

Switzerland in the world 2028

Report by the working group
'Switzerland's 2028 Foreign Policy Vision'

to Federal Councillor Ignazio Cassis
2 July 2019



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Preface by Federal Councillor Ignazio Cassis



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When I became head of the Federal Department of Foreign Affairs (FDFA), one issue was a top priority: the institutional agreement with the EU. I gradually discovered other FDFA priorities but also realised that although there were sectoral strategies covering various areas, there was no overall vision. What are our actual foreign policy objectives? What global trends and developments do we face and what are the opportunities and challenges for Switzerland? The Federal Constitution provides us with our fundamental mandate and represents our *raison d'être*. The Federal Council's foreign policy strategy is designed to interpret this fundamental mandate. But it is not well known, it is presented in broad strokes, and initially I did not know to what extent it was being put into practice.

Various analysts I asked about this told me that Switzerland's foreign policy was generally opportunity-driven. To some extent that is inevitable. Switzerland is not a major power holding the reins of world politics. And its pragmatic approach has so far proven its worth. Our country is doing very well. It enjoys a high international reputation. Swiss values such as our readiness for dialogue, reliability and honesty, and our power-sharing tradition and respect for the rule of law have long been acknowledged and appreciated.

But is this enough for the future? In an increasingly multipolar world, Switzerland needs to have a clear idea of what it wants. "If you don't know where you're going, any road will get you there" – said the cat to Alice in Wonderland. As a highly networked country and host state of numerous international organisations, it is very much in our interest to look to the future and to know what path we want to take.

Switzerland's foreign policy has essentially remained unchanged since the end of the Cold War. The geopolitical watershed the end of the Cold War represented was reflected in the Federal Council's Foreign Policy Report of 1993, which placed Swiss foreign policy on a new conceptual footing. Since then, we have tightened a few bolts here and there, but by and large our foreign policy has been marked by continuity. Continuity is a Swiss trademark and remains important. But the world is not what it was. Switzerland needs the foresight to set new foreign policy paths. We don't have to reinvent the wheel. But we should gear our foreign policy to the challenges and opportunities of tomorrow and future-proof Switzerland's strengths. Hence the idea of a vision.

I decided to set up a working group to develop such a vision. It was to be composed of experts with a variety of backgrounds and have strong federal government and cantonal representation. In addition to senior FDFA officials and the president of the Conference of the Cantonal Governments of Switzerland, it was also to include representatives of the scientific community, business and civil society. This breadth of expertise ensured that the positions taken by the working group would be well balanced. At the same time, it was also important to keep the number of participants small enough to enable genuine discussion.

A 10-year time frame (2019–28) was chosen, hence *AVIS28: Aussenpolitische Vision Schweiz 2028*, i.e., Switzerland's 2028 Foreign Policy Vision. The vision is where we want to be by 2028. The idea was to aim for a horizon neither too near nor too distant, but sufficiently within reach to allow us to derive concrete goals from it.

The working group's task was to draw up a report that would serve as a source of inspiration to help shape Swiss foreign policy in the years ahead. It was important to me that all FDFA employees be able to participate in the AVIS process and contribute their ideas. The working group organised numerous AVIS events and created a blog that gave the AVIS process a momentum that exceeded my expectations.

With this report, the working group has completed its task. The report helps us to better understand the drivers of change. It puts forward a vision of a networked foreign policy that is capable of further development and can take proactive action and respond to events as they arise. It presents sound ideas and recommendations that provide me with a useful basis for the FDFA's work going forward.

The Federal Council has already set out its European policy vision: Switzerland needs the best possible access to the EU's single market while retaining as much independence as possible. The consolidated bilateral approach remains the best way of achieving this. In addition to our essential relationship with the EU, the report also addresses our relations with international organisations in a multipolar world. The report persuasively sets out our interests and makes it clear that a foreign policy more geared towards change does not call into question our tried and tested Swiss values.

I also found the proposition that in shaping its foreign policy Switzerland needs to adopt a whole-of-Switzerland approach persuasive. New technologies, including digitalisation, will change the world: as a neutral country, Switzerland is well placed to position itself as a centre of digital governance. Close cooperation with all stakeholders – science, business, multilateral organisations and NGOs – is essential in this area. Bridge builders are more in demand than ever, not least at the UN Security Council.

I would like to express my heartfelt thanks to the working group for its informative and thought-provoking report. Special thanks are also due to everyone who contributed to the AVIS process. At the FDFA we will continue to work on and further develop this process, not least in order to generate new impetus for the Federal Council's foreign policy strategy 2020–23.

The report provides a sound basis for a constructive discussion on Switzerland's future place in the world. I therefore hope that it will be read by a wide audience.

“If life has no vision, with no ultimate goal towards which we strive, no single objective to fulfil, there is no point in making an effort.”

Erich Fromm

AVIS 28

2028 Foreign Policy Vision for Switzerland

Clearly defined interests
and priorities

Foreign and domestic policy
are closely intertwined

Greater focus on
citizens and the
economy

Swiss soft power for
a more peaceful and
stable world

Technology is an
established pillar of
Swiss foreign policy

Switzerland acts
self-confidently with
and vis-à-vis the EU

Today's foreign policy

The 2028 vision in brief: A more focused, networked, agile Swiss foreign policy

Foreign policy is becoming increasingly important to Switzerland's prosperity and security. Switzerland is a success story, but if its success is to continue until 2028 and beyond it will need to adapt to the changing international environment. Switzerland must have the courage to change. **Switzerland needs to adopt a more focused, networked and agile foreign policy:**

- Switzerland's foreign policy must emerge from a defined position more than has hitherto been the case.
- As an independent country, Switzerland needs to build upon relationships, both domestically and internationally, to enable it to promote its values and defend its interests. In shaping its foreign policy, Switzerland needs to adopt a 'whole of Switzerland' approach and step up cooperation with like-minded countries to achieve its stated objectives.
- Finally, Switzerland's foreign policy instruments must be geared to anticipating challenges and opportunities, enabling it to respond rapidly and with flexibility. Switzerland needs skills and resources in order to be heard in the volatile world of tomorrow and have a stake in shaping global events.

AVIS28 sets out Switzerland's **vision in six key areas** with a view to defining future foreign policy:

1. **By 2028, Switzerland's foreign policy will deliver on strategic priorities based on clearly defined interests and its values.** Foreign policy will articulate thematic and regional priorities. Switzerland will be consistent in its dealings with the outside world, including major powers.
2. **Foreign policy will be closely linked with domestic policy.** Swiss foreign policy will be firmly anchored within domestic policy, thereby ensuring it meets the expectations of the general public. The Federal Council will determine the direction of foreign policy in close consultation with Parliament and the cantons, based on a shared understanding of the responsibilities involved.
3. **Greater focus on services for citizens and cooperating with Swiss businesses are recognised assets of Swiss foreign policy.** Foreign policy and trade policy will operate as a homogeneous whole. Market access for Swiss companies is a key priority. The private sector is an effective partner in addressing the sustainable development goals.
4. **Switzerland will leverage its core strengths to build a more peaceful and stable world.** Swiss development cooperation will focus on creating jobs locally, finding innovative solutions to reduce poverty and addressing migration challenges strategically. Harnessing new technology will ensure highly effective delivery of humanitarian aid. Peacebuilding will be backed by a clear strategy, broad-based political support, and attractive packages of good offices. Switzerland will be able to respond rapidly to requests for its good offices. It will adopt effective initiatives to bolster the rules-based international order and work, both offline and online, to foster respect for international law and human rights.
5. **By 2028, new technologies will be an established topic of Swiss foreign policy.** International Geneva will be a leading location for global governance in relation to digital transformation. Switzerland will present a clear, contextual profile and contribute to international policy debates with its expertise in tech diplomacy. Stakeholders from industry and the scientific community will become established partners in this process.
6. **Having consolidated its bilateral approach, Switzerland will work with the EU, as a non-member state, in shaping Europe.** The various institutional issues will have been settled and a self-aware and strategic approach will guide the internal debate on Europe. Switzerland is a European country both in cultural and geographical terms and defending its global interests must start with Europe. Switzerland will strive to put in place jointly agreed arrangements for regional cooperation. It will take an active role in shaping decisions, providing effective input into policy areas coordinated by the EU at European level.

Introduction - why a 2028 Foreign Policy Vision?

Switzerland is one of the safest and most prosperous countries in the world. It is politically stable and Swiss citizens have confidence in their institutions. The prospects for the next generation are good. Its prosperity, openness, competitiveness and innovative strength make Switzerland a political and economic middle power with major global interests.

Switzerland is a success story. But it has no guarantee of future success.

Switzerland's pragmatic approach of focusing on solving specific issues and proceeding step by step has served it well in the past. But the world is becoming harsher, more fragmented, more complex – and more unpredictable. For Switzerland, this means that it cannot simply take its success for granted. More than ever, it must act based on a clearly defined position, especially in foreign policy.

One of the main tasks every state has to fulfil is to regularly assess the global political environment, analyse changes and their causes, identify challenges and opportunities and, where necessary, adjust its foreign policy accordingly. Today this task is more important than ever.

We live in an era where change and movement are the norm and Switzerland is impacted on multiple fronts.

Digitalisation is transforming the economy and societies worldwide. The growth model pursued by industrialised countries to date is running up against limits imposed by climate change. Power shifts are changing the dynamics underpinning global politics. Geopolitical tensions are growing and trade conflicts are escalating. The cornerstones of international order, especially international law and multilateralism, are increasingly being called into question. Large-scale migration is sowing uncertainty among large segments of the population. In many countries, protest movements are on the rise because of a widespread loss of trust in established political parties and institutions. The European Union is faced with diverging conceptions of its own identity. And Switzerland is also feeling the consequences.

Switzerland wants to shape its future place in Europe and in the world in a self-determined and independent way. It must therefore respond to global changes and find solutions to emerging problems. It needs a vision to protect its interests and promote its values in a volatile environment.

Foreign policy is becoming increasingly important for Switzerland's prosperity and security.

The Federal Constitution provides a solid foundation to further develop Swiss foreign policy. Our starting position is good: Switzerland has considerable credibility as an honest broker and as a country that fulfils its obligations. Its good offices and commitment to the rule of law are greatly valued, as are its development cooperation and humanitarian aid work. International Geneva is a major asset for Switzerland's foreign policy. The FDFA also boasts a strong external network, highly experienced staff, and a broad range of high-quality services for Swiss citizens abroad.

There is nonetheless need for action. In a world that is again increasingly marked by power politics, Switzerland must speak with one voice internationally, understand its own interests and know how it intends to achieve its goals. It must equip itself to withstand pressure and demands from all quarters. It can do this most effectively if it already has proposed solutions at its disposal before pressure begins to be felt. In the past we often did the opposite: Switzerland would first ignore attempts to apply pressure to it, then it would raise objections, and in the end it would give in. Changing how we deal with international pressure requires a forward-looking analytical capability.

Switzerland must also exert influence wherever important decisions are made. It must have the right instruments, partnerships and networks in order to help shape its environment to its advantage and seize opportunities worldwide.

So there is a great deal Switzerland must accomplish, and this in a domestic context where unease about external influences is growing. This unease is less pronounced in Switzerland than in other European countries. But it would be wrong to underestimate the trend. It is worth recalling how

important a stable set of international rules was and will remain for the Swiss success story.

AVIS28 highlights the strengths our foreign policy can bring to bear to contribute to Switzerland's future prosperity and security.

The report provides an interpretative overview enabling us to draw the right conclusions about the changes that are currently underway. It translates them into a framework that takes due account of domestic politics: Switzerland's success will depend more than was the case in the past on whether its citizens can understand and recognise the advantages of its foreign policy.

AVIS28 is a vision, not a strategy. The report is a source of inspiration to reflect on and set the course for Switzerland's future foreign policy. It aims to contribute to the dialogue on the Switzerland of tomorrow. Its ten-year perspective allows a careful examination of the horizon ahead. This time frame also makes it possible to make plausible projections about how Switzerland and the world will develop. AVIS28 spans **two legislative periods** to allow for gradual adjustments and innovations.

Based on the premise that our environment will continue to change, AVIS28 lays building blocks for the further development of Swiss foreign policy. These are presented in the form of a **six-point vision** for Switzerland's foreign policy until 2028:

- 1. By 2028, Switzerland's foreign policy will deliver on strategic priorities based on clearly defined interests and its values.**
- 2. Foreign policy will be closely linked with domestic policy.**
- 3. Greater focus on services for citizens and cooperating with Swiss businesses are recognised assets of Swiss foreign policy.**
- 4. Switzerland will leverage its core strengths to build a more peaceful and stable world.**
- 5. By 2028, new technologies will be an established topic of Swiss foreign policy.**
- 6. Having consolidated its bilateral approach, Switzerland will work with the EU, as a non-member state, in shaping Europe.**

The report concludes with a set of considerations on the foundations of Switzerland's future foreign policy.

Policy deliberations must take account of the fact that Switzerland's political culture and unique characteristics impose certain limits on its strategic capacities. Yet these same characteristics are also an opportunity for Switzerland and its global engagement. Political inclusion (the consociational model of democracy), peaceful coexistence against a backdrop of linguistic, cultural and religious diversity, a state structure based on power-sharing, and government policies focused on the welfare of citizens: these historic achievements are not only quintessentially Swiss strengths but also highly relevant for Switzerland's future foreign policy.

The world in 2028 - what do we have to prepare for?

Nothing is more constant than change.

Predicting the world of 2028 is difficult. Nevertheless, various drivers of change point to a number of trends that provide a strategic framework to discuss Switzerland's future foreign policy.



2.1. Political drivers: Switzerland in a fragmented world shaped by power politics

Globalisation remains a megatrend. The world will continue to be interconnected across a broad range of domains. But the pace of integration will not be as rapid as it was before the 2008 financial crisis. Something of a counter-trend is also evident: a return to national and local concerns.

The international realignment of economic power is coupled with the fragmentation of global politics. Outside the Western world, liberal values are not as a matter of course associated with prosperity. A counter-narrative is gaining traction: capitalism without political pluralism. Competition between different systems of government and development models is challenging a global order that has historically been shaped by Western values.

