

Switzerland in the foreign media: fourth quarter 2018

Swiss-EU relations: a recurring theme

Negotiations between Switzerland and the EU for an institutional framework agreement were in the headlines. Apart from the risks that no agreement would entail, also highlighted were the consequences of a situation described as tense or even serious and which, according to the EU, is stagnating because of the demands and delays imposed by the Federal Council as it restructures. The Federal Council's

'Verhandlungen über EU-Schweiz-Abkommen drohen zu scheitern'.

(Die Presse, Austria)

decision not to sign the agreement before consulting the parties concerned gave rise to some criticism, particularly in the German media. The risks highlighted ranged from simple sanctions (especially with regard to stock exchange equivalence) to Switzerland's isolation and a deterioration in its relations with the EU. The position of EU Commissioner Johannes Hahn in December emphasised those aspects and their importance in the press. Brexit was frequently covered, in particular with regard to a meeting in October between Federal Councillor Ignazio Cassis and the British Foreign Secretary Jeremy Hunt. According to the media, the UK's withdrawal from the EU might have the effect of hardening the EU's position towards Switzerland.



EU Commissioner Johannes Hahn
(© Euractiv)

The gilets jaunes and direct democracy: the Swiss model

Swiss direct democracy received a lot of coverage, especially in France and on social media, in the context of media reports on the gilets jaunes movement and the Citizens' Initiative Referendum. The French, German and Italian press (a similar debate is under way in Italy) discussed the Swiss political system in some detail, citing this as a model for citizen participation and expression. Direct democracy was also in the news in Switzerland itself, including certain shortcomings attributed to it by French politicians and academics (such as its manipulation by lobbyists) as well as the reactions, particularly in Switzerland and on social media, to those criticisms, which were portrayed as lacking understanding of what direct democracy in Switzerland actually is.



Gilets jaunes and referendum (© Parisien)

'Démocratie participative: quand la Suisse sert d'exemple'.

(Franceinfo, France)



The self-determination initiative
(© Die Zeit)

Major impact of the self-determination and horned cow initiatives

The popular votes on 25 November aroused strong interest both before and after the vote, particularly in the European media and especially in neighbouring countries. Concerning the self-determination initiative, which received a lot of coverage and was described as crucial, the media mentioned serious risks, particularly for Swiss-EU relations. While noting the resistance from a part of the

'Swiss vote on going alone in sovereignty referendum'

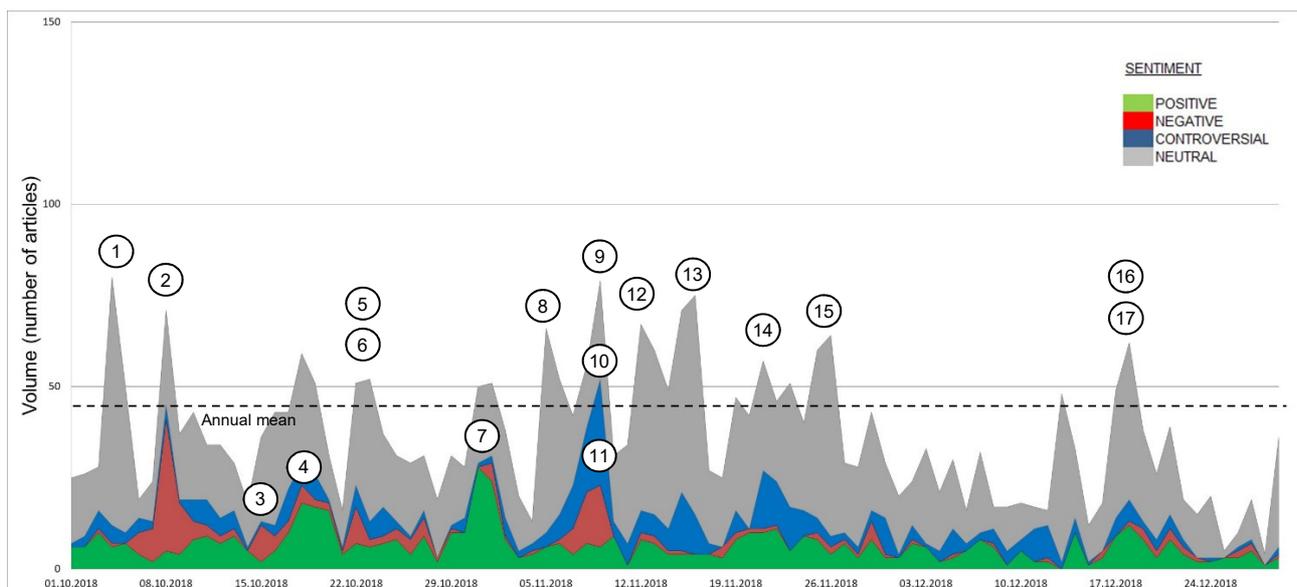
(BBC, UK)

