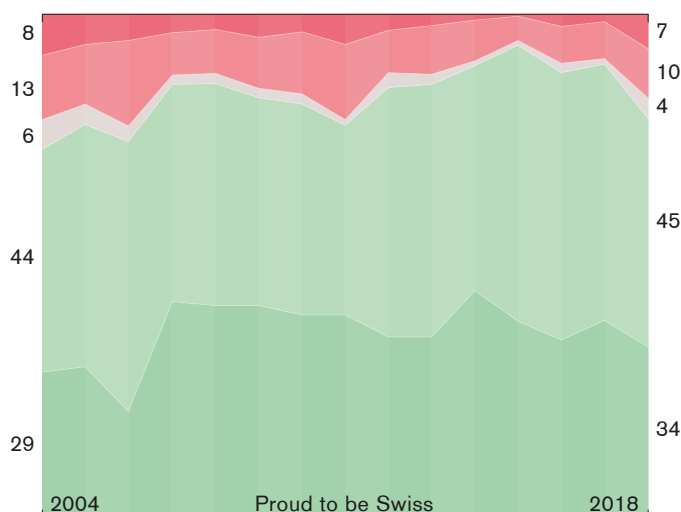
In keeping with the somewhat critical view of policymakers, pride in Switzerland ([Figure 2.2](#)) is down sharply (79 percent, -11 percentage points). The last time it was that low was in the wake of the financial crisis (2011). Survey respondents' expectations of political institutions could best be summed up with this statement: "There's a lot to be done. So let's get to it!" ■

\*Link: [credit-suisse.com/youthbarometer](https://credit-suisse.com/youthbarometer)

## 2.2 Less national pride

**SWITZERLAND** "Are you proud to be Swiss?"

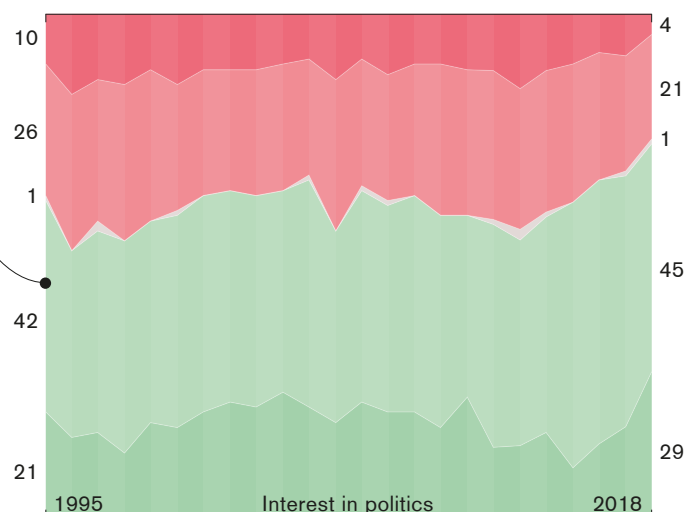
Very proud Somewhat proud  
Don't know / no response  
Generally not proud Not proud at all [in percent]



## 2.3 Increased interest in politics

**POLITICS** "Generally speaking, how interested are you in political issues?"

Very interested Somewhat interested  
Don't know / no response  
Not very interested Not at all interested [in percent]



Politics: Lost a lot of trust but interest is up sharply.

# Relationship status: It's complicated.

What kind of a relationship should Switzerland and the EU have going forward? The respondents signal that there are alternatives to the EU, although the bilateral agreements are beyond dispute.

One of the major public discussions of 2018 has been about globalization. While the main issue at the international level is the introduction of new tariffs, Switzerland is mainly dealing with the question of how to structure its relationship with the European Union (EU). Should there be a framework agreement? And if not, what does the future hold for the bilateral relationships?

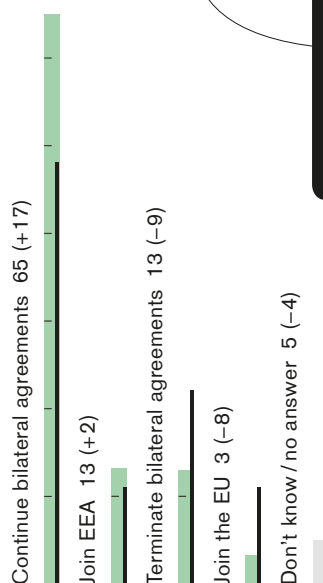
The result of the negotiations between Switzerland and the EU was still unknown as this issue went to press. However, it will be interesting to see how the voters rank Switzerland's foreign relations, regardless of the scenario.