2.1.1. Geopolitics and nationalism

Competition between the major powers will increasingly shape international relations – in strategic, economic and technological terms. Geopolitical tensions are growing. Interests are increasingly being asserted through the exertion of power. Nationalism and protectionism are resurgent.

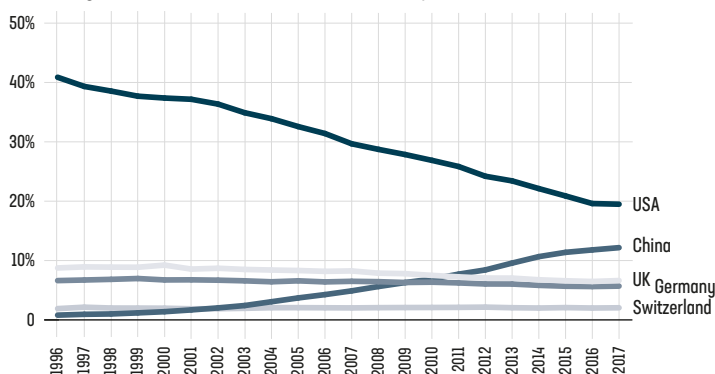
The **United States** will remain the leading global power for the time being. While the United States makes up just 4% of the world's population, it accounts for a quarter of global value added, 35% of global innovation and 40% of global arms expenditures. Yet the United States' self-perception of being the keeper of the global order is beginning to ebb. National interests are defined more narrowly than in the past. The United States' transition from 'leader of the free world' to 'America first' began before the Trump administration and is likely to continue after his presidency.

China has regained the status of a world power. China's one-party state has set the pace for formidable economic growth and is systematically transforming China into a technological and scientific superpower. State capitalism combines with nationalist rhetoric that is once again increasingly based on Marxist-Leninist principles. China's long-expected gradual adoption of the western developmental model has not taken place.

Domestically, China faces major challenges. Internationally, China is the only major power with a clearly discernible foreign policy vision for the future. The Belt and Road Initiative (BRI) is a long-term global infrastructure and investment project. It aims to supply China with resources and energy. It also allows China to export its industrial overcapacities. The BRI aims to stimulate the development of China's poorer western provinces and expand Beijing's influence across Central Asia. It also seeks to open up transport routes to Europe, bypassing the maritime routes controlled by the United States. Many observers believe that Beijing also aims to use the BRI to realign world trade and policymaking, with China at the centre. The future will tell how successful China will be in implementing this centennial project – and with what consequences for the countries involved. The project's vast scope is itself indicative of China's new ambitions.

China is catching up - also in science

Percentage of articles cited in western scientific journals



Source: SCImago; <https://www.scimagojr.com/countryrank.php>

Russia, too, will continue to claim major power status. Moscow's foreign policy is founded on a nationalist narrative that is critical of the West and challenges the liberal order.

Moscow's power is primarily based on Russian military strength. Russia is no longer among the world's ten largest economies. Its current GDP is comparable to South Korea's, Spain's or Australia's. Reforms and a rapprochement with the West could potentially stem Russia's relative loss of economic power, but no such domestic and foreign policy adjustments appear to be on the horizon.

Given the strained global political climate, there are expectations that Europe should move closer together. A united Europe could become a world power. This is in fact one of the **European Union's** stated objectives. But centrifugal forces are also at work in Europe.

The EU is an economic power and European countries remain global leaders when it comes to quality of life. But internal fault lines will continue to be a major concern for the EU in the foreseeable future. The EU's biggest players are facing major domestic political problems. Protest movements are challenging the European integration process as it is presently constituted. The EU is rarely able to live up to its potential as a foreign policy actor. Its member states disagree on too many key issues. Calls for 'strategic autonomy' and 'European sovereignty' remain rather theoretical for the time being.

Whether the trend is towards 'more Europe' or 'less Europe' is as yet unclear. Despite this uncertainty, or rather because of it, the single market with its four freedoms at the heart of the European integration process is likely to endure. EU member states will in all likelihood also continue to coordinate within the framework of the EU their efforts to ensure Europe's internal security and global competitiveness.

It also remains to be seen whether the **West**, as a transatlantic community of values, will be able to retain its power to shape policymaking. The language coming from Washington gives little room for optimism in the short term. It is clear, however, that Europe and the United States will continue to need each other in the global political landscape of the future. We should therefore not be too hasty in writing off the West just yet.

2.1.2. The international order under pressure

The growing prominence of non-Western values has led to an erosion of the liberal international order. The rule of law, democracy and human rights are on the defensive. International law is under pressure. Freedom of expression is being curtailed in many countries. Facts are countered with pseudo-facts with alarming frequency – not only in autocratic countries. It is too early to tell whether this trend is a temporary setback or whether decades of progress have been irretrievably lost.

The weakening of the international order is also evidenced by the fact that **arms control treaties** are being flouted: we are witnessing a trend towards rearmament. A future arms race between China, the United States and Russia with regional spillover effects cannot be ruled out. Strategic stability is difficult to achieve in a multipolar world. We are already facing the ever-present risk of the misuse of cyberspace for geopolitical, intelligence and military purposes.

Numerous multilateral organisations are struggling to maintain their capacity to act because of growing divergences between their member states. The law of the strongest is gaining ground, especially in security and trade relations. The US historian and foreign-policy commentator Robert Kagan encapsulated this trend in the title of his 2018 book *The Jungle Grows Back*.

Kagan's argument overreaches, however: multilateralism is not finished, but it is changing and increasingly fragmented. **Governance structures are becoming more diverse**, with sometimes competing and overlapping interests.

New cooperation networks are also emerging, for example between cities. Rapid worldwide urbanisation is turning cities into key players in efforts to address climate, energy and migration issues. Digitalisation is enhancing non-governmental actors' ability to shape developments. This trend also places limits on nation states' ability to reassert their sway.

A stable new global order is unlikely to emerge any time soon from this tangled web. For small and medium-sized countries like Switzerland, whose prosperity and security depend on a rules-based system, these trends pose a real challenge. **Protecting its interests will become much more challenging for Switzerland in the years ahead.**

Experts are saying that a new bipolar world order – divided this time into US and Chinese spheres of influence – is a real possibility. But it is no more likely than other scenarios. Although confrontations over regional conflicts are more frequent and often more intense in multilateral forums like the UN, positive results are still being achieved on many issues. With the 2030 Agenda, the Paris Agreement and the global compact for migration, the UN has been able to develop solutions to global challenges. A reformed multilateralism certainly has a future and Switzerland can help to shape it.

2.1.3. 2030 Agenda: progress towards development and global challenges

The **2030 Agenda for Sustainable Development** provides a global framework for economically, socially and environmentally sustainable development. Adopted in 2015, the Agenda sets common goals for all states and marks a break with the old north-south paradigm. It also constitutes a basis for forward-looking development cooperation. The agenda is also a benchmark for International Geneva, as many of the organisations based there are contributing to its implementation.

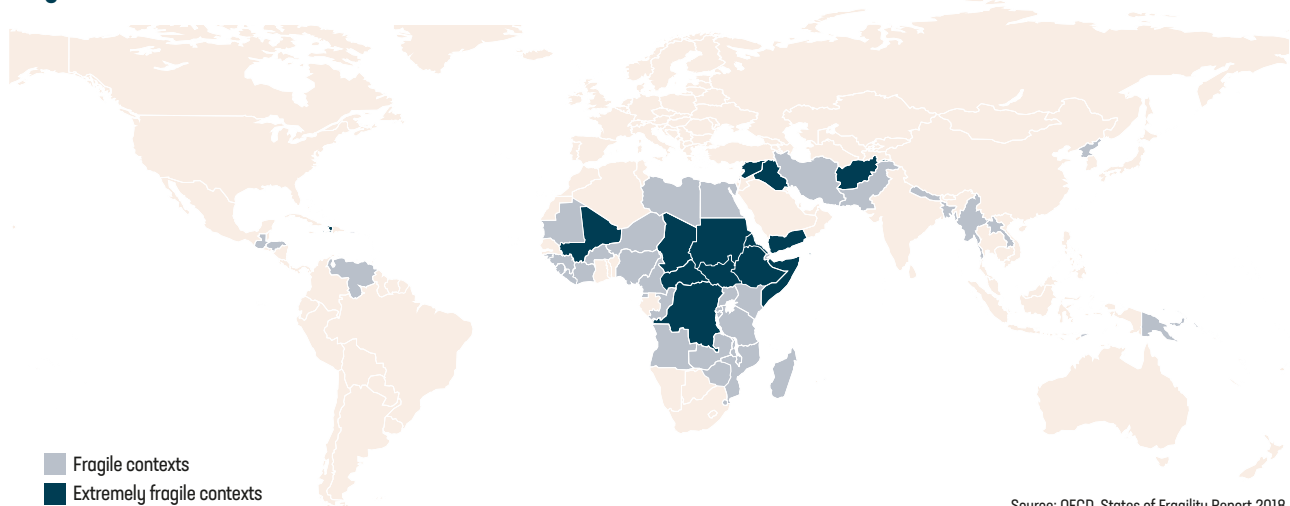
The world has made significant **development progress**. The proportion of children dying before reaching their fifth birthday fell from 36% at the turn of the 20th century to 4% in 2015. The proportion of adults with basic literacy skills rose from 21% to 85% over the same period. Over 2.5 billion people gained better access to clean drinking water between 1990 and 2015. Per capita income is a particularly telling indicator of progress: the proportion of people living in extreme poverty fell from 41% in 1981 to 10% in 2015.

Despite this progress, enormous global challenges remain. Among these are numerous **crises and conflicts**, often escalating to extreme levels of violence. Today's conflicts also last longer than they did some 20 years ago. A multiplicity of causes and actors make it more difficult to find lasting solutions. Most conflicts are still intra-state conflicts but they are increasingly becoming proxy wars orchestrated by regional and major powers. Although wars between the world's major powers are unlikely, there is a growing risk of unintentional escalation triggered by military provocations.

Fragile states are still a major challenge. According to the OECD, 24% of the world's population now lives in a fragile state, and by 2030 this figure could rise to 28%, to 2.3 billion people. The fight against poverty has been comparatively unsuccessful in fragile states: by 2030, over 80% of people living in extreme poverty are likely to be in such countries.

Demographic trends are important indicators of future development. Many fragile states are experiencing high population growth. According to UN forecasts, the world's population is expected to increase by 2.2 billion between 2017 and 2050. Over half of this increase will take place in Africa, whose share of the world population is expected to rise from 17% to 26%. Europe is the only continent where the population will decline in absolute terms. Europe's share of the world's population will fall from 10% to under 8% by 2050. Asia already accounts for over 60% of the world's population, and its share will continue to increase.

Fragile states – focus on Africa

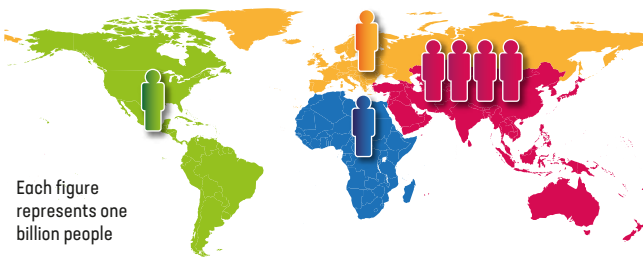


Source: OECD, States of Fragility Report 2018

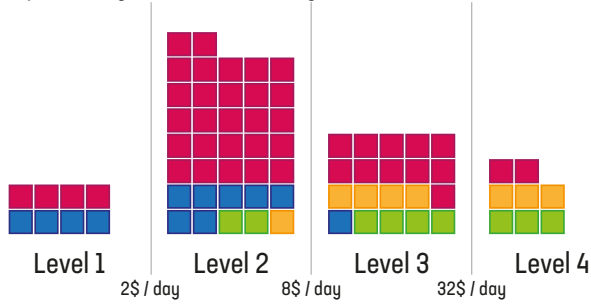
World population by region and income

2017

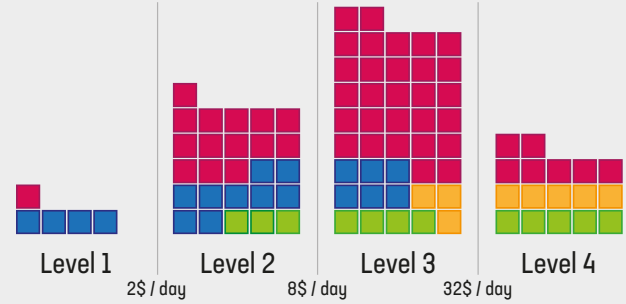
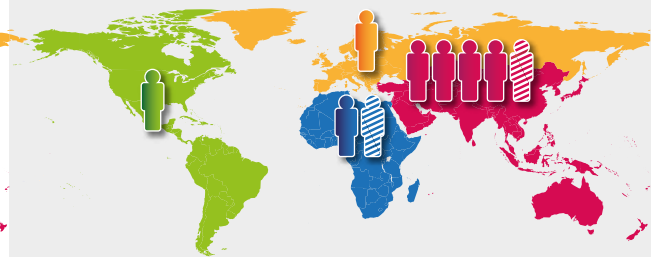
Population by region



Population by income level and region



2040



Source: Hans Rosling, Factfulness, 2018

Africa and Europe face diametrically opposed demographic challenges: Africa has a very young population (40% of Africans are under the age of 15) for whom jobs will have to be created. It is estimated that 800 million people will enter the labour market by 2050. Dynamic entrepreneurship is fast becoming the key to Africa's future. Europe, in contrast, will have to deal with the problems of an ageing population. The rising costs of the welfare state, coupled with stalled reforms in many countries, are compounding the challenges.

Migration will remain a crucial political issue. An increase in rural-urban migration and in migratory pressure from the South to the North are to be expected. While the rate of migration is rising only moderately in relation to the world's population, the relative share of migration towards Europe, the United States and the Gulf States has increased: In 2017, 30% of the world's 258 million migrants lived in Europe. Half of them migrated within Europe. Migration policy will likely continue to focus on **preventing irregular migration** from Africa. Europe will continue to face migratory pressure.

