

SWITZERLAND – FACTS AND FIGURES



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Nestled between the Alps and the Jura mountains, Switzerland is a communications and transport center between northern and southern Europe – a place where European cultures and languages meet. No other country offers such great variety in so small an area. The Swiss economy's high degree of development exists thanks to a liberal economic system, political stability, and close integration with the economies of other countries. The state creates the necessary framework and only intervenes when this serves the interests of society at large. The high-quality education system and outstanding infrastructure form the basis for the competitiveness of the Swiss economy.

1.1 GEOGRAPHY

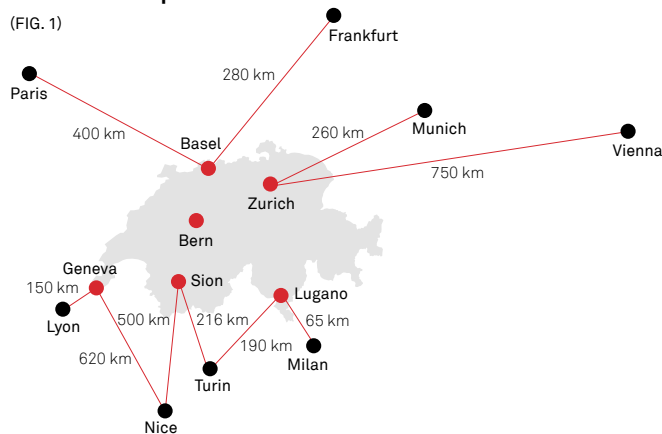
The total area of Switzerland is 41,285 square kilometers. The Swiss landscape is characterized by chains of hills, rivers and lakes, forests, and grassland. The Swiss Alps, the hilly Mittelland region that stretches from Lake Constance to Lake Geneva, and the Swiss Jura, a long range of fold mountains, form the three main geographical areas of the country. The Central Plateau accounts for 30% of Switzerland's total area and is home to two thirds of its population. Most industrial locations are to be found in the Central Plateau region. Due to its central location, Switzerland is a place where different cultures intersect and, at the same time, a communications and transportation hub between northern and southern Europe.

As a reservoir for Europe's water, Switzerland has around 1,500 lakes as well as numerous rivers. The two largest Swiss lakes are shared with the country's neighbors: Lake Geneva (Lac Léman) is shared with France in the southwest and Lake Constance is shared with Germany and Austria in the northeast.

www.swissworld.org
Switzerland – Facts and Figures

Reference Map

(FIG. 1)



Source: compiled by the author

1.2 CLIMATE

The Swiss climate is characterized by a mild climate with moderate heat, coldness, and humidity. In the summer months, temperatures in the day range between 18°C and 28°C, and in the winter months, between -2°C and 7°C. In spring and fall, temperatures in the day lie between 8°C and 15°C. Temperatures in Switzerland depend primarily on the altitude. The Alps act as a clear climatic divider between northern and southern Switzerland. As its weather comes primarily from the direction of the Mediterranean, the South enjoys much milder winters than the North.

www.meteoschweiz.ch
Weather and Climate

1.3 POLITICAL SYSTEM

1.3.1 Federal Structure

Switzerland is a nation created of its own will and formed from several ethnic groups with different languages and religions. The modern Swiss state was founded in 1848. Before this time, Switzerland consisted of a loose association of independent cantons. The abbreviation CH for Switzerland, as found in Internet addresses, for example, dates back to the official Latin name “Confoederatio Helvetica”.

The state has a federal structure and is divided into three political levels: municipal, cantonal, and federal. The federal government is responsible for everything assigned to it under the constitution, such as foreign and security policy, customs and excise, the monetary system, national legislation, and defense. By global comparison, the 26 cantons have a high degree of control. Health-care, education, and culture are among the political areas in which they have a great deal of influence. As small and flexible political entities, the cantons also compete with each other in various areas. The proximity of politics to the business community and citizens is achieved through the federal structure, in which many public functions are executed at cantonal or municipal level. These in turn have a certain amount of autonomy and can thus implement solutions which are designed to meet local requirements.

www.ch.ch
Online information from the federal, cantonal, and municipal administrations

1.3.2 Separation of Powers at Federal Level

In accordance with the federal constitution, the Swiss people are the “sovereign” of the country – in other words, the highest political body, responsible for electing parliament. Every citizen with voting rights also has the right to participate in shaping the constitution and the law by means of referendum or initiative.

The legislative body at the federal level is the parliament, which consists of two chambers: the National Council, representing the people with 200 members, and the Council of States, representing the 26 cantons with a total of 46 members. The National Council is elected directly by the people every four years; each canton forms one constituency. Cantonal representation is based on population, although each canton is entitled to at least one representative.

