

# Credit Suisse Progress Barometer 2018

In memory of Alfred Escher, Credit Suisse has conducted a representative survey to determine how the Swiss people feel about their country's future viability. It reveals where voters want more rapid progress, and where they would prefer progress to slow down.

# A shared view of progress

At the time of Alfred Escher (1819–1882), the projects he proposed must have seemed positively utopian. A tunnel through the Gotthard massif? A commercial bank? A technical university? But these things came to pass, and they catapulted Switzerland – which was then a less advanced nation – into modern age. It became a dynamic country, well equipped to meet future challenges. With progress came growth and prosperity.

To mark the 200th anniversary of the birth of a true visionary, Credit Suisse has launched its new Progress Barometer. This representative survey details the projects and issues that the electorate most wants to move forward – and the areas in which respondents would prefer progress to slow down. Perceptions of progress are often ambivalent. Overall, the attitudes of the voters are somewhat progressive (+3.5 index points), while opinion leaders are distinctly progressive (+17.5).

The idea of moving traffic underground in densely populated Switzerland seems just as utopian today as Escher’s ideas did over a century ago – and perhaps for that very reason, it elicits the most favorable responses in the survey [see chart on opposite page](#). With respect to the economy, politics and society, the survey’s results can be summarized as follows:

- **People are in agreement about what constitutes progress**, and they agree on where progress should be more rapid. In most cases, however, opinion leaders are more progressive than the electorate as a whole.
- **Progress needs to be in harmony with Switzerland’s core values:** the “militia” model of civic engagement, media diversity, a consensus-oriented political system, value creation at the local level – Switzerland’s values rest on a firm foundation.
- People want to see progress in the areas that make Switzerland an **attractive location:** education, infrastructure and technology.
- The respondents are most interested in progress related to **social issues**, particularly inclusion and a work-life balance.

On the basis of real economic indicators, the Swiss Economics team at Credit Suisse has calculated the degree to which Switzerland is, in fact, progressive in the areas that were investigated [see page 70](#). They conclude that Switzerland currently finds itself in a very good position – in stark contrast to the first half of the 19th century. But further progress is required to maintain that position. On the following pages, Swiss people explain exactly where progress is needed.

Your editorial team

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The respondents were shown **30 statements**. After each one, they were asked to “indicate whether this **trend** should be **accelerated** or **slowed down**.”

The farther to the **right** an item is positioned in the chart, the more convinced the Swiss are that progress should be **accelerated**. The farther to the **left**, the more they want to put on the brakes.