Instability in Europe's southern neighbourhood not only drives migration to Europe but also poses a persistent threat of **jihadi terrorism**. It is conceivable that technological developments will allow terrorism to become smarter and more dangerous in the future. Depending on the political and economic situation, there is also a risk of an increase in **left-wing or right-wing extremist violence**.



2.2. Ecological drivers: sustainability as the basis for prosperity and security

Together with climate change, environmental degradation is a critical global challenge. Both will be at the centre of social and political attention in the years ahead. The enormous economic and social growth the world has experienced since the middle of the 20th century has come at an increasingly high environmental cost. Natural resources are being overexploited and the consumption of fossil fuels is unsustainable. Environmental impacts threaten to undermine development progress.

For several years now, the World Economic Forum Global Risks Report has been placing environmental risks at the top of global challenges. Policy-makers have in fact taken measures to reduce the environmental footprint. In certain areas, there is some evidence of a trend reversal: the ozone layer has begun to show signs of recovery since ozone-depleting chemicals were banned. The ozone layer is healing itself. Overall, however, the environmental trend is negative. Achieving the economic and social goals of the 2030 Agenda will require greater progress in the Agenda's environmental dimension.

2.2.1. Critical thresholds of planetary boundaries have been reached

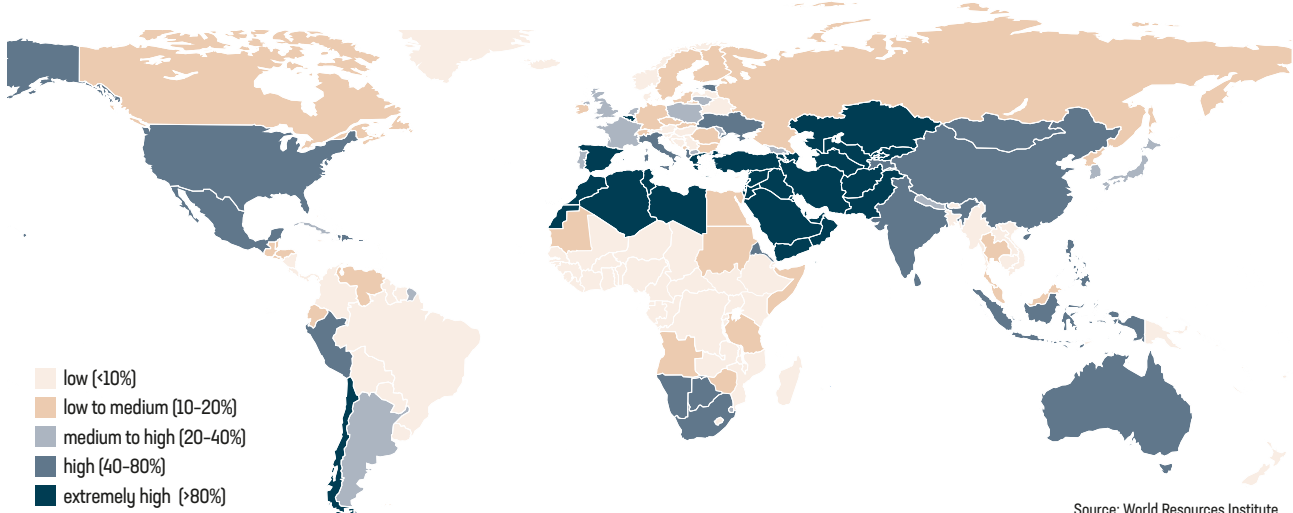
Scientific research on the various planetary boundaries to absorb waste and pollution has not advanced equally far for all these boundaries. But there is little disagreement among experts that critical thresholds have been reached or will soon be reached in many environmental areas:

according to UN environmental reports, global **air pollution** is worsening despite progress in the industrialised countries. Polluted air kills up to 7 million people each year. **Soil quality is also deteriorating**. Almost one third of the world's land mass is affected by soil degradation.

Biodiversity is declining dramatically. Biodiversity loss reduces the ability of ecosystems to perform vital functions. Western and central Europe have witnessed a 60% decline in species diversity in recent decades. Global populations of vertebrates have declined by 60% on average since 1970. Depending on the habitat, between 25% and 42% of invertebrate species are now threatened with extinction.

The **acidification of the world's oceans** and marine plastic waste are another environmental disaster. **Freshwater quality** is also deteriorating. In addition to contamination by bacteria, chemicals, pesticides and heavy metals, the dissemination of antibiotic resistance via waterways is a major concern. Antibiotic resistance is becoming a global threat to health and food security. Furthermore, rising water consumption causes water shortages: According to the UN, by 2040 over 30 countries – almost half of them in the Middle East – will face "extreme water stress". This occurs when over 80% of available water resources are used up.

Water stress: forecast for 2040



2.2.2. Climate change as a megatrend

Climate change is the primary ecological driver. Annual carbon dioxide emissions have quadrupled since 1960. As a consequence, sea levels are rising and weather patterns are changing. Extreme weather events are becoming more frequent, more severe and more widespread.

Climate change is a **megatrend that affects all countries**. It exacerbates adverse environmental impacts and affects all societies and economies. Developing countries lacking sufficient resources to adapt to climate change are particularly affected. In large swathes of sub-Saharan Africa, climate change is threatening crop yields, food security and incomes. Climate change could push 100 million people back into extreme poverty by 2030. The World Bank estimates that climate change could displace over 140 million people by 2050. Densely populated coastal regions such as the Nile Delta and Bangladesh, as well as various Pacific island states, are particularly threatened. Heat stress could make many sub-Saharan regions uninhabitable.

Switzerland is also feeling the effects of climate change. As a landlocked country, it does not benefit from ocean-driven temperature regulation. Average temperatures in Switzerland are already 2°C above pre-industrial levels. This means that in Switzerland, climate warming is twice the global average. Switzerland is affected directly both by more heatwaves with negative consequences for people's health and by the progressive melting of its glaciers. It also bears an indirect brunt of climate change, for example through migration and bottlenecks in the supply of important goods.

The scale of future risks largely depends on our ability to **limit global warming. Climate mitigation is now becoming a vital global task.** The Paris Agreement aims to hold the increase in global average temperature to well below 2°C by the end of this century. According to the UN, climate mitigation efforts need to be tripled to achieve this goal.

In essence, the aim is to ensure economic growth while reducing carbon emissions. Sustainability will become a cornerstone of prosperity and security. Systematic incentives for sustainable and scalable innovations could be an important means to achieve this. New technologies will play a pivotal role, alongside political initiatives, to significantly reduce the environmental impacts of consumption and production. They are all the more important given that the environmental policy measures tried so far have been largely ineffective in addressing the challenge of climate change.



2.3. Technological drivers: the digital transformation is picking up steam

In the years ahead, new technologies are set to become the **principal drivers of change** – with consequences for global politics, the environment, the global economy and society. We are on the cusp of a quantum leap in information and communication technologies. Today, around 11 billion devices, sensors and people are connected to each other. By 2030, that number is projected to jump to 200 billion devices.

2.3.1. A new phase in digitalisation

Building on the Internet of Things, big data and cloud technologies, artificial intelligence (AI) is ushering in a new phase of digital transformation. AI enables machines to learn from experience, adapt to new information inputs and perform tasks that require human-like intelligence. AI systems already outperform humans in some cognitive tasks. AI is also beginning to catch up with humans in terms of sensorimotor skills and is also making progress in social intelligence. That said, people are unlikely to be ever overtaken by AI systems in social intelligence skills.

Digitalisation 2.0 will become a key driver of innovation, value creation and growth. It will transform the way we live, work and grow old. But it also carries enormous risks, for example in the military sector and in the field of surveillance. AI also raises a number of sensitive foreign policy issues for Switzerland.

As the **raw material of the 21st century, data** is changing the very foundations of power. Whoever possesses big data and AI technology has a strategic power advantage. There are signs that a technology race for supremacy in AI is already underway, particularly between the United States and China. Beijing is investing enormous sums in new technologies. The government wants to use AI to catapult China's economy into the future but also to ensure public security and monitor and control Chinese citizens 'intelligently'. Technological nationalism could become a defining trend, to the detriment of the free and fair use of technological innovations. Internet freedom is an achievement that is increasingly under threat.

2.3.2. The fourth industrial revolution

Like communication technologies, **biotechnology and gene technology** are also on the verge of major innovations. In the health sector, new diagnostic and therapeutic procedures bring enormous opportunities, but also raise ethical questions. Genetically modified or gene-edited crops promise to do the same for agriculture. Nanotechnologies and bionics will also change industrial production.

We are witnessing the beginning of a Fourth Industrial Revolution. It will be driven by the **convergence of digital, biological, and physical technologies**. This convergence will multiply the potential for change inherent in each of these technology sectors. Compared to this networked digital world, the physical world will become less important economically. Some experts are predicting that the Fourth Industrial Revolution will significantly exceed earlier revolutions in terms of speed, scale and impact on economic, social and political systems.

The Fourth Industrial Revolution also holds great potential for addressing environmental challenges. New technologies will help to reduce humanity's ecological footprint and shape interactions between people, businesses and the environment in a sustainable way.

Rapid developments in robotics, machine learning and automation will also impact labour markets worldwide. Manufacturing will be fully computerised and new production techniques and processes promise significant productivity gains. Many jobs, including high-skilled ones, are likely to be replaced, which could result in greater social inequality.

At the same time, however, new technologies always usher in **innovations and new tasks** to manage the interaction between people and machines. Countries like South Korea and Japan, for example, have remarkably low unemployment rates despite the fact that robotics are highly integrated in their value-added chains.

The disruptive impact of the Fourth Industrial Revolution on labour markets and society will depend on the extent of the gap between automation and the emergence of new types of occupations. The transition requires appropriate framework conditions, for example at the level of education and training. Technological advances should benefit the greatest possible number of people.



2.4. Economic drivers: trade and production changes

Technological change is also driving global economic developments: the Fourth Industrial Revolution **alters trade flows**. The reason for this is a transformation of the global industrial sector: companies with large manufacturing plants scattered across different countries are not likely to be the model of the future. AI and lower production costs are driving a trend away from mass manufacturing towards local, small-scale production: this allows companies to relocate production plants closer to their customers and their sales markets. This will on the one hand give international companies a greater incentive to embed themselves more firmly in the local economy, potentially contributing to more inclusive growth in peripheral regions. But on the other hand, some production lines that were offshored to low-wage countries will move back to OECD countries.

2.4.1. Glocalisation

Companies from countries with small domestic markets – such as Switzerland – face particular challenges, but are also presented with new opportunities. The global textile industry, which will undergo a major transformation with the advent of smart fabrics and e-textiles, is a case in point. A combination of lower production costs, Swiss expertise in textile manufacturing and in the electronics sector could give new impetus to the Swiss textile industry. In the industrial sector almost 60% of all exported goods are unfinished products that pass through global value chains. This figure will decline in the future. **Production processes will increasingly be glocalised.**

Technological advances will place particular demands on developing countries. Industrialisation may in future not be the key driver of development it has been until now. Low-skilled industrial jobs will probably reduce in numbers. The leitmotiv of the 2030 Agenda – not to leave anyone behind – takes on a new meaning in light of technological transformation.

Developing countries are, at the same time, under ever greater pressure to improve their economic framework conditions in order to continue to attract investment. Some developing countries have a greater capacity for adaptation than industrialised countries, as they are less encumbered with long-established structures standing in the way of change. Moreover, technological advances – the smartphone is just one example – are now available almost everywhere at the same time. If

developing countries set the right course, they can create new prospects for growth.

On balance, **high-wage industrialised countries are likely to be in a better position than emerging countries to rise to the challenge of the Fourth Industrial Revolution.** This could slow down the structural shift of power from the West to other parts of the world. Nevertheless, how individual countries will ultimately develop in the future remains an open question.

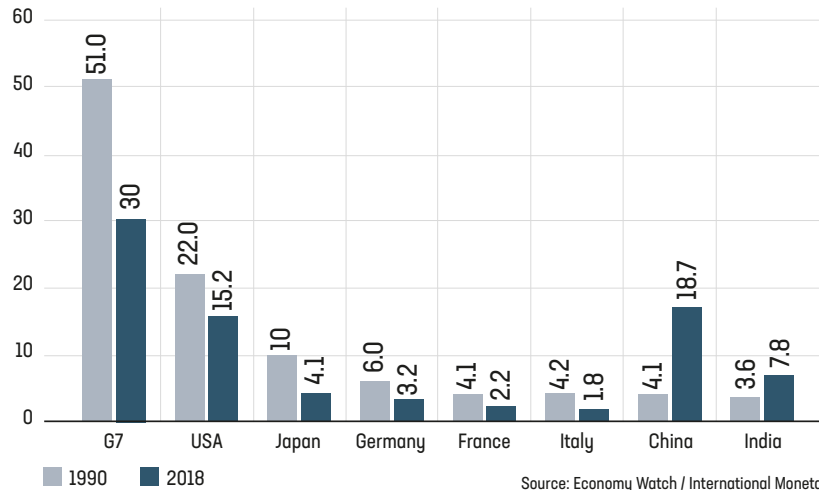
2.4.2. Fragmented global trade order

The polarisation of global politics is now also mirrored in the fragmentation of the international trade order: The World Trade Organization is struggling to maintain its relevance. It will have to be reformed if it is to regain acceptance. In the field of regulation, the trend is away from multilateral towards plurilateral agreements. Tariff reduction and free trade agreements are now largely regional and bilateral.

We are currently witnessing an escalation of protectionist measures and countermeasures between the trading powers which is weakening the global trading order. As long as the global political arena continues to be dominated by tensions between the major powers, political goals and ambitions will play a significant role in world trade. Further **geo-economic tensions** are likely.

