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What we want to leave behind

Johann Wolfgang von Goethe once observed, “What you have inherited from your forefathers, earn over again for yourselves or it will not be yours.” In our report on the Young Investors Organization (page 16), a young heiress explains that she has given serious thought to how she wants to use her wealth: “No one needs to remember my name,” she says, “but I want to leave something behind to benefit those who come after me.”

This issue is devoted to the multifaceted topic of legacies. We look at the pleasures, as well as the difficulties, of giving and receiving and ask this question: “What do we want to leave behind?” Roger Federer, probably Switzerland’s best-known son, wants to be remembered as someone who “loved the sport of tennis and played the game as hard as he could with fair play.” He is also passionate about his foundation, which has already helped to give more than a million children a better start in life (page 26).

Then there is genetics expert Dieter Egli, who is using a new procedure that makes it possible to modify the DNA of human beings, animals and plants. What will we do with this power over nature? (page 38). UNESCO’s Convention for the Safeguarding of the Intangible Cultural Heritage focuses on a very different aspect of legacies. Pizzaioli in Naples, Belgium’s beer culture and shadow play in Syria are among the traditions, customs and practices that “make life interesting,” as Convention Secretary Tim Curtis points out (page 48).

In addition, this issue contains intriguing results from the traditional Credit Suisse Worry Barometer (starting on page 55): Confidence in Swiss institutions has declined by one-fourth. The relationship between Switzerland and the EU remains tense. Switzerland’s economic situation is widely viewed as very positive. There is a critical need for reforms. How should we interpret these results? Federal Councillor Karin Keller-Sutter shares a political view, while entrepreneur and philanthropist Jobst Wagner offers an economic perspective.

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Contents

4 Inheritance 101

10 Switzerland’s lifeline
How tourism came to the mountains.

14 “Philanthropy is the glue that keeps us together”
Valerie and Justin Rockefeller on aligning values and investments.

16 “No one needs to remember my name”
Meeting with members of the Young Investors Organization (YIO).

23 The last log-in
How to manage digital estates.

Credit Suisse Worry Barometer 2019
starting on page 55

Concerns Reform backlog 56
Economy and work Switzerland’s doing fine 60
Interview with Jobst Wagner “Don’t delegate your own responsibility” 62
Confidence and identity Confidence is dwindling 64
Year of Militia Service “It’s up to all of us” 67
Interview with Karin Keller-Sutter “The willingness to work things out” 68
Relationship with the EU It’s still complicated 70

26 “I feel like I am a small part of Africa”
Roger Federer on his roots.

28 My legacy
Five unusual heirlooms.

36 “… could happen to nearly anyone”
All-too-common, but taboo: inheritance fraud.

38 Changing humanity forever
Should we be allowed to manipulate DNA? Yes, says biologist Dieter Egli.

42 The hundred-year business plan
Visiting the oldest sake brewery in the world.

48 “The things that make life interesting”
The UNESCO expert on pizza, beer and reggae.

54 Letters to the editor / Publishing information

72 The last page: Beni Bischof
Who gets how much and why? Peter Breitschmid, professor of inheritance law, answers 25 questions on inheritance and human nature.

Illustrations Till Lauer

Inheritance
How much money is inherited each year?
The West is about to be hit by an inheritance tidal wave as the generation of financially successful baby boomers retires and approaches the end of their lives. It has been dubbed the Greater Transfer, differentiating it from the Great Transfer that is currently under way (and quite substantial in itself). The consulting firm Accenture predicts that 10 percent of total wealth in the United States will change hands every five years between 2031 and 2045 – for a total wealth transfer of USD 30 trillion.

And how much is inherited in Switzerland? CHF 63 billion each year according to a study by the Büro Bass research institute. In just under 20 years, the volume of wealth transferred through inheritance has doubled – primarily because assets have grown substantially in the same period. More than one in six Swiss citizens (17 percent) passes on more than CHF 1 million to their heirs, with the median wealth transfer being CHF 170,000.

Why do we pass our property on to our survivors?
Inheritance comes up as far back as the Old Testament, and Russia reinstated inheritance rights for personal property only a few years after the October Revolution. So, it seems that the desire to hand our property down when we die is deeply engrained in human nature.

Why does inheritance law in Continental Europe provide for a compulsory portion?
The inheritance law of the City of Zurich from 1716 already included the concept of a last will and testament but, even then, people north of the Alps were not comfortable with the freedom of testation allowed under Roman law. The Zurich law required that a testator state his wishes before the council and obtain council approval to ensure that family members were not disinherited unfairly. From today’s perspective, the compulsory portion for close relatives is a pragmatic way to avoid conflict. Even if relationships have soured somewhat, close relatives are ensured a share in the inheritance – and the testator’s estate is at least partially protected from the predatory charms of legacy hunters. The model of compulsory inheritance is deeply embedded in Continental Europe, and it works. The exact numbers are debatable, though. For example, we can expect the ongoing revisions to Swiss inheritance law to reduce the compulsory portion for children from three-quarters of the statutory share to one-half.

What was the longest recorded inheritance dispute?
I remember the case of a couple in Zurich, who married in 1908. They had no children. When the Swiss Civil Code entered into force in 1912, the husband opted to have the earlier property regime of the Canton of Zurich apply to their estate. When husband and wife both died in the early 1950s, their assets had to be untangled in accordance with the 19th century law. Each of the more than one hundred family members living around the world – and their lawyers – wanted their share. The Superior Court of the Canton of Zurich finally issued its ruling in 1988, which was then upheld by the Swiss Federal Supreme Court in 1992 – some four decades after the couple’s deaths. Because the unoccupied villa in the posh Zürichberg neighborhood had gained more in value than the 40-year lawsuit had cost, almost everyone came away with something.
6 **What is the average age of heirs?**
A large majority of Swiss have their first child after age 30, and life expectancy for men and women is over 80 years. Therefore, newborn children today can expect to inherit when they are around 50 years old – very roughly speaking. Given the mounting challenges to funding Switzerland’s Old Age and Survivors’ Insurance, a later inheritance age is not necessarily a bad thing.

7 **Why do some other, primarily Anglo-Saxon countries not have a compulsory portion?**
That is not entirely true. The counterpart in Anglo-Saxon inheritance law is called the family provision, under which payments for education and child support – for instance, after a divorce – create a certain obligation to provide adequate financial support. Disputes in this regard are decided by a court. In other words, the fact that there isn’t a compulsory portion per se doesn’t mean that close relatives of the deceased are not protected. It’s just a more complicated process and the outcome is hard to predict.

8 **Is there a gender gap when it comes to inheritances?**
I have seen everything from patriarchal wills with male-only succession that clearly discriminate against daughters to wills that favor daughters – and even wills that give grandchildren an advantage. The critical question is what exactly counts as equal treatment. Is it just about giving everyone the same share, or is it about ensuring that everyone gets as much as they need? The Federal Supreme Court summarizes “equality” under the Swiss Constitution with the maxim to treat equals equally and to treat unequals unequally. If I apply this constitutional principle to inheritance law, giving preference to company succession or giving a higher inheritance to children who themselves have more children than the others may look unequal in absolute terms but be justified in objective terms.

9 **When is it advisable to disclaim an inheritance?**
If you didn’t and don’t want to have anything to do with the testator and, of course, if you believe you would be at risk of inheriting nothing but debts. But that is not always an easy call to make. Most property is mortgaged and vehicles are sometimes leased, not owned, and it can be difficult to examine all of the papers in a short timeframe. Beneficiaries can request that a public inventory be taken (for a fee) within a month’s time.

10 **Can billionaires in Switzerland donate most of their assets instead of passing them on to heirs, as Bill Gates and Warren Buffet intend to do?**
Anything can be done with an inheritance contract if – and only if – the heirs agree to forgo their compulsory portions. Otherwise, the three-quarters compulsory portion applies, which would mean 75 million of a 100 million estate – which is really hard to justify.

I have advocated for a statutory ceiling on compulsory inheritance. It would make company succession and donating assets a lot easier – but the idea didn’t stand a chance.
Inheritance law reflects the society in which it applies. What three local peculiarities have you found most fascinating?

Even after a recent overhaul, Austrian inheritance law still provides for a private, non-holographic will executed in the presence of three witnesses and signed by hand. That’s not surprising given that a few years ago there was a conspicuously large wave of inheritance among employees of a court of first instance in the state of Vorarlberg.

In Italy, a widow will inherit less if she has borne more than one child – a rule that clearly favors the next generation. And in some South American countries, mothers inherit even if they are not married to the child’s father.

How common are inheritance disputes?

A recent German study concluded that almost 20 percent of inheritances were disputed – although I should point out that the study doesn’t specifically define the term “disputed.” There are often arguments that, although they don’t go to court, can have a lasting negative impact on harmony within the family. In that sense, taking a dispute to court is not necessarily a bad thing. In fact, some people find it to be a clarifying, unemotional process.

13
How important is inheritance for building wealth?

According to a study by economist and income inequality critic Thomas Piketty, slightly more than half of all assets in the US, the UK, France and Germany were transferred through inheritance in 2010. The rest were either purchased or grown from existing assets. Interestingly, the inherited share was higher in the early 20th century in Europe – over 70 percent – because it was hard for a poorer society to build wealth. One thing that is often overlooked is that even a relatively small inheritance of, say, CHF 20,000 can give grandchildren who are in the middle of their education the boost they need to add in a semester or year abroad or further training.

Receiving venture capital when you’re 30 is more likely to help you build wealth than inheriting when you’re 60. (Think of the dowries and endowments of old). Not everyone who accumulates wealth does it (solely) on their own efforts. Many benefit from start-up financing, which then enables them to generate assets.

14
What happens to a testator’s debts?

They become the heirs’ debts and the heirs will often pay them in order to preserve the family’s good name. If the heirs reject an inheritance, then the debts are liquidated in accordance with bankruptcy law.

15
Is there any research to back up the famous quote by German statesman Otto von Bismarck that “The first generation earns the money, the second manages the wealth, and the third studies art history”?

According to the Neue Zürcher Zeitung (NZZ) newspaper, succession of a family business to the second generation fails in one-third of all cases, succession to the third generation fails 65 percent of the time, and succession to the fourth generation fails 85 percent of the time.

But that doesn’t tell us anything about the supposed wastefulness of the younger generations. There may be considerable anecdotal evidence, but there are certainly plenty of successful third-generation business owners. And then there are cases like Jacob Burckhardt of Basel, who inherited a great fortune and really did study art history. His inheritance enabled him to pursue his research interests without having to seek third-party funding – and as such, he was able to contribute a great deal to the field of art history.
What should people do if they inherit illegal assets?

Unreported (illegal) earnings can be made clean by reporting them to the tax authority. This is not an overly costly process. Under civil law, weapons, drugs and stolen goods can be inherited as part of universal succession, the principal that all assets belonging to an estate are transferred to the heirs, but they must be properly reported and licensed. If you inherit a gun, you need to either obtain a weapon acquisition permit or report it to the authorities to avoid being liable for receiving contraband.

How is an estate divided up if there is no will?

Surviving spouses are entitled to half of the estate. In seven out of ten cases, the wife is the surviving spouse since women have a higher life expectancy and are, on average, younger than their mates. The other half of the estate is divided among the descendants.

Which countries impose the highest inheritance taxes on descendants?

According to the Tax Foundation, inheritance tax can be up to 55 percent in Japan, 50 percent in South Korea, and 45 percent in France. But the level of inheritance tax is only one factor. Comparisons are often made between Germany and Switzerland, noting that Germany imposes a higher inheritance tax. However, those comparisons overlook the fact that Germany does not have a wealth tax on assets, which Switzerland does – and the wealth tax can come very close to matching Germany’s inheritance tax when calculated over a generation.

What will happen to my cat when I die?

Animals have a value, but they also entail cost and need care. If there is a dispute, the cat goes to whichever heir is most able to take care of it. As of 2003, animals are no longer considered property, but they also are not capable of holding rights — so you can’t bequeath anything to your beloved cat.

What are the biggest mistakes people make when creating a will?

Doing it too late, being too extreme and not taking the time to really think it through. If you wait until after dementia sets in, it’s going to be too late, especially to make any complex provisions. If you think you can use your will for reckoning with someone, keep in mind that that will not make peace. It’s just going to feed some lawyers’ bank accounts. And if you decide to change your bequests every time an uncle living overseas sends you a nice card, it will entail revising your will every couple of months. Especially complicated wills take calm reflection, time, careful consideration and sometimes the advice of a professional. I also think equanimity is a very good advisor. That is true for testator and heirs alike.

Who counts as a legal heir?

In Switzerland, grandparents and grandchildren are the furthest removed relatives to be considered legal heirs. If the deceased has no surviving spouse, children or grandchildren, the estate goes to the state. In Germany, where there are still massive holes in the public register because of the Second World War, heir hunting is a very lucrative business since the law does not allow for a
break in succession. The fact is, though, that if there is no will, a person who is not a spouse, registered partner or blood (or adoptive) relative won’t inherit a thing, no matter how close their relationship may be to the deceased!