Let us first turn to the EU. Confidence among the respondents about the EU developed remarkably from 2005 to 2016, growing from 20 percent to 54 percent. Yet trust has rapidly eroded over the past two years, falling to only 34 percent [Figure 3.2](#). During these two years, the UK approved Brexit and Switzerland failed to make progress in the negotiations for a framework agreement, while the refugee crisis created conflict within the EU, laying the groundwork for the ascension of politicians who are fundamentally critical of the EU.

The survey did not ask which factor was directly responsible for the waning confidence, but 65 percent of respondents find that the EU has been somewhat

Of those surveyed, 82 percent consider the bilateral agreements to be somewhat or very important.

54 percent feel that strengthening the trade ties with large countries like China or the US could be enough to make up for the loss should market access to the EU deteriorate for the Swiss economy.



## 3.1 Please don't change a thing

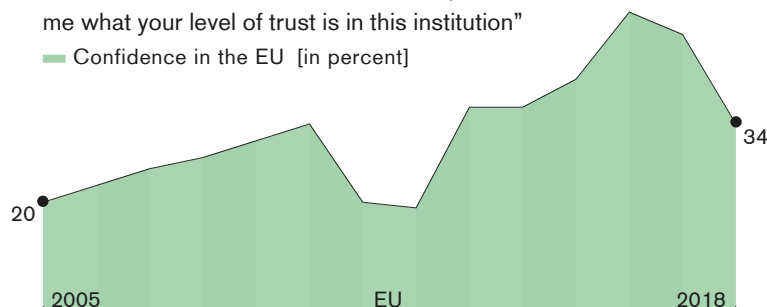
**RELATIONSHIP WITH THE EU** "What should the future relationship between Switzerland and the EU be?"

— 2018 — Previous year [in percent]

## 3.2 Crisis of trust

**TRUST IN THE EU** "Based on this scale, tell me what your level of trust is in this institution"

— Confidence in the EU [in percent]

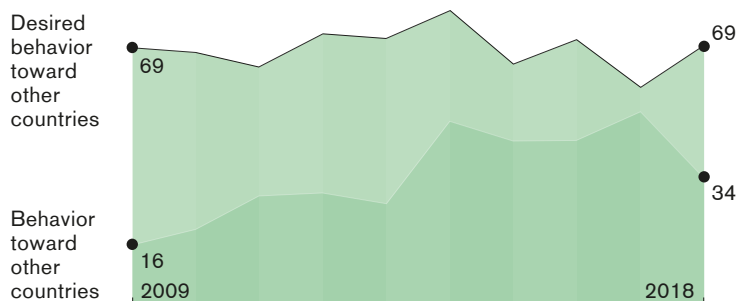




### 3.3 What are they doing, what should they be doing

**ATTITUDE ABROAD** “What sort of stance are Swiss politicians taking towards other countries when national interests are at stake?” – “And how should they act?”

More/less aggressive [in percent]



or significantly weakened in the last twelve months. The majority (54 percent) think that strengthening trade ties with large countries like China or the US could be enough to compensate if the Swiss economy's access to the EU market deteriorates. An assessment that Ignazio Cassis shares only in part. “That could theoretically be possible,” says the Federal Councillor and Foreign Minister, “but in actuality it would take a lot of time.” In the short term, he calls this substitution “unrealistic,” as “our current trade volume with Baden-Württemberg and Bavaria alone is almost one-quarter larger than the volume with all of China.” Read the interview with Ignazio Cassis and his analysis of the results beginning on [page 58](#).

