



Switzerland seen from outside in 2014: Switzerland's Image shaped by direct democracy and foreign policy

23 December 2014



The hall during the plenary opening session of the 21st Ministerial Council of the OSCE in Basel, 4 December 2014 ©OSCE

Foreign media coverage related to Switzerland this year underscored issues which influenced the nation's image positively, such as the Chairmanship of the OSCE and direct democracy, as well as the Swiss victory in the Davis cup. Yet it also focused on various tax-related affairs, especially those involving the banks UBS and Credit Suisse, as well as popular initiatives. In the latter case, particular attention was garnered by the adoption of the initiative against mass immigration and, to a lesser extent, by the Ecopop initiative. Despite critical analysis of these issues from some quarters, a number of studies confirm that Switzerland's image abroad remains positive and stable. Although it may be regarded by some as a tax haven, Switzerland continues to be associated with its strengths: its traditional products, its scenery, and stability.

Foreign press¹ coverage cast Switzerland in a favourable light in a range of areas. This was true in particular of foreign policy and Swiss diplomacy. The Syria peace conference, and Switzerland's efforts in connection with its Chairmanship of the OSCE, notably with regard to the Ukraine crisis, attracted particular attention, despite some criticism of its position on international sanctions against Russia. In addition, a series of major business deals (the Holcim-Lafarge merger and the Lindt & Sprüngli takeover of Russell Stover, in particular) had analysts enthusing about the good health of **Switzerland's economy**. Furthermore, the foreign media were fulsome in their praise for Swiss **sport**, whether at the football World Cup in Brazil, or marking Switzerland's victory in the Davis Cup (see Fig.1).

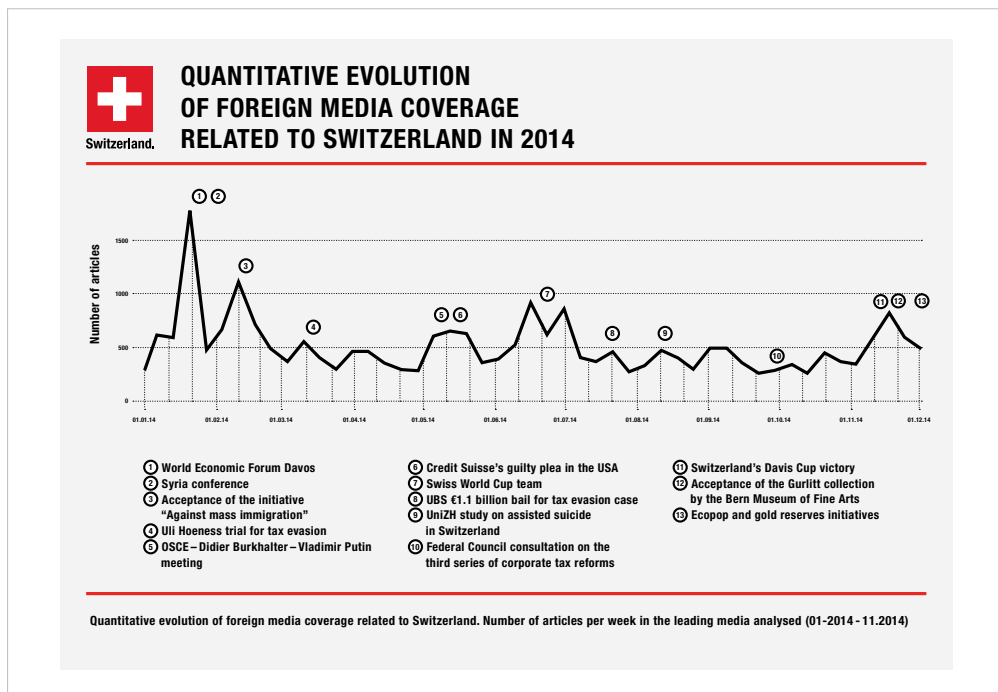


Fig. 1: Quantitative development of foreign media coverage related to Switzerland. Number of articles per week in the leading media analysed (01.2014 – 11.2014).