22
Why do the parents inherit if the deceased has no descendants or spouse?
Swiss lawmakers are asking themselves the same question, and the Parliament will be looking at amending that provision. Besides reducing the compulsory portion for descendants (point 5), lawmakers are considering eliminating the compulsory portion for surviving parents of unmarried and childless decedents. Historically, the justification for sending assets back to earlier generations – which is atypical for inheritance law – is twofold: the parents “invested” money in raising and educating their children, and they need to be provided for in old age.

23
What’s the strangest inheritance case you have ever seen?
A militiaman with no family and no standing bequeathed his estate to the community with one stipulation: the community was to erect a life-sized bronze equestrian statue of him in the village square. Since the man had no surviving relatives, the community would have inherited the assets anyway. They therefore dismissed the stipulation as burdensome, and no statue was built.

24
Who does the body of a deceased person belong to?
Surviving relatives can request that a crematorium give them any gold from the deceased person’s teeth. Organs can be donated – although they automatically become the property of the state in Argentina, Spain and Austria unless specified otherwise. Arrangements can be made for all aspects of a funeral and burial, but people should be aware that special requests may not be that simple. For example, a mausoleum requires a building permit.

25
What is the perfect estate planning strategy?
I often get that question. But there really isn’t one perfect scenario. I have seen malcontents block the most perfectly conceived solutions and I have seen reasonable heirs work through unreasonable estate planning or otherwise complicated situations with pragmatism and aplomb. Often, it’s not so much about the money as it is about a person’s death opening up old wounds among the heirs. Those feelings can’t be managed with jurisprudence alone. Sometimes mediation can help, but its success or failure will depend largely on whether the people involved are willing to work through the issues.

Peter Breitschmid (66)
is one of Switzerland’s most renowned specialists for inheritance law and held the Chair for Private Law at the University of Zurich until 2019. Prior to that, he served as a law clerk and alternate judge at the Superior Court of the Canton of Zurich. Today, he is a legal advisor with the law firm Strazzer Zeiter Attorneys at Law and teaches at Kalaidos Law School in Zurich.
The golden age of Swiss tourism at the end of the 19th century would have been inconceivable without the visionary Alfred Escher, who initiated the railway network that prepared the way for mass tourism. The year 2019 marks the 200th anniversary of his birth.

Text Joseph Jung
When modern Switzerland was founded in 1848, it had exactly one railway line that was just 23 kilometers long. That was it. The United Kingdom, France and Germany had already laid thousands of kilometers of railway tracks. For Switzerland, the situation was critical. If we consider how freight and passenger transport took off in the 1850s, and how pivotal rail transport was to Switzerland’s continued modernization, it is clear that the rapid economic and social development that began in the mid-19th century would have been virtually impossible without an extensive railway network.

Choosing the right means of transport was not the only crucial decision for Switzerland’s future; how it was implemented was just as important. Merely laying tracks and building train stations was no guarantee for successful and effective transportation infrastructure. Determining who would build and operate the railways was likewise a question of shrewdness and foresight. The momentous decision was reached in 1852. Thanks to the efforts of Alfred Escher (1819–1882), the Swiss parliament decided to place the construction and operation of the railway network in the hands of the private sector.
Escher was in the minority of the responsible committee in the Swiss assembly. However, by the final vote he succeeded in rallying the majority of parliamentarians behind him. He disagreed with the government, and – luckily for Switzerland’s future as a country of railroads – he got his way. The Federal Council wanted a combination of shipping and rail. Main transport lines would have followed the waterways, leaving the railroads as feeders.

ENGINE OF PROGRESS  The railroad became the engine of progress. It revolutionized the economy and society beyond anything anyone could have imagined. A few key points illustrate how rapid and far-reaching this process of transformation became. By the 1860s, Switzerland was the most industrialized country in Europe, and it welcomed the most foreign tourists. The railway project spurred a push for modernization that drew in other key fields: research, banking, insurance and ultimately the entire economic and cultural landscape, shaping the story of Swiss success until the outbreak of the First World War. Railway transportation was Switzerland’s lifeline.

Switzerland as a tourist destination is unimaginable without the energetic development of the country’s railways. Its appeal quickly broke all records in the second half of the 19th century. Soon hundreds of thousands of travelers from all over the world were coming to Switzerland each year, and they relied on a functioning rail network that connected the Mittelland with the Alps. The great gateways for passenger transport were Basel, Geneva, Schaffhausen and St. Gallen. From these starting points, tourists were transported to the portals of the High Alps – Bern/Interlaken, Martigny/Sitten and Chur. To begin with, private railway companies connected the Mittelland with an east-west axis.

Escher disagreed …

The 1870s brought further expansion. Main and branch lines were laid right up to the foot of the High Alps. This took conceptual and technical flexibility, as the infrastructure that connected the Mittelland was built in a standard gauge, while topographical conditions in the High Alps required additional narrow-gauge networks. The railroad climbed higher and higher above the valleys – a triumph of technology over natural boundaries. Existing tourist destinations became even more appealing, while other locations that had gone untouched by tourism were newly developed; their transformation was rapid and profound.

Thanks to its narrow gauge, the iron horse could even push into remote valleys. Fast-growing tourist destinations in the mountains, which were soon accessible even in winter, provided jobs for locals. Railroads brought modern and urban living to rural villages. Locals got to know a world they hadn’t previously experienced by interacting with tourists. Rubbing shoulders with members of high society, hotel employees gained a new identity. Village communities were no longer secluded, and their isolation came to an end.

Narrow gauge railways connected the main lines with local transportation infrastructure for tourists – including cog, adhesion, and funicular railways. By the turn of the century, the Swiss railway infrastructure was essentially complete. A dense network of highways and mountain roads, bridges and tunnels, standard gauge, narrow gauge, and mountain railways, as well as steamships now crisscrossed Switzerland. This unified transport system, which reached from Lake Constance to Lake Geneva and Lake Lugano, provided the foundation for the development of summer and winter tourism. The varied means of transportation brought guests effortlessly to the country’s most enchanting sites, where a rapidly growing tourist industry catered to their wishes. We can only imagine how Switzerland might have looked without the initiative of Alfred Escher.

NOTHING TO SEE IN GRAUBÜNDEN  His foresight ultimately transformed Graubünden. The canton of Graubünden was an afterthought for the growing number of British travelers who undertook a Grand Tour of the European continent from the 18th century on. A travel guide from 1793 advised that there was nothing grand, exceptional, or beautiful about the natural sights of Graubünden that could not be experienced elsewhere in Switzerland to greater effect. Graubünden was not
a destination for the first British alpinists, who started showing up in the 1840s in Switzerland’s high mountain valleys.

The difficult journey to the Engadine and the majesties of the Graubünden Alps was not the only reason. Because Piz Bernina is Graubünden’s only mountain that is higher than four thousand meters, the canton had trouble keeping up with Valais – especially since Piz Bernina had been summited even before large numbers of British alpinists descended upon the Swiss High Alps. Through the mid-19th century, the focus of tourism in Graubünden remained its spas, which had a long tradition in the Lower Engadine towns of Tarasp, Vulpera and Scuol. Davos, on the other hand, was uninteresting to tourists and under-

THANKS TO THE RAILROAD: FROM 12 TO 4 HOURS EN ROUTE Until 1904 St. Moritz could only be reached by roads and mountain passes – by carriage, on horseback, or on foot. The journey from Chur took twelve hours by carriage. The crucial steps toward expanding public transportation infrastructure occurred after the turn of the 20th century. In 1904 the Rhaetian Railway opened the Albula Line, which connected the Upper Engadine with Chur. Travel time was reduced from 12 to four hours. Beginning in 1908, trains traveled between St. Moritz and Italian Tirano on the Bernina Railway.

Indeed, the case of St. Moritz clearly illustrates how a tourist destination – as attractive as its location and natural beauty may be – can experience a powerful boost in development with a railroad connection. The population of St. Moritz doubled between 1903 and 1910, to 3,197 residents.

The connection of remote areas by railroad brought tourism to poor mountain villages, leading to social development and economic growth. The Gotthard Railway did the same for the sites it traversed. Alfred Escher did not see the opening of this important project that he had initiated, nor did he experience the boom in tourism. He died in 1882.

...with the government and got his way.

Developers bet on urban infrastructure in order to promote international tourism. They built restaurants, confectioneries, churches, rectories, schools, a performance hall and of course a golf club, too. The expanded infrastructure quickly helped St. Moritz gain a new image. Soon it was taken for granted that royal and upper bourgeois families would spend their vacations in St. Moritz, Pontresina or other locations in the Engadine.

Joseph Jung is an independent historian who writes about economics and culture. He served as Credit Suisse’s chief historian for many years and was the first chairman of the Alfred Escher Foundation. His biography of Alfred Escher became a bestseller. He has recently published a new history of Switzerland: “Laboratorium des Fortschritts: Die Schweiz im 19. Jahrhundert” (Lab of Progress: Switzerland in the 19th Century, not published in English). NZZ Libro.
“Philanthropy is the glue that keeps us together”

The Rockefellers made their fortune in the oil business. How they are aligning their values and investments.

Interview Viola Steinhoff Werner

Valerie and Justin Rockefeller, for over a century the Rockefeller name has been synonymous with entrepreneurial success and philanthropy. How did your family’s interest in philanthropy and impact investing develop over time?

Valerie Rockefeller (VR) Our activities reflect the spirit of giving back that is deeply rooted in our family values. We are very lucky that our great-great-grandfather made a lot of money and, very early on, decided that this money would go into trust and be used to benefit others. Our engagement in the family can be summed up by the motto that our great-grandfather John D. Rockefeller Jr. used: “To whom much is given, much is expected.”

Justin Rockefeller (JR) The Rockefeller family has many notable achievements in the areas of entrepreneurialism and philanthropy that span more than 100 years. Today, the fifth and sixth generations of our family are committed to building on those legacies of capitalism and philanthropy, although the focus is now on generating impact beyond philanthropy – in areas such as impact investing.
Can you elaborate on your family’s activities in the area of impact investing?

**VR** Our sense of environmental and social responsibility has been present in the family from the very beginning – coupled with a strong spirit of innovation. The decision by the Rockefeller Brothers Fund in 2010 to devote 10 percent of the endowment to impact investing took this commitment to a new level.

**JR** The Rockefeller Brothers Fund decided to use its endowment to seek positive environmental change, announcing publicly in 2014 that the foundation would divest from fossil fuels. Instead, it now invests in companies whose work is aligned with our mission. In so doing, we have helped to advance the discussion about divesting and impact investing.

How do you ensure that the members of the Rockefeller family share the same values and principles about how to use the family wealth?

**JR** In our family, there are now almost 300 Rockefellers. Philanthropy is the glue that keeps us together. The transition to impact investing came about because the fourth and fifth generations wanted to continue our family’s philanthropic tradition – but in a realistic way, considering the current circumstances.

**VR** We had to strengthen our personal relationships with one another in order to preserve this tradition. That meant – and still means – spending a lot of time together and engaging in a lot of conversations. We hold twice-yearly family meetings to maintain communication and foster our sense of family unity.

Did the Rockefeller family ever use external advisors to help you work together in the best way?

**VR** Yes, and we have benefitted enormously from having great friends and advisors work with us. A common mistake families make is to assume that their situation is unique. Just because families are unique doesn’t mean the situation they face is.

**JR** It’s important for families to not only seek outside counsel but also the advice of other families who have potentially already experienced the same situation. There are great networks like the Young Presidents’ Organization, the Young Investors Organization, or The ImPact, which I co-founded. They help families and family members to learn from one another and exchange ideas, best practices, and lessons learned in different areas. Impact investing is one such area.

“Legacy” is a big word – but what do you want to leave behind as your legacy?

**JR** The organization I just mentioned, The ImPact, is a network of families who are focused on aligning their values and investments, and who want to learn from one another. They cover a broad range of geographies and generations. Some of the families have their wealth tied up in the family business. The cross-pollination of ideas achieved through the organization leads to measurable social or environmental impacts. I hope that will be part of my legacy.

**VR** Through my career as a middle school special education teacher, I know the importance of acting as a role model for what you hope to convey to children and the people around you. I hope that I am building on the family legacy of living aligned with our values.

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Valerie (48) and Justin Rockefeller (40) are descendents of the distinguished American entrepreneurial dynasty: John D. Rockefeller established Standard Oil, a prominent multi-national corporation that helped to shape the modern global economy. His son John D. Rockefeller Jr. built the Rockefeller Center in New York in the 1930s, providing employment to nearly 30,000 people during the Great Depression. The Rockefellers founded the University of Chicago, gave national parks to the US government, donated land for the United Nations and co-founded the Museum of Modern Art.
(inheritance)
“No one needs to remember my name”

The 1,500 members of the Young Investors Organization (YIO) have something in common: They all come from influential families and are set to take over the family wealth one day – and they have big plans for how they will use it. Bulletin met with four of these individuals.