Economic power shift: 1990-2018

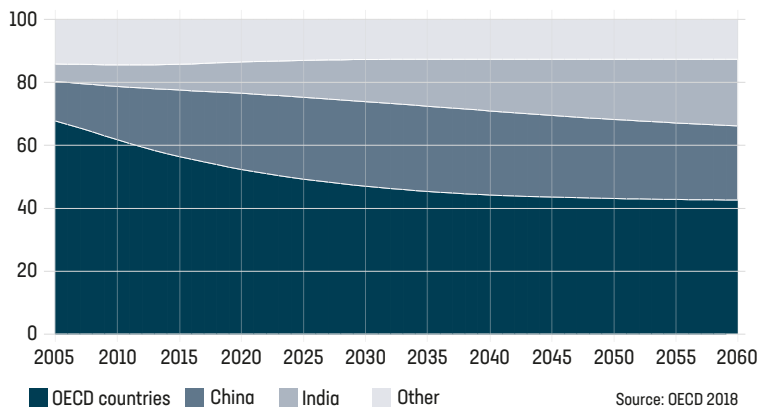
Share of world GDP based on PPP, %



Source: Economy Watch / International Monetary Fund (IMF)

Economic power shift: forecast until 2060

Share of world GDP based on USD at 2010 PPP, % (baseline scenario)



Source: OECD 2018

OECD: EU and G7 countries, Australia, Chile, Iceland, Israel, Mexico, New Zealand, Norway, South Korea, Switzerland, Turkey



2.5. Social drivers: identity politics, inward turn and demands for greater say in decision-making

Fragmentation also has an impact on society. The fundamental principles of the democratic model are increasingly contested in Western societies. Public discourse is suffused with unease towards political institutions and decision-makers. Protest movements are altering the party-political landscape. Domestic polarisation hampers effective governance.

2.5.1. Defensive reflex against globalisation

The defensive reflex against globalisation has multiple causes, ranging from the failure to address the negative consequences of the financial and debt crisis of 2008 to the refugee crisis of 2015. The redefinition of values is also a defensive reflex against globalisation. While globalisation has narrowed the economic gap between developed and developing countries and opened up new opportunities for millions of people, it has also produced greater income inequality within many countries around the world. The job losses caused by the Fourth Industrial Revolution will potentially lead to more social protests. Moreover, as people become more affluent, many also fear that they will be deprived of their new prosperity. That is why scepticism of globalisation is increasingly widespread in countries that have largely benefited from it in recent decades.

Identity politics and an inward turn are becoming increasingly important factors in political life. Many people around the world feel a loss of democratic control. Wherever international rules and standards are laid down in response to globalisation, we also see calls to recover lost sovereignty. What is more, traditional political parties, particularly in Europe, are coming under growing pressure as a result of this dynamic. They are losing support just as political movements are attracting it.

This political malaise is fanned both by state and non-state actors that are spreading disinformation. Open societies have become more vulnerable in the age of digitalisation. Strengthening societies' resilience to fake news campaigns will be a major task. Schools will have to play a key role in teaching students how to judge news and information.

The challenge is all the greater as AI-generated deepfake technology that allows the digital manipulation of videos and images will make it increasingly difficult to distinguish genuine from false information.

Social media encourage the fragmentation of values and political views. While social media allows people in an individualistic world to read news from sources they would not otherwise have access to and to exchange information with a wider range of people, it also creates **echo chambers and filter bubbles** that increasingly induce them to consume personalised information and filter out other opinions. This phenomenon can undermine social cohesion.

2.5.2. Transnational movements

Digitalisation fosters the emergence of new transnational identities and movements. In virtual communities, people organise themselves across geographical and political boundaries. Young people's current efforts to mitigate climate change are a prime example of this transnational dynamic. They are demanding a greater say in decision-making but are not sceptical of globalisation per se. The Me-Too movement is another example, but so are jihadist terrorism (Al-Qaeda and the 'Islamic State' group) and organised crime.

Switzerland still enjoys a high level of social cohesion. But there is also growing unease in Switzerland about international regulatory processes, a fact that Swiss foreign policy should not ignore.

2028 Foreign Policy Vision

The second chapter outlined the changes happening in the world and showed what they mean for Switzerland, while highlighting the drivers of development. The Foreign Policy Vision translates these changes – at both the global and national level – into options for action.

AVIS28 identifies six foreign policy areas for innovation. The vision begins by describing an optimum condition in 2028, before setting out proposals – in the form of building blocks that can be combined to gear foreign policy to achieving this optimum scenario.



3.1. Foreign policy based on clearly defined interests and Switzerland's value compass

In order to continue its success story, Switzerland should define its interests more clearly and pursue them more prominently in future. In Switzerland's case, interest-driven politics does not mean power politics or unilateralism. And Switzerland must not lose sight of its core values. On the contrary: in Switzerland, interests and values coincide. They are two sides of the same coin.

Switzerland's inner strengths should continue to guide its foreign policy. Switzerland's commitment to democracy and the rule of law, to dialogue and a culture of compromise, to human rights and gender equity, and to humanitarian principles is a core element of its foreign policy. A Swiss foreign policy devoid of values would lack strength and credibility. Switzerland is known throughout the world for its humanitarian tradition, and solidarity forms part of its understanding of what a state should be and do.

However, safeguarding national interests has traditionally been the primary focus of foreign policy. The geopolitical and trade policy developments discussed here will make this task much more demanding for Switzerland in future. Others are envious of the country's prosperity and, as an independent actor, Switzerland will become the target of more frequent international pressure. What is more, in a multipolar world, the country will be forced to take a position on controversial issues more often than has hitherto been the case.

For that reason, Switzerland should take a much closer look at its interests. Only by knowing its

interests can it effectively defend them. With that in mind, Switzerland will be able to have a say in the international arena: pursuing a policy based on interests means **exercising influence and shaping decisions**.



The vision

By 2028, Switzerland's foreign policy will deliver on strategic priorities based on clearly defined interests and its values.

Foreign policy will articulate thematic and regional priorities. Switzerland will be consistent in its dealings, including those with the major powers.

It will leverage the potential afforded by its independence while pursuing its interests in cooperation with like-minded countries.

The vision is based on four main components or building blocks:



3.1.1. A shared understanding of interests

The article in the **Federal Constitution** that sets out the aims of the Swiss Confederation provides the starting point for defining these interests. From a foreign policy viewpoint, **Switzerland's security, welfare and independence** are its core interests. Added to these are the long-term preservation of natural resources and the promotion of a just and peaceful international order as the basis for security, welfare and independence.

Art. 54 of the Federal Constitution names important sub-areas of foreign policy. It states that "the Confederation shall ensure that the independence of Switzerland and its welfare is safeguarded; it shall in particular assist in the alleviation of need and poverty in the world and promote respect for human rights and democracy, the peaceful co-existence of peoples as well as the conservation of natural resources." In its dispatch on the Federal Constitution, the Federal Council notes that this list is not exhaustive. It also states that Article 101 of the Federal Constitution, according to which the Confederation "shall safeguard the interests of the Swiss economy abroad", crystallises the

powers conferred on foreign policy by law. In other words, **foreign policy is also foreign economic policy**.

The Federal Constitution thus specifies the key values of foreign policy while leaving considerable scope as to how that policy is defined. Foreign policy may be developed further in line with international requirements and domestic preferences. A broad discussion could reveal how Switzerland's interests manifest themselves in this context: the aim is to give specific form to security, prosperity and independence as the country's core interests – while including the cross-cutting areas of **international order and sustainability**.

Security becoming more important

Security is becoming increasingly important in the context of foreign policy. It is in Switzerland's interest that states – and particularly the major powers – **resolve conflicts peacefully**. Peace means more security and prosperity.

An international order that puts law before power is just as important. It is in Switzerland's interest to **defend** and further develop **the achievements of this order**, which include strong security organisations such as the UN and the OSCE, respect for the rule of law and international law, promoting democracy, and a functioning arms control system.

All states should have access to the **new technologies** as a tool for peace on the basis of common standards. An open, free and stable **cyberspace** is equally in Switzerland's interest. Democracy and the rule of law must be protected against **espionage** and be able to withstand influence and **disinformation**. Lastly, Switzerland helps safeguard the security of its citizens by means of **consular protection**.

Geographically, the **stability of Europe** around it is key to Switzerland's security. In recent decades, Switzerland has benefited from the stabilising effect of NATO and European unity. However, social and political changes in many states indicate that this stability can no longer be taken for granted.

Europe's neighbours to the south and east take high priority too: **Africa, the Middle East, the Western Balkans and the Eastern European countries** between Russia and the EU are priority regions for Switzerland's contributions to stabilisation. The aim is to create development prospects locally, reduce the pressure of migration to Europe and avoid the threat of terrorism and organised crime. In addition, the **inclusive pan-European security order** should be strengthened. Switzerland can help achieve this by building confidence and trust in relations between Russia and the West, and defending the OSCE principles: it can also work to bolster prospects and stability in the countries situated between the EU and Russia.

Hotspots in the common neighbourhood of EU/NATO and Russia



Prosperity – greater commitment to economic interests

Boosting the economy by means of foreign policy serves to increase prosperity in Switzerland. In this way, foreign policy contributes to the country's internal cohesion and helps safeguard its system of social welfare. Supporting Swiss business abroad thus takes on even more importance. Securing **market access for Swiss companies** and maintaining fair competition rules will become more difficult: companies should be able to trade and invest without discrimination. Alongside market access, this also requires legal certainty when making long-term investments and the protection of intellectual property.

A rules-based international order is essential for Switzerland to prosper. Priority must go to a World Trade Organization with the capacity for effective action, and further rounds of multilateral trade liberalisation. However, while progress here remains blocked, the focus will be placed on plurilateral and bilateral trade agreements. Free trade policy is crucial to Switzerland as an exporter. Market access boosts the country's competitiveness and the attainment of full employment.

Its key markets are: the EU, the United States, China and – if Brexit happens – the United Kingdom. However, for Switzerland and its prosperity, maintaining and expanding the **global scale of its foreign trade policy** is key. The most commonly named growth markets for Switzerland today include Australia, Brazil, India, Indonesia, Japan, Mexico, South Korea and Turkey.

The Fourth Industrial Revolution will require businesses, the state and its citizens to adapt to large-scale change with wide-ranging consequences. Foreign policy will have to respond via new forms of governance that enable this change to be accompanied by suitable regulation.

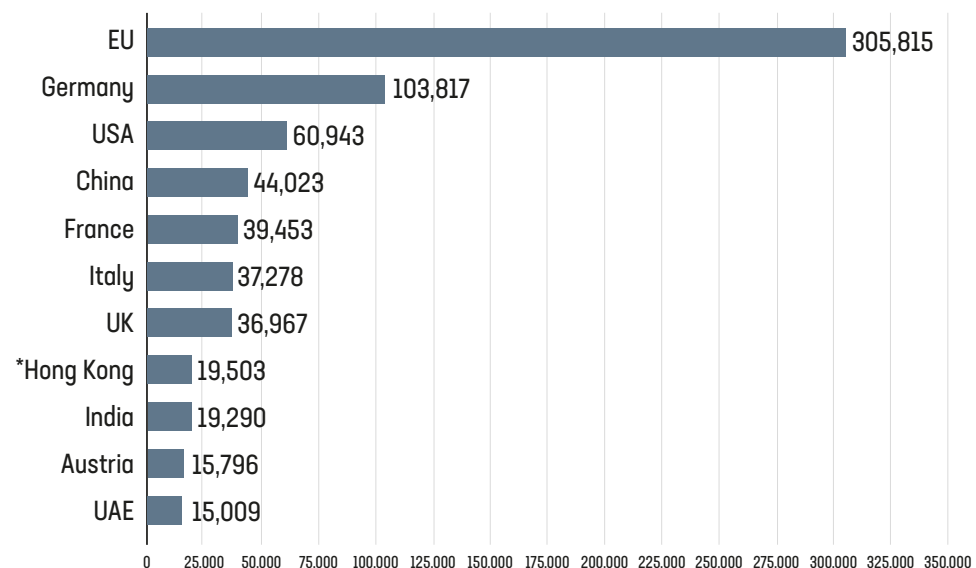
The prosperity of other countries contributes significantly to Switzerland's prosperity – yet another reason why it is in Switzerland's interest to **promote development in other countries**. The 2030 Agenda for Sustainable Development provides a meaningful framework for its efforts in this area. Enabling global economic growth that produces fewer emissions is another important task facing Swiss foreign policy.

Independence: freedom of action and new opportunities of neutrality

Independence means freedom of action. The primary consideration here is to protect people against the arbitrary use of power. International agreements are a suitable instrument for achieving this. Rather than weakening Switzerland's sovereignty, rules-based treaties actually prevent decisions being made solely according to 'might makes right'. But this does not mean that Switzerland should enter into as many of these agreements as possible. The important point is that the agreements it does conclude should be in the national interest and enjoy domestic support.

Pursuing its own foreign policy remains Switzerland's best guarantee of independence. It

Switzerland's most important trading partners in 2018 in CHF million



* Special Administrative Region

Source: Federal Customs Administration (figures: Exports + imports, without services)

is true that the risks are increasing and, in the geopolitical competition for power, it can be easier to put countries like Switzerland under pressure unless they form alliances with partners. The pros of an independent free trade policy can turn into cons if actors such as the EU follow suit and use their greater market power to enter into agreements that are potentially more favourable. It also remains to be seen how Switzerland can defend its independence and capacity to act in the digital sphere. Nevertheless, the advantages of pursuing an independent foreign policy outweigh the disadvantages at present.

Going forward, an intelligent combination of independence and openness will be decisive. It is in Switzerland's interest to maintain political relations with all other states and to adhere to its policy of dialogue. Independence calls for an agile foreign policy, an extensive global presence and sound knowledge of other cultures.

Swiss neutrality is a trump card in the country's independent foreign policy. It was being called into question in the 1990s, when not actually being declared obsolete. Now it is once more opening up opportunities for Switzerland. The protective function of neutrality will play a less prominent role as long as Switzerland is surrounded by the EU and NATO. Instead, neutrality gives Switzerland much greater room for manoeuvre in foreign policy terms. Thanks to its neutrality, it can propose solutions as a credible actor, with the other actors knowing that it has no hidden power-politics agenda in doing so.

Neutrality is also important to the country's host state policy and good offices. It creates fresh prospects for Switzerland in relation to digital transformation, for example: Switzerland is an ideal venue for discussing and regulating certain aspects of tomorrow's world that are already highly politicised, such as artificial intelligence.