Fewer independent media outlets

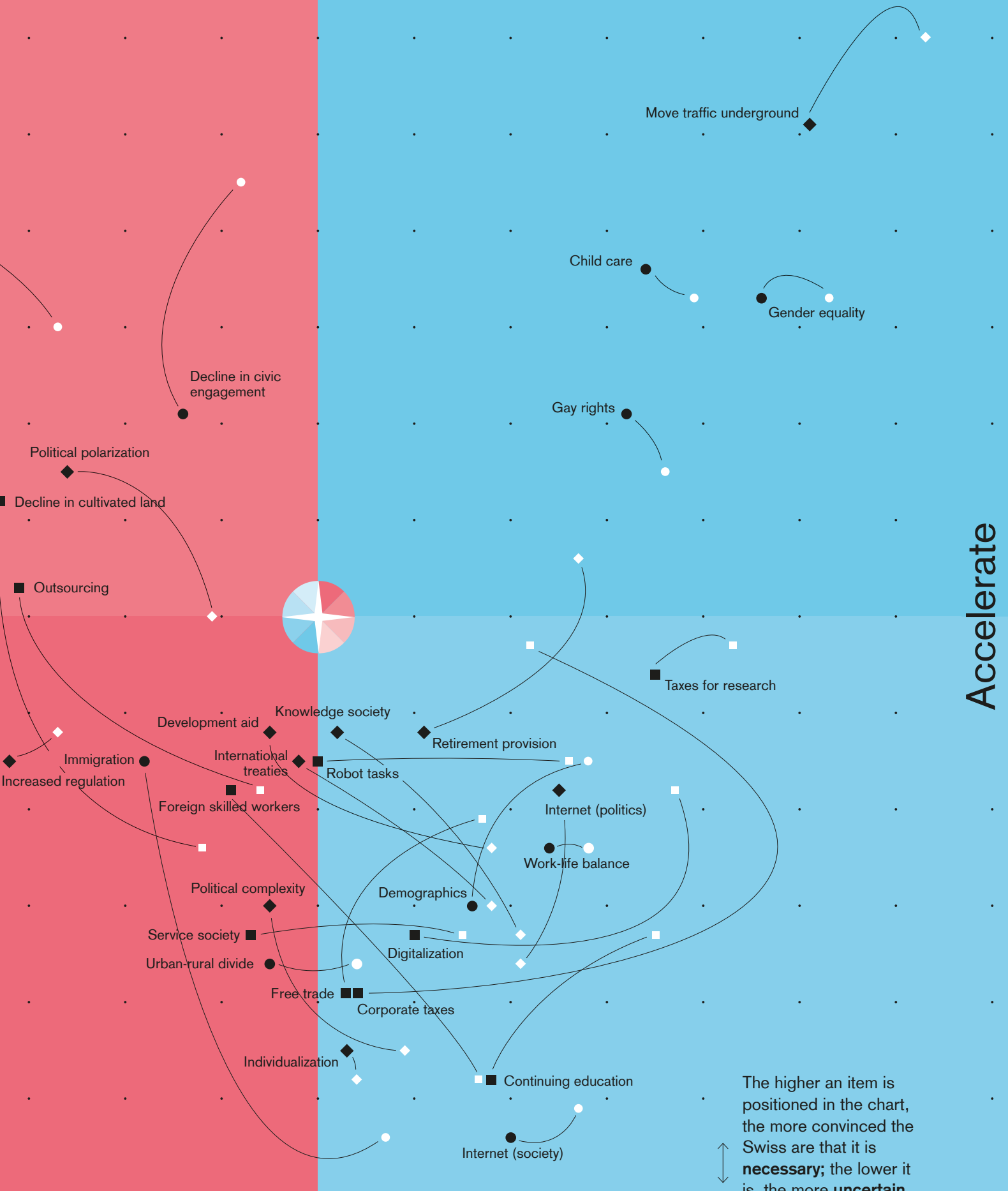
Slow down

- Voters
- Opinion leaders
- □ Economy
- ◆ ◇ Politics
- ○ Society

Necessity

Accelerate

Uncertainty

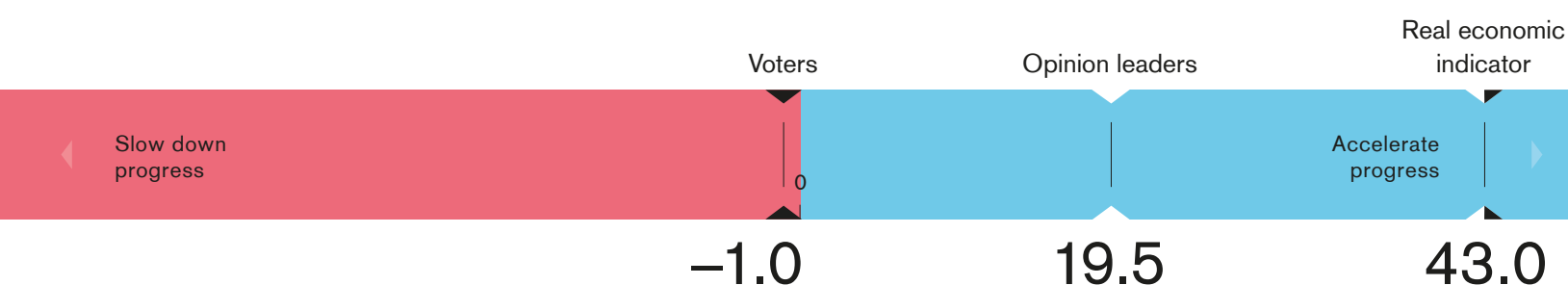


The higher an item is positioned in the chart, the more convinced the Swiss are that it is **necessary**; the lower it is, the more **uncertain** respondents (still) are about the development.



Asked whether they would like “more tax revenues to be devoted to research,” respondents said yes (+35); they also believe that “people need further training if they want to keep up” (+18).

# More education, please



Respondents oppose unlimited economic development, but when it comes to investing in Switzerland's primary natural resource, intellectual capital, they feel it's almost impossible to have too much progress.

For our Progress Barometer, respondents were asked to respond to statements concerning trends in the economy, society and politics: "Indicate whether this trend should be accelerated or slowed down."

With respect to the economy, would it be better to push forward or to slow down? The views of voters in general (-1.0) differed somewhat from those of opinion leaders (+19.5). Perhaps this is because

opinion leaders are often part of the economic system, so they support it and want it to advance. As for voters, they may be growing slightly disillusioned with globalization and are perhaps especially skeptical about the increased numbers of foreign workers (more about this later).

The Swiss Economics team at Credit Suisse has examined the current state of Switzerland's economy. Real economic indicators reveal that the structure of the Swiss economy is already very progressive (+43.0), and the country compares very favorably with others. This may be another reason why voters see no great need for further progress.

At the same time, however, the electorate is not fundamentally in favor of slowing down the economy. On the contrary – asked whether "more **tax revenues** should be devoted to **research**," respondents say yes (+35); similarly, they agree that "people need **further training** if they want to keep up" (+18). In these two cases, their responses do not differ significantly from those of opinion leaders (+43 and +35).

Burkhard Varnholt, Chief Investment Officer Switzerland at Credit Suisse, is pleased that education is highly valued by the Swiss. As he points out, “The intellectual capital of the population is Switzerland’s only natural resource” [see page 61](#).

The respondents also recognize the role of low **corporate taxes** (+4) in attracting foreign companies and appreciate the benefits of **free trade** (+3) – but in both cases opinion leaders want to move forward more rapidly (+22 and +17). Interestingly, voters tend to view **digitalization** (+10) as a means of boosting efficiency rather than as a threat to their jobs. They are, at least, not opposed to the use of **robots** (0) – indeed, that trend is welcomed by voters in French-speaking (+16) and Italian-speaking Switzerland (+12), in contrast to people in the country’s German-speaking region (–5). However, they do not want Switzerland to become purely a **service society** (–7).