Text Iris Kuhn-Spogat  Photos Iris Humm
It was her eldest brother who told her about the Young Investors Organization (YIO). His exact words were: “You should get involved – you can learn something about investing there.” Hayley Mole laughs as she recalls that moment and explains: “At the time, I really had no idea about these things – and I wasn’t interested in them either.” She pauses briefly before adding: “My brother didn’t realize where his suggestion would end up taking me.” Hayley joined the organization after completing her Bachelor of Science in molecular biology and biotechnology. In her words, the YIO experience was “mind-blowing, overwhelming.”

The YIO has one overriding goal: To help its members to build a network that they can leverage to step up and actively shape the world for the better. This includes encouraging each other to translate concerns into action and transform entrepreneurial, investment and social ambitions into legacies. One thing that is indispensable to fulfilling this mission is a sound knowledge of the most common wealth management approaches and asset classes. Hayley, who comes from a family of entrepreneurs in South Africa, was inspired by her first impression with the YIO. “I realized that I had a responsibility – but also a chance to make a difference. I understood that investment themes should be of interest to me for that reason alone,” she adds.

“TRANSFORMING THE WAY WE THINK ABOUT INVESTMENTS”

Five years have since passed. In that time, Hayley has completed a Masters in sustainability management at Columbia University, specializing in sustainable finance and agriculture. And with good reason: Her family’s success stems from the agribusiness. The 28-year-old’s passion is impact investing. This term describes investments that not only generate a financial return but also have a measurable positive social or environmental impact. She is currently working for the New York-based impact investment specialist Flat World Partners, where she is part of a team that advises investors, including those from the “next generation” – of which she herself is a member.

Hayley has, in the meantime, also shared her investment ideals with her family, “and the way we think about our investments has begun to change. I also realized that we actually shared many of these ideals as a family already, in both business and investments, but had never spoken about it,” she explains. The YIO gave her the courage she needed to go out and gain her own experience, address the topic and speak out about aspects that are important to her as a member of the inheriting generation. A YIO member since 2014, Hayley is today a member of the YIO Board and its Director of Regions.

The YIO was founded in 2007, and Credit Suisse is the main sponsor. Its members are the next generation of influential families who, to join the organization, submit a written application that sets out “how they want to implement their vision for a more sustainable future,” says Viola Steinhoff Werner, YIO Founder and Head of the Global Next Generation and Families department at Credit Suisse.

The Next Generation Survey

1. When it comes to building a legacy, which of the following is most important to you?

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Creating a positive impact in society

2. “I wish we had more open discussions about our wealth.”

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<td>19%</td>
<td>40%</td>
<td>29%</td>
<td>12%</td>
</tr>
</tbody>
</table>

3. “My family’s expectations are often a burden.”

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>39%</td>
<td>41%</td>
<td>14%</td>
</tr>
</tbody>
</table>

4. What is your current involvement in impact investing?

<table>
<thead>
<tr>
<th>Both interested and invested</th>
<th>Interested, but not invested</th>
<th>Neither</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>62%</td>
<td>14%</td>
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</table>

The 2018 Next Generation Survey is featured in the report Creating a World with the Next Generation. It can be downloaded at credit-suisse.com/nextgeneration
For these young people, the YIO is both a network and a platform. It is where they get to know others of the same age who share a similar view on life – people with whom they can talk openly about opportunities, visions and wishes, as well as business ideas, business models and investments but also about setbacks, shortcomings, pressures and personal fears. In doing so, they can learn from one another. Hayley says: “Being able to talk to people who are in a similar situation and hear how they approach things is very inspiring.”

This statement meets with agreement from all the other people sitting around the table: Fernando Scodro (YIO President), Louise Hutstein (YIO Vice President), Thiago Figueiredo (YIO Director of Programs) and Viola Steinhoff Werner (YIO Founder and General Manager). This is their third day of a strategy bootcamp in Mallorca, where the main item on the agenda is: How can the YIO be reorganized to keep pace with the rise in the number of members – e.g. in areas such as communications and events – since it now has 1,500 members across 56 countries. The community has existed for 12 years and is managed by the members themselves, who assume a variety of roles. To ensure the continued success of the organization, the Board invests a great deal of time in mentoring younger members as future leaders of the YIO.

“I want to help shape the future,” declares the YIO president.

A STRONG COLLECTIVE SENSE OF RESPONSIBILITY “What connects these young people is the urge to make the most of the opportunities available to them,” says Viola Steinhoff Werner. “In the YIO, they can also get advice on how to bring their family on board.” This is an important point, since the 2018 Next Generation Survey, which 200 YIO members participated in, revealed that 59 percent of participants wish they could engage in more open discussions with their families about their legacy. For Viola Steinhoff Werner, this comes as no surprise. It is one of the core subjects addressed by the YIO – and her main USP: “People come here and can talk freely with their peers,” she says.

There is reason for optimism: According to the YIO survey, a generation of entrepreneurs with a strong collective sense of responsibility is emerging. A total of 97 percent of participants indicated that they want to have a say in how their family’s wealth is invested. 86 percent are interested in sustainable and impact investments, while 24 percent indicated that they have already made such investments.

“Those figures will increase slowly but surely,” says YIO President Fernando Scodro. He studied political science in New York and Paris and began his career with the mission of opening the first Hong Kong branch of Brazil’s Banco Bradesco. Fernando, 31, is a member of the third generation of a family of entrepreneurs who made their fortune in the food industry in Brazil. His father sold the company several years ago and established a family office. Fernando recounts how it was always clear to him that he wanted to one day work with his father – “with him, not for him,” he emphasizes. And when it comes to investing, it was clear to him that it is not just about money for money’s sake. He explains: “I want to help shape the future.”

He already knew working with his father wouldn’t be easy: “We have complementary strengths. My father is more on the executive, tough side of the business, while I am more of a visionary and strategist.” How has it worked out? The Scodros’ family office today has a well-funded impact investment unit that is focused on climate change and education. However, Fernando had to work to convince his family of the benefits of this approach. To do so, he got the facts and acquired the knowledge he needed – attending the Impact Investing for the Next Generation course at Harvard through the YIO. “Next, I shared everything that I learned there with my family,” he says. Fernando adds that he “then finally convinced them about the impact investment approach.”

Together with Board member Thiago Figueiredo, Fernando established WeCubed – a purpose-oriented investment platform – at the start of 2019. The new investment vehicle is “a kind of annex to our family office,” says Thiago, also 31. He comes from a family of Brazilian bankers – his father sold his private bank and asset management company in 2006 – and Thiago’s family has since been managing their wealth in a family office. After studying economics, Thiago earned his spurs in the fields of life sciences and venture investing – outside the family business. “My father
Louise Huterstein, 30, Netherlands

Hayley Mole, 28, South Africa

Fernando Scodro, 31, Brazil
wants me to build my own successful business,” he says. He has ambitious goals: “I want to create a world that sees wealth as a means to help improve people’s lives.”

Thiago has now gone into business with his father through WeCubed: “He gave me money to get started and told me that if I could convince others, then I would also convince him,” he recalls.

IDEALISTS, NOT DREAMERS The YIO members are idealists, not dreamers. They not only feel a sense of obligation to society but also to their family’s legacy. Impact investments help them to achieve this balancing act. Louise Huterstein refers to this as “Do good and do well” and emphasizes that it is “absolutely possible to do good and, at the same time, be successful in business.” She grew up as the daughter of hoteliers and hospitality is in her blood – but she gained her professional expertise in the Executive Management Program run by the Starwood Hotels and Resorts in Munich. The 30-year-old is a person who makes things happen. She recalls that her most informative experience while studying was setting up a food delivery service at the university in the pre-app era. “I left the service to the students when I finished my undergraduate’s degree because the experience was key to my development and I wanted others to get the same exposure,” she says. In the 10 years since graduating, she has gained experience in real estate development, hospitality and start-ups.

The finca in Mallorca where the YIO Board is spending a few days in August contemplating the future is the first guesthouse in her latest project, The Fourwood Collection: A quiet, green and spa-
cious retreat focused on sustainability and circular thinking. Louise wants to create between six and eight of these “getaways and gateways” in key markets across the world.

GOOD MEALS IN A FOOD DESERT When asked about her main focus as an investor, Louise says: “I concentrate on traditional industries, where I try to change things for the better.” She adds: “It’s not the cool tech world but it has a massive impact on the everyday lives of many people.” She has also made a name for herself as an angel investor in the impact space. Louise invests in start-ups across a wide variety of sectors, from fashion and buildings technology to hospitality.

She embarked on her first impact investment together with two friends from the YIO. “I am sure it would have been more challenging to do this on my own,” she says. Why? “This type of investing is like placing a bet. I found it easier having two friends with me in the same boat,” she says. With the confidence garnered from taking that first investment step with friends, she went on to invest in companies like Everytable, an innovative restaurant concept in California that provides fresh, made-from-scratch meals that everyone can afford. Everytable is therefore a counter-response to providers in the fast-food sector. One-third of its restaurants are located in food deserts, where the only other meals available are fast food. Against this backdrop, Everytable offers meals for five dollars that would otherwise cost eight dollars – thanks to its highly efficient processes and rigorous cost management.

Louise’s focus is entirely different from Hayley’s – who, in turn, addresses different topics than Fernando and Thiago. That said, they all share the same perspective: “We all feel committed to our family’s legacy,” says Hayley, “but we don’t just want to be good stewards and preserve what we have been given – but also to improve on it.” Or in the words of Louise: “I recently watched the Disney film ‘Coco.’ It delves into the belief that people die three times – the first time when they actually pass, the second when they are returned to the earth through burial, and a third and final time when they are forgotten. It doesn’t matter if people don’t remember my name. But I want to leave something behind that will benefit people beyond my time.”

Iris Kuhn-Spogat is a freelance journalist who lives in Winterthur.
The last log-in

Heirs are increasingly struggling with web services to gain access to accounts belonging to deceased users. So it’s a good idea to take measures to secure your digital estate while you’re still alive.

When David Bush, from Victoria, British Columbia, died in the summer of 2015, his widow Peggy had a lot of things on her mind, but her husband’s iCloud account was not one of them. She had the code to unlock their shared iPad. But then her favorite card game stopped working. In order to install the necessary update, Apple required her to enter her husband’s iCloud password. And she didn’t know it.

Even after weeks of back and forth, her daughter was unable to convince the technology company to reset the password. A death certificate and other documents were not enough – Apple required a court order, which would have cost a considerable sum. Apple only relented after the widow’s concerns received media attention.

MERELY RENTED There are, of course, more pressing concerns than a digital card game, but while the Bush family’s woes were not unique, they do shine a light on an increasingly urgent problem in a digitally connected society: As we all spend an increasing amount of time online, using the internet to document our lives digitally for friends and family, platforms like the ones provided by Apple, Amazon, Facebook, Google and Twitter face the problem of how to handle the electronic legacies of
hundreds of millions of customers. This is also a question that must be answered by dozens of countries, each with different laws and regulations.

While legacies might once have been stored in grandpa’s closet or handed over to the lawful heirs in a lawyer’s or notary’s office, they can now also be found on the servers of companies, most of which are American. These companies not only claim that their individual terms and conditions of use apply – they also assert that streamed content, playlists and entire libraries of e-books were not the property of the deceased, but were merely rented by them. It is especially tragic when heirs have no recourse for unlocking digital wallets for cryptocurrencies because the deceased only wrote the password down on a notepad. In one spectacular case, the founder of Canada’s largest crypto exchange took the password for his encrypted laptop to his grave, leaving investors and his heirs unable to access 190 million US dollars.

In short, digital estates are a legal gray zone with a lot of unanswered questions. Those who are smart will take measures to secure their digital estates while they’re still alive – so they can leave the virtual keys to their heirs or wipe the slate clean before they leave this world.

In cases like the one involving David Bush and his card-playing wife, Apple notes that the account “is non-transferable and that any rights to your Apple ID or Content within your Account terminate upon your death.” If an heir submits a copy of the death certificate to Apple, he or she may only close the account and have all of the content deleted. Although logging in using the deceased’s password is practical and often the easiest way to proceed, from a legal perspective this is not allowed until all inheritance questions have been fully clarified.

**SURVIVORS ARE PUNISHED** This is unfortunate because logging in not only provides access to all of an individual’s music, video and software purchases, but the ability to activate hardware as well. Without knowing the deceased’s password it is impossible to continue using an iPhone or iPad that has been obtained lawfully. What was intended to ward off thieves instead punishes survivors.

This problem has long been known at Facebook, which, with more than 2.5 billion users, serves a considerable share of the people who are online. While the social network introduced what it calls “memorialized accounts” in 2005, this option does not fully satisfy the needs of families and friends of those who have died. It merely freezes a user’s account after death without providing survivors with access to the data – similar
Each year, 1.4 million Facebook users pass away.

to a mausoleum, where you can leave flowers, but which is permanently sealed to lawful heirs. If the company ever purges its platform or shuts down, hundreds of millions of mourners will lose access to their virtual cemetery, as was the case when MySpace shuttered.