1 Data based on continuous monitoring of foreign media by Presence Switzerland. This encompasses all media coverage of Switzerland (with the exception of stock market news and sporting results) in the leading media of 18 countries (Argentina, Australia, Austria, Brazil, China, France, Germany, India, Italy, Japan, Portugal, Russia, South Africa, South Korea, Spain, Turkey, the UK and the US), as well as the main pan-Arab and European Union media. Analysis covers paper and online editions, as well as the press reviews produced by Switzerland's representations abroad.

Meanwhile, foreign media coverage of certain other areas has been both close and somewhat critical. Where **domestic policy** is concerned, this was true first and foremost of the **acceptance of the initiative against mass immigration**. While the majority of comment was fairly neutral, there were also claims that the move would increasingly isolate Switzerland, and would complicate its relations with the EU, while some journalists identified growing europhobia, or even xenophobia. At the same time, there were articles – some of them going into great detail – which addressed the relevance of this debate at the European level, and its implications for the populist right wing parties in Europe. The “**Ecopop**” initiative, itself controversial though less wide-ranging in impact, as well as the gold initiative, also attracted the interest of the foreign press (see Fig.2).

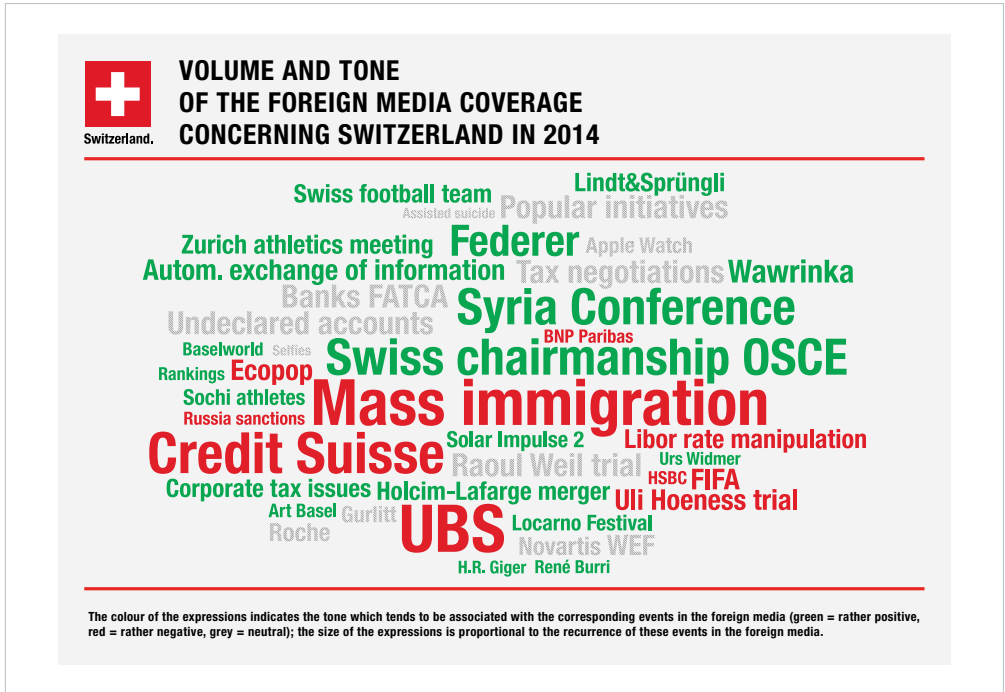


Fig.2: Volume and tone of foreign media coverage concerning Switzerland in 2014. The colour of the words indicates the overall tone of the foreign media coverage of the event in question (green = rather positive, red = rather negative, grey = neutral); the size of the words is proportional to the amount of coverage these events receive in the foreign media.

Tax and banking issues also found themselves the focus of foreign media attention, against the backdrop of the tax dispute with the United States authorities. **Credit Suisse’s guilty plea**, in particular, and the 2.6 billion dollar fine imposed by the U.S. Department of Justice, caused quite a stir. **UBS** was also in the spotlight, having to pay a **guarantee of 1.1 billion euros** for the “**aggravated laundering of the proceeds of tax fraud**” in France, which was then followed by other woes such as the **trial of its former executive Raoul Weil**. There was also interest in a number of cases involving high-profile individuals suspected or accused of tax evasion, and especially in the **trial of FC Bayern President Uli Hoernes**. While media coverage of these topics was largely factual in nature, it did rather dent the image of the Swiss financial sector. That said, the international press also pointed out **Switzerland’s efforts with regard to tax transparency**, with the Federal Council’s consultations on **corporate tax reforms**, for example, as well as discussions on the automatic exchange of information.