3.1.2. Setting regional priorities

As an independent state situated between centres of power, Switzerland has an interest in maintaining an extensive geographical presence. However, it cannot be omnipresent and it cannot do everything. It will have to set priorities:

Europe remains the key region for Switzerland's prosperity and security. The EU-28's share of global GDP (PPP) may have fallen from 21% to 16% over the last decade and now looks likely to decline further in the next 10 years. However, this trend does

nothing to diminish the paramount importance of the EU single market to the Swiss economy. In 2018, 52% of all Swiss exports went to the EU and 70% of all imports came from EU countries. Even without the United Kingdom, the EU-27 will remain Switzerland's main market, accounting for 48% of its exports and 66% of its imports (as at 2018).

Defending Switzerland's interests with regard to the EU is of strategic importance, as is working together with the EU – and not just when it comes to market access. Numerous matters that were previously considered to fall under domestic policy have taken on a European dimension in recent decades. The ability to participate in European research programmes is essential if Switzerland is to remain a hub of innovation. Issues relating to national security are also increasingly being dealt with at the European level.

Switzerland needs relations with its neighbours to be stable and built on trust. Germany, France, Italy and Austria alone account for two thirds of bilateral trade with Switzerland. The volume of trade between Switzerland and Baden-Württemberg is equal to that between Switzerland and China. If and when Brexit comes to pass, full market access and a close partnership with the United Kingdom will become paramount.

The transformation of Eastern Europe and Central Asia has been uneven. The dismantling of democracy and deepening of geopolitical divides is not in Switzerland's interest. Continuing its dialogue with Russia and Turkey based on constructive criticism, stabilising the Western Balkans and resolving the conflicts in Eastern Europe and the South Caucasus remain important fields of action.

Africa's stability is also of strategic interest to Switzerland. As far as North Africa is concerned, the focus is on economic development and migration cooperation. Progress in stabilising the crisis regions south of the Sahara – stretching from Mali to Lake Chad to Somalia – is another matter of importance to Switzerland's security. This area is marked by high fragility, conflict, terrorism, high rates of poverty and population growth.

However, the problems associated with migration should not be the sole focus of attention. Non-European states have recognised the continent's tremendous economic potential and are making huge investments in Africa. Even though the region currently accounts for only 1.5% of total Swiss trade, promoting the African market and encouraging the business world to make more use of the opportunities it affords is in our national interest as Africa's economic development benefits Switzerland's own

prosperity and security. As well as promoting this development by helping Swiss companies to seize opportunities, Switzerland should also expand its political presence in the region.

The **Middle East** is one of the most important regions for Switzerland's security. Unlike Africa, the Middle East's overall economic importance is likely to stagnate or even decline. The region is witnessing momentous upheavals, with numerous geopolitical, ethnic and religious lines of conflict reducing the prospects for stabilisation. Violent conflict, poor governance, increasing water scarcity, population growth and youth unemployment rates as high as 30%: these are the realities. Growing numbers of migrants attempting to reach Europe via the Mediterranean are to be expected.

It is in Switzerland's interest to prevent the region from destabilising further and to assist it in achieving progress. Preventing and defusing conflicts, exercising protecting power mandates, water diplomacy, respect for international humanitarian law and promoting regional cooperation are potential elements of a firm engagement for peace.

Switzerland has an interest in improving economic prospects in this region too. Efforts to encourage start-ups and young entrepreneurs could be stepped up, in the occupied Palestinian territory for instance. The rights of individuals as entrepreneurs and employees could be strengthened by giving them access to formal markets. There is the potential for greater cooperation with certain

countries in the areas of business, science and academia, and finance. As in Africa, refugees in the Middle East should receive support locally.

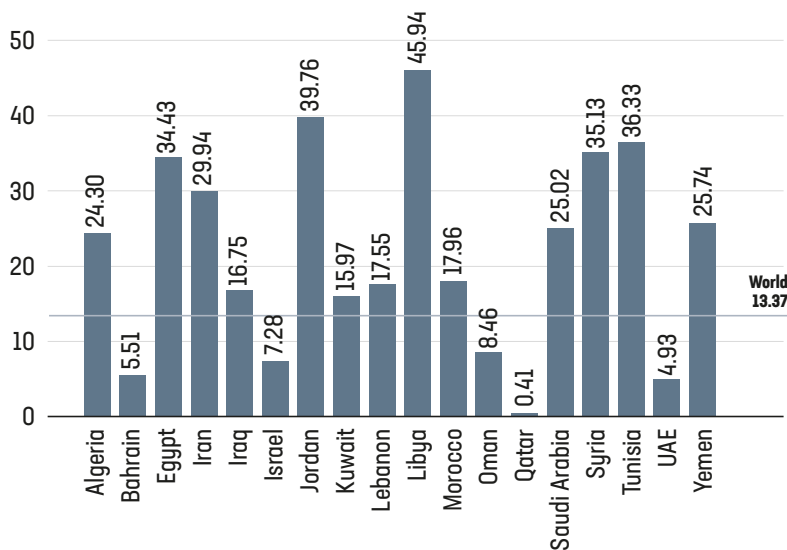
Asia presents a major opportunity for Switzerland in business terms. According to the OECD, by 2028 four of the five largest national economies in this region – China, Japan, Indonesia and India – will generate half of global GDP. By 2030, two thirds of the world's middle class will live in Asia. Asia's share in Swiss foreign trade rose from just under 12% to over 23% in the last decade.

Asia is also becoming a centre of world politics, making Switzerland's presence in the region all the more important. As far as security policy is concerned, Asia is less directly relevant than Africa or the Middle East. Nevertheless, Switzerland has an interest in resolving conflicts peacefully and promoting cooperative security structures. Bilateral relations with China already cover a wide range of areas. There is potential to build on relations with other countries, including India, which will become more important to the Swiss economy while also playing an anchor role for democracy in the region.

The focus in **the Americas** is on relations with the United States. Switzerland's interests elsewhere in this region are less prominent. It has economic interests in Latin America and the Caribbean. Bilateral economic relations with these countries could be expanded. One important topic is cooperation in combating corruption. Switzerland also works closely with a large number of these states in a multilateral setting, especially when it comes

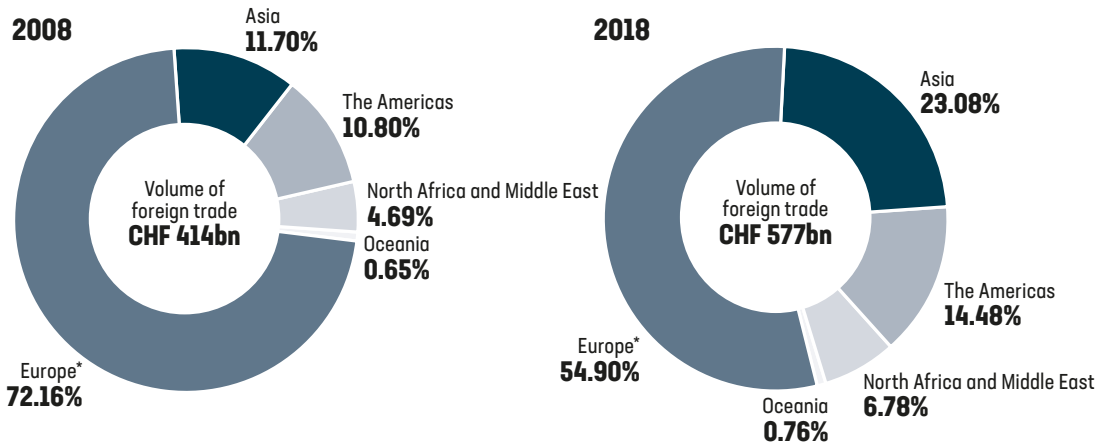
Youth unemployment in the Middle East and North Africa

Percentage of unemployed 15-24-year-olds



Source: International Labour Organization, ILOSTAT database. September 2018

Asia's growing share of Swiss foreign trade



*incl. South-East Europe and Eastern Europe/Russia

Source: Federal Customs Administration

to climate change mitigation, human rights and democracy. The same is true of Canada, Switzerland's second largest trading partner in the region.



3.1.3. An eye on the major powers

When it comes to safeguarding Switzerland's interests, the country's relations with the major powers are growing in importance. Improvements are necessary here. In a world dominated by great-power diplomacy, power politics and unilateralism, an independent Switzerland needs to have clear strategies for dealing with the most influential actors and viable political relations with them.

Although the Federal Council recognised the importance of priority countries outside Europe as early as 2005, the approach it adopted of entering into 'strategic partnerships' with the BRICS countries, the United States, Japan and Turkey nevertheless failed to produce the desired effect in some cases. Relationships are too asymmetrical and were defined too strongly in terms of cooperation rather than actual content. As a result, these bilateral relations are at times administered rather than actively defined at the policy level.

In future, **relations with priority countries** should be defined **on the basis of strategies** that combine political, security, economic, technological, scientific and sustainable development matters, with Switzerland's interests and high-potential areas serving as a starting point. High-potential areas include Switzerland's good offices, which continually open doors that would otherwise remain closed.

Coherence between the departments in their handling of such priority countries is paramount. Switzerland's consociational democracy presents it with particular challenges in this respect. Country strategies that define clear goals and for which the Federal Council is responsible have the potential to serve as an instrument here. While they may not represent a 'one size fits all solution' for the wide range of voices and agendas in Switzerland, they nevertheless facilitate a 'big picture' view that reduces the segmentation of foreign policy.

Coherent strategies are called for in relation to the United States, China and Russia in particular – the foremost powers at present.

The USA remains very important to Switzerland's prosperity and security.

Switzerland must take due account of the continuing US dominance of the international order. Bilateral relations are based on a solid historical foundation, largely shared values and close cultural and human ties. An estimated 1 million people with Swiss roots live in the United States. It is by far the most important destination for direct investments by Swiss companies. The United States is Switzerland's second largest trading partner, and Switzerland is the seventh largest investor in the US and one of its top twenty trading partners. Conditions in the US market for non-US companies are becoming tougher. Switzerland has an interest in deepening its relationship with the United States and strengthening the framework conditions for doing business with it. A free trade agreement and closer cooperation in the field of international financial market regulation would help achieve this.

Measured by the number of diplomatic visits, relations with Washington have been less intense in the last few years than those with Beijing. The United States has never expressed any interest in

a strategic partnership. Looking beyond the protecting power mandate in Iran and Venezuela and cooperation on vocational education and training, new areas of cooperation should be considered. These include new technologies and new issues of international law. Switzerland has a wealth of expertise to offer in repatriating illicitly acquired assets of politically exposed persons. Stepping up cooperation with influential US think tanks may also serve to safeguard Switzerland's interests in the long term. If Switzerland wants to assert its multilateral interests on the global stage, it must also articulate them vis-à-vis Washington and seek to cooperate with the United States in areas in which it makes sense to do so.

Switzerland has succeeded in establishing very close relations with China. Switzerland became the first country in mainland Europe to conclude a free trade agreement with China, which is now its third most important trading partner. Around 30 sectoral dialogues are being held on a variety of topics, illustrating the fact that Beijing has responded more positively to the idea of a strategic partnership than other priority countries. In addition, around 20 cantons and cities have now established economic and cultural partnerships with Chinese provinces and municipalities.

The Federal Council should draw up a clear strategy for its policy on China over the coming years in a way that intelligently combines the opportunities and challenges associated with cooperation. As well as developments within China itself, the wider international frame of reference must be taken into consideration. Should the world become more politically polarised, Switzerland's relationship with China could become more complicated. Although close economic relations and strategic dialogue remain important, they should form part of an effective overall strategy.

Russia is not one of Switzerland's top trading partners. However, the country's weight in global affairs makes Moscow an important player with regard to Swiss foreign policy. Relations between the two countries have become more fraught since the annexation of Crimea and various espionage and cyber incidents. However, more than other European countries, Switzerland remains committed to dialogue rather than isolation, as evidenced by its good offices – specifically the protecting power mandates in Georgia and Russia – and the firm belief that security can only be achieved in Europe by working with Russia rather than against it.



3.1.4. Structured cooperation with like-minded states

Switzerland can defend its interests on the global stage by stepping up its cooperation with certain partner countries. It already works together with a group of like-minded states, above all on specific topics and at the technical level.

A more tightly structured form of cooperation with some of these like-minded countries (LMCs) on policy and transversal issues would lend itself to this purpose. Although these countries are not among the most dominant actors on the world stage, they are nevertheless relevant. They pursue similar interests to Switzerland, and previous experience has shown them to be reliable. They advocate for a peaceful world order, are committed to results-based multilateralism and work together as equals. Their positions often converge, for example in areas such as peace, human rights, the environment, energy and science.

LMCs are most likely to be found in Europe. But not only there. With tomorrow's world in mind, Switzerland should also integrate non-European countries into an LMC strategy. Moves in this direction have already been made below the political level: for instance, Denmark, Finland, Ireland, Israel, New Zealand, Singapore and Switzerland all collaborate as part of the Small Advanced Economies Initiative. These industrialised countries with around 5 to 10 million inhabitants each work together on issues related to economics and innovation. Other formats should be looked into, such as setting up a K7 group of smaller states as a counterpart to the G7. An LMC strategy would allow promising partnerships for the future to be built: Switzerland can promote its interests more effectively by joining forces with others.



3.2. Closely linking foreign and domestic policy to prevent a loss of trust

A culture that views foreign policy as part of domestic policy and domestic policy as part of foreign policy must be actively promoted and gain broad support. More weight should be given to this aspect of foreign policy in future. As a semi-direct democracy, scepticism towards politics and globalisation is less evident in Swiss society than in other Western countries. But a sense of unease can be felt in our country too. People's trust in foreign policy must be strengthened by linking foreign and domestic policy more closely.



The vision

By 2028, foreign and domestic policy will be closely linked.

Swiss foreign policy will have a broad domestic support base as it meets the expectations of the general public. It will be based on continuous dialogue and a whole-of-Switzerland approach.

Foreign policy will have a fixed place on the Federal Council's agenda. The latter will determine the direction of foreign policy, in close consultation with Parliament and the cantons, and with clearly defined responsibilities.

AVIS28 describes four building blocks for linking foreign and domestic policy more closely:



3.2.1. Closer cooperation with Parliament and the cantons

National legislation is increasingly being supplemented by European and international forms of regulation. Foreign policy has a greater impact on legislation and domestic policy processes than was previously the case. Many norms negotiated at the global level can no longer be fundamentally altered at the national level.