1.4 BILLION DEAD PROFILES In 2012, experts estimated that 1.4 million Facebook users die every year. Even if, against all expectations, the company added no new users, there would still be 1.4 billion “dead profiles” on the platform by the year 2100, according to calculations by researchers at the Oxford Internet Institute. If the company’s current growth rate continues unchanged, there will be 4.9 billion deceased users by then, most of them in Asia and Africa. In their study, the British researchers warn against allowing one company to maintain this ghostly world solely on the basis of commercial considerations, as “the ethical, religious, scientific and historical value of digital remains may be neglected.”

The situation with Google is tricky as well. A single log-in provides access to a variety of services offered by the tech giant, from Gmail and documents in the cloud to apps for Android devices and photo albums to playback lists on YouTube and favorite locations on Maps – not to mention future services related to augmented reality or vital signs. Those who fail to log in for several months risk having their entire account deactivated and deleted.

For this reason, survivors are increasingly seeking legal recourse and, in individual cases, receiving access. One prominent case involves the email account of a US soldier killed in Iraq in 2004. Yahoo! only granted his father access to the account instead of deleting it following a court order. However, such cases have not become the norm. In contrast to files saved locally, for example, on a home computer, few US states have passed laws governing the access to data in the cloud by lawful heirs where there is no express provision in the deceased’s will.

This situation has become clearer in Germany since 2018. That year, the parents of a young woman sued Facebook for memorializing the account for their deceased daughter. Although they had the account log-in details, they were unable to view any content that may have provided them with clues about the girl’s death in the Berlin metro. The Federal Court of Justice ruled that online accounts are part of an individual’s estate as much as letters, diaries and other documents.

This landmark decision imposes an obligation on all online services, from Instagram to Twitter; as a consumer group from Lower Saxony noted in a detailed report on the topic: “Online accounts can be inherited. The heirs assume all rights and obligations arising from existing agreements. In addition to taking on any payment obligations, however, this means they also have the right to close or delete the account.”

The situation in Switzerland is not as clearly regulated. While local devices and removable media are passed on to the deceased’s heirs, “the legal situation regarding data that is only stored online is not entirely clear. Usually, such data is not an asset as defined by inheritance law, but instead involves personal matters that cannot be transferred to heirs,” says Federal Data Protection and Information Commissioner (FDPIC) Adrian Lobsiger. Claims cannot even be asserted to uploaded photos or videos. “When we, as users, accept the general terms and conditions and waive recognition of authorship, this right can no longer be passed on,” the agency warns in an information sheet on digital inheritance.

NOT EVERYTHING IS INTENDED FOR POSTERITY So what should you do to prepare your digital estate in a prudent manner? If you want your accounts deleted, you should expressly state that you want the slate wiped clean, either in your will or while you’re still alive. Google, for example, allows you to designate a person who will automatically be contacted if an account is dormant for a predefined period of several months. This will prevent the deletion of all data.

It is also advisable to make a list of important passwords and give it either to a notary or store them in a password manager. Such an “emergency kit” could then be viewed by your survivors in the event of your death. They will then be able not only to download important files like photos and documents, but also update bank account details and credit cards in order to keep a service active for as long as necessary.

However, not everything is intended for posterity, such as the deceased’s candid blog entries or escapades involving a dating app. But arrangements can be made here, too. Specialized providers can be hired while you’re still alive to close and delete selected online accounts after you die. The deletion process starts after the previously designated heir gets in contact with the provider after a blackout period.

In our globalized world, more and more people have roots in several cultures and countries. What connects them to their parents’ homeland? Roger Federer on his African heritage.

Interview Simon Brunner

“I feel like I am a small part of Africa”

smells and the noises. I love to see my South African family, although it does not happen very often. On the other hand, I realized already in my early years that some people are living in very poor conditions. I’m happy that through my foundation, I can contribute to the development of this magnificent place with unbelievable people.

In 2013, your foundation board decided to dramatically increase its commitment to education in the region of southern Africa. The aim was to give one million children a better start in life by 2018. Did you achieve this goal?

When we made that commitment, it sounded crazy and unattainable – but yes, we did it. Well over one million children have benefited from our interventions. However, the task remains monumental: 64 million children across the world still do not attend primary school and 85 percent of children do not have access to early education in developing countries. Our work must continue and I hope to also inspire others to join the cause.

Nelson Mandela and his fellow inmates on Robben Island convinced the prison warders to convert the courtyard into a tennis court, which became his favorite hobby as a prisoner. In a recent video, you pay tribute to Nelson Mandela together with other athletes. Is he, in a way, a role model to you?

Definitely. He believed in something and had to pay a big price for it. But he remained a man of peace and forgiveness. He is someone you can definitely look up to and that’s very important for me. And the fact that Nelson Mandela had such an affinity for our wonderful sport really is special and hopefully can be highlighted in future years to help inspire a generation of tennis players.
You have only played once in Africa, in a Davis Cup match against Morocco. What are your expectations for the event in Cape Town on February 7, in a stadium that holds 50,000 people? I have achieved so many things in my life that I thought were impossible, so I rarely say this, but it is true: This is a dream come true! I will play in my mother’s home country against my toughest rival and friend Rafael Nadal. We share not only the love of tennis, but also our commitment to giving children a better start in education and in life. It will be a once-in-a-lifetime moment for my family and me. And we’re going to try to break the record for most attendance in a tennis match played anywhere in the world.

You are only 38 years old, an age where many people outside sports are very much still in the process of advancing their careers. Yet there is already a lot of talk about your legacy. If you had to pick one thing, for what would you like to be remembered? I hope to be remembered as someone who loved the sport of tennis and played the game as hard as I could with fair play. I want people to realize that not just tennis, but sport in general, is a universal language and can bring people and cultures together.

As part of the sponsorship partnership established in 2009 between Credit Suisse and Roger Federer, the bank contributes one million US dollars each year to the Roger Federer Foundation (RFF). These funds are invested primarily in an early childhood education initiative in Malawi. credit-suisse.com/rogerfedererfoundation
A violin that traveled the world, bread baked from sourdough starter that is 170 years old, a farm that breathes new life into a castle: five family legacies from San Francisco to Goa.

Compiled by the editorial team
DANIEL WELTLINGERS is a jazz violinist. The 42-year-old musician plays a violin that belonged to his grandfather Zoltán on an album entitled “Szolnok,” which he released this summer in honor of his grandfather. The instrument reveals much about the Jewish narrative in 20th century Europe. Zoltán’s brother purchased the violin in 1918 in the small city of Szolnok in Hungary. He soon succumbed to the Spanish flu, and the violin came into Zoltán’s possession. In 1920, Zoltán fled politically unstable Hungary for Vienna. He happened to witness the rise of Adolf Hitler before continuing his flight to Marseilles. He attended university there and made a living playing violin at a coffee house. He was acquainted with Django Reinhardt and Edith Piaf. In 1940, he fled to Spain, where he was arrested. He was imprisoned in Algeria, escaped, and aligned himself with the French resistance before later joining the British Army. After the war, he made his way to Casablanca, where he married and had a daughter, Daniel Weltlinger’s mother. Fleeing Morocco’s war of independence in the 1950s, he headed for Australia. As Daniel Weltlinger says, “This violin embodies the family’s spirit.”

LEGACY

The spirit of the violin

Photo: Jonas Holthaus
The romantic motorcycle
In 1979, NISHANT JHAMB’S great-uncle scraped his money together and, with a loan from Jhamb’s grandfather, bought a motorcycle made in India: the legendary Enfield Bullet. The manufacturer began producing the Bullet in 1947, making it the MOTORCYCLE that has remained in continuous production the longest. The Bullet became a member of the family: “My great-uncle rescued a friend during the riots in Delhi in 1984,” says 32-year-old Jhamb. “My father took my mother out on the Bullet when he was courting her.” These days, the family uses the motorcycle only occasionally, due to the scarcity of replacement parts. But the filmmaker is certain of one thing: “I wouldn’t sell it for all the money in the world.”
In 1849 Isidore Boudin, a baker’s son in San Francisco with French roots, prepared a sourdough, a mixture of the local recipes of the miners from the Gold Rush and French bakery artistry. Today, Boudin Bakery is the oldest continuously operating business in San Francisco — and their sourdough is still made from the original MOTHER DOUGH, or rather from its great-great-great-grandchildren. A mother dough or sourdough starter can live forever, since it is constantly kept in fermentation by lactic acid bacteria and yeasts. The business has belonged to the Giraudo family since 1941, with one interruption. DANIEL GIRAUDO (41) represents the third generation of Giraudos to guide the business. “Bite into our bread and you taste 171 years of San Francisco history.”
“My grandmother loved jewelry,” says 52-year-old WENDY MEAKIN, a watch trader in London, “and I do, too!” Meakin and her siblings inherited several pieces from their grandmother, which promptly went into the safe. At least at first. “They were a bit outdated for my taste.” But then Meakin met Duffy, a jewelry designer, and together they began to rework the old pieces. “Initially, I had a guilty conscience but I think my grandmother would be happy if she could see that her jewelry has become a part of my life and of my identity,” says Meakin. An old coral necklace was fashioned into a GOLD RING “which I wear on my little finger, just like my grandmother did.” Meakin’s brother had one of their grandmother’s rings slightly altered for an engagement ring. Meakin herself has a few more plans: “Next year I would like to create something modern from an old diamond necklace.”
Oberdiessbach CASTLE, situated between Bern and Thun, was built in 1668 for a commander of the Swiss Guard serving King Louis XIV, and it was modelled after the Sun King’s magnificent palace. ‘My name is von Wattenwyl and I own a castle. People are automatically a bit suspicious,’ says SIGMUND VON WATTENWYL, 59, great grandson in the eleventh generation and current lord of the castle. His wife MARTINE, 56, had childhood dreams of living in a castle, but the daily life there is a bit less glamorous than she imagined back then. ‘We’re actually farmers,’ she says. ‘We run the farm ourselves, and we no longer have any hired workers.’ The castle and its 20 rooms are so close to their hearts that they invest hundreds of maintenance hours each year. ‘It’s just part of the family,’ says Sigmund von Wattenwyl.
Felix Boller, what first sparked your interest in the issue of inheritance fraud? Something I experienced personally triggered it. A fraudster manipulated someone close to me and the people around her. I then encountered evasive reactions and active denial by the executor and the authorities, who even went so far as to try to discredit me. This kind of condemnation was baffling to me. As a result, I began to study the topic in greater depth, and I discovered just how interdisciplinary and fascinating this phenomenon really is. There are so many different ways to commit inheritance fraud that it could happen to nearly anyone.

What precisely constitutes inheritance fraud?
From a criminological perspective, inheritance fraud is an intentional act which follows a pattern, leaves evidence and can be reconstructed. This may occur before as well as after the death of the testator.
Can you give us an example?
The case of Anna Nicole Smith is probably the best known recent case. In 1994, the 26-year-old former model married 89-year-old oil billionaire Howard Marshall, who passed away 14 months later. According to Smith, he had promised her several hundred million dollars for marrying him, a claim contested by Marshall’s son. This touched off a bitter legal dispute that was only decided in favor of the son in 2010, three years after Anna Nicole Smith herself had died.

Describe your work.
We take the events reported to us and divide them into different phases. We look for indicators within these individual phases. These indicators are what we use to measure the progression of the act. Once they reach a certain number, we no longer consider them to be coincidental. At that point, we begin to examine the situation as inheritance fraud. If there are also criminal offenses connected to the overall act, a complaint might also be filed. Our strength lies in that we work with numerous patterns of operation, making our investigations more accurate, more efficient and more cost effective.

Is inheritance fraud a new phenomenon?
Quite the contrary. The oldest source known to us stems from 700 B.C. In a work titled “Erga,” the Greek poet Hesiod related the aspects of inheritance fraud to perjury and bribery.

Are there classic patterns?
The subtle isolation of the targeted person within a dependent relationship is one frequently seen pattern. We refer to this as “stalking” for the purpose of exploitation. In one example, the offender is a caregiver for their victim. The caregiver takes steps to isolate them from their circle of friends and family so that afterward, they can act as if they were the only one willing to care for this poor, lonely person, while the rest of the family refused to help with this hard work. But there are other patterns, too. A notary who forges a client’s will. And the religious orders and sects preaching a lifestyle of poverty, constantly playing up their selflessness while secretly amassing huge profits.

In the digitalization trend exacerbating the problem of inheritance fraud?
It certainly does introduce new risks. By hacking someone’s personal information, tax returns, medical records, etc., the perpetrators gain access to private information and can evaluate potential targets. With regard to cybercrime, this is one reason why we take a skeptical view of the validity of digital signatures. So-called deepfakes are another cause for concern. These are forged or doctored videos in which software is used to make it seem like an actual person’s mouth is speaking words that they never said. The voice is deceptively authentic and their mouth moves to match the spoken words.