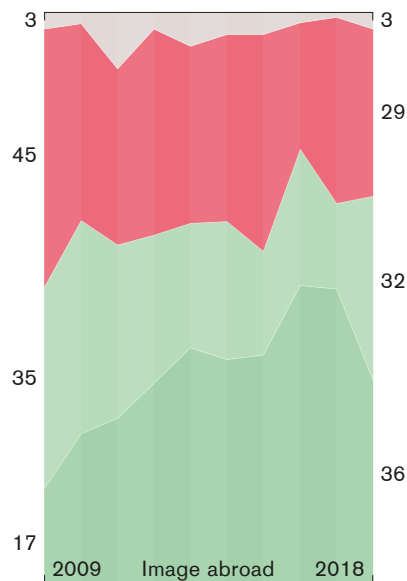
How the voters perceive the possibility of substituting the EU trade volumes is put into perspective when they are asked specifically about the significance of the bilateral agreements. Of respondents, 82 percent consider these to be important or even very important. The electorate also seems unified when asked about their desired relationship with the EU. The bilateral agreements are the most popular option at 65 percent, up 17 percentage points compared to 2017 [Figure 3.1](#). When asked about the alternatives, 13 percent of voters would support joining the EEA, 13 percent would terminate the bilateral agreements and 3 percent would join the EU.

**OUR ECONOMY IS BETTER** Many respondents agree that Switzerland's image abroad has not improved over the last twelve months [Figure 3.4](#): in 2016, 52 percent thought that Switzerland had gained

### 3.4 Switzerland's reputation

**IMAGE** “How has Switzerland's image abroad changed over the last 12 months?”

Don't know / no response  
A lot and somewhat worse  
No change  
Somewhat and much better [in percent]



respect, while now only 36 percent still find this to be true. Trust in the EU has diminished, but Switzerland has also not grown more popular in their eyes – the relationship has cooled off in general.

Given these results, it is hardly surprising that only 34 percent of the respondents find Swiss politics takes an offensive stance vis-à-vis other countries, while 69 percent would also like to see politicians adopt a more aggressive approach [Figure 3.3](#).

Nevertheless, despite the tense foreign affairs situation, 96 percent (+7) of respondents are confident that the Swiss economy was in a better state than just over a year ago when compared to its international competitors. That corresponds to the results from section 1 ([see page 54](#)) which indicate that most Swiss citizens have practically no concerns about their job security. ■

# “I would like to see a little more optimism”

The co-owner and CEO of the Weidmann Group is one the Swiss economy's most powerful women. Franziska Tschudi Sauber on digitalization, trade tariffs and the resilience of the Swiss.

Interview by Manuel Rybach



Franziska Tschudi Sauber (59) is co-owner and CEO of Weidmann (formerly Wicor) Holding AG in Rapperswil. The group specializes in high-voltage insulation, natural fiber and plastic technology and employs a workforce of 3,200 worldwide. Tschudi Sauber is on the boards of directors of Swiss Life and Biomed and is a member of the management boards of Economiesuisse and Swissmem.

Ms. Tschudi Sauber, unemployment has been the top-ranked worry throughout the history of the Worry Barometer. And yet this year, it only ranked sixth on the list of Switzerland's biggest problems (see page 54). Why is that?

I assume that people have a feeling of security because of the good economic situation and the low unemployment – at 2.4 percent, it has fallen to a level last seen a decade ago. Migration is on the decline in Switzerland compared to recent years, and protectionist measures have helped to curb globalism somewhat. Both of these trends could have helped mitigate people's fears of losing their jobs to global competition.

The view of the future is also optimistic. Of those surveyed, 75 percent consider it “unlikely” that they will lose their job due to new technologies. Are we underestimating the dangers of automation? If the survey participants are referring to the immediate future, then I share their confidence. In the short term, our jobs are not in jeopardy. And yet I am concerned that we are underestimating the long-term consequences of new technologies. New technologies are not simply robots but rather completely new value creation models that will accompany digitalization. These changes will transform our labor market, and it is critical that we react promptly. Right now we should be training young people and retraining our workers for the future.

There seems to be a kind of ambivalence about the impact of these new technologies on our society. Technology improves the quality of life, makes people feel

complacent and makes it easier for the state to exert control: these three statements all garner strong support. That's a discerning assessment. And so the real question is how we as a society deal with this. In my opinion, the benefits outweigh the disadvantages. Instead of skepticism, I would like to see a little more courage and optimism concerning the issue of digitalization. Especially from politicians. I have the impression that other countries are much more proactive, such as in digitalization of processes and services.