More soft law instruments are emerging in place of agreements under international law. These quasi-legal instruments are referred to as 'soft' as they have no binding force under international law. They are easier to negotiate and can help maintain an international framework of rules and norms in the face of political stalemates. However, they are not generally put before national parliaments for

approval. This development has sparked debate in a domestic policy context about roles and responsibilities.

If Switzerland is to represent its interests effectively, it must present a united front. To achieve this, the Confederation must collaborate with Parliament and the cantons on foreign policy matters on the basis of trust. The foundations for such a relationship appear to be intact: the rights of Parliament and the cantons to participate in foreign policy decisions have been expanded since the 1990s. The Federal Council is thus obliged to consult the foreign affairs committees on important plans. The cantons can ask to be consulted on the preparation of foreign policy decisions, and the federal government can choose to consult them of its own accord. Furthermore, the cantons often form part of the Confederation's negotiation delegations, especially with respect to matters of European policy.

Nevertheless, action is required, even though the basic situations differ. On the one hand, there is no longer a sense of clearly defined cooperation between the Federal Council and Parliament on foreign policy. The latter bemoans its loss of control and lack of involvement, while the former feels its powers in foreign policy matters are increasingly being called into question. In the Federal Council's view, the growing number of parliamentary interventions constitute undue interference in its foreign policy. On the other hand, relations between the Confederation and the cantons are comparatively more stable. The question to be discussed here is whether participatory federalism should be extended, given the increasing influence of EU law on national legislation.

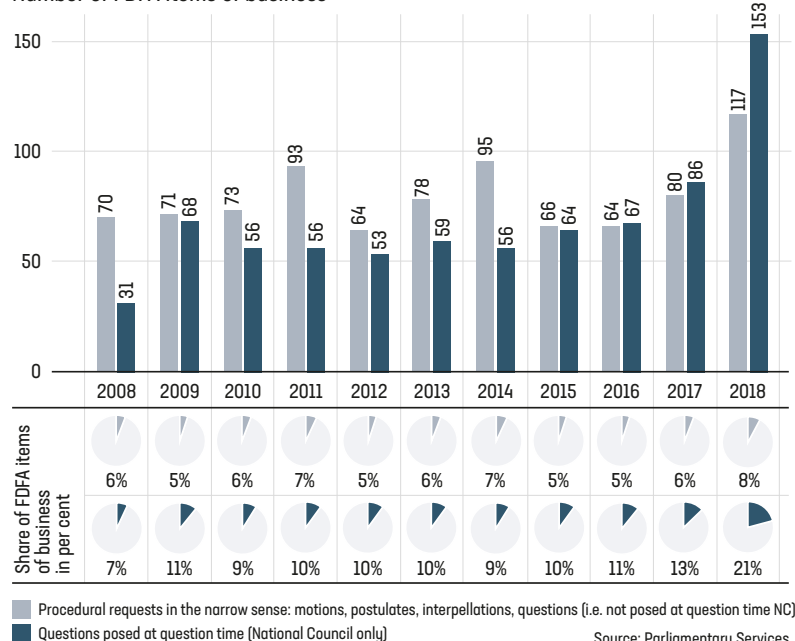
If Parliament and the cantons are to cooperate more closely with the Federal Council, this must happen without restricting the latter's capacity to act. In 2028, the power to make foreign policy must continue to lie, first and foremost, with the government. The formal definition of responsibilities for foreign policy should remain unchanged and serve as the basis for cooperation.

What measures are needed to consolidate a shared understanding of the foreign policy roles of the Federal Council and Parliament?

An important first step would be to improve the way in which the existing rules are implemented. In other words, the government must be made more aware of Parliament's rights to participate in shaping foreign policy. At the same time, Parliament's involvement should concentrate on strategic aspects. The government must enjoy more freedom again when it comes to the operations management side of foreign policy.

Parliamentary procedural requests 2008-18

Number of FDFA items of business



However, there is also a need to define Parliament's participation rights more precisely. This applies especially to soft law. The first point that should be clarified is the content of this policy instrument and how it is delineated from other instruments. Second, it must be decided which soft law agreements the committees are to be consulted on and in which form. Given the number of agreements of this kind, Parliament will have to restrict itself to the most significant cases. The challenge will lie in assessing what qualifies as 'significant'.

In addition to defining participation rights more precisely, the Federal Council should advocate in the international arena for parliamentarians to be given a greater role in shaping soft law within international organisations. The OECD consultation mechanisms and the Parliamentary Assembly of the Council of Europe and the OSCE can serve as models here.

In the case of the cantons, there is a need to clarify the extent of their rights to participate in shaping foreign policy. The division of roles is undisputed and the participation processes are well established. The cantons are demanding to be consulted more frequently on European policy matters, and at an earlier stage: receiving comprehensive information would enable them to play a greater role in shaping the Swiss agenda on European policy. The cantons would like to see their concerns taken into account more systematically in the preparations for treaty negotiations.

The cantons are proposing that any loss of autonomy occasioned by the agreements with the EU be compensated by according greater weight to their own positions.

This would allow the federalist state structure to be preserved. In the case of European policy plans that touch on their powers, the cantons believe their consolidated opinions should now be considered 'legally binding inter pares' (in German: *'relative Bildungswirkung'*). This means that the Federal Council would only be able to deviate from the agreed position if there were overriding foreign policy interests for doing so. It would also have to set down its reasons in writing. Lastly, cantonal representatives are calling for the existing mechanism through which the cantons discuss European policy with the federal government to be developed into a more formalised joint coordination body.

The Confederation and the cantons aim to maintain their well-functioning partnership on foreign policy. A joint analysis should determine whether the opportunities for the cantons to have a say need to be adapted.

It should be added that there is no adequate legal basis for foreign policy at present. There is no framework act for foreign policy, and the Federal Act on Development Cooperation is outdated. The respective powers of the Federal Council, Parliament and the cantons in matters of foreign policy

are unilaterally governed at the legislative level by the Parliament Act and the Act on Participation of the Cantons in the Foreign Policy of the Swiss Confederation. Now is the time to review whether **new legal bases** that reflect the growing importance of foreign policy will be required for the future.



3.2.2. Expanding the dialogue on foreign policy

Looking beyond Parliament and the cantons, foreign policy must gain broader support among the general public. A national dialogue on foreign policy and Switzerland's interests is desirable. A citizen-centred foreign policy that enables ordinary people to seize the opportunities presented by rapid change is a fundamental cornerstone of the Switzerland of tomorrow.

Greater use should be made of relevant competencies and networks outside of the Federal Administration in achieving foreign policy goals. The FDFA should pursue a **whole-of-Switzerland approach**. Cooperation with Swiss NGOs is already well established and important. These organisations play a major role in realising international cooperation goals. However, the partnerships could benefit from an even clearer strategic direction inspired by the 2030 Agenda. The new SDC strategy for cooperation with Swiss NGOs provides a good basis from which to start.

The FDFA also maintains regular contact with scientific institutions and think tanks. This could be stepped up: shared expertise strengthens Switzerland's capacity to act in a foreign policy context. The Swiss Institute of International Studies (SIAS) was set up back in 1943, with the aim of providing "qualified guidance in difficult times". The Federal Council was one of the driving forces behind this decision. With the three Geneva Centres and several other centres of excellence in peace, security, European and economic policy issues, Switzerland now has a wealth of expertise in global matters at its disposal. Much could be done to build on cooperation with the Swiss business world too, whose competencies, contact networks and local knowledge could be of great benefit in shaping and implementing foreign policy (chapter 3.3).

Citizens' forums attended by diplomats could make a significant contribution to bringing foreign and domestic policy closer together. Switzerland's representatives around the world work in an environment which is sometimes far removed from 'everyday life at home'. It is important for them to remain in touch with the debates and finer feelings regarding domestic

policy. At the same time, the general public is not necessarily all that familiar with foreign policy. People in Switzerland should get to know the Federal Council's foreign policy priorities better. The opportunity to exchange views directly with Swiss diplomats stationed around the globe will boost interest in foreign policy and encourage greater awareness on both sides. Organising a 'Tour de Suisse' of community halls could spark genuine debate on current foreign policy issues from Geneva to Appenzell.

Another option would be to **put more foreign policy matters out to consultation**. Consultation procedures offer all stakeholders the opportunity to state their position and viewpoints early in the decision-making process. This instrument has seldom been used in relation to foreign policy thus far. Doing so in future would allow the Federal Council to generate broader domestic support for its foreign policy at an earlier stage. Conducting periodic surveys on foreign policy – using social media, among other things – could also help take the pulse of the people.



3.2.3. The Federal Council preserving the lead in foreign policy

Today, federal councillors have little time to spend on foreign policy and visits abroad, even though international regulation is becoming increasingly important in every department. Switzerland's political system is geared towards domestic policy. Improvements are possible without having to fundamentally reform the system. However, paying more attention to public opinion at home must not cause the Federal Council to relinquish its lead role in foreign policy.

It should attach greater weight to foreign policy issues at its meetings, and ensuring that sufficient time is set aside to deal with these issues will become even more important in future. The Federal Council could increase its strategic scope for decision-making by holding more special closed sessions on foreign policy topics while at the same time reaffirming its claim to leadership.

The **Federal Council's foreign policy strategy** for the legislative periods should set a clear direction and be implemented consistently. To date, these strategies have not had sufficient impact on the practical work of the Federal Administration. In addition, the wider public has barely been aware of them.

The strategic bases of the Federal Council's foreign policy should serve as actual mandates that

improve the convergence between Swiss foreign and domestic policy. Clear goals and measures are required.



3.2.4. Communication is integral to foreign policy

Communication is essential in linking foreign and domestic policy more closely. It not only constitutes a form of management support, but can also serve as a strategic foreign policy instrument. On the one hand, the task is to create a broader domestic support base for foreign policy by communicating and explaining it in an easy-to-understand manner.

On the other, communication is growing in importance as a means of safeguarding foreign policy interests. How Switzerland is seen by the rest of the world has an impact on its opportunities for action and its attractiveness as a place to live and do business. Given the global competition between states, Switzerland must actively shape the way in which it is perceived abroad. It must not allow its **image** to be determined by actors seeking to create advantages for themselves according to their own interests and agenda.

Consequently, **communication must be more closely linked to content**. Switzerland must develop key messages and strategic narratives for the relevant dossiers and communicate them whenever it has the opportunity. Targeted marketing is one way of supporting foreign policy by influencing how Switzerland is seen abroad.

The majority of new communication instruments and arenas are digital. They should be used systematically as an effective means of conveying the key messages of foreign and domestic policy to the relevant target groups. This is an area in which government politics lags behind. Non-state actors use digital communication to increase their power to define topics and thus boost their political influence. Completely new political marketing instruments have emerged in the digital sphere, such as collecting signatures over the internet or crowd-sourced lobbying. This refers to the sending of a vast number of emails from members of the public to members of Parliament, for instance, and marks the beginning of a new political trend.

Social media open up opportunities for foreign policy. But they also decentralise communication, which can be challenging for an organisation like the FDFA. A clear definition of responsibilities and powers is required, and employees must be given more training.

Lastly, communication plays a key role in **protecting against disinformation**. Although Switzerland clearly does not require a Ministry of Truth, it should nevertheless counter fake news with effective, fact-based information. At the same time, the education of tomorrow will also mean helping citizens to exercise and preserve their digital sovereignty.



3.3. A greater focus on the needs of citizens and businesses

Foreign policy should put citizens first and promote economic interests to a greater extent than before. The support of citizens and the Swiss business community must become a core element of foreign policy.

Services for citizens are an established area of foreign policy, and one that is appreciated by the public. The challenge here is to adapt the services on offer to changing needs and to keep up with rising expectations.

Switzerland's foreign policy has room for improvement when it comes to supporting foreign trade interests. Considerable opportunities for entering into win-win cooperation agreements will open up in this area. However, placing greater emphasis on economic issues should not detract from other FDFA priorities such as peace, security and development. On the contrary – it could lend them new dynamism.



The vision

Services for Swiss citizens and close cooperation with Swiss businesses are recognised assets of Swiss foreign policy in 2028.

Both target groups will receive unbureaucratic help, more and more delivered through digital channels. Foreign policy and trade policy will operate as a homogeneous whole. Market access, legal certainty and protecting the investments of Swiss companies are priority foreign policy commitments.

At the same time, the private sector is an active partner in addressing sustainable development and climate change mitigation.

Looking forward to 2028, the following three building blocks create a suitable foundation:



3.3.1. Tailored services abroad

There are over 760,000 Swiss nationals living abroad, and the trend is rising. Foreign travel is also increasing. Whereas the Swiss made 11.5 million trips abroad in 2012, that number had risen to more than 15.5 million in 2017.

Providing support to Swiss nationals residing abroad and travellers in need is one of the basic tasks of foreign policy. Any Swiss citizen requiring help in an emergency situation will receive consular protection. Thus, for example, Swiss representations will advise the relatives of people who have gone missing or been kidnapped.

This area of foreign policy will see many changes in the coming years. New technologies will open the way to greater efficiency and better services that are more in touch with citizens' needs. The result: a **more personal form of support, and bundled consular services**. A considerable number of consular functions involve standardised work processes. Intelligent machines can reduce the workload of employees and boost service efficiency. Providing a range of digital consular services will create a one-stop shop where customer needs can be addressed quickly and straightforwardly. Using AI-supported solutions would allow Switzerland to deliver a tailored service to its citizens abroad in future – both remotely and locally.

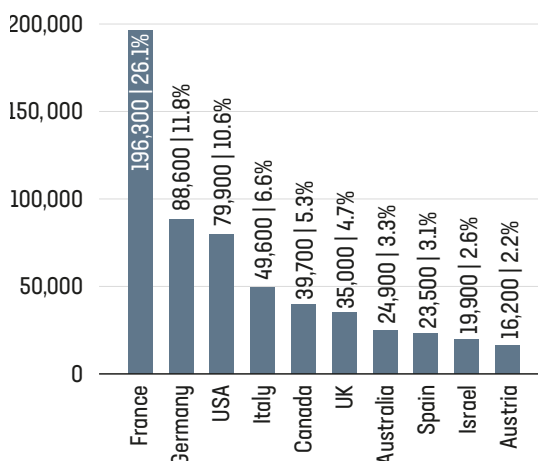
Consular activities could be linked more closely with other areas of foreign policy.