How common is inheritance fraud?
In Switzerland, around one case has been reported to us per month over the last three years. However we assume that a large number of cases are not reported because of the difficulty in recognizing an act planned with fraud in mind. Many family members only register the alienating behavior of their relative but are unable to understand it or to recognize any pattern behind it. Others are ashamed to talk about inconsistencies because that would dishonor the deceased, or because they themselves could be seen as greedy.

What can be done to combat inheritance fraud?
We encourage everyone to learn about the issue in an objective way and to look at it from multiple perspectives. By discussing this behavior openly, we can remove the taboo that is casting a shadow where crime can flourish. We also recommend amending laws so that the authorities are able to take more effective action.

Fridolin (right), depicted on the coat of arms of the Swiss canton of Glarus, is considered the patron saint protector against inheritance fraud. As legend has it, the Irish missionary lived in the sixth century and protected the lands that later became Glarus from falling into the wrong hands. Fridolin summoned the deceased landowner Urso from his grave to testify in court to prevent Urso’s stingy brother Landolf from inheriting his property.

The perpetrator – whether directly or through someone working on their behalf – attempts to trick or manipulate the testator. From a legal perspective, the schemer ultimately is included in the inheritance, surprising the immediate family of the deceased at an inopportune moment. Establishing such connections in court is often extremely difficult.

What kinds of people are at risk – is there a victim profile?
It happens to vulnerable people, such as those who have never learned to defend themselves or those who, for age-related reasons, are no longer capable of doing so. But there are also those proud individuals who, in a moment of weakness, have somewhat naïvely clung to the first person pretending to be a friend. People dependent on others are particularly at risk.

What can specialists do to combat inheritance fraud?
Sometimes specialists will unite to form a team and start a conspiracy. If they succeed, they may repeat the ploy and turn it into a business model. In terms of their character, some of these perpetrators have a penchant for gambling, while others tend to be narcissists or sociopaths. Some rely on their higher social position to protect them from ever being accused of carrying out such deeds.

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A new procedure enables scientists to manipulate the DNA building blocks in the genome of humans, animals and plants. How should we wield this power over nature? Biologist Dieter Egli in New York wants to use it to prevent children from inheriting genetic diseases.

Text Helene Laube  Illustrations Keith Negley
The place where they are making revolutionary progress with embryonic stem cells could not be any less spectacular: a small lab on the rambling campus of the Columbia University Medical Center in Upper Manhattan. Here, in the Egli Lab packed full of medical technology on the sixth floor of the Medical Science Pavilion, Dieter Egli is doing pioneering work. The Swiss stem cell biologist is pursuing the question of how DNA can be modified in human embryos. He and his team of nine are researching the genetic changes of stem cells and how disease-causing mutations in embryonic stem cells can be repaired.

Egli believes this is one of the more conceivable strategies for preventing certain hereditary diseases. And he's not the only one. Practically all hopes of a future with fewer major diseases rest on genetics. Egli's laboratory is one of the few that can conduct research on human egg cells and stem cells, because interventions in the human germline are forbidden in many countries, including Switzerland.

The work is still limited to lab experiments. However, it could be used to develop potential cell replacement therapies because the researchers are combining fundamental research with therapeutic objectives. "I'm excited about embryonic stem cells and their potential for healing diseases that were previously incurable. We're working toward that with diabetes, for example," says Egli. For the molecular biologist, himself the father of a young boy, it is essential that his work has lasting relevance for society and a positive impact on the lives of many people. "It's a kind of calling that I've followed since I was accepted into the Swiss Study Foundation, which encourages students to focus their future commitment and activities on benefiting others and the common good."

To say that Egli's work is ethically controversial is an understatement. Few areas of research incite such emotional debates as experiments with genetic modifications in stem cells or cloning living creatures. These efforts fuel fears of designer babies and customized humans with genetic upgrades.

Egli's area of expertise, germline modifications, invites a great deal of furor. The interventions are very controversial because they not only modify the genes of an embryo, the modifications are then passed on to its descendants. The fear is that once they are modified and brought into the world, these babies could change humanity forever. However, this approach could also prevent genetic diseases from being passed down to the next generation. For Egli, it's therefore clear: Only genetic variations that already exist in a healthy person should be inserted in the genome, because the effect of a new variation is unknown. "When you look at it that way, it's not truly a change to humanity," says the researcher.

The issue of germline interventions has become more urgent in recent years due to a new method: Crispr/Cas9. The revolutionary technology enables genetic interventions in the genome that are more cost-effective, easier and far more precise – and therefore less risky than previous procedures. For some, Crispr is therefore a long-awaited breakthrough that will change the world for the better. They hope that this new genome editing process will heal diseases like cancer and Alzheimer's, and enable humankind to abolish hunger. With Crispr, biologists could edit the DNA in plants to create varieties that have higher yields and are more resistant. For others, this is a nightmare come true. They consider it unethical and dangerous for people to use "God's tools" to muck around in the genetic material of humans, plants and animals as they please.

"GENOME VANDALISM" A Chinese researcher sparked global outrage last year when he announced that two female babies had been born after a procedure with the Crispr genetic scissors. He Jiankui claimed that he had switched off a specific gene during the embryonic stage and made them resistant to HIV. If true, then these girls will be the world's first Crispr babies. Egli calls the Chinese researcher's experiment "genome vandalism."

Like many researchers, the Swiss scientist also uses Crispr to edit the genome of embryos. However, he does it exclusively for research purposes. Egli wants to find out whether the procedure can be used safely for repairing mutations in human embryos. "I don't think that today's technology is ready for reproductive purposes," he says. "But I don't want to rule out that it can also be used in the germline." One conceivable application would be if both parents suffer from the same hereditary disease, because there would be almost no chance of finding an embryo without a genetic defect.

Embryonic stem cells have concerned the researcher since the start of his career. Egli, 44, earned his PhD in molecular biology at the University of Zurich in 2003 with Professor Walter Schaffner as his mentor. His primary interest was DNA damage in fruit flies, while today it is DNA damage in the human embryo. Egli soon realized that he would also need to look at human cells under the microscope to develop treatments. In 2005, he moved to Harvard to conduct postdoctoral research, funded by a grant from the Swiss National Fund to promote scientific research. The team at the Harvard Stem

"A kind of calling" is how biologist Dieter Egli describes his research.
Cell Institute, which includes renowned stem cell researcher Kevin Eggan, already had “very innovative ideas back then on what you could do with embryonic stem cells,” according to Egli. One of those was reprogramming a person’s somatic cells and reverting them to an embryonic cell state.

MEDICAL BREAKTHROUGH OF THE YEAR In 2008, Egli, who grew up near Lake Zurich, moved to Manhattan to join the privately funded New York Stem Cell Foundation Research Institute. The reason: A 1996 law prohibits the US government from funding laboratories that destroy human embryos or obtain them for research purposes. Furthermore, the egg cell donations for money that are needed for such experiments are illegal in many US states, including Massachusetts, where Harvard is located. However, New York has allowed funding for stem cell research conducted with donated eggs and payment of donors since 2009.

In the new lab, Egli’s team has managed to show that a somatic cell – meaning a human cell – which does not pass on its genetic material to the next generation can be reprogrammed into a pluripotent stem cell. This means that these stem cells can become practically any type of cell in the body. Time magazine declared this study the medical breakthrough of the year for 2011, and Egli was included on their prestigious People Who Mattered list.

REGULATION, NOT MORATORIUM His extensive research work has established Egli as one of the pioneers in embryonic stem cell biology. Columbia University beckoned in 2014, offering him his own laboratory. As he has said, his work is sharply limited by research policy and the provision of research funding. “The work that I do is basically professional suicide,” says Egli about his work as Assistant Professor for Developmental Cell Biology at Columbia University. “The main thing that advances a person’s career is research funding that helps create influence within institutions – and that’s not the case with my projects.” However, his projects offer promising research, and that is motivation enough for him.

He understands the societal and ethical concerns that trouble citizens, politicians and critical researchers regarding the interventions in human biology. “I’m understandably criti-
A visit to the world’s oldest sake brewery, operated by the same family since 1141. What is the secret of its longevity? Is that longevity a burden or an opportunity? What does the future hold?

Text Sonja Blaschke Photos Yasuyuki Takagi
Preserving the trees for coming generations is one of rice wine producer Sudohonke’s main responsibilities – because large trees make for good water.
Among the oldest are companies that provide products or services to satisfy basic human needs – tea houses such as Tsuen (est. 1160), rice confectioners such as Ichimonjiya Wasuke (est. 1110), and traditional Japanese hotels, such as Nishiyama Onsen Keiunkan (est. 705) and Hoshi Ryokan (est. 1000). What is the secret of their longevity? Is it a burden or an asset?

THE G7 COMES CALLING At Ibaraki Prefecture, located 100 kilometers north of Tokyo, visitors will look in vain for a sign telling them what lies hidden behind a dark-wood fence decorated with painted clay tiles. There is no one in sight behind the open gate. There is, however, a pine tree in the courtyard that is pruned like a bonsai, with branches reaching out like welcoming arms. It's late summer, and the cicadas are still filling the air with their chirping.

"It was only recently that I came to understand what sake brewing really means," says Gen-emon Sudo as we talk later in a 150-year-old wooden building, where he offers us refreshments. He makes that comment despite being a 55th-generation brewer at one of Japan's most highly regarded breweries, as well as the company's president for over 20 years. Four years ago, he hosted the heads of government who were gathered in Japan for the G7 summit. According to his customers, "you can never go wrong with Sudohonke," he tells us.

He sees it as his responsibility to produce a "proper," unique rice wine of consistently high quality that not only his customers, but also the gods can rely on. Indeed, that was the origin of sake, and how it is viewed today: as an offering and food for the gods. And that's the reason for the small wooden Shinto shrine, with white offering vessels in front of it, located outside the production buildings – which are strictly off limits to the press.

Sudo loves to talk about sake – its taste, its ingredients, its appearance, the unique features of his company's products and the responses he has received from famous wine producers and chefs. "But sake alone is not enough," he stresses. Sudo also wants to preserve his country's cultural heritage. That heritage includes traditional arts such as rakugo, which is a kind of "stand-up comedy" but performed in a kimono while seated. Accordingly, he likes to organize sake tastings in connection with cultural events. Since childhood, he has watched traditions disappear. One example: He was taught as a child to greet guests by bowing from a kneeling position – something you will rarely encounter today. In the past, people drank sake at New Year's for the purpose of spiritual cleansing; for many today, it's simply about drinking alcohol.

SAMURAI IN THE FAMILY TREE When the conversation turns to his family or himself, Sudo suddenly becomes taciturn. Asked about his age, this elegant gentleman simply smiles, saying, "It's a secret." He appears to be in his late 50s or early 60s. Precisely where his family came from hundreds of years ago, when it arrived in the area that is now the city of Kasama, is another of the many questions he prefers not to answer. "From the region," he says. Secretiveness seems to be part of his business model. What he does tell us, however, is this: His name, Gen-emon, is traditional in his family, but he has another "real" name as well. His forebears were samurai who began to brew sake because they wanted to help the local rice farmers. Since sake commanded higher prices than unprocessed rice did, this made it easier for farmers to pay off their tax debts. Sudo inherited his spiritual nature from his samurai ancestors, as well as the determination to do things "properly" (kichinto), which seems to be his guiding principle. Moreover, he sees himself as a craftsman who is committed to creating a high-quality product. "Much like samurai armor, which was engineered to be light but also very strong."

The first sake is believed to have been brewed more than 2,000 years ago. For a long time, producing a truly fine sake was a matter of luck rather than skill. The master brewers of Sudohonke were the first to consistently produce "pure sake" (namazake) – unpasteurized, unfiltered, non-carbonated – with the help of mold spores (koji). They continue to use this "kimoto" method that was invented so long ago.

It is no accident that this technological advance occurred toward the end of the "golden" Heian period (794–1192), Sudo says. That was an era of political stability, and the temples had money. Surrounded by water, the country was protected from invading neighbors, which allowed high-quality
What distinguishes a family business? The Credit Suisse Family 1000 is a database of 1,000 family-owned businesses from a wide variety of industries and geographic regions, which the bank has been following since 2017. Information about these companies in comparison with other kinds of ownership structures can be found in a report entitled “The CS Family 1000.”

The CS Family 1000 can be downloaded at: credit-suisse.com/family1000

A rice product: Sake is 15 to 20 percent alcohol by volume. Despite the name “rice wine,” it is produced more like beer than wine.

Gen-emon Sudo, 55th generation sake master; his age is a secret. The name of his sake, Sato no Homare, means “pride of the village.”
arts and crafts to develop largely undisturbed. Furthermore, external influences were of little importance during Japan's period of self-isolation from the 17th to the 19th century.

The tradition of passing on the entire estate to a family's first-born son contributed to companies' longevity as well, according to Professor Hugh Whittaker, who teaches Japanese entrepreneurship and innovation at Oxford University's Nissin Institute of Japanese Studies. He also points out that some families had a family code. Sudohonke is one of the companies that operate on the basis of a 100-year business plan – which, however, can be modified.

