

## SWITZERLAND 2



## Percentage of vote in national elections

	Radical Democrats	Social Democrats	Christian Democrats	Swiss People's party
1971	21.7	22.9	20.4	11.1
1975	22.2	24.9	21.1	9.9
1979	24.0	24.4	21.3	11.6
1983	23.3	22.8	20.2	11.1
1987	22.9	18.4	19.6	11.0
1991	21.0	18.5	18.0	11.9
1995	20.2	21.8	16.8	14.9
1999	19.9	22.5	15.9	22.6

Source: Bundesamt für Statistik

neutrality on the one hand and direct democracy and devolution on the other. He frequently criticises Switzerland's political establishment, and the Socialist party in particular, for failing to support Switzerland's traditions.

However, Mr Blocher himself has done a lot to undermine the Swiss political tradition. He and his party now deride the so-called "magic Formula" which selects federal councillors along the same party lines and has remained unchanged for over 40 years. He does not like the policy consultation process and the proportionality and collegiality of the federal administration and government. He wants Switzerland's federal councillors, who constitute its government, to be directly elected.

If Mr Blocher's brand of opposition politics wins the day it would involve a marked shift away from the traditional Swiss reliance on consensus and compromise,

which are as vital to the Swiss system as its more obvious constitutional structures and processes.

Even if Mr Blocher's SVP is nearing the peak of its likely electoral support, the weakness of other parties, in particular the Socialists and the Christian Democrats, could play into the SVP's hands both in the voting booth and in the formation of the next government.

Ironically, if Mr Blocher ever came to power he would significantly alter the nature of the Swiss system of politics, even though he would be doing this in the name of preserving Swiss traditions.

The radicalism which lurks beneath Mr Blocher's traditionalism could prove disconcerting not only for the Swiss. It might even challenge ideas that the Swiss political model is both unproblematic and capable of being transferred abroad.

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## ...akes a tumble

Rapid economic growth last year gave central government an unexpected budget surplus of SF4.6bn, the largest in 30 years, compared with the SF1.8bn deficit originally forecast.

This year's budget aims at rough equilibrium followed by four years in which small surpluses and deficits broadly balance, so as not to add to Switzerland's accumulated debt burden of more than SF100bn.

Meanwhile, unemployment has fallen to less than 2 per cent. Although last year saw the biggest influx of foreign workers for 10 years, more than one-third of companies say they are short of skilled labour and some are also short of unskilled workers.

Yet despite some upward pressure on earnings, core inflation remains very low

3.75 per cent in three-month Swiss franc London Interbank Offered Rate (Libor).

Most economists believe another quarter-to-half percentage point cut could be in the offing this autumn. They point out that the move in March, the first change since a 50 basis point increase in June 2000, sent two signals to the markets: that the SNB would do what was necessary to sustain economic growth as long as there was no inflationary threat; and, by cutting rates before the European Central Bank, that it intended to guard its monetary independence.

Maintaining this independence is crucial to Switzerland because it permits lower interest rates than those prevailing in Europe, giving Swiss companies a competitive advantage. "Our currency regime has proved



### PROFILE NELLY WENGER

## Making waves in a man's world brings success

When the Swissair Group board resigned *en bloc* earlier this year after disastrous financial results from the national flagcarrier, a Geneva newspaper ran a telling cartoon.

It showed Nelly Wenger, director of Switzerland's 2002 national exhibition project, entering a hastily-abandoned Swissair boardroom. "I accept," she is saying, evidently having been offered the job of turning the airline around.

For many Swiss, Ms Wenger has already worked a similar miracle in rescuing the exhibition project – and Swiss self-esteem – from ignominious collapse.

When she took over in early 2000, the operation was in crisis financially and artistically, and the previous director had been abruptly deposed after a series of boardroom clashes and resignations of key personnel.

Postponed a year and with a restructured budget and firm government support, Expo.02 is back on the rails and chugging steadily towards the opening next May.

Despite some financial and technical stutters along the way, by May this year the core exhibits had been defined, the principal sponsors identified, the bulk of the SF1.4bn budget committed and construction work begun at the four lakeside sites in north-west Switzerland.

According to the most recent opinion polls, some two-thirds of the Swiss population say they intend to visit the exhibition. The budget, financed roughly one-third each from government, the private sector and ticket sales, is conservatively counting on 4.8m visitors (10.5m visits), including 1m foreigners, during Expo.02's five months of life.

Yet, Ms Wenger is a most unlikely candidate to achieve the status of Swiss saviour. She is a woman in a country which only gave women the



Nelly Wenger: 'You have to have confidence in your ability'

vote in 1971 and where female executives are a rarity. Though a naturalised Swiss, she is Moroccan by origin. Moreover, she is a francophone and speaks virtually no German, the language of the Swiss majority.

"If you were to make an identikit picture of the director of Switzerland's national exhibition, it would not be mine," says Ms Wenger, 45, an engineer by training who was previously director of land planning for the Swiss canton of Vaud. But the very fact of her appointment, she says, shows a Switzerland which is capable of considerable audacity and openness, in contrast to its conservative and inward-looking image more familiar abroad.

Since the exhibition aims to bring out some of these more unexpected aspects of Switzerland she believes her outsider status is a positive advantage. But she also claims to feel Swiss and close to Swiss traditions, despite the lack of German.

"Of course, it is easier for me to understand the French-speaking culture, but

I have not been imbued from birth with this sense of division between French and German speakers, so, in a way, I have more flexibility. Also, my husband is a German speaker and, language apart, I feel quite close to that culture."

More important, she says, are the other requirements of the job. As director, she is managing a highly complex operation – with up to 40 projects on four sites funded by three different levels of government as well as by private sponsors. But she is also creating, in the public eye, an expression of national identity and culture with important symbolism for the Swiss people.

"You have to have confidence in your ability to get the job done," she says. "It is important to create something. The risks do not frighten me."

As for the future: "I have no idea what I will do next. I am too wrapped up with Expo.02 even to think about it. But what I like about the project is that it's limited in time and afterwards all is open. I like surprises."

Frances Williams

REFERENDUM by Frances Williams