Have these events, which were the subject of broad and relatively critical foreign media coverage, impacted on Switzerland's image abroad? Notwithstanding the fairly ambivalent picture of the country presented in the international press, we find that the general public abroad has a positive view of Switzerland overall.

Switzerland's image abroad: positive and stable

Despite the controversial nature of certain events involving the financial sector and Swiss immigration policy, **Switzerland enjoys a positive and stable image abroad**. This is unsurprising, given that a country's image tends to evolve fairly slowly. For example, Switzerland is ranked eighth in the **Nation Brands Index 2014**² (same position as in 2013) among a total of 50 countries. Indeed, there has been very little change in this position in recent years. Furthermore, Switzerland ranks first in the **Country RepTrack 2014**³ index, and second in the **Country Brand Index 2014**⁴. According to these league tables, there are only a small number of countries – Switzerland among them – which may be considered brands in their own right. The competitive advantage of these countries lies in their appeal as locations for both business and pleasure, combined with their excellent reputation for the high quality of their products and infrastructures. Moreover, Switzerland features among the leading countries in a variety of **international rankings**, the findings of which receive broad coverage in the international press.



The Presence Switzerland study on Switzerland's image in Europe in 2014⁵ comes to the same general conclusion. All in all, Switzerland enjoys a positive image in Europe. This certainly applies to the populations of the five countries which took part in the survey: France, Germany, Poland, Spain, and the United Kingdom. Switzerland's excellent reputation is rooted primarily in its traditional strengths, and thus the **stereotypes** that still prevail (see *Fig.3*). In fact, these stereotypes have largely positive connotations, as they cover areas in which Switzerland demonstrates proven expertise, and offers real added value. These are the **banking sector**, however controversial, as well as **traditional products**, with chocolate coming top of the free association rankings. Other well thought-of sectors are **tourism** (the mountains, scenery, skiing) and **watchmaking**, which has an image of both tradition and modernity, expertise and precision. A good **quality of life, well-being, high incomes**, and of course **neutrality**, are other strengths that are attributed to Switzerland.

2 The Anholt-GfK Roper Nation Brands Index studies the image of 50 countries. It covers six criteria: exports/innovation, governance, culture/sport, people, tourism, and investment/ work. The NBI index is collated in 20 countries and is based on a sample of more than 20,000 individuals. Interviews are conducted with adults aged over 18 who have internet access.

3 The Country RepTrack index monitors the reputation of the 55 highest-ranked countries in terms of GDP. The study was conducted among nationals of G8 countries.

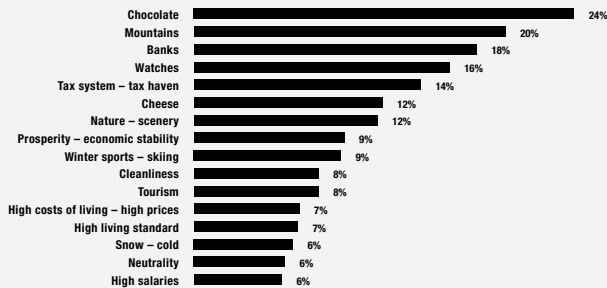
4 This study involved collecting data from 2,530 opinion-leaders from 17 countries.

5 The study «Switzerland's Image in Europe 2014» was conducted by Presence Switzerland in July 2014 among 4,815 respondents from five European countries: France, Germany, Poland, Spain and the United Kingdom.



Switzerland.

FREE ASSOCIATIONS WITH SWITZERLAND – MOST FREQUENTLY MENTIONED ISSUES



Answers to the question: “What comes generally to your mind, when you think of Switzerland? This could be current events, personalities, companies, products... anything that you think of when you hear the name of the country.”
Based on: 4’815 respondents from France, Germany, Poland, Spain and the United Kingdom

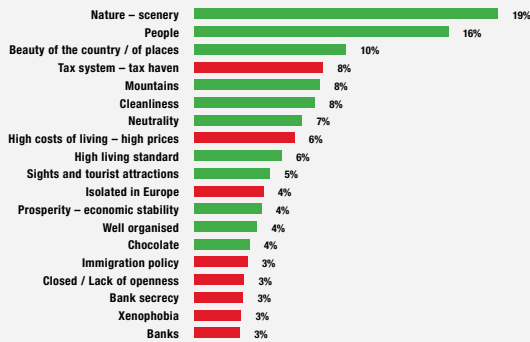
Fig.3: Characteristics linked to Switzerland in free association.