Concerns about “new poverty” and “wages” are on the rise. Do you feel that this is a reaction to a growing economic disparity? The media is full of these types of reports. But the fact is that income and wealth inequality in Switzerland has remained stable over the long term. The gap has not widened to the extent that it has in other countries. Still, we have to take these new concerns seriously. They are both likely related to the fact that wages have remained somewhat stagnant in recent years, and the middle class, most of all, feels under increasing pressure. In addition, I suspect that concerns about pensions are also playing a role here – the fear of being unable to maintain the accustomed lifestyle in retirement.

Responses differed when it came to concerns about retirement provision. The third pillar showed the best results, while the first pillar had the worst. Why are people happier with private pension provision? The Swiss value security, and I think that we prefer those instruments that we can



influence ourselves. The third pillar stands for this. Here, we can decide ourselves just how much we want to risk. Dissatisfaction with AHV is an expression of concern about its funding and the fervent desire to find a long-term solution.

The Weidmann Group operates around the world. Do you consider the political climate surrounding trade tariffs to be a real threat?

We manufacture locally in around twenty countries. In this sense, we are relatively well positioned when it comes to trade tariffs. Generally speaking, I am observing this trend with some concern, of course, although I certainly can see opportunities for Switzerland. As a small country, we can react relatively quickly and indepen-

dently, and use bilateral free trade agreements to enter new markets. Lower customs duties alone are not the main goal here. These types of agreements rather allow us to become a closer and more trusted partner, as seen in the case of China.

According to the Worry Barometer, the three main characteristics of the Swiss identity are security, neutrality and the countryside. Are you surprised by this rather traditional identification?

No, I find it unremarkable in times of escalating armed conflicts and increasing migration. It makes me optimistic that there are so many who are proud of our security and safety, where a Federal Councillor can take the tram without any

bodyguards. Proud of our neutrality which allows us to bring conflicting parties together at the table. And proud of our magnificent countryside that we enjoy and should care for.

What three things does Switzerland mean for you?

First, it stands for stability, based on a functioning judicial system and a strong economy. Second, for solidarity. The public stands up for minorities and the disadvantaged, which is invaluable for social peace. And third, for the powers of innovation and renewal. The best examples were the financial and economic crisis and the Swiss franc shock. It is impressive how quickly we manage to recover from crises like this one. ■

## 4

## IDENTITY

# Identity under siege

The reform backlog, immigration and problems with the EU are perceived as threats. But there's still some good news.

The ranking of factors that threaten Swiss identity [Figure 4.1 \(next page\)](#) can be seen as a distillation of the previous sections.

The reform backlog dominates, and this fits in well with the worry rankings and Switzerland's political priorities ([see p. 54](#)), which count pensions and health (including health insurance) among the most urgent problems to be solved. It's hardly surprising to find that a backlog of reforms is threatening Swiss identity. Federal Old Age and Survivors' Insurance (AHV) and healthcare are part of the social state that holds Switzerland together.

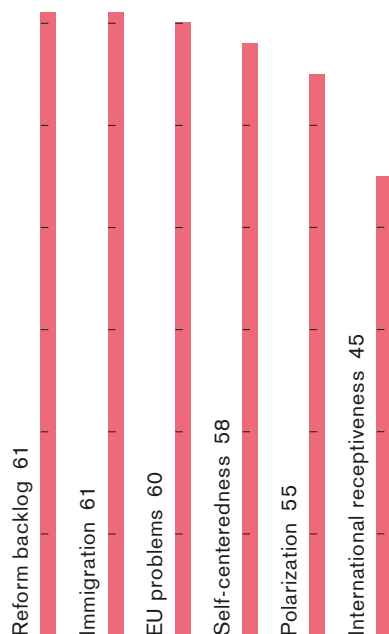
Immigration ranks second in the list of identity-threatening phenomena. It's practically a tradition for issues surrounding immigration to top the list of worries. In the inaugural Credit Suisse Progress Barometer\*, the statement "Immigration changes the makeup of our society" is rated as a development that ought to be slowed. EU problems are also perceived as potentially harmful to Swiss identity. ►

\* Link: [credit-suisse.com/progressbarometer](https://credit-suisse.com/progressbarometer)

## 4.1 What threatens

### Switzerland

**IDENTITY UNDER SIEGE** "We hear various arguments about what might threaten Swiss identity. Please indicate whether you see the following phenomena as threats to Swiss identity." [in percent]