There is even more skepticism about competition from **foreign skilled workers**. Whether it concerns foreigners working in Switzerland (–9) or the **outsourcing** of Swiss jobs abroad (–31), respondents would like to slow down these trends. However, people in the French- and Italian-speaking regions take a favorable view of foreign skilled workers (+6 and +1, respectively); they also have more contact with these workers than do their counterparts in the German-speaking part of the country (however, they are not in favor of outsourcing).

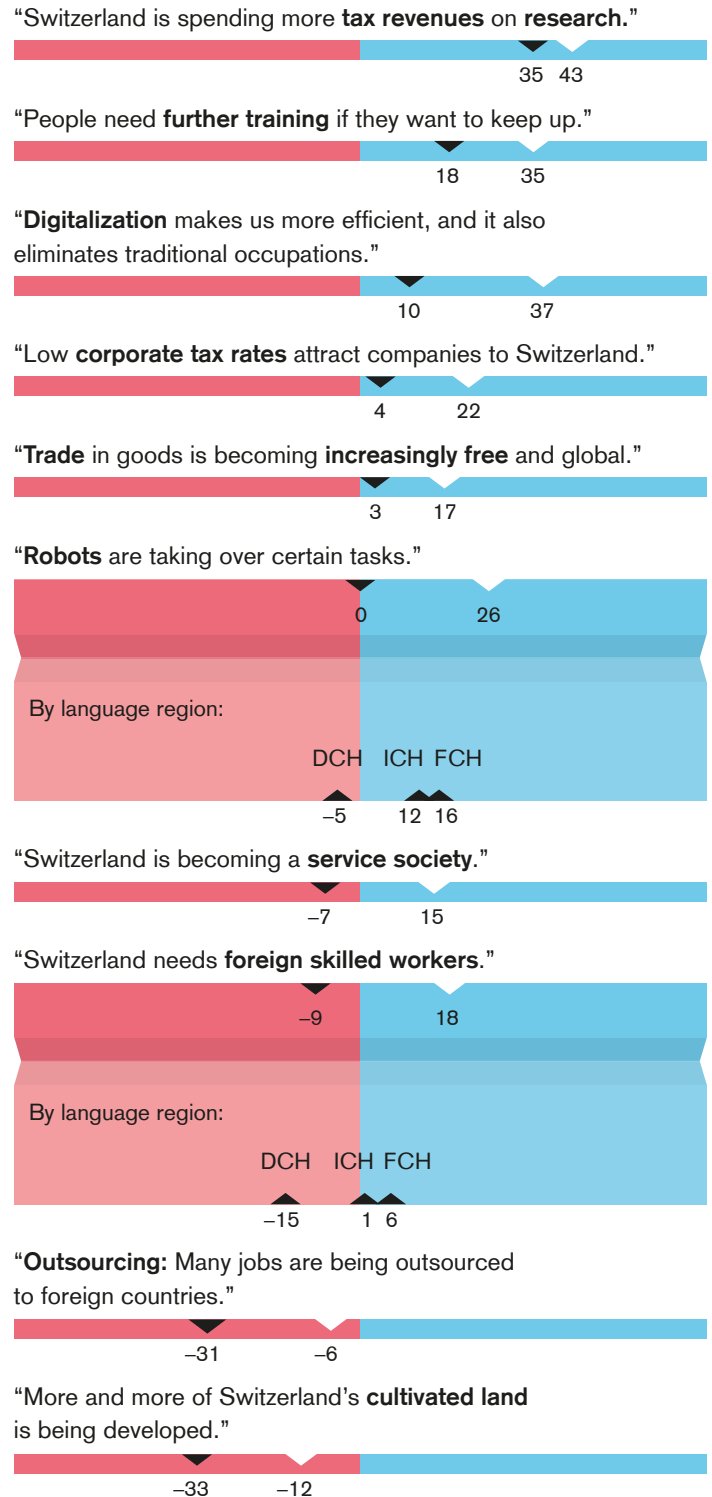
The respondents are very concerned about the development of **cultivated land** (–33), as they see it as the loss of an important aspect of Switzerland. Opinion leaders (–12), too, would like to slow down this trend.

The respondents see this as the loss of an important aspect of Switzerland.

## Respondents are in favor of lower corporate tax rates

Ten statements about the economy, listed according to the level of voter approval (highest to lowest).

▼ Voters ∇ Opinion leaders



# “More progressive than their reputation”

Burkhard Varnholt, Chief Investment Officer Switzerland at Credit Suisse, is pleased by the positive responses to questions about education and digitalization.



Burkhard Varnholt (50) is Chief Investment Officer Switzerland at Credit Suisse and Vice-Chairman of the Global Investment Committee.

Mr. Varnholt, how progressive do you consider Switzerland to be?

I think it is very progressive indeed. Our digital infrastructure is state of the art, as are our schools and education system. In the political arena, I see that serious efforts are being made to maintain Switzerland's position of leadership – economically, culturally, technologically, politically and environmentally. This is ultimately reflected in our quality of life, high incomes and strong competitive position.