Digital transformation creates new potential for Switzerland to market its consular activities. Regional communities of Swiss abroad can be addressed more specifically through digital channels. They can be made more aware of Switzerland's position on European policy issues or other international topics.

Top ten: Swiss abroad 2017

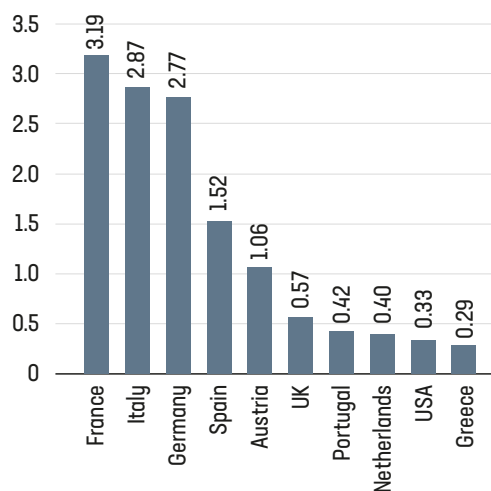
Swiss nationals living abroad

Number of persons



Travel destinations

Number of overnight stays in million



Source: Swiss Federal Statistical Office



3.3.2. Foreign policy is also foreign economic policy

Switzerland generates more than half of its GDP abroad. Since 1995, its trade-to-GDP ratio – i.e. the sum of exports and imports measured as a share of gross domestic product – has risen from 69% to over 90%. In addition to multinationals, two-thirds of Swiss SMEs also operate internationally.

Of the 5,000 Swiss companies with fixed places of business abroad, 4,000 are SMEs. Swiss companies have created two million jobs abroad through direct investment. Three quarters of all Swiss employees work for companies involved in international trade.

The Swiss export industry contributes significantly to Switzerland's prosperity. In some cases, technological upheaval and growing geopolitical tension present it with major challenges: competition is fiercer than ever and market access more difficult. In future, the Swiss economy will no longer have the same exclusive access to the innovations and technology developments on which its success is based.

Currency risks must be added to this scenario. The euro has fallen by more than 30% in value against the Swiss franc since it was first introduced. A scenario in which the two currencies reach parity cannot be ruled out. The extent to which central banks will still be able to intervene in future remains uncertain. Great-power rivalries are also having an effect on currency movements. Russia and China are calling the US dollar into question as a reserve currency and have reduced their purchas-

es of US Treasuries. Experts doubt that Switzerland would be able to handle a further exchange rate shock as well as it did in 2015.

Commitment to a successful Swiss export industry should be put back at the heart of Swiss foreign policy.

It is true that this topic has always been part of foreign policy and that the external network plays an important role in this respect. Nevertheless, the FDFA should attach greater importance to promoting foreign trade interests and should coordinate closely with the other competent agencies in doing so. Despite the administrative lines that separate them, foreign and trade policy should be thought of as one. The whole-of-government approach that has proven its worth in migration and health policy points the way forward.

More market access, more legal certainty and proper protection for innovations are topics that should be placed high up on the bilateral and multilateral foreign policy agenda. Air transport connections are another factor of importance to the Swiss economy.

The agendas being set by international organisations are becoming more important. This is especially true in relation to issues such as climate change that cut across countries and remits. Although these topics are not being addressed by trade organisations, they are relevant to global trade and have the ability to distort it. Stepping up foreign policy engagement in this area will only be successful, however, if Switzerland develops a common agenda for its export and domestic economies. That way, trade-offs between further free

trade agreements and agricultural policy could be reduced.

As well as becoming more important, **Swiss export promotion** still has improvement potential. A large number of actors are currently involved in delivering support to Swiss businesses abroad: Switzerland Global Enterprise with its Swiss Business Hubs in over 20 target markets, bilateral chambers of commerce, cantonal economic promotion bodies, Swissnex, Switzerland Tourism and Switzerland's diplomats.

However, there is neither a global strategy nor any form of global branding in place. Creating a synergetic platform would allow the business community to satisfy all its needs for information, advisory and support services in foreign markets via one central point of contact. The Swedish model is a source of inspiration: Business Sweden runs 50 offices in 4 priority regions and offers a wide range of services in 7 priority export areas.



3.3.3. Swiss business as a partner for the 2030 Agenda and climate change mitigation

Any form of foreign policy partnership with the business community cannot be a one-way street. Increasing the promotion of foreign trade interests cannot be the sole objective. It would also be in the economy's interest for Swiss companies to make a greater contribution to implementing the Federal Council's foreign policy strategy. Business representatives should be more involved in foreign policy discussions, as they were in the past. The divide between business and politics that opened up in the wake of the financial crisis must be closed again.

Swiss businesses could play a greater role in the country's international cooperation activities. Thus far, the focus has been on financing solutions for public-private partnerships and guidelines for doing business in a way that respects human rights. The goal should now be to create a **genuine partnership drawing on private-sector expertise through which joint projects are realised**. This also forms part of the 2030 Agenda. The ability of the private sector to create new markets and scalable innovations will help achieve the Sustainable Development Goals (chapter 3.4).

Partnership between the state and the business community is especially important in relation to climate and environmental issues. There is a growing need for action on both sides that calls for joint solutions: foreign policy should help establish

a global framework of action which permits internationally agreed rules and implementation mechanisms to be adopted and creates general conditions conducive to innovation, thus leaving room for entrepreneurial solutions. The international environmental regime must become more coherent, effective and efficient. When implementing the Paris Agreement, it is essential that we comply with the transparency rules and promote a green economy. The marketplace for emissions trading should be internationalised and include countries outside Europe. Switzerland can do more to help developing countries carry out climate and environmental measures.

As for the business community, it has a duty to make better use of resources and generate fewer emissions, and to push ahead in finding entrepreneurial solutions to environmental and climate problems. In addition to the real economy, the financial sector should also make more of a contribution to mitigating climate change and promoting sustainable development. Sustainable finance, which integrates environmental, social and governance criteria into financing and investment decisions, improves the chances of achieving the 2030 Agenda. As a financial hub, Switzerland could play a leading role here.



3.4. Leveraging Swiss soft power for a more peaceful and stable world

The commitment to sustainable development, peace and security and a rules-based international order will remain a priority for Swiss foreign policy. The need for international action is great, and Switzerland has much to offer. Guided by its comprehensive understanding of security, it makes high-quality contributions geared towards the long term and pursues a complementary foreign and security policy.

By working towards a more peaceful and stable world, Switzerland is investing in its own prosperity, security and independence. This commitment gives its foreign policy greater impact and resonance. Switzerland's engagement builds networks and goodwill for Swiss interests in other areas.

Switzerland can create and shape more here than in other foreign policy fields, and is seen as a credible and reliable partner in international cooperation.

However, domestic political expectations mean that Switzerland needs to act in a more focused and efficient way in the future. For this reason, its efforts to promote a more peaceful and stable world must have stronger backing within society and dovetail more with its domestic policy concerns. In addition, individual instruments must be adapted in accordance with the global changes underway.



The vision

Swiss foreign policy in 2028 will leverage its core strengths to build a more peaceful and stable world.

Development cooperation will be focused, with a broad domestic support base, and will attach strategic importance to reducing migratory pressure. Switzerland will help to foster economic development in close cooperation with the private sector and other partners. It will create jobs and improve prospects in target countries, relay Swiss know-how on governance, education and environmental issues, and find innovative solutions to reduce poverty.

Swiss expertise in peacebuilding will be much sought after in 2028. Peacebuilding will be backed by a clear strategy, broad-based political support and attractive packages

of good offices. Switzerland will be able to respond quickly and flexibly to requests for its good offices. Important peace negotiations will take place in Switzerland or with Switzerland as an intermediary. Peacebuilding efforts and development cooperation will be closely coordinated.

In 2028, Switzerland will adopt effective initiatives promoting results-oriented multilateralism in order to bolster the rules-based international order. It will work, both offline and online, to foster respect for international law and human rights. Switzerland will set international benchmarks by involving companies in the promotion of human rights and the development of global standards. International Geneva will be a leading and innovative centre of governance, a place that shapes the digital transformation.

The following building blocks will help to create a sustainable policy combining development cooperation, peacebuilding and security, as well as commitment to a rules-based international order:



3.4.1. The profile of development cooperation sharpened and anchored domestically

In many ways, development cooperation is a major component of Swiss foreign policy, accounting for over half of the FDFA's budget. Thanks to a strong international presence, it is an important element in Switzerland's external relations, and projects the country's values and image around the world. Properly deployed, it can achieve greater strategic impact than many other instruments.

For a globalised economy such as Switzerland's, sustainable development is a necessity. Precisely because of its relative weight, development cooperation, more than other instruments, needs political backing within Switzerland. Measures will take time to implement, but they will make Swiss development cooperation more agile in its implementation of the 2030 Agenda.

Development cooperation – high-profile, interest-led and focused

Development cooperation is both an expression of Switzerland's solidarity and part of its interest-driven policy approach. Establishing clear links between development cooperation and Switzerland's own interests will help to boost domestic political acceptance of the former. The principle that development cooperation is a foreign policy instrument should be given greater emphasis. This will require action at the FDFA head office, in terms of communication and on the actual form of development cooperation.

The stronger focus on geographical and thematic priorities is an important step towards making development cooperation even more effective and giving it greater political support within Switzerland. In 2016/17, the 20 countries that benefited most from Swiss bilateral development assistance accounted for 24% of total development assistance expenditure. This percentage should be significantly higher in 2028. Bilateral development cooperation should focus on regions whose political and economic stabilisation creates maximum leverage for the countries concerned, as well as for Switzerland.

Priority consideration should be given to Europe's southern and eastern neighbourhoods, namely Africa, the Middle East, the Western Balkans and Eastern Europe. In these focus regions, Switzerland's security, economic and migration interests converge. The prosperity gap between Africa and Western Europe

must be reduced in a sustainable way. Finally, the prospects for people in crisis-hit regions of the Middle East should be improved.

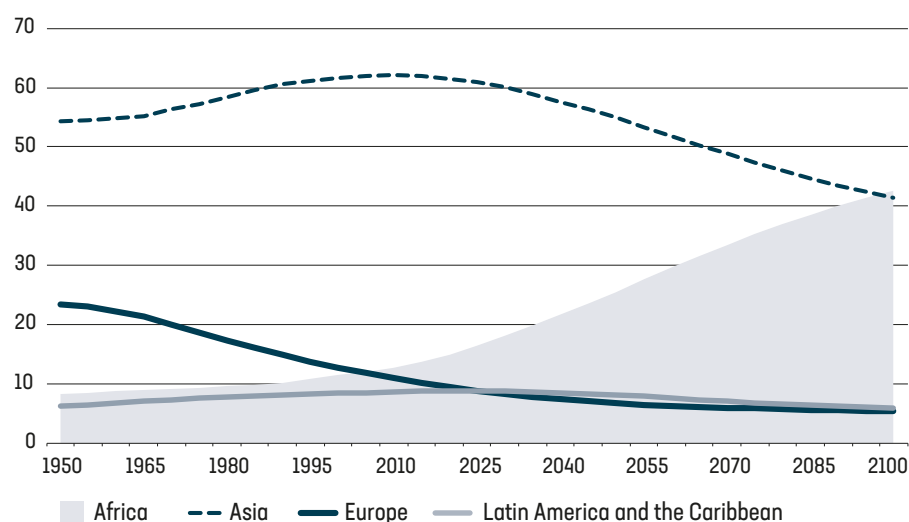
Greater weight on economic development

The private sector creates 90% of all jobs worldwide and plays a crucial role in tackling poverty. Sustainable economic growth is the best way to reduce poverty. There is no magic formula for achieving this, but a key ingredient is promoting local entrepreneurship and innovation.

Switzerland should focus more on sustainable local economic ecosystems by working with international companies and NGOs and engaging closely with the state-owned Swiss Investment Fund for Emerging Markets (SIFEM), which aims to give local SMEs access to capital and expertise. As an umbrella fund, SIFEM invests primarily in other funds. Another model worth exploring for Switzerland is that of the Dutch development bank FMO, which invests directly in the private sector in 85 developing countries and emerging markets, mainly in infrastructure, microfinance and sustainability. The aim of such public investment is to enable, rather than to replace, private investment. SIFEM's capital base is small by international standards. It would need to be increased as the fund develops.

Africa needs jobs

Forecast share of world total of working age population (15–64) by region (percentage)



Source: UNCTAD Economic Development in Africa Report 2018

As well as agile entrepreneurship, sustainable growth also requires the right framework conditions. There is need in many cases to modernise governance structures and promote good governance, as functioning state institutions and the rule of law are prerequisites for economic development. To achieve this goal, it will sometimes be necessary to work with corrupt regimes and state administrations, unsatisfactory though this is.

In the choice of priority areas, greater emphasis should be placed on countries where growth and its effects can spill over into neighbouring countries. Swiss business interests will act as a leading indicator in this regard. In Africa, for example, Angola, Botswana, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria, Senegal and South Africa are considered potential drivers of economic growth. Rather than comprehensive development cooperation programmes, these countries tend to need ad hoc assistance with combating corruption and money laundering as well as with better legislation, investment protection, justice and tax policy.

Step up cooperation with Swiss companies

It is not only large corporations that should be looking to the African continent. Swiss SMEs can play a key role in promoting local entrepreneurship as a driver of development. Private investment in Africa is key. The federal government should do more to foster and safeguard this investment by further developing tools and instruments such as start-up support and high-quality advisory services, provided for example by Swiss representations in the countries concerned.

New forms of cooperation and interaction between governmental and non-governmental actors are needed, going beyond private sector funding of development cooperation activities. An indicator of this is the transfer of expertise by the private sector, for economic development requires input from professionals with the relevant practical experience. One approach would be to create a pool of experts from the private sector, the federal government and cantons, deployed on missions lasting several months, along the lines of the peacebuilding and Swiss Humanitarian Aid corps.