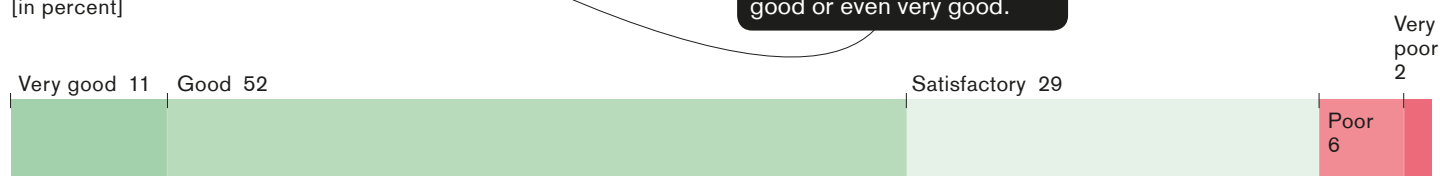
The previous section thoroughly discusses respondents' ambivalent attitude towards Europe (see p. 66); it's hard to live without – or with – the EU.

With respect to social status and the question about the makeup of contemporary society, there is one result that should grab our attention: Twenty-three percent place themselves at the bottom of society. Twenty years ago, only 19 percent responded that they belonged in the lowest social group. Figure 4.3 It's fitting that this year more people identified "wages" and "new poverty" as the largest problems in Switzerland (see p. 54).

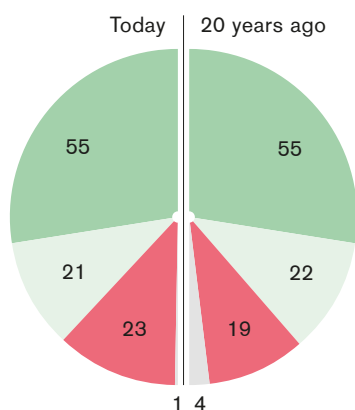
**GOOD MARKS FOR PERSONAL WELL-BEING** These worries should not be underestimated, and neither should the latent dissatisfaction with the political system that is evident throughout the survey. Nevertheless, we should note that respondents simultaneously believe that they are doing very well.

## 4.2 We're doing well

**ECONOMIC SITUATION** "How would you describe your personal economic circumstances at the moment?" [in percent]



92 percent identify their personal economic circumstances as satisfactory, good or even very good.



## 4.3 Social decline

**PERSONAL WELL-BEING** "In Switzerland, there are people at the top and at the bottom of society. Where would you place yourself on a scale from top (10) to bottom (0)?"


Legend: Top (green), Neither (light green), Bottom (red), Don't know / no response (grey). [in percent]

When asked about their own satisfaction, 89 percent give their lives a grade of five or higher (on a scale from zero to ten), and 42 percent even give a grade of eight or higher. There were similarly positive responses about their own financial resources. Despite the aforementioned worries about wages and new poverty, 92 percent rate their own economic situation as satisfactory, good or even very good. Figure 4.2 ■

**The study** On behalf of and in cooperation with Credit Suisse, the research institute gfs.bern conducted a representative survey among 2,551 eligible voters in Switzerland from June 26 to July 15, 2018. The statistical sampling error is  $\pm 3.2$  percentage points. The full survey and other articles are available for download at: [credit-suisse.com/worrybarometer](https://credit-suisse.com/worrybarometer)

**Publishing details** Project leads at Credit Suisse are Mandana Razavi and Yanik Schubiger. The analysis was prepared by Simon Brunner/Ammann, Brunner & Krobath (editing, copy), Bill Schulz/Crafft (layout, graphics) and Basil Stücheli (photos).





61 %

are convinced that the reform backlog is threatening Swiss identity.

#### UZH POLITICAL SCIENCE ALUMNI

is an association for political scientists from the University of Zurich and the Swiss Federal Institute of Technology Zurich. The group organizes events such as the “Diners politiques,” which include prominent figures in Swiss and international politics, as well as career days for students. The association was founded in 1999 and has 160 members.





41 %

of Swiss voters see health or health insurance as the country's largest problem.

**BARDOGS ZURICH** is a street workout club from Birmensdorf (Canton of Zurich). Its members train together outdoors – doing pull-ups on ladders, sit-ups in parks, push-ups on benches. The club was founded in 2012. It has 36 members, who often appear in shows. A sign of the club's professionalism is that today members also train in the club's own gym, Home of Bardogs (photo).



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