Yet the study also reveals a number of aspects that are less supportive of Switzerland’s image (see Fig.4). A relatively new development, for example, is the inclusion of **tax haven** in the list of the most common free association answers. The great impact that events related to the **Swiss financial sector** have had in the foreign media has no doubt helped to cement the stereotype of a Switzerland entrenched in banking secrecy. It is interesting to note, however, that like the media, the respondents in the survey are also aware of the steps that have been taken by Switzerland towards tax transparency. The study also shows that the issue of **immigration** attracts fairly negative comments from some quarters of the media, but from only a minority of the general public (see Fig.4, and the themes of “Xenophobia”, “Isolation”, “Immigration policy”, and “Closed attitudes”). This is explained to some extent by extensive media coverage of the acceptance of the initiative against mass immigration. However, these factors were mentioned by the respondents only when they were asked specifically to list the positive and negative aspects of Switzerland. They do not appear in the list of answers to the free association part of the survey. The majority of respondents do not mention any aspect of Switzerland that is particularly negative. Furthermore, Switzerland was not the first country to come to the respondents’ minds where immigration policy was concerned. In fact, it took fourth place after France, Germany and Italy. Further negative aspects mentioned by the respondents in the survey on Switzerland were the **high cost of living**, a **certain lack of transparency** in the banking sector, as well as a **lack of openness** on immigration policy, a lack of tolerance for foreigners, and isolation from Europe and the rest of the world.



Switzerland.

LIKEABLE AND DISLIKEABLE ASPECTS OF SWITZERLAND – MOST FREQUENTLY MENTIONED ISSUES (FREE ASSOCIATIONS)



Answers to the questions: 1. "In your opinion, what makes Switzerland likeable" 2. „And in your opinion, what makes Switzerland dislikeable, where does it need to improve?"

Green = likeable aspects; red = dislikeable aspects.

Based on: 4'815 respondents from France, Germany, Poland, Spain and the United Kingdom

Fig. 4: Factors most often mentioned by respondents when asked specifically to list positive (green) and negative (red) aspect.

Image stable over time, but national perspectives vary

The findings of the Europe 2014 study also confirm that there has been **little change in Switzerland's image over the past five years**, according to the great majority of respondents. For a small minority (primarily those from the United Kingdom and Poland), it has even improved somewhat owing to **personal experience in Switzerland**, as well as **greater transparency in the banking sector**, and closer **cooperation on combating tax evasion**. This latter point was emphasised in France and Germany, in particular. By contrast, a minority of German, French and Spanish respondents said they thought that **tax issues** involving Switzerland, **Swiss immigration policies**, and a certain **isolation from Europe** had tarnished Switzerland's image. Although the latter has been stable over time, interesting differences can be observed from country to country. Germany seems to take the most nuanced view of Switzerland, while the stereotypes prevail most strongly in the United Kingdom and Poland. German respondents mention aspects such as the **high cost of living** in Switzerland (albeit offset by **corresponding salary levels**), its efforts to **restrict immigration**, and the advantages of **direct democracy** more often than the average for the sample as a whole. Switzerland as a **tax haven** is a recurring theme among French and Spanish respondents, but barely merits a mention by the British, who are more likely to cite **winter sports**. Finally, Polish respondents associate Switzerland primarily with its traditional images, specifically **watchmaking** and **banking**.

These national differences in the way in which Switzerland is perceived are corroborated by a variety of studies, such as the NBI. It can generally be said that the **greater the geographical distance between the country and Switzerland, the more stereotypical Switzerland's image among the citizens of that country, and the more likely that image is to be positive. One exception to this rule**

is **Germany, where Switzerland is particularly well regarded**. Citizens of Asian and Latin American countries thus tend to associate Switzerland with its mountains and with its chocolate, while those of neighbouring countries more often view it as an expensive country or as a tax haven. For example, **surveys conducted by Presence Switzerland among visitors to the House of Switzerland at the Olympic Winter Games in Sochi, in Russia, as well as at the football World Cup in Brazil**, showed that Switzerland enjoys an excellent reputation in these two countries, which admire the strength of its economy, its quality of life, and its innovative potential.