The federal government is known as the Federal Council, and it operates as a collegial body. Each of its seven members, who are elected by the Federal Assembly comprising the members of both chambers, heads one of the seven departments (ministries). The presidency of the government rotates between the Federal Councilors on an annual basis.

The highest jurisdiction in Switzerland is enforced by the Federal Supreme Court in Lausanne. There is also the Federal Insurance Court in Lucerne, the Federal Criminal Court in Bellinzona, and the Federal Administrative Court in St. Gallen.

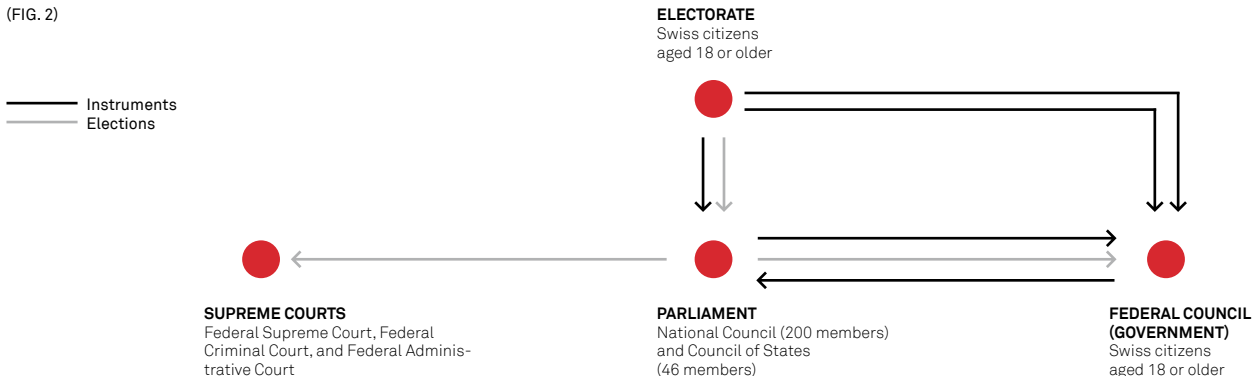
www.bger.ch
Federal Supreme Court/Insurance Court

www.bstger.ch
Federal Criminal Court

www.bvger.ch
Administrative Court

The Swiss Political System

(FIG. 2)



Source: Presence Switzerland

1.3.3 Direct Democracy and the Concordance System

There is hardly any other country where the electorate has such wide-ranging rights as it does in Switzerland. Citizens can request that a change or addition be made to the constitution by means of a popular initiative, or they may decide on parliamentary resolutions after the event by means of a referendum. Switzerland's long tradition of democracy, its relatively small size and population, high level of literacy, and a wide variety of media are all factors which are key to the functioning of this special form of government. As a rule, the electorate is called upon to vote on federal bills four times a year.

A unique feature of Swiss politics is the concordance system. For decades, the most important political parties have put forward the seven Federal Councilors in a kind of coalition. Equally, not only those who win the elections have a seat in parliament; all parties are represented proportionally by number of votes. Resolutions are reached with varying majorities, depending on respective interests. Thus, as many groups as possible have the opportunity to express their opinions on a topic and contribute to achieving a broad-based compromise. This striving for consensus on the basis of the principles of collegiality and concordance contributes significantly to Switzerland's political stability.

1.3.4 Political Stability and Social Harmony

Studies on personal security and prosperity, social coherence, and political stability have shown that Switzerland regularly leads all international comparisons in this regard (Fig. 3). The Swiss attach great importance to their independence. Despite the close proximity of different cultures and language groups, domestic stability is considerable. There is a high degree of tolerance and personal freedom. The relationship between employers and employees or their representatives is generally cooperative. Both sides are committed to resolving issues by negotiation. Thanks to this social harmony, the general level of prosperity in Switzerland has been rising for decades.

www.admin.ch
Swiss Federal Authorities

Political Stability

Political direction: stable = 10, unstable = 0
(FIG. 3)

1	Switzerland	9.50
2	Denmark	9.49
3	Finland	9.12
5	Sweden	8.65
6	Germany	8.55
7	The Netherlands	8.50
8	Luxembourg	8.49
9	China	8.44
11	Singapore	8.36
16	Australia	7.80
18	India	7.57
19	Japan	7.54
20	Canada	7.39
22	Ireland	7.25
23	France	7.11
24	Austria	6.79
32	United Kingdom	5.98
38	USA	5.56
45	Korea Republic	4.29
46	Italy	4.12

Source: IMD World Competitiveness Center 2022

1.4 PUBLIC FINANCE

In spite of the effects of the Corona pandemic, Switzerland lives up to its reputation as a stable country. The rate of inflation lies well below that in the EU and the most important industrialized nations. This is also true for unemployment, which is regularly below 4%. Interest rates in Switzerland are also traditionally low, while the savings rate is high (national saving as a percentage of GDP in 2021: 26.5%).