Attitudes toward digitalization range between neutral and positive, despite a clear awareness that it might threaten people's jobs – are you surprised?

Swiss people are more progressive than their reputation! They know that the future belongs to the bold, and not to the fearful. Ultimately, banning digitalization would endanger more jobs than it might temporarily save. Over the past 100 years, every technological advance has led to more jobs and growth – although obviously any structural change will cause discomfort.

When it comes to education, the respondents were in favor of accelerating progress and devoting more taxes to that purpose. Do you agree?

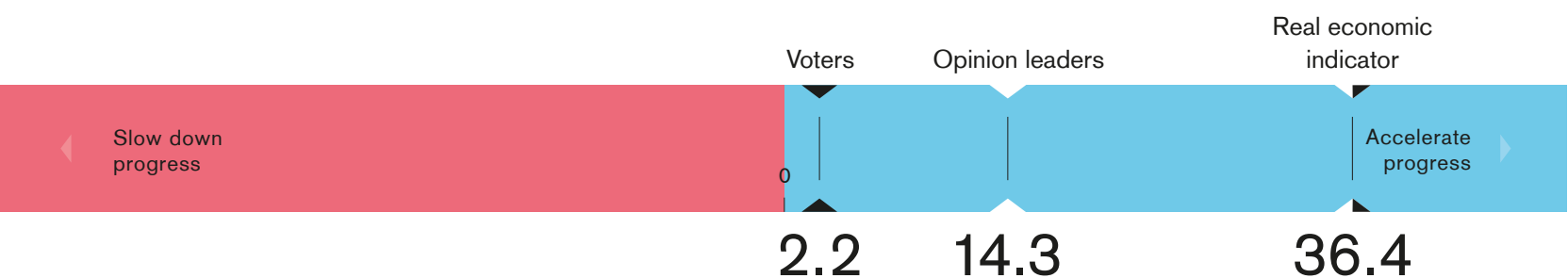
I'm delighted that people attach such importance to education; after all, the intellectual capital of the population is

Switzerland's only natural resource. But it is far from certain that spending more money on education will mean progress. We might also pay more attention to synergies in our existing education system. For example, several of our universities offer programs in Slavic languages and literature, and it would probably be more efficient to combine these and other programs that are not in great demand.

Opinion leaders tend to be more progressive than voters in general. Does the gap appear to be widening? It's hard to say. This split is nothing new. It existed in the 1960s, and even before the war. Such tensions can also have a constructive and creative impact. The important thing is to keep the lines of communication open. I am concerned, however, that nowadays opinions are often given more weight than facts. But I'm still an optimist. People will be able to move beyond these tensions and find positive compromises.

If you could either stop or accelerate a particular trend, what would it be? I think it's very important for Switzerland to continue to be open to the EU. Europe's positive qualities – the common market and the defense of such values as democracy, transparency and universal human rights – are often belittled; its administrative blunders are ridiculed, while its historical contribution to today's prosperity is overlooked. My ideal is a liberal, cosmopolitan, sustainable Switzerland. And I'm proud if I can play a role in achieving it.

# Going underground



Respondents are in agreement about a visionary idea: Switzerland should move its traffic underground. The sooner, the better. Additionally, local politics is too polarizing and day-to-day life too regulated.

When it comes to political issues, voters (+2.2) show less interest in driving development forward than the opinion leaders do (+14.3). Real economic indicators also point to a high value for progress in Switzerland (+36.4).

This section highlights a topic that enjoys broad-based support like no other in the entire Progress Barometer: **underground traffic**. There are vehement calls from both groups (voters: +51,

opinion leaders: +63) for a quicker pace with reference to this statement: “In order for Switzerland to maintain its beautiful landscape, the first ideas for routing traffic underground are being launched.” Both groups also rank the level of necessity of this project as extremely high [see page 57](#). The vision of a subway across Switzerland aligns well with the first part of the Progress Barometer, which laments the loss of cultivated land to new construction. And it also fits with Switzerland’s strengths. We know we can achieve it and that the vision is feasible. The country has leading engineers, particularly in underground construction; the ability to fund, plan and implement major infrastructure projects has been proven time and time again; and public transportation is generally held in high regard by the population.

As in economic and social matters, the electorate views **internet** trends in the political realm positively as well (+25). In this context, it means the opportunity to use the web to organize spontaneous political movements and force politicians to listen more to what people have to say.





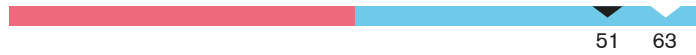
**Vehement calls from voters (+51) and opinion leaders (+63) for a quicker pace with reference to this statement: “In order for Switzerland to maintain its beautiful landscape, the first ideas for routing traffic underground are being launched.”**

# Young people want to live according to their own values

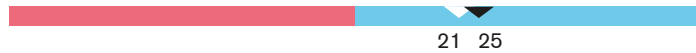
Ten statements about the economy, listed according to the level of voter approval (highest to lowest).