These differences in perception between countries are also true of foreign media coverage related to Switzerland. This depends in particular on the degree to which the countries concerned are involved

in bilateral issues with Switzerland which have a bearing on sensitive areas such as tax or immigration. The French and Italian media will thus pay particular attention to issues concerning cross-border workers, and also when high-profile individuals from these countries are suspected of tax evasion. This year, for example, saw German media interest in the Uli Hoeness case, and Italian media coverage of negotiations on tax issues between Switzerland and Italy. Meanwhile, the Chinese media regularly publish articles on Swiss folklore and tourism.



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Switzerland's strengths as seen in the media and among the general public abroad

As we have seen, both the media and the general public in other countries have sometimes voiced criticism of Switzerland's **financial sector**, and Switzerland's **immigration policies**. Despite the various controversial referenda mentioned above, **direct democracy** is generally regarded as both efficient and participative, symbolic of a country adept at managing its diversity of languages, cultures and political sensitivities. Furthermore, the coverage afforded to major Swiss companies such as Novartis and Nestlé underscores the **strength of Switzerland's economy**, despite certain areas of criticism. On the **sport** front, Switzerland found favour this year thanks to the way in which its national football team performed at the World Cup in Brazil, as well as the achievements of Roger Federer and Stan Wawrinka in the Swiss victory in the final of the Davis Cup. According to the study entitled "**Top Searches related to Switzerland**", commissioned by Presence Switzerland, Roger Federer is the most searched-for Swiss person on the internet, ahead of Albert Einstein. Finally, Switzerland's **foreign policy** is regularly applauded in the media. This was the case this year in connection with a number of international conferences, such as the Syria peace conference, as well as Switzerland's Chairmanship of the OSCE.

At the same time, there are still some areas in which Switzerland's strengths, however well proven, are not sufficiently recognised as such. This is particularly true in the **cultural sphere**. While major events such as Art Basel, the Montreux Jazz Festival and the Locarno International Film Festival do not go unnoticed by the foreign media, they do not take centre stage. The same is true among the public at large. Even more remarkable, however, is just how little attention is still paid to **education and training, research and innovation**, even though Switzerland is a leader in these fields. This is certainly demonstrated by Switzerland's top positions in a range of international rankings: the "Global Competitiveness Report", the "World Competitiveness Yearbook 2014", and the "Global Innovation Index 2013". The Europe 2014 study also reveals that this lack of awareness is particularly marked in fields such as **sustainable development and transport**. Researchers at the University of Toronto compared the Environmental Performance Index (EPI) with the aggregated personality traits of 46 countries, and found that Switzerland scored the highest ratio of "agreeability and openness" to "eco-compatibility".

Summary

Switzerland's image abroad has remained positive and stable over time, despite the criticism levelled at notable events such as the initiative against mass immigration, and the UBS and Credit Suisse affairs. In fact, resistance to certain sensitive issues would seem to substantiate the robustness of this image. Yet these sensitive issues, and tax matters in particular, continue to be associated strongly with Switzerland, from both the positive and negative perspectives. Meanwhile, the differences in perception not only between countries, but also between their media and their general populations, form an interesting area of study that yields greater insight into Switzerland's image abroad. There is a degree of complexity here, in that there can be a mismatch between Switzerland's genuine strengths and the way in which Switzerland is perceived beyond its borders. Switzerland's international communication strategies are aimed at shining the spotlight on these strengths in the global arena.

As a unit within the Federal Department of Foreign Affairs, FDFA, Presence Switzerland supports the safeguarding of Switzerland's interests abroad by analysing the way in which Switzerland is perceived internationally, and by applying a range of international public relations tools. These include means of information and communication, projects abroad, welcoming delegations to Switzerland, as well as Switzerland's presence at world expos, and the House of Switzerland at the Olympic Games. The Federal Council regularly reviews Switzerland's international communication strategy.

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