The public spending ratio measures expenditure by public administrations as a percentage of the gross domestic product (GDP). It includes spending by public authorities and the mandatory social insurances. In Switzerland, this ratio was 35.2% in 2021. Many European countries have a ratio of well above 50%.

The country is in a healthy financial situation. This applies to the financial budget of the central state, the federal government, and the cantons and municipalities. The deficit ratio was 0.5% of the nominal gross domestic product in 2021. As the economic recovery from the Corona pandemic progresses, the fiscal position of public budgets is expected to normalize in 2022.

National debt is also below that of most countries in Europe. Total public sector debt amounts to 27.5% of GDP (2021). Compared to the average national debt ratio of EU countries (88.1% 2021), Switzerland's ratio is extremely low. Most European countries have much higher levels.

www.efv.admin.ch
Federal Finance Administration (EFV)

Switzerland's national debt is far below that of most countries in Europe.

1.5 NEUTRALITY

In terms of foreign policy, Switzerland acts in accordance with the principle of neutrality. However, this does not in any way mean that it is an outsider on the world stage: Switzerland has been a member of the UN since 2002 and also plays an important role in the UN's specialized agencies. Furthermore, Switzerland has always played and still plays an active part in important economic organizations, such as the European Free Trade Association (EFTA).

Switzerland has been neutral since 1515, which was also acknowledged by the great European powers after the Napoleonic Wars in 1815. No other country in Europe can look back on such a long tradition of neutrality. Since the end of the Cold War, Switzerland has relaxed its definition of neutrality. As the role of NATO changed and it started to perform more peacekeeping missions, Switzerland signed up to the NATO Partnership for Peace in 1996. Thanks to its neutrality, Switzerland often acts as a mediator. In some cases, Swiss diplomats also represent the interests of countries which have no official contact with each other. Switzerland offers its neutral territory as a location for meetings and conferences of particular political delicacy.

www.eda.admin.ch
Federal Department of Foreign Affairs (EDA)

1.6 POPULATION

The permanent resident population of Switzerland was around 8.7 million at the end of 2021. Approximately 25% of the population is of foreign nationality. Life expectancy is one of the highest in the world: 81.7 years for men and 85.7 years for women. The settlement structure is relatively decentralized and therefore not overly crowded: more than two thirds of the population lives in the five largest cities (Zurich, Geneva, Basel, Bern, and Lausanne) and their greater metropolitan areas.

There are four official national languages: German, French, Italian, and Romansh. In northern, eastern, and central Switzerland, the prevailing language is German, with the Swiss German dialect being used in everyday conversation. French is spoken in the western part of the country, as well as some parts of the Mittelland; Italian is spoken in the south (Ticino), and Romansh in certain parts of the canton of Grisons. The English language is very widespread in Switzerland.

www.statistik.admin.ch
Swiss Federal Statistical Office (FSO)

1.7 COSMOPOLITANISM AND INTERNATIONAL OUTLOOK

1.7.1 Languages and Origins

Most Swiss nationals speak at least one foreign language, which they learn in elementary school. English is also increasingly included in the curriculum at an early stage. Due to the country's openness – including in terms of immigration – the range of languages actually spoken and used for communication is wide. In international business, English is very much in evidence alongside the national languages, and is used by many managers.

The co-existence of various language groups and different religions, and the large proportion of foreign residents result in a high degree of openness and tolerance. This makes it easier for foreign companies to conduct business from Switzerland. Although Europe is Switzerland's most important business partner, it also has very close relationships with other markets, particularly the U.S. and Asia. The financial centers of Zurich and Geneva in particular are melting pots of diverse cultures. In terms of culture, too, Switzerland has a tradition of tolerance and openness. Its neutrality means it has access to all countries, and it also welcomes reciprocal contact. This diversity has made it easy for both global companies and numerous international organizations to settle in Switzerland.

1.7.2 International Organizations

Because of its political independence and conscious commitment, also to international understanding, Switzerland serves as a platform for many international organizations including the UN with its headquarters in Geneva. Around 250 NGOs in consultative status with the UN also have their headquarters in Switzerland.

Most Cosmopolitan Economies

(FIG. 4)

Rank		Globalization Index overall
1	Switzerland	91
2	The Netherlands	90
3	Belgium	90
4	Sweden	89
5	United Kingdom	89
6	Germany	88
7	Austria	88
8	Denmark	88
9	Finland	87
10	France	87
11	Ireland	86
12	Luxembourg	85
18	Canada	84
20	Singapore	83
22	Italy	83
24	USA	81
36	Korea Republic	78
41	Japan	75
65	Hong Kong	67
86	India	63

Source: KOF Globalization Index 2022, as of 2020