Rather than following trends, Sudo seeks to preserve what has already been achieved. Yet that doesn't mean that he is unwilling to consider new ideas. “Every new generation is like a start-up,” he says. For example, under his leadership the company has begun to export its sake. Forgoing the traditional small ceramic cups, he serves us his sake in champagne and Riesling glasses; this helps to “preserve the sake’s ephemeral aromas,” he explains.

As a boy, he was interested in boats and the sea. One experience in particular made him realize that he wanted to follow in his father's footsteps. During a trip to America, he heard someone complaining of a headache after drinking sake. Sudo tried it, and found that it tasted terrible. He thought it was wrong that this beverage was even referred to in other countries as sake. He wants his "properly produced rice wine" to set the standard for quality not only in Japan, but abroad as well.

It has been reported that the topic of exports has caused dissension in the family. As Whittaker points out, friction between tradition and innovation is not uncommon. “The new is often justified in terms of its fit with the past, the eventual effect of which is continuity with change (and occasionally the claim of continuity when that might be contested).” From an early age, children are often consciously socialized for their future roles. “Succession management is not left up to chance,” says Professor Whittaker, “but naturally things don’t always go according to the parents’ plans.”

THE NEXT GENERATION  Sudo has a 25-year-old son as well as two daughters, aged 23 and 21. Will they follow in his footsteps? He doesn't ask them. He doesn't want to exert pressure – and presumably they already know that he would like them to take over eventually, “one or all three, it doesn't matter,” he says. “If none of them is interested, I'll have a problem,” he adds with surprising frankness. Other sake producers are betting that the answer is to bring in a fresh perspective from outside the industry, but Sudo is skeptical. “It’s difficult if you’re not born into the business…” Nor is he considering selling the company, “because I can't simply pass on what I know, or print it out on a computer.” He is therefore looking to his employees. With practice, and after many tastings, they can acquire about 70 percent of his knowledge, Sudo says. Some may even reach 90 percent – which puts them on the short list to succeed him. It is also important to note that in Japan, the concept of a “family-owned company” can be interpreted quite broadly; a person who is not related by blood can simply be adopted.

“In Western society, a company might collapse if a male heir is incompetent,” says David Weinstein, Carl S. Shoup Professor of the Japanese Economy at Columbia University in New York. “Japanese tradition allows for the adoption of a daughter's husband to keep a company going – provided that she marries someone smart.” Sudohonke has not only re-

The production process is a family secret. We know, however, that employees have to step into a disinfection bath before they are allowed to enter the brewery.

Will his children follow in his footsteps?
"If none of them is interested, I'll have a problem."

46 Bulletin 4/2019
Sonja Blaschke is a freelance correspondent for East Asia and Australasia, as well as a TV producer. She lives in Tokyo.
“The things

life

interesting”
What do pizzas in Naples have to do with female divers in South Korea and people speaking with whistles in Turkey? Tim Curtis, Secretary of the UNESCO Convention, talks about safeguarding intangible cultural heritage.

Interview Simon Brunner

Tim Curtis, you head the UNESCO Convention for the safeguarding of the Intangible Cultural Heritage. What exactly is an intangible cultural heritage? In the UNESCO Convention, we emphasize these five elements: A community must itself identify something as an intangible cultural heritage. This must be something that is transmitted from generation to generation. It is a response of the community to its environment and is connected with its history. It is dynamic and is constantly recreated. It gives the group a sense of community, identity and continuity. And, in order to be declared worth safeguarding, a cultural heritage must be compatible with existing human rights instruments and the principles of sustainable development.

What forms can such an intangible cultural heritage take? Our lists include customs, representations, expressions, knowledge, skills – as well as the related instruments, objects, artifacts and cultural spaces.
The lists of intangible cultural heritage contain 429 entries from 117 countries, such as the Haenyeo women divers of the Republic of Korea (on the cover of this issue), the art of pizza-making in Naples, or shadow play puppetry in the Syrian Arab Republic. Why are such things so important for a community? Because the communities that practice them understand them as key components of their cohesion. I like to put it this way: These are the things that make life interesting. Many Belgian communities regard their beer-making methods as a central component of their identity, particularly in the villages. At the global level, the intangible cultural heritage is important for preserving diversity and how we interact with each other: Understanding this heritage promotes dialogue, mutual respect and tolerance.

On a second list, you include 59 elements in need of urgent safeguarding, such as the whistled language of Turkey. But isn’t it natural that things die out when nobody practices them any longer? Of course – we only want elements on the list that are actually practiced; otherwise, it becomes purely a matter of folklore. But specifically the dying out of a language is one of the very saddest things that could be. Once it disappears, there’s no getting it back.

How does one prevent that? It is much more difficult than protecting a church or a temple. At the heart of intangible cultural assets is the idea that they are transmitted from generation to generation – and this is also how they can be protected: by getting young people excited about them. The first step is to ensure that the next generation even knows about the cultural elements of their society, which often enough is not the case. Therefore, education is essential. In the 1970s, the Welsh language had almost died out. Today it is alive again, and spoken by more than 750,000 people. It’s crucial that the children are brought up bilingual. It’s easy for children to learn a second language – why not the language of their grandparents, their ancestors?

The UNESCO Convention for the Safeguarding of the Intangible Cultural
Heritage has existed since 2003, and it is probably one of the most successful international agreements ever. Why do you think that is?

In fact, 178 countries ratified the Convention in a relatively short time. This is an issue that concerns many countries, and one that had been neglected. When we began, there were only a very few guidelines or programs in this field worldwide. Today, they are broadly established. So, yes, you could describe the Convention as a success. The next step is to bring more attention to the idea of intangible cultural heritage as such. It’s not so much about the individual elements on the UNESCO lists; it’s more about making sure that people fundamentally understand how important these things are for what constitutes the core of who we all are.

How long will it take before the first digital heritage makes the list? We’re thinking, for example, of the gaming culture in the Republic of Korea, or Wikipedia as a collective culture of knowledge, or photo subcultures on Instagram. Good question. Just last year, we added Jamaican reggae music to the list, and I can well imagine that someday digital elements will follow. But it might yet take some time, because one criterion, of course, is that the culture is passed from one generation to another.

You yourself are Australian, but so far there are no entries at all from your country. That must hurt.

Yes. My country has not yet ratified the Convention. I very much hope that it will do so in the not too distant future.

1. **The Day of the Dead (Día de los Muertos), Mexico** An indigenous observance dedicated to the temporary return to earth of deceased relatives and friends.

2. **Castells, Catalonia, Spain** These human pyramids are built by amateur groups at numerous festivals.

3. **Kırkpınar Festival for oil wrestling, Edirne, Turkey** Oil wrestling is Turkey’s national sport.

4. **Dry stone, Italy and elsewhere** Traditional masonry using unhewn or natural stones with no mortar.

5. **Hurling, Ireland** A 2,000-year-old team sport of Celtic origin, played with a ball and wooden stick.

6. **Falconry, Germany and elsewhere** Hunting with a falcon or other bird of prey.

7. **Management of avalanche risks, Switzerland and Austria** Dealing with avalanches defines the identity of people living in the Alps.

8. **Shadow play, Syria** A form of theater in danger of dying out – there is only one active Mukhayel (puppeteer) left in Damascus.

9. **Pizzaiuolo, Italy** In Naples, about 3,000 pizza bakers shape the dough balls, stretch the dough flat, top it with ingredients and bake it.

10. **Ifá Oracle, Nigeria** The central religious oracle of the local Yoruba religions, Ifá is the goddess of wisdom.

11. **Reggae, Jamaica** Reggae music developed in the 1960s, with Bob Marley (d. 1981) its most famous representative.

12. **Beer culture, Belgium** Various communities throughout Belgium avidly brew and appreciate beer.

Tim Curtis (49) is Secretary of the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage. With a Ph.D. in anthropology, Curtis, an Australian, has worked for UNESCO since 2000.

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Photos: Alain Le Garsmeur Jamaica / Alamy stock photo; ImageBROKER / Alamy stock photo
“I’M GOING TO BE AN ASTROPHYSICIST.”

Júlia, 16, São Luis, Brazil

EVERY GIRL SHOULD BE ABLE TO SHOOT FOR THE STARS

Through our Financial Education for Girls program, Credit Suisse and Plan International are helping girls around the world build better futures for themselves and turn their goals into reality.

For more information, visit plan-uk.org
Nothing beats paper
The articles in the latest issue were inspiring, and the photos were singularly beautiful – some of them moved me deeply. Bulletin is really important in these times when anyone can read the news on their smartphone, but I say: Nothing beats paper! I was on vacation for a week and instead of bringing a book, I took along two of this year’s Bulletin issues.
Ivo Livansky, Třeboň, Czech Republic

Part of my home library
I have been reading Bulletin for a long time now, and it just keeps getting better and more interesting all the time. The magazine is very well written and highly relevant. For years now I have been keeping it with the other magazines in my home library so I can reread it. I especially appreciate the selection of topics, the modern graphics and the lovely photos.
Gian Paolo Bonora, Bologna, Italy

Enthusiastic reader
I have been an enthusiastic reader of your Bulletin magazine for many years. Thank you so much for publishing it. With rare exceptions, the articles have been well worth reading.
Peter Timmermann, Wolfsburg, Germany

Cover to cover
Thank you very much for the Mainstream issue of Bulletin – it was simply great. I read it cover to cover in one sitting.
Maurice Satineau, Bex, Switzerland

We appreciate your letters
Please send letters to the editor by email to bulletin@abk.ch or by mail to Credit Suisse AG, Redaktion Bulletin, HTG, 8070 Zurich, Switzerland

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2019

1. CONCERNS

2. ECONOMY AND WORK

3. CONFIDENCE AND IDENTITY

4. RELATIONSHIP WITH THE EU

JOBST WAGNER
“Don’t delegate your own responsibility” Page 62

KARIN KELLER-SUTTER
“I sometimes miss the willingness to work things out together” Page 68
WHERE ARE THE SOLUTIONS?

Federal Councillor Karin Keller-Sutter receives us in her office in Bern, not far from the Federal parliament – a fitting setting for discussing the results of the Worry Barometer (page 68). This survey, which has been conducted since 1976, has some remarkable findings again this year – especially for politicians.

In particular, it is striking that more than a quarter of respondents reported having lost confidence in local institutions. Switzerland’s relationship with the EU: Although the clear majority know how important the EU is as a trading partner, many still believe that finding alternative partners will be possible. State of the economy: (too) much optimism? Reform backlog: From Old Age and Survivors’ Insurance to healthcare, voters are demanding that policymakers deliver solutions.

In dealing with these and other topics, this year’s survey raises thought-provoking questions about the current state of Switzerland – even more than in previous years. I therefore strongly recommend the Credit Suisse Worry Barometer 2019, whether for reflection at the federal level in Bern, in the board room or at the dinner table.

I wish you an interesting read!

Dr. Manuel Rybach
Global Head of Public Affairs and Policy

Reform backlog

Voter priorities are clear and their impatience is mounting: They want answers and results.
The world is becoming increasingly complex, as exemplified in escalating trade wars, rising populism and the global debate about climate change. How is this complexity reflected in the annual Credit Suisse Worry Barometer survey? What do respondents consider to be the country’s biggest problems? How do they view public policy and the economy? The answers are surprising and quite fascinating.

**CONSISTENT RESULTS** Despite the turbulence worldwide, the ranking of concerns we track has remained surprisingly stable. Voter priorities are clear: 1. Old Age and Survivors’ Insurance/retirement provision (47 percent, +2 percentage points over the previous year), 2. healthcare/health insurance (41 percent, ±0 pp), 3. foreigners (30 percent, −7 pp), 4. environmental protection/climate change (29 percent, +6 pp) and 5. unemployment (26 percent, +4 pp).

**REFORM BACKLOG** The two biggest concerns (Old Age and Survivors’ Insurance and healthcare/health insurance) are concrete domestic policy issues. “Voters expected policymakers to come up with solutions,” says Cloé Jans of gfs.berne, who headed up the study. “But from the voters’ perspective, they haven’t delivered. That’s why we are seeing a certain level of dissatisfaction with the role of Parliament and government when it comes to reform” (more on this topic below and in Section 3).

**SURPRISES** Concern about environmental protection has increased by 6 percentage points (pp), but that was not quite enough to put the issue among the top three – although climate change was covered heavily in the media this year and environmentalist parties (the Green Party and the Green Liberal Party) increased their representation in this October’s parliamentary elections. Another topic that garnered less media attention was also surprisingly important to voters: Personal safety (+11 pp) gained more sharply than any other concern tracked in the study. Interpreting the results is not necessarily simple. Foreigners (−7 pp) and refugees (−11 pp) – both topics that right-wing political parties often associate with increasing crime rates – have lost some of their urgency among voters. Karin Keller-Sutter, a member of the Swiss Federal Council, stressed in an interview (page 68) that Swiss national security and protecting Swiss citizens are of utmost priority. She says, “Without security, there can be no prosperity.” Unemployment, which has long ranked as the top concern on the Worry Barometer, appears to have lost urgency as well, having dropped considerably in importance last year and rebounding only slightly this year (26 percent, 46% of respondents feel that policymakers “often fail on key issues.”

