Switzerland: Colossal And Well-Ordered

Besides the eponymous Swiss banks, the country has a highly skilled workforce

Aromas of pinecones and fir trees waft through the snow capped Alps, interspersed with the tang of fresh grass from the valleys below. Switzerland’s rustic ambience rings with the laughter of excited tourists who navigate the winding ski trails. Its mountains have been traversed by William Tell and Heidi, and its streets have been warmed by Henri Nestle and Louis Chevrolet, creating an aura of old-world charm.

Swiss towns are at once picture postcard charm and fashionable modernity. Chocolates lined in rows beckon, with melting sweetness mingled with piquant and zesty flavors of exotic cheeses. Watches adorn shelves, icons of the centuries of experience in crafting time. The formidable entrance to a bank looms in the distance, its highly secure vaults clasping untold riches of billionaires. Switzerland’s cobblestone streets teem with a motley crowd of honeymooners, students, scientists and businessmen. This landlocked federal republic is made up of 26 states called ‘cantons’ and is surrounded by Germany, France and Austria. Switzerland is multilingual, communicating in German, French, Italian and Romansh and is one of the richest nations in the world.

MARKING OUT A CLEAR IDENTITY

The birth of Switzerland can be traced back to the pre-Christian era when several Celtic tribes swarmed the countryside making it their home. Prime among them were the Helvetians whose name lives on in the Latin appellation of Switzerland, Confoederatio Helvetica. The Romans soon overpowered the tribe and Julius Caesar refused to let them migrate elsewhere. Hence they lived on and were referred to as Gauls. But soon the Romans were overtaken by Germanic tribes like the Alamans under their rule. Two successful and well-known Frankish dynasties called the Merovingians and the Carolingians ruled the roost until about the ninth century.

It was only in the Middle Ages that the country came together to some extent. The formation of the
Switzerland’s culture is a sublime rendition of music, art, literature and sculpture. Tennis and cheese, army knives and clocks, chocolate and mountains - these are some of the elements that color the outlines of Switzerland. The country’s neutral status during times of war made it a safe harbor for the literary world. 

Confederation in 1291 was the first glimmer of today’s Switzerland. This agreement of mutual support and goodwill among the three cantons of Schwyz, Uri and Unterwalden was the birth of modern Switzerland. By the fourteenth century more cantons joined, making the confederation highly powerful. The sweeping upheaval brought about by the Reformation in the 16th century included Switzerland, where two of the most famous Protestant reformers, Zwingli and Calvin, acted as catalysts of the movement. Further unrest came in 1798 when the French Revolution influenced Switzerland to rise up and demand freedom. Napoleon’s invasion of Switzerland and conquest of some regions led to the country’s complete restructuring. A Swiss state, named the Helvetic Republic, was soon formed under the French, based on their ideals of Enlightenment, liberty and equality. Because the republic could not live up to its ideals, it lasted only five years. But this was the first step towards establishing a federal state.

The eighteenth century was also crucial in terms of economic changes. Agriculture became commercialized and peasant land was seized. Most of the rural folk turned to ‘home working’, especially in the textile and clock manufacturing industries, where entrepreneurs provided them the necessary tools and raw materials to work from their own homes. This activity drove up manufacturing and by the end of the Eighteenth century Switzerland was the highest manufacturer in all of Europe.

Switzerland progressively marked out a clear identity for itself politically, as well. A revolutionary spirit blanketed Switzerland in 1848 at the end of the Sonderbund War, when civil unrest among the cantons ignited. Protestant Swiss liberals sought a revised constitution, freedom of worship and a strong central government which was opposed by the Catholic Swiss who wanted to protect their own interests. Although a minor event in the historic timeline it had a major impact on the psyche of Switzerland and germinated thoughts of unity and peace among the people. A new constitution was drafted by the Diet, the Swiss parliament, in which a centralized government was established. This crucial motion opened the doors of the Swiss economy to the rest of the world.

**UNITY NOT UNIFORMITY**

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Although known for their hard working personalities, the Swiss have a penchant for travel and leisure and strong attachments to family and traditions. Modern day Switzerland has been influenced to a great extent by the advent of television which airs many programs from Germany, Italy and France. Various surveys indicate that one of the favorite pastimes of the Swiss is watching television apart from taking strolls, reading or visiting friends.

Symbolic of the famed Swiss precision in all walks of life, this clock in Murten stands guard over the town square. Dating back to the 16th century, the clock and watch industry is one of the oldest in Switzerland.
The postmodern Swiss economy is based on a highly qualified labor force performing extremely skilled work in areas like biotechnology, microbiology and pharmaceuticals. The services sector employs the highest number of people and in 2006 it accounted for over 72% of the people employed. Trade is also an important factor and some sectors export more than 90% of their goods and services.

Adventure sports are not uncommon and are encouraged by the towering presence of the Alps while its pristine and azure lakes beckon water lovers. As with most wealthy economies, Switzerland also has its share of growing aged and has more centenarians per head of population than any other country in Europe. That’s not surprising considering the rugged, mountainous terrain, an outdoor workout room. It is not uncommon to see a graying bonne-maman bolt up a steep trail to her chalet.