▼ Voters ◁ Opinion leaders

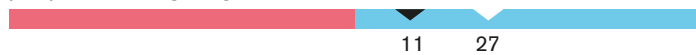
“In order for Switzerland to maintain its beautiful landscape, the first concepts for routing **traffic underground** are being launched.”



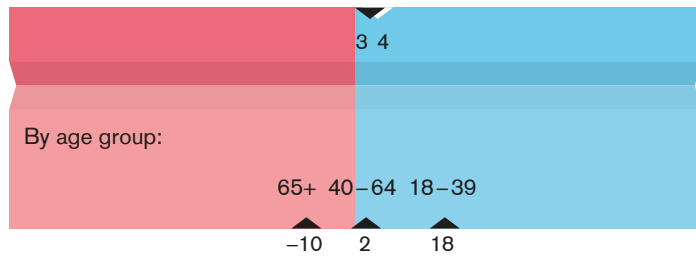
“People can use the **internet** to organize spontaneous political movements and force politicians to listen more to what they have to say.”



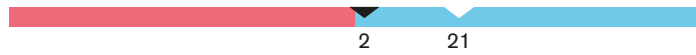
“Payroll deductions for **retirement** provision will rise because people are living longer.”



“Greater **individualization** means less societal pressure, and everyone can live according to their own values.”



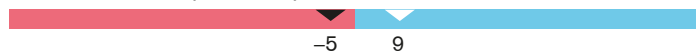
“Switzerland is becoming a **knowledge-based society** and invests less in agriculture but more in colleges and universities.”



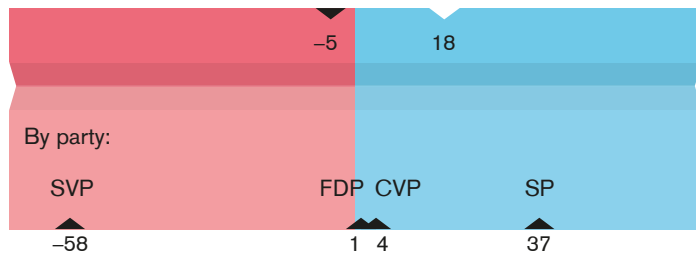
“Switzerland is becoming more dependent upon **international agreements** to secure its position in the global market.”



“The **complexity** of voting proposals is making it more and more difficult to form a political opinion.”



“Swiss contributions for global **development cooperation** are increasing.”



“**Politics** is becoming more **polarized**, and it is becoming more difficult for parties to cooperate with one another.”



“**Rising regulations:** More and more things that impact our day-to-day lives are subject to greater regulation.”



The fact that citizens are preoccupied with **retirement** planning has been repeatedly shown by the Credit Suisse Worry Barometer and the Youth Barometer\*. Respondents to the Progress Barometer also want to pursue the idea of raising payroll deductions in order to safeguard pensions (+11).

As society becomes more **individualized** (+3), the overall average tells us less than the results of the various age groups. The youngest group (18–39 years old) agrees that everyone can live according to their own values, and they would like to see this trend continue. This emphasis on individual values is also reflected in the Credit Suisse Youth Barometer\*. The over-65 generation, on the other hand, would like to slow the pace (–10). This raises the question of whether young people will still have the same attitude when they turn 65 themselves.

Voters tend to have a neutral view of the transition to a **knowledge-based society** (+2), although opinion leaders consider it to be the right direction and believe in investing more in education and less in agriculture (+21). The dependence upon **international agreements** (–2), growing **complexity in politics** (–5) and expanding Swiss **development aid** (–5) are all viewed slightly negatively, though breaking down the results of this last category by party allegiance provides further information. Respondents supporting the Swiss People’s Party (SVP) do not want any further increase in funding for development aid (–58). Respondents supporting the Social Democratic Party (SP) hold the opposite view (+37). This topic showed the most drastic split between party allegiances among the 30 included in the survey.

## Will young people still have this attitude when they turn 65?

The idea to put a stop to the many **rules** increasingly controlling day-to-day life enjoys widespread support (–32).

Last, but not least, one result shows that humans are not always rational beings. All respondents agree that **politics** has become too **polarizing**, hampering cooperation between parties (–26) – but it is precisely the supporters of those parties widely held to be responsible for this polarization that agree with this statement.

\*See: [credit-suisse.com/worrybarometer](http://credit-suisse.com/worrybarometer) and [credit-suisse.com/youthbarometer](http://credit-suisse.com/youthbarometer)

# “Others should try out new things”

Switzerland is “about average” in terms of progress according to Monika Bütler. She would like to see a more open attitude towards new ideas and scientific findings.



Monika Bütler (57) is an economics professor at the University of St. Gallen. Her research focuses on social security and the labor market. The newspaper *Neue Zürcher Zeitung* ranked her fourth in its list of Switzerland’s most influential economists. Bütler is a member of the Bank Council of the Swiss National Bank and a member of the Board of Directors of Schindler Holding Ltd., Suva and Huber+Suhner AG.

Professor Bütler, just how progressive do you consider Switzerland to be? I would say we are “about average” in terms of progress. Though there are not many who advocate returning to the “good old days,” true progress is not very popular either. Switzerland has always been known for its relative openness; however, its stance is that others should try out new things.