In 2017, that figure was 24 percent. Similarly, 41 percent of respondents believe that business leaders “often fail on key issues.”

2017: 23 percent.
It would appear that Swiss voters feel their jobs are very secure (more on this topic in Section 2).

**LESS PRESSING CONCERNS** Interestingly, a number of other topics that have received considerable media coverage do not seem to factor as urgent concerns among voters. Those include (by ranking): 16. wages (11 percent), 17. equality (11 percent) and 22. family policy/childcare (8 percent), 24. internet security/cyber spying (7 percent), 25. terrorism (6 percent), 26. globalization (6 percent), 30. digitalization (6 percent) and 40. global trade wars (3 percent).

As the map shows, the Swiss are disappointed with policymakers and the lack of progress being made on much-needed reforms – with 46 percent stating that policymakers have often failed on critical issues. Two years ago, in 2017, that figure was just 24 percent. Frustrations may be fueled by the fact that voters are generally quite interested in matters of public policy: 74 percent of respondents stated that they are either “somewhat interested” or “very interested” in politics – a record high (it has been measured each year since 1995; previous page).

Responses to the question of who should resolve political issues also indicate general dissatisfaction. Voters would like to see policymakers, especially those in the executive branch, take more initiative: “The Federal Council needs to do a better job of fulfilling its leadership role,” say 83 percent, while 68 percent feel that “Parliament should seek more compromise.”

Other institutions are also viewed with deep criticism. The general loss of confidence is discussed in detail in Section 3. While 41 percent of respondents believe that business leaders often fail on key issues, 60 percent said they are highly competent problem-solvers. Many even go so far as to say that “The business community finds solutions faster than policymakers” but that “they need more freedom and less bureaucracy” [previous page]. Can we deduce from these responses that popular initiatives may be afoot that will likely demand more laws and regulations? Be that as it may, one thing is clear from the Worry Barometer 2019: People want public policy solutions.
1. Old Age and Survivors’ Insurance (AHV)/retirement provision  47 (+2)

2. Healthcare/health insurance  41 (–)

6. Personal safety  23 (+11)

5. Unemployment  26 (+4)

11. Social security  14 (+1)

14. Inflation  12 (–1)

12. Nuclear power  14 (+4)

18. Switzerland’s economy  11 (+5)

17. Equality  11 (–)

16. Wages  13 (–4)

15. Federal finances  12 (–3)

A TOPOGRAPHY OF ISSUES

1.3 THE WORRY BAROMETER “Please choose the five topics that you personally consider to be the biggest problems facing Switzerland.”

[rounded in %, comparison to the previous year in percentage points]

No topic has gained more importance than personal safety.

Pensions and healthcare are the biggest concerns.

The rankings are based on unrounded figures.
Switzerland’s doing fine

The Swiss rate their national and personal economic situation positively.

Is the Swiss economy headed toward a boom or bust? Both scenarios seem possible right now. So we asked Swiss voters what they think of the country’s economic prospects. The results are in and respondents take a surprisingly positive view, both in terms of their own personal situations and the national economy.

Although digitalization, automation and their impact on jobs have been widely discussed and debated, the attitudes expressed by survey respondents toward new technologies range largely from pragmatic to positive [●2.1]. More than 60 percent either “strongly agree” or “agree” with these statements: Digitalization “improves quality of life,” “makes it easier to navigate the labor market,” “improves working conditions” and “makes it easier for potential employers to find employees.” Between 40 percent and over 50 percent of respondents also agreed with the more critical statements, that the new technologies “generally reduce opportunities on the labor market” and that “employers expect around-the-clock availability” of their employees. Thirty-five percent find that “digitalization is overwhelming.” That is one in three survey respondents, but the general trend toward technology friendliness is also reflected in the fact that only 10 percent said that they believe their job would be automated within the next five years. Last year, 22 percent worried about losing their jobs to automation (but within 20 years). In general, unemployment is less of a concern than it has been in years past, as the worry rankings show [●Section 1].

So, it makes sense that individuals take a positive view of their current economic situation and future prospects: Ninety-two percent said they are doing “fairly well,” “well” or “very well.” This response has consistently high since 1995 [●2.3]. For the next
12 months, 75 percent believe they can maintain their current situation, 12 percent expect things to improve and 10 percent expect circumstances to worsen. Entrepreneur and philanthropist Jobst Wagner shares our survey respondents’ view but also sees a number of challenges ahead for companies in Switzerland. He says, “There’s no juice left to squeeze from this lemon,” and is demanding that the government take measures to shore up Swiss business [● See interview on next page].

Finally, survey respondents were asked to compare the Swiss economy with the rest of the world. The results are clear: We Swiss are far better off. That view has become even more prevalent in the last 15 years, with 64 percent saying that the Swiss economy is doing better and 31 percent that it is doing much better. In 2004, those figures were 72 percent and 8 percent, respectively [● 2.2].

For the year ahead, 75 percent say they expect to maintain their current circumstances, 12 percent expect things to improve and 10 percent expect their personal circumstances to worsen.
“Don’t delegate your own responsibility”

Entrepreneur and philanthropist Jobst Wagner worries about the Swiss economy and civil society. That’s why he’s rewarding smart ideas for Switzerland’s future.

Interview Simon Brunner

Mr. Wagner, your company has around 20,000 employees. For many years, unemployment was the top concern in the Credit Suisse Worry Barometer. Since last year, it’s ranked fifth. How do you explain this?

Studies show that job loss causes greater emotional stress than the serious illness of a family member or pregnancy – it’s understandable that respondents are afraid of this traumatic experience. The very low rate of unemployment today has likely tempered this fear somewhat.

I have to admit that I’m of two minds about this issue.

In what sense?

I’m happy about the job security for employees, but the shortage of skilled personnel is a major issue for companies. We’re looking for technicians, engineers, we train them ourselves – but it’s just not enough. Sometimes we don’t have the staff to implement important projects in fields such as digitalization.

The respondents are very satisfied with economic issues. With the strong Swiss franc, growing trade barriers, and the aforementioned personnel shortage, how can this be?

We can thank the many companies that have economized so well in recent years, increasing their competitiveness, efficiency and capacity for innovation. But we have to be careful: There’s no juice left to squeeze from this lemon!

How so?

The current situation would seem to demand supportive measures such as lower taxes, or eliminating unnecessary and costly fees. Instead, the opposite is happening. Conditions for doing business are getting worse, and the supposedly deregulated labor market corresponds less and less to reality. And more trouble is on the horizon. Switzerland’s reputation rests on predictability – but negotiations with Europe have stalled, the inheritance tax initiative that was rejected in 2015 would...
have been retroactive, and the new OECD tax regime could mean that companies are no longer taxed only at the site of value creation. Uncertainty is growing.

Isn’t that rather alarmist? Fewer foreign companies are moving to Switzerland, and direct investment is shrinking, too. This should give us pause for thought. We’re an automotive supplier, and the numbers are going down. Others are struggling, too – the chemicals and machinery industries, for example – and the financial sector is feeling the pressure. There are exceptions, such as the construction and real estate sector, public administration, IT and pharmaceuticals. But in other areas, the mood is tense.

Despite economic confidence, 41 percent of respondents believe that the economy often fails in key areas. This figure was only 23 percent in 2017. Why do you think that is? This is where we need to take a critical look at ourselves. Too often we business leaders don’t stand up and show our true colors, particularly when we make mistakes. We’re also living in uncertain times. There’s a lack of political stability, and populism is gaining the upper hand. Many people have the uneasy feeling that they’re losing control, that they’re the puppets of those in power – whoever that might be.

And this is reflected in attitudes toward politics; 46 percent feel that the political system is failing in key areas. The traditional parties aren’t being honest, and they’re opening the door for populist movements. I’m looking for leadership. The Federal Council negotiated an institutional framework agreement with the EU for four years, and then took no position on the draft text. It doesn’t explain enough and provides too few options. The same is true of pensions; here, too, no one is telling it like it is. If we live longer, we’ll have to work longer. This is how politicians lose credibility. But actually, your question bothers me.

How come? I think it’s bad to separate the economy and politics. Pointing fingers doesn’t help either side; we’re all in the same boat. We all have a social responsibility to fulfill.

Jobst Wagner (60) is the chairman of the board of directors of the family-owned company Rehau AG, a global provider of polymer-based solutions. He supports cultural institutions in Switzerland and serves on the board of trustees of Avenir Suisse. The StrategieDialog21 foundation provides the main channel for his civic engagement. strategiedialog21.ch

An appeal to civil society? Yes, you can’t delegate your own responsibility. Everyone should ask themselves: Have I voted? Do I belong to an association? Am I helping the disadvantaged? My contribution is the StrategieDialog21 foundation, which over the past six years has developed a broad network – reaching across different parties and walks of life – for an open, innovative, bold and free Switzerland. We promote constructive dialogue that is essential for direct democracy.

How exactly does this work? In Challenge21, young entrepreneurs and seasoned executives meet to discuss current challenges. This year’s topic was artificial intelligence. Through the “Wunsch-Schloss” national ideas competition, we’re looking for projects for an innovative Switzerland. Every citizen has the chance to enter and redefine Switzerland. The top prize is a meeting with all of the general secretaries of the main Swiss parties, and many members of the National Council and the Council of States attend the grand final. We also promote research and book projects. “5vor12” is about bureaucracy; we’re working together with the Swiss Venture Club to look for concrete solutions.

“5vor12” rewards what it calls good regulations. What are those? A good regulation doesn’t coerce citizens, but rather encourages them to exercise good sense – giving them a nudge, so to speak. The costs of a good regulation are not excessive, and first we make sure that it’s even needed at all. Of course, it would be better to eliminate certain regulations altogether, but unfortunately Switzerland lacks the political will for greater deregulation.
3.1 TRUST. “Based on this scale (1–7), tell me what your level of trust is in each of these institutions.”

[In %, comparison to the previous year in percentage points]

WHAT WE (DON’T) BELIEVE IN

1. Police 72 (+2)
2. Federal Supreme Court 66 (–4)
3. Swiss National Bank 58 (–5)
4. Federal Council 50 (–11)
5. Army 50 (–13)
6. Radio 46 (–4)
7. Council of States 44 (–14)
8. Television 44 (–1)
10. Public administration 40 (–14)
11. Employee organizations 39 (–20)
12. NGOs 35 (–14)
13. Banks 34 (–18)
14. Paid newspapers 30 (–23)
15. Internet 23 (–12)
16. Employer organizations 21 (–23)
17. Churches 20 (–25)
18. Political parties 17 (–22)
19. Free newspapers 16 (–17)
20. EU 14 (–20)

MOST OF ALL Six organizations lost more than 20 percentage points, the churches most of all.
Confidence is dwindling

Confidence in Switzerland’s institutions is dropping rapidly. In one notable exception, the police have captured the top spot.

Sections 1 and 2 highlight a skeptical attitude towards politics and, to a somewhat lesser degree, towards the economy. This critical stance is reflected even more clearly by the confidence rankings [● 3.1]. When asked how much confidence they personally have in Switzerland’s institutions, voters are clear: “much less than last year.” In one year, the 20 institutions included in the survey have lost over a quarter of the people’s confidence.

When it comes to the confidence placed in them, six institutions have even lost 20 percentage points or more: the EU (–20 percentage points), employee associations (–20 pp), political parties (–22 pp), employers’ associations (–23 pp), paid newspapers (–23 pp) and churches (–25 pp). The fact that these six institutions come from such a wide range of different areas makes the results difficult to interpret. Other than specific reasons behind the poor performance of any of these individual institutions, one generic explanation could be a distrust of policy-makers in general.

The police stand alone at the other side of the spectrum. They are the only institution to gain confidence (+2 pp) and are also the most popular one for the first time since 2012. This result could possibly be related to the topic of “personal safety” from the Worry Barometer ranking, which increased the most (+11 pp, ● Section 1). The Federal Supreme Court, the institution leading the rankings most frequently over the past 20 years, is now at number 2 (–4 pp).

Switzerland’s perception of itself is rooted strongly in its institutions, and they are facing criticism. No wonder then that 77 percent consider the “diminishing ability of politicians to reach sustainable solutions” to be a threat to Swiss identity [● 3.4]. Sixty-two percent think that problems with the EU are jeopardizing Switzerland’s identity. The EU is also among the institutions losing confidence at a rate of 20 percentage points or more.
and the relationship is generally an uneasy one [Section 4]. It is also worth noting in this context that 61 percent of respondents find that there is a backlog of reforms.

When it comes to issues that jeopardize national identity, the topic of immigration – topping the list practically every year between 2004 and 2016 – continues to lose urgency. This is in line with the results of the Worry Barometer ranking indicating that, since 2015, the focus has been moving away from foreigners and refugees.