MOVING AWAY FROM AGRICULTURE

Like the rest of Europe, Switzerland was also swept by the changes of industrialization in the 1800s. However, there was little heavy industry since most people worked at home rather than in factories. The textile business was the first to become mechanized, which along with the popularity of clock making, boosted the growth of the machine-tool industry. With the rapid mechanization of various sectors came the need for more labor, which in turn created a demand on food manufacturers. Using this opportunity to test their innovations, German political refugee Henri Nestle began experimenting with substitutions for mother’s milk, while Julius Maggi, the son of an Italian immigrant, invented the first precooked soup. What started as tentative ventures have now grown into multi-billion dollar business enterprises. Agriculture, which was once the mainstay, began to diminish in importance. Around 1850, about 60% of the population was engaged in agriculture, a figure which tumbled to 25% in the 20th century, and today it is less than 4%.

The economy gained momentum through the development of the Swiss railways in the 19th century and the rise of the banking sector. Industrial expansion and the setting up of the railway network required huge amounts of capital, which gave rise to many banks and insurance companies. Difficulties sprang up during the 20th century when many Swiss fled due to a sudden increase in population resulting in overcrowding and famine. But this egression was balanced by an ushering in of Germans, Italians and Austrians, who soon made up about 12% of the population. Then World War I struck. A body blow was wielded to the booming textile industry and it never quite recovered. During the interim period between the two World Wars the economic gravitas swerved from the stagnating production sectors to services. Exports increased during and after the World War II. Germany had been a loyal trading partner for a long time and exports to Germany increased in the years between 1940 and 1944. Switzerland’s strength was its neutrality, a critical factor that allowed it to trade with the Axis and the Allied powers.

The end of the World War II witnessed a dramatic increase in both imports and exports. Although the industrial sector had stagnated, it still maintained its hold on the economy until the 1970s when there was a renewed focus towards services which still remains today.

RUNNING LIKE A FINELY ENGINEERED SWISS WATCH

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Switzerland’s export rich economy is not without challenges. There is a need to remove barriers to entry in network industries such as the energy, postal and telecommunications sectors. To further galvanize the Swiss economy, full-time participation in the labor markets for women must be facilitated, and non-tariff trade barriers must be removed.

KEY TAKEAWAY

Despite a lack of natural resources, Switzerland is Europe’s eighth largest economy. The World Economic Forum 2006 Global Competitiveness Report ranked the country as the most competitive economy, highlighted in the first half of 2007 when its economy accelerated by 3%.

REMOVING BARRIERS AND PAVING THE WAY

Since 2004, Switzerland has enjoyed continuous economic success sans any hiccups. The strength of Swiss financial institutions and a robust relationship with important trading partners has powered the economy. Although immigration has increased, the Swiss government must now remove certain hurdles, and foster an environment where foreigners can perform in the labor markets successfully. Encouragingly, immigrants have been entering Switzerland on a regular basis, even more so after an agreement was inked between Switzerland and the European Union in 1999, insuring the free mobility of workers. The pact took full effect only in June 2007, contributing to a significant jump in the labor supply.

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WAVING AN OLIVE BRANCH

For the past several centuries, Switzerland has taken very seriously the advice of Nicholas of Flue, one of its most popular saints: “Don’t get involved in other people’s affairs”. Switzerland’s status of neutrality has proved to be beneficial in many ways. It has protected the country from war, preventing a torn apart nation. This impartial stance was reflected in NATO’s Partnership for Peace in 1996, where Switzerland actively supported the need to promote peace and security. Through neutrality, the country is able to perform the role of a mediator, offering safe venues for sensitive meetings and conferences. Serving as an international mecca, Geneva is home to nearly 200 international organizations and diplomatic missions from 170 countries. Switzerland hosts the international headquarters of the Red Cross and the United Nations. It was a founder member of the European Free Trade Association (EFTA) in 1960, joined the European Council in 1963 and also became a member of the Organization for Economic Cooperation and Development (OECD) later on. But it was only in 2002 that it gained entry into the prestigious UN as the 190th member, an occasion which Switzerland marked by releasing a commemorative postal stamp.
CHARM AND STEELY EDGE

Switzerland’s economy has fit well within the global marketplace. With a sense of order and stability, its tomorrows are likely to be wrinkle-free, its vistas smoothed by a stable and prosperous economy and a steely competitive spirit in manufacturing, services and tourism. Yet, Switzerland has charmingly invited travelers to swirl a bit of absinthe, savor a bit of cocoa and taste the icy smoke of its alpine verdures. The country has been home to countless refugees fleeing from war-ravaged homelands. Its rich and varied history has given rise to a mesmerizing fusion of German, Italian and French cultures which makes it a highly flavored experience for visitors and citizens alike. The splendor and opulence of its artistically rich past is a foil to the structured and neat lives that the Swiss lead today. Rightly so, Goethe’s epithet paints a thumbnail image of Switzerland as ‘the colossal and the well-ordered’ country.

[1]: A popular dish made of potatoes

[2]: A language particular to the Swiss. Only 0.5% of the population use this

[3]: Swiss-French for Grandmother

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