Respondents showed the greatest willingness to speed up progress when it comes to potential underground traffic routes. What’s your take on that? The fact that recent infrastructure projects like the Gotthard Base Tunnel and the cross-city transit station in Zurich have been so successful is likely to have contributed to the positive response. It would be interesting to see what the results would have shown if the subway line had come with a price tag.

When it comes to retirement, there is a positive response to the statement that payroll deductions will increase because people are living longer. Is this the answer to the debate on the topic of the Federal Old Age and Survivors’ Insurance?

Well, the response is not exactly enthusiastic [*voters +11, opinion leaders +27, editor’s note*]. The respondents are mostly aware that the state pension system can only be reformed by increasing contributions. In order to assess the proposal, you have to first ask whether the additional deductions would go towards the AHV – in which case I think it would make more sense to increase VAT – or to employee benefits insurance – where it would certainly make sense.

And would this solution actually be capable of gaining majority support if put to the vote? Probably yes. But I always find the tendency of politicians to judge beforehand whether an issue will be supported by the majority to be somewhat amusing. It’s ultimately the voters who determine what the majority will support.

The respondents want to stop progress when it comes to the polarization of politics and the growing regulation of day-to-day life. How do you rank these results?

Neither of these is surprising, yet they are somewhat strange. When it comes to casting their votes, the population voluntarily sides time and time again with greater regulation and polarizing politicians. It’s as if they’re saying, yes, regulation is a problem, but this specific proposal makes sense, whether the issue is about “ruining the environment” or the health of our children.

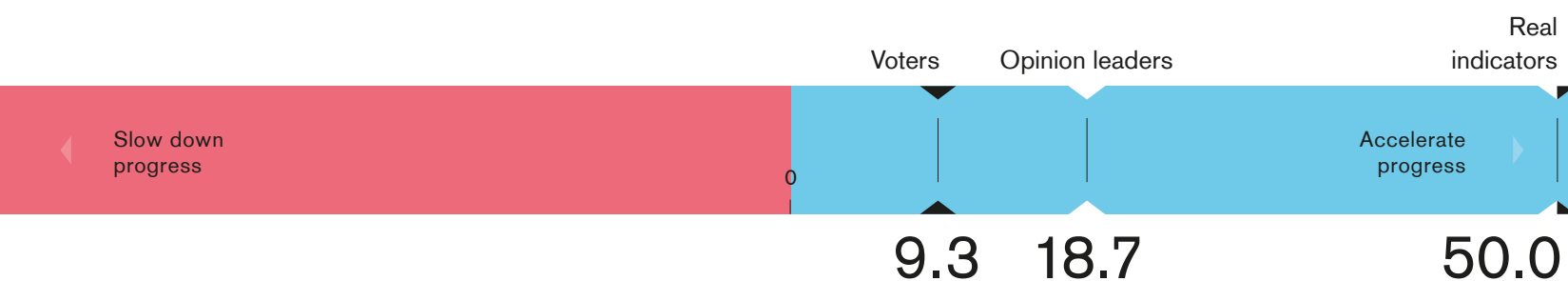
If you were able to stop or accelerate something in Switzerland, what would that be?

Nothing specific. I would like to see a more open attitude towards new ideas and scientific evidence, for instance in the vaccine debate and mobility pricing.



Gender equality (+46), expanded childcare (+34) and gay rights (+32) are topics where the Swiss would like to see progress.

# For a modern Switzerland



Equal rights, childcare, greater equality and less free media: There is much to be done when it comes to social issues.

Voters view social issues as a top priority. They want to see faster progress on these topics. As a whole, social issues scored highest (+9.3) in the survey and three out of four survey responses called for accelerated progress on issues in this area [see chart on page 57](#). Opinion leaders hold somewhat more progressive attitudes than the voting public (18.7). The nation's youngest voters (18–39 years old) are another major driving force in social issues. They want to see change happen faster (+16.3). By contrast, voters aged 65 and older are more neutral (+2.2). The real indicators also show a very high level of progressiveness on social issues (+50) for Switzerland.

When we look at the details, **gender equality** (+46), expanded **childcare** (+34) and **gay rights** (+32) came out on top in the survey. Respondents want to accelerate progress on these topics and consider them to be of crucial importance. Sylvie Durrer, Director of the Swiss Federal Office for Gender Equality, says, "I think people have come to understand that the notion of equality will not

move ahead fast enough without specific measures and without public pressure.” see page 69

Respondents attached a great deal of importance to **work-life balance** (+24) – a trend that is particularly strong (+37) among the youngest age group (18–39 years old). The trend is also positive but with less urgency among 40- to-64-year-olds (+25) and people over 65 (+11).

Likewise, respondents would like to see the **demographic trend** towards longer life expectancy (+16) accelerate, with the caveat that living longer should not mean working longer.

Respondents would like to slow the growth of the **urban-rural divide** (–5). The same respondents would like to slow even more (–14) the decline of Switzerland’s tradition of **civic engagement**, for instance participation in clubs and civic organizations. But they see the most urgent need for a trend reversal in the **media landscape** (–42). They find the dwindling number of independent publications problematic.