Respondents reveal the flip side of their skepticism towards the institutions. When asked what elements of Swiss politics they are proud of, 93 percent responded that they are most proud of the country’s civil rights, in other words, the initiatives and referenda. According to Cloé Jans, Head of Research at gfs.bern, “Direct democracy is a deeply rooted element of the Swiss identity. Political co-determination is essentially in our DNA. It makes sense that the strong ties to these institutions become even more evident when people are unhappy with politicians.”

That leaves the question of what actually symbolizes Switzerland? If the institutions are viewed so critically, what distinguishes us? The most frequently mentioned factor by far is security/peace (33 percent). This is in line with the significance of police and personal safety. Next comes neutrality (19 percent) and the countryside (15 percent). Then come the elements of popular participation referenced before: democracy (14 percent) and freedom/freedom of expression (12 percent).

Now some good news at last. Despite the upheavals described here, “pride in Switzerland” remains at a consistently high level, with 51 percent of respondents “somewhat” and 28 percent “very proud” of their country [3.2, previous page].

93% are proud of the country’s civil rights – the most popular element of Swiss politics.

What is holding us back

3.4 THREATS TO OUR IDENTITY  “We hear differing arguments about what might constitute a threat to the Swiss identity. Please indicate whether you consider the Swiss identity to be endangered by the following things.” Somewhat/very [in %]

- Diminishing ability of politicians to reach sustainable solutions
- EU problems
- Reform backlog
- Immigration
“It’s up to all of us”

Andreas Müller from the Swiss Association of Municipalities discusses the Year of Militia Service and how to encourage social commitment.

Interview Simon Brunner

The Worry Barometer shows that people think volunteer work is worthy of more public recognition. How can we make this happen?

One of the main objectives of the Year of Militia Service was to increase appreciation for the more than 100,000 people who are actively serving in Switzerland’s militia. There were events, publications, contests and prizes all related to militia service, and the Swiss National Day event held on the Rütli this year was dedicated to recognizing militia service — more than 2,000 active service people took part. We need to have more activities in the years to come.

Respondents support a wide range of measures aimed at supporting militia service. Which ones do you consider worthwhile?

That depends on who the measure is for. When it comes to performing a militia service, it’s all about “wanting to,” “being able to” and “being allowed to.” There are people who want to get involved but are prevented from doing so by a constraint such as their job. Others who could be involved don’t want to because they lack the motivation or fear of public criticism. Finally, there are those who are not permitted to because they do not reside in a certain municipality or they are not Swiss citizens, which is a requirement for certain kinds of work. Different measures are necessary for each of these scenarios. The best answer for the situation will be a mix of different measures.

All the same, one in four respondents consider volunteering to be a private matter which should not be actively promoted. What do you make of that?

That could be related to the discrepancy that exists between an underlying support and a lack of willingness to participate on an individual level. Everyone is in favor but is still happy when someone else actually does the work. And yet the political militia system only works when the offices are actually staffed. Therefore, it is up to all of us to find ways to participate so that the militia system will still be around in 2030 or 2040.

Andreas Müller (54) is the Head of the Year of Militia Service at the Association of Swiss Municipalities and an independent policy advisor. He is the editor and co-author of the book “Bürgerstaat und Staatsbürger. Milizpolitik zwischen Mythos und Moderne” (Citizen State and Citizens of the State: Militia Policy from Myth to Modernity) (NZZ Libro).
“I sometimes miss the willingness to work things out together”

Federal Councilor Karin Keller-Sutter on the concerns of Swiss voters, the outlook for bilateral treaties and the political benefits of a slower pace.

Interview Manuel Rybach

This interview was conducted on September 23, 2019; the editorial deadline was October 21, 2019.
Madame Councillor, the electorate is most concerned about Old Age and Survivors’ Insurance/retirement provision, followed by healthcare/health insurance and the issue of foreigners. How do you interpret this perception of the problems people face? It seems like a realistic and honest reflection of people’s lives to me. Old Age and Survivor’s Insurance and health insurance premiums have a very direct impact on people and their daily lives. Baby boomers will be retiring soon, so pillars 1 and 2 as well as any voluntary contributions to pillar 3 are a major topic. Health insurance premiums are becoming a greater burden, especially for families. However, regarding the issue of immigrants, we need to be aware, first, that asylum applications and immigration have fallen to record lows in recent years, and, second, that Switzerland has a new asylum system that is viewed with great respect throughout Europe. So I’m not especially surprised by the order of the rankings.

Concerns related to environmental protection/climate change have increased by six percentage points, but the issue is “only” fourth on the list of worries. Does this surprise you?
Yes and no. Given the results of the federal elections, it does surprise me. On the other hand, Old Age and Survivors’ Insurance and health insurance premiums have a more direct impact on people’s daily lives. People are concerned about the climate, but they see that Switzerland cannot solve this problem by itself. And they also see that the Federal Council and Federal Assembly are doing a lot, such as completely overhauling the CO₂ Act or Energy Strategy 2050.

Concerns about personal safety rose the most. At the same time, the police force is the only institution that gained trust. How do you explain this phenomenon? Other long-term studies, such as one conducted by the Swiss Federal Institute of Technology, and crime statistics show that Switzerland is a safe country. Over the last ten years – i.e. since the Schengen Agreement came into effect in Switzerland – the number of criminal offenses recorded by the police has fallen by 20 percent. Trust in the police and the government increased during this period, according to the Swiss Federal Institute of Technology, and is higher than just about every other country. This doesn’t mean we can sit back and relax. For me, at any rate, the security of Switzerland and the safety of its people are the top priorities. Without security there is no freedom. And without security there is also no prosperity.

Is there a need to act?
Every country is constantly facing new security questions, not just Switzerland. For some time these have mainly involved the ongoing battle against Jihadism as well as increasingly violent right-wing extremism. The questions that arise in this connection concern prevention, monitoring and punishment. The federal government and cantons are working in all areas to improve the system where necessary.

The relationship between Switzerland and the EU is a considerable concern for the survey respondents – are we facing a decisive period in the next several months? Yes, we will have a vote on the Swiss People’s Party’s initiative to limit immigration, likely in May 2020. The initiative calls for the Federal Council to bring about a negotiated end to the Agreement on the Free Movement of Persons within one year, or to terminate the agreement unilaterally if this is not possible. The initiative also aims to do away with Bilateral Agreements I, thus jeopardizing Switzerland’s bilateral approach. The Federal Council and Federal Assembly have warned against such a step. This is because for nearly twenty years the bilateral approach has been Switzerland’s key to accessing the European market and thus the country’s prosperity, its jobs – and ultimately its sense of security as well.

Could there be a problem with this referendum because of the considerable decline in the trust of politicians according to the Worry Barometer? I do not think so. The 2019 study on security conducted by the Swiss Federal Institute of Technology that I mentioned earlier shows that people’s confidence in the Federal Council and the authorities rose again compared to the previous year. Another good indicator of people’s confidence in the government are the voting results. The results were very favorable for the government with a few exceptions. In most cases, citizens continue to put their trust in the government.

However, there appears to be a growing sense of unease: Of those surveyed, 46 percent have the feeling that politicians have let them down, and more than 60 percent see a backlog of reforms that could jeopardize the Swiss identity. I sometimes miss the willingness to work things out together in daily political life. We need to look beyond our own interests and work together to find solutions – even if these solutions aren’t 100 percent what we wanted. However, first you need to have your own convictions. Only those who have an inner compass are capable of making compromises and thus helping to find solutions amenable to the majority.

When asked about “solutions to political problems,” most respondents said this is the obligation of the Federal Council. At the same time, the Federal Assembly should be capable of making compromises and giving the business community, which a clear majority believes is capable of solving problems, the space it needs and not restricting it through more red tape. Is this the way Switzerland will overcome the backlog of reforms? Yes, that sums up my own analysis quite well. A good example of this was the popular vote last spring on the federal bill on tax reform and AHV financing, known by its German acronym STAF. This was a pragmatic solution that appealed to a majority of voters. The same must now be done with the initiative to limit immigration.

Karin Keller-Sutter (55) has been the Head of the Department of Justice and Police (DPJ) since 2019. Before her election to the Federal Council, she represented the Canton of St. Gallen in the Council of States, which she chaired in 2017–2018. She also served as a member of the board of directors of several private companies. From 2000 to 2012, she was the Head of the Department of Security and Justice for the Canton of St. Gallen and twice presided over the St. Gallen government. She served as Chairwoman of the Conference of Cantonal Justice and Police Ministers (KKJPD) from November 2010 to March 2012.

Bulletin 4/2019 69
Still complicated

Switzerland’s relationship with the European Union is a conflicted one. Wage protection is the area with the greatest potential for concessions within the framework agreement.

For 60 percent of respondents, the EU could “probably” or “definitely” be replaced with an alternative trade partner. Previous year: 54 percent

Our future together

4.3 EXPANDING THE RELATIONSHIP BETWEEN SWITZERLAND AND THE EU “Generally speaking, what changes should be made to the bilateral relationship between Switzerland and the EU?” [in %]

The Federal Council has taken a leading role here and clearly said that we want to continue with the free movement of persons and thus the bilateral approach, but we only want as much immigration as is necessary. We are thus promoting the domestic labor force and reducing cases of social hardship through targeted benefits. This is pragmatic and will hopefully help to achieve a majority against the initiative.

With respect to the institutional framework agreement, a majority is not prepared to compromise. If such a compromise were nevertheless necessary, the respondents would prefer to do so in the area of “salary protection.” They have long emphasized the importance of having a social cushion to soften the impact of the framework agreement. Do you feel vindicated?

The Federal Council is convinced that we need to stabilize the relationship with the EU. Otherwise the bilateral relationship will erode, and it will become more difficult and less predictable. But there are still questions regarding the institutional agreement that we need to clarify – questions related to state aid, the EU’s Citizens’ Rights Directive and salary protection, which we are currently discussing with our social partners. I think strong salary protection and a clear position on the EU’s Citizens’ Rights Directive would be decisive in achieving majority support for the treaty.

Finally, let’s take a look into the future: When asked about their own situation in the next twelve months, 12 percent said it will be better than it is now, 75 percent said it will stay the same and 10 percent think it will get worse. Do you share this – cautious – sense of optimism? Yes, I do. I believe Switzerland will continue to do very well in the future because we always manage to adapt to the needs of the time. If we succeed in maintaining Switzerland’s traditional values and strengths, such as federalism, direct democracy, pragmatism and short decision-making paths, while at the same time remaining open to innovation and change, then our country will be very well positioned. This quote from Swiss historian Georg Thürer sums things up nicely: “Be a part of the modern world, but stay true to our Swiss roots.” But this means we have work to do in those areas where we are still capable of acting ourselves.
If you leave Switzerland by car, bicycle, train or boat, you will inevitably enter a country of the European Union (EU) – or Liechtenstein; the country has no other external borders. Switzerland’s three main national languages are also all spoken in the EU. Switzerland imports 62 percent of its goods from the EU and 44 percent of its exports go to this market. Even though other regions – Asia, in particular – are growing more and more important, one thing remains true: When measuring their significance to Switzerland in terms of trade, no other partner even comes close to the EU member states.

This is also likely to be the very reason why Switzerland’s relationship with the EU has been so hotly debated for decades. In this year’s Credit Suisse Worry Barometer, voters are quite conflicted about the EU. An overwhelming majority (76 percent, ~7 percentage points) acknowledges that the country’s relationship with the EU is “important” or “very important.” In contrast, a mere 10 percent find that the EU emerged stronger from last year [4.1]. And 60 percent (+6 pp) even believe that China or the United States could “probably” or “definitely” replace the EU as a trading partner.

The survey goes into greater detail and asks voters precisely how they envision the future of Switzerland’s relationship with the EU [4.3]: 15 percent would like to see cooperation reduced significantly or in a targeted manner, 24 percent would maintain the status quo, and 52 percent believe there is a need for a clear or targeted expansion. A majority (63 percent) of this latter group supporting expanded relationships believes that bilateral agreements should be “renewed and expanded through the institutional framework agreement.”

The key question when it comes to this institutional framework agreement with the EU, a highly controversial topic in 2019, is where exactly would Switzerland be prepared to make any potential concessions [4.2]. The respondents are most amenable to concessions on wage protection, where 31 percent were in support and 19 percent were undecided. (The framework agreement is intended as an umbrella accord governing relationships between Switzerland and the EU. Negotiations began back in May 2014, and current discussions are focused on a draft agreement presented in November 2018.)

The newly elected Swiss Federal Parliament is currently getting down to work, and there is a lot to do. It will be interesting to see what the Worry Barometer 2020 will say about the concerns of the Swiss people.

76% consider the relationships with the EU to be either “important” or “very important,” down from 83 percent in 2018.
Beni Bischof is an award-winning artist from eastern Switzerland. His aim is to bring humor to art, and he sees himself as part of the court-jester tradition.
Swisscontact is implementing over 120 development projects in 36 countries in the areas of skills development, enterprise promotion, inclusive finance, and climate-smart economy. Swisscontact therewith creates the conditions for a socially and ecologically responsible private sector, contributing to poverty reduction.

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