population, some coverage criticised those behind the initiative, claiming they sought to impede international law and the economy. There were also mixed views about direct democracy and even Switzerland. But this image of a withdrawn Switzerland was then contradicted by the clear rejection of the initiative, which resonated well in the media and the positive implications were welcomed. The horned cow initiative, which was also widely covered, was the subject of less serious comments, for example how it was emblematic of Switzerland's identity. Topics such as direct democracy, tourism and Swiss products often associated with cattle were also covered.



The horned cow initiative
(© Asharq Alawsat)

Quantitative changes in foreign media coverage on Switzerland



Changes in the volume and tone of foreign media coverage in connection with Switzerland (volume=number of articles per day in the reference media analysed, 01.10.2018–31.12.2018). A spike can correspond to multiple events. The events that gave rise to the most, or the most significant, media coverage are listed below.

(1) Allegations of Russian espionage with links to Switzerland following an announcement of the expulsion of four suspects by the Netherlands. (2) UBS lawsuit in France. (3) Latest developments in UBS case in France. (4) Alberto Giacometti retrospective at the Guggenheim Museum Bilbao. (5) Automatic exchange of information and erosion of banking secrecy. (6) UBS: employee detained in China and lawsuit in France. (7) EPFL and CHUV biotechnology helps paraplegic patients walk again. (8) Xherdan Shaqiri excluded from Champions League squad in Belgrade. (9) Former First Lady of the Philippines Imelda Marcos found guilty of illegally funnelling money through Swiss foundations. (10) Federal prosecutor suspended by the Office of the Attorney General of Switzerland in FIFA probe. (11) UBS: legal proceedings in France (call for EUR 3.7 billion fine) and in USA. (12) and (13) Funds received by Alternative for Germany (AfD) party through Zurich-based pharmaceutical company. (14) FIFA: various matters. (15) Votes on 25 November 2018. (16) EU position on institutional framework agreement. (17) Announcement of purchase of ABB division by Hitachi.

A closer look: the automatic exchange of information – a source of disruption?

The introduction of the automatic exchange of information in tax matters (AEOI) has been a recurring theme in foreign media coverage of Switzerland for several years. Although it usually generates relatively modest coverage in the media, the AEOI is covered on an ad hoc basis in the context of multilateral agreements entered into by Switzerland (e.g. to comply with OECD standards) or agreements with certain countries (recently with India and with Indonesia). This quarter, the AEOI received a lot of interest from the international press and also social media, following the first effective transfer of data concerning foreign clients' bank accounts. This automatic exchange of data was reported to have taken place at the end of September with various EU member states and nine other countries. While some references were made to the tax haven status and numbered bank accounts usually associated with Switzerland, the media reported that AEOI would be an important step in the fight against cross-border tax evasion. Some reservations were expressed that despite this progress, the identification of all fraudsters would not be guaranteed. Nonetheless, the overall positive coverage at the global level was bolstered by various banking and tax cases which also attracted attention. Just two of these included the Federal Supreme Court's acquittal of Julius Baer's former employee and whistleblower Rudolf Elmer and the UBS trial in France. Switzerland's transparency efforts and its financial integrity strategy were also covered, casting the Swiss financial centre in a positive light. The systematic reporting in the foreign press criticising the opacity of the Swiss financial centre meanwhile continued its downward trend.

Switzerland's monitoring of foreign media includes all coverage in connection with Switzerland in reference media in 18 countries (Argentina, Australia, Austria, Brazil, China, France, Germany, Spain, Great Britain, India, Italy, Japan, Portugal, Russia, South Africa, South Korea, Turkey, USA) in addition to reference media across the Arab world and in the European Union.

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