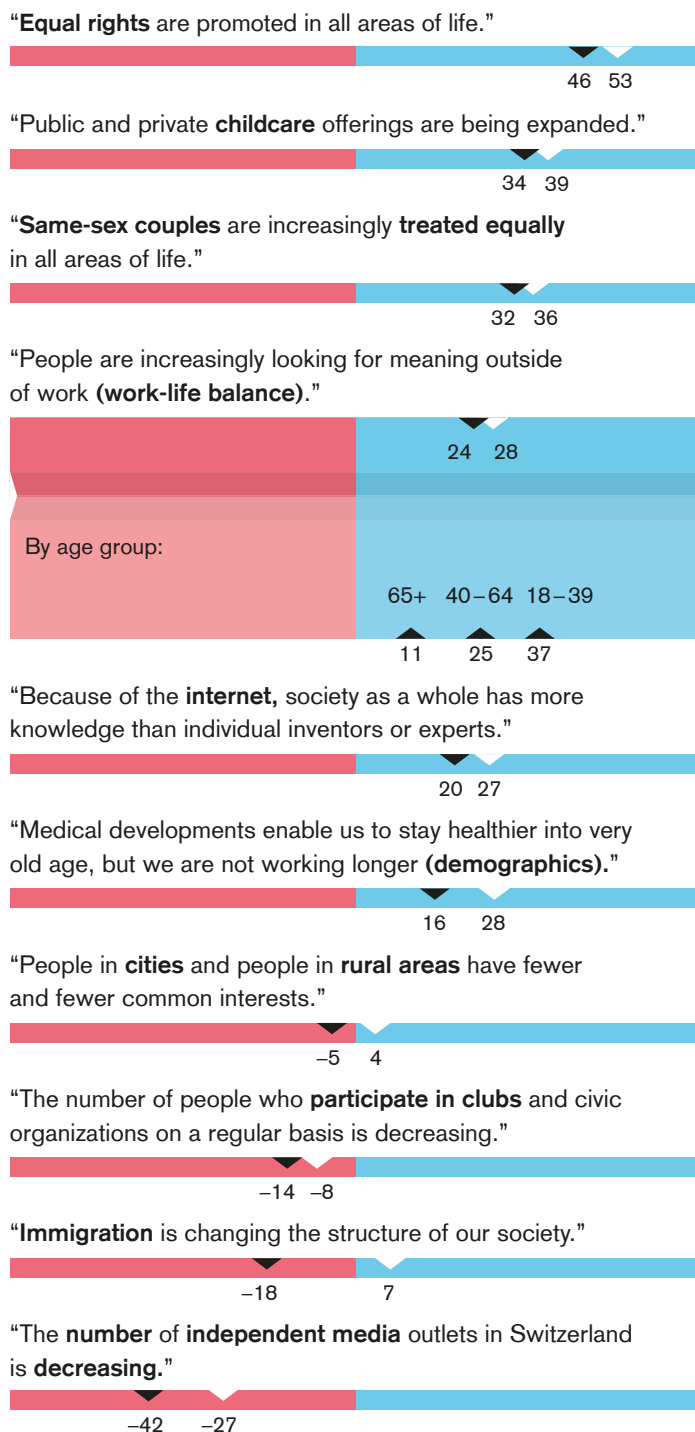
As in the first section of this report, here, too, the effects of **migration** are viewed critically (–18). Respondents would like to slow the rate at which immigration is changing the structure of societies.

## The dwindling number of independent media outlets is viewed as problematic.

## Regretting the decline in civic engagement

Ten statements about society, in descending order of voters’ views on their progress.

▼ Voters ∇ Opinion leaders



# “Real freedom of choice for all”

Survey respondents want to make progress on social issues. Sylvie Durrer, Director of the Swiss Federal Office for Gender Equality, says, “Welcome to the 21st century!”



Sylvie Durrer (58) is Director of the Federal Office for Gender Equality (EBG), Vice-Chair of the Swiss Conference of Gender Equality Delegates (SKG), Board Member of the UN Research Institute for Social Development (UNRISD) and Chair of the Interim Steering Committee of the Equal Pay International Coalition (EPIC).

Study on the representation of women in top management: “The CS Gender 3000: The Reward for Change,” [credit-suisse.com/gender3000](http://credit-suisse.com/gender3000)

Ms. Durrer, in your view, how progressive is Switzerland?

I see a mixed picture. First of all, Switzerland is a young democracy. Women here have had the right to vote for less than 50 years. We have done a lot of catching up in the last few decades, but other countries are still ahead of us. Although women have caught up to men in terms of education, girls’ and boys’ career and educational choices are still very much divided along outdated gender lines. Women’s employment outside the home has risen considerably – but primarily through part-time work. And women’s participation in management has leveled out at about one-third. The big challenge of combining career and family commitments and the gender pay gap force many young families to stick to traditional gender roles, even if they would prefer to divide these roles more equally. Persistent stereotypes also play an important role here. But as Einstein once said, it’s harder to crack prejudice than an atom.

Survey respondents want to accelerate progress on gender equality, childcare and gay rights. Do you agree? Welcome to the 21st century! Diversity and inclusion have gained traction. Gender equality in particular has become a high priority around the world and

here in Switzerland. I think people have come to understand that the notion of equality will not move ahead fast enough without specific measures and without public pressure. Equality is a matter of justice as well as of individual freedom and economic performance. A number of studies, including some from Switzerland, show that companies that have more women in management are more profitable and therefore more successful.

Work-life balance has been rated as a trend that should be strongly supported. Why is that? Women and men alike want more time for themselves and their loved ones and some are choosing to leave the labor market entirely or to work only part-time. Oftentimes, they need this time to take care of children or elderly family members because the support structures simply aren’t there. But they have to be careful. Our pension system has an excellent memory. Part-time work has a huge impact on pensions later in life. Women who mostly work part time receive 37 percent less in pensions than men. Low-wage jobs don’t pay enough to allow people the choice of working part time and some careers just do not make it easy to work part time.

If you could either stop or accelerate a particular trend, what would it be? If I had that power, I would give a big boost to measures that bring about equal pay and better options for reconciling work and family – so that everyone would finally have real freedom of choice.

## SOCIETY

### Millennials' values

Generations Y (ages 20–35) and Z (under 25) are having a growing impact on consumer behavior and on investments and businesses. One key factor is the great importance that millennials attach to environmental, social and governance (ESG) criteria.



### Angry societies

The middle class in the West is disillusioned – frustrated with politics and growing inequality – and is demanding change. As a result, governments are getting strong mandates to enact policies aimed at strengthening domestic economies and creating jobs at home.



### Silver economy

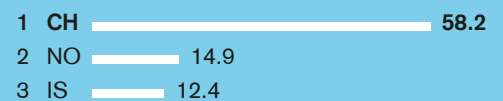
The number of senior citizens worldwide will double from just under a billion today to more than two billion by 2050. Demographic change is well under way.

# How progressive are we?

The Swiss Economics team at Credit Suisse examines how progressive Swiss attitudes are with respect to Supertrends, the major themes of our time.

### Technology

Technology is sometimes perceived as a threat that could replace human workers in the long term. However, it also offers people great benefits.



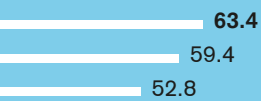


# POLITICS

## THE SUPERTRENDS DEFINED BY CREDIT SUISSE

In 2017, Credit Suisse defined five global Supertrends to capture the major economic, social and political trends of our time. The five topics are “**Angry societies – Multipolar world,**” “**Infrastructure,**” “**Technology,**” “**Silver economy**” and “**Millennials’ values**” (see the chart on the left for details on the individual topics).

The relevance of the five Supertrends has been confirmed time and again over the last 12 months. For example, it has become very apparent that our world is becoming increasingly multipolar, news outlets are reporting on new technological developments daily and infrastructure occupies a top spot on almost every politician’s agenda.



## Infrastructure

The need for infrastructure improvements and investment is undiminished, particularly in the area of telecommunications (5G networks). A new point of focus is Africa, one of the continents with the greatest need for catch-up investment.



**METHODOLOGY** The study presented here is based on the five Supertrends. The Credit Suisse Swiss Economics team selected five to eight indicators for each Supertrend. In all, the study has 31 indicators. The data used was taken from various international sources and generally relates to 2016. The individual indicators have been standardized on a scale from -100 to +100, with -100 indicating the least progressive and +100 the most progressive values from all of the 36 countries studied. The average value of each indicator was calculated for each of the five Supertrends. The overall index is calculated based on the total of the standardized points allotted to the five Supertrends.

## ECONOMY

## THE SURVEY

On behalf of and in cooperation with Credit Suisse, the market research firm gfs.bern collected data online for the Progress Barometer from July to August 2018, using a representative survey of 2,828 voting-age respondents and 305 opinion leaders, all of whom reside in Switzerland. The survey respondents were presented with 30 statements about developments in the areas of the economy, society and politics and asked to “Indicate whether this trend should be accelerated or slowed down.” A response of +100 means: “You have to reinvent the wheel in order to move forward.” A response of -100 means: “We need to turn the wheel backward.”

On the chart on page 57, “Necessity” groups together the responses close to zero or cases where no response was given, i.e. those groups that cannot be clearly assigned or are viewed neutrally. The higher an item is positioned in the chart, the stronger the respondents’ conviction that action (accelerating or slowing down the trend) is necessary. Conversely, the lower down an item appears in the chart, the more uncertain respondents (still) are about it. The statistical sampling error is  $\pm 1.9$  percentage points. Analysis of the study entitled “*Compatibility and equal rights as the most important aspects of progress: Social advances as the basis for progress in politics and the economy*” (Credit Suisse Progress Barometer 2018) was carried out by a gfs.bern project team.

## PRODUCTION CREDITS

Project leads at Credit Suisse are Mandana Razavi and Katrin Schaad. The analysis was prepared by Simon Brunner/Ammann, Brunner & Krobath (editing, copy, interviews), Bill Schulz/Crafft (layout, graphics) and Lauren Crow (illustrations).

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



There is often ambivalence about the level of progress here. Across all of the topics, voters' attitudes were slightly positive (+3.5) and those of opinion leaders clearly (+17.5) progressive.