Build on Swiss strengths: governance, education, environment, innovation

International development cooperation is changing. Some donor countries, such as China and the Gulf States, have a different development philosophy from Switzerland. A clear profile is therefore all the more important: Switzerland needs to focus on strengths that are embedded in its own political system but which also confer added value globally. In other words, it has to harness its soft power. Switzerland's core strengths will be increasingly in demand internationally.

Switzerland has strengths in the following areas:

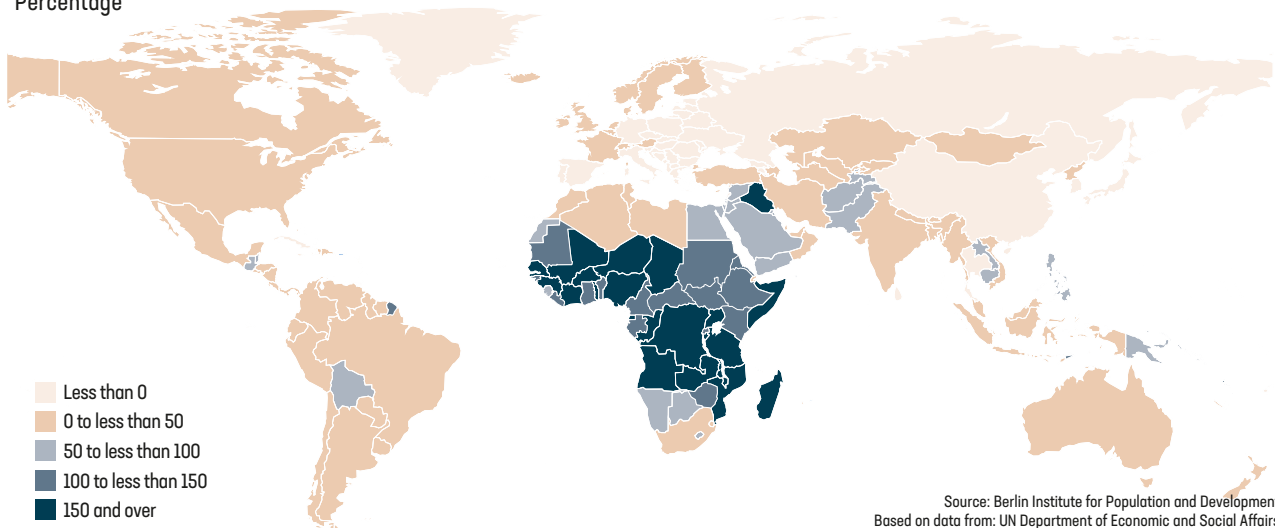
- **Governance:** this is often where the greatest barriers to development lie. Switzerland has experience and credibility when it comes to the rule of law, good governance, human rights, proximity to citizens and subsidiarity.
- **Education:** Switzerland's experience with education at all levels, and especially with vocational skills development, can improve the prospects of young people in developing countries and emerging economies. Education is becoming more important than ever for economic development.
- **Environment and climate change:** the need for expertise to reduce emissions and pollution and use natural resources more efficiently will increase. For example, technical assistance and investment will be needed to enable developing countries to generate energy for electricity, heating and cooling in a cleaner, more efficient and sustainable way. The Swiss cleantech industry can help to deliver solutions here. Expertise in coping with more frequent and intense natural disasters and dealing with major challenges in water supply will be increasingly sought after.

However, the way in which Switzerland does development cooperation is also a key aspect of its profile. Its capacity for innovation is an asset that deserves to be made more of:

- Firstly, the international programmes through which Switzerland helps to address global challenges are pioneering, as in areas such as food security and health. Swiss know-how and resources may be instrumental in the development of innovative global solutions.
- Secondly, according to the OECD, Switzerland is characterised by innovative partnerships and financing models, as well as the flexibility to adapt programmes as needed.

Population development 2015-60

Percentage



- Thirdly, Switzerland could help to boost the effectiveness of development cooperation by means of new technologies. For example, artificial intelligence (AI) could improve the early detection of negative trends and thus strengthen prevention. Switzerland could help developing countries to harness the opportunities offered by the digital transformation while reducing the associated risks (see section 3.5).

Focus on tackling causes in Swiss foreign policy on migration

Switzerland needs safe and regular labour migration to maintain its prosperity. However, it also has every interest in preventing irregular migration. This can only be achieved through multilateral efforts and bilateral engagement. The strategic linking of development cooperation and migration policy should be put into practice systematically.

Switzerland will remain true to its development approach. While many countries, under heavy political pressure, are opting to channel their development funds into short-term security solutions designed to tackle unwanted immigration, Switzerland should continue to pursue a foreign policy on migration that is both holistic in its impact and geared towards the long term.

Within this context, Switzerland should invest even more heavily in addressing the causes of migration as a means of preventing it. First and foremost, this means working in regions of origin to improve the economic, social and political prospects of people there. Protecting and looking after refugees and migrants in the places where they are should be a priority. Where there is no foreseeable

prospect of return, Switzerland should promote the economic self-reliance of people in countries of first refuge. It can assist displaced persons with repatriation and help them to rebuild their lives after returning to their countries of origin, as well as helping countries of origin and transit to put in place migration policies. Bilateral migration partnerships should be expanded.

A key factor in foreign policy on migration is demographics. In Africa, lowering the birth rate is vital to secure significantly greater prosperity for the population. Among other things, this requires specific preventive education to improve family planning and an overall rise in education levels for the entire population. The current literacy rate is stagnating at just over 60%.

Forge close links between development cooperation and humanitarian aid

Humanitarian aid plays a key role in ensuring the stability needed to create prospects for displaced persons in the places where they find themselves, usually regions of countries of first refuge which adjoin the crisis-hit areas. Development cooperation and humanitarian aid must engage with each other more closely and on a continuous basis. In protracted crises, it becomes impossible to divide up the needs of the population according to different international cooperation instruments.

An integrated approach is needed, aimed at freeing people from their dependence on emergency relief. Humanitarian aid can help to create better long-term prospects for the population so that they no longer have to rely on emergency relief. Conversely, development cooperation, which

is geared towards long-term impact, needs to become more operationally flexible so that it can respond appropriately to rapidly changing contexts.

Switzerland's humanitarian tradition is integral to its good reputation, and a distinct profile and universal approach will help to ensure that it remains a credible humanitarian actor in the future. The country has soft power and internationally recognised expertise in the form of the Swiss Humanitarian Aid Unit.

Regarding the future direction of Swiss Humanitarian Aid, it should be borne in mind that countries affected by natural disasters are making fewer appeals for international assistance. Thanks in part to Swiss support, many countries now have their own structures to deal with such crises independently. Indeed, the last time that Swiss Rescue responded to an earthquake was in 2009. The question of whether Swiss Humanitarian Aid should undertake more direct action needs to be examined. Such action is exemplified by the aid convoys that it has been organising successfully in Ukraine for some years. The need is there – not least in Africa. At the same time, Switzerland is well placed to make humanitarian aid more efficient by harnessing the potential of digitalisation. The ICRC, its most important humanitarian partner, is a pioneer and a source of inspiration in this area.

Maintain flexibility and a willingness to take risks

Partly because of its financial weight, development cooperation has been in the political spotlight of late. Striking a balance between accountability and operational freedom is vital. Too tight a bureaucratic straitjacket would make development cooperation actors unwilling to take risks in difficult and fragile contexts, yet the ability to take such risks is essential. It should be possible to try out new approaches, for example on strengthening ownership by the local population or promoting the rights of entrepreneurs.



3.4.2. Switzerland's good offices modernised and optimally positioned

Civilian peacebuilding enjoys widespread support in Switzerland, and is part of the country's foreign policy DNA. By contributing to conflict prevention and management, Switzerland enhances its own security. Through its good offices, Switzerland also strengthens its political contacts with senior officials in the countries concerned.

While demand for mediation by independent third parties is likely to increase by 2028, there are two reasons why Switzerland, despite its excellent reputation as a promoter of peace, cannot afford to rest on its laurels.

Firstly, peacebuilding has become more challenging. Many conflicts are extremely complex, with some involving ten or more parties, each with widely differing interests, diffuse structures and opaque chains of responsibility. The causes of conflict have also become more complicated and the forms of conflict more varied. Furthermore, the global political environment is making conflicts harder to resolve.

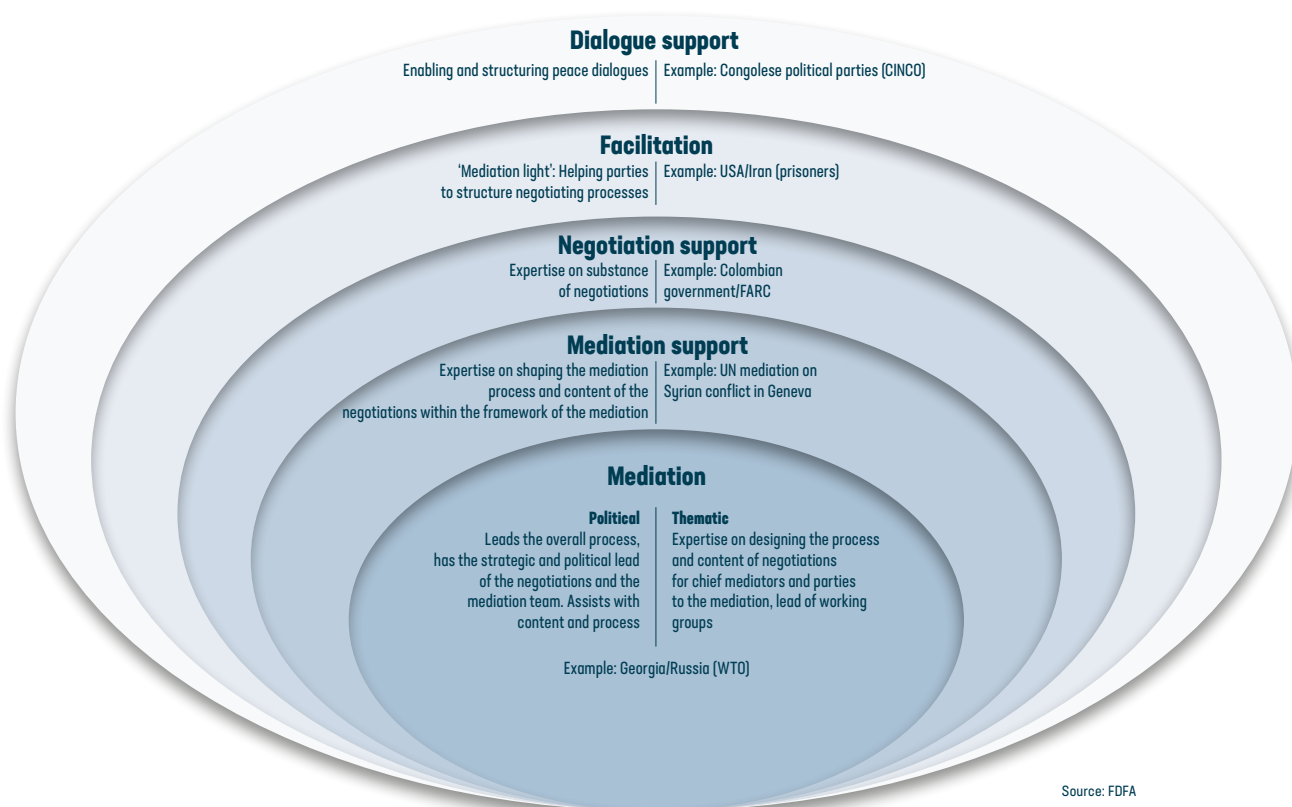
Secondly, peacebuilding is becoming increasingly fragmented and the number of potential mediators is growing. More and more European countries are positioning themselves as mediators, with more non-Western players also vying for contention. In a competitive market for good offices, Switzerland has to affirm its credentials and adapt its offer accordingly.

Guiding principle: build peace from the bottom up, leveraging Swiss strengths

As a result of political stalemates, the number of major peace processes involving comprehensive peace agreements is likely to decline. In many cases, peacebuilding activities will shift to the local level and focus on certain aspects of a conflict, with peace being built on more of a step-by-step basis. This kind of bottom-up principle is ideally suited to Switzerland, the holistic, long-term approach to promoting peace reflecting its own functioning as a state and as a society.

The promotion of dialogue, power sharing and the involvement of all interests are increasingly important factors in peacebuilding. Facilitating local dialogue processes involving different social groups should remain part of Switzerland's peace policy. Supporting women and young people in conflicts and involving them in prevention and

Mediation as part of Switzerland's good offices: wide-ranging contributions



peace processes can help to unleash new social dynamics. Swiss expertise will remain in demand, for example on constitutional issues, dealing with the past and fighting impunity for war crimes.

Give peacebuilding a stronger political profile

In the future, simply offering standard mediation services will no longer be sufficient. Such mandates require political investment. While preserving the discretion that is highly prized internationally, Switzerland should also try to be more politically active in obtaining mandates. This is the only way that it will hold on to its reputation as a leading player in mediation processes, alongside its bottom-up peacebuilding work.

Achieving this will require political commitment, a willingness to take risks and a clear strategy. An attractive package of services and an involvement on substantive issues are also important. In addition to International Geneva, other locations could offer the privacy and seclusion that parties in mediation processes often say they need.

Swiss peace specialists promote peace policy efforts and build up relationships of trust with conflict parties.

Where required, it should be possible to deploy teams with the necessary expertise at short notice, headed up by experienced diplomats and/or mediators. More special envoys, for specific conflicts or issues such as water diplomacy, would give greater political clout to efforts in this area.

If its application is successful, Switzerland's membership of the UN Security Council will raise its profile in the domain of peace policy by emphasising Swiss soft power both internationally and domestically. It will give Switzerland, as a credible and pragmatic player, the opportunity to build bridges and will also have a positive impact on Geneva in particular. Intensive discussions with member states – including those with veto powers – will provide Switzerland with an important additional platform for safeguarding its interests bilaterally.

Good offices: look to the future while holding on to tradition

The increase in tensions between states is leading to a revival of interest in traditional forms of good offices. These include protecting power mandates as well as trust-building measures such as those developed during the Cold War with substantial Swiss input.

At the same time, there is potential to expand Switzerland's good offices into new areas. For example, the basic concept of good offices should become an integral part of a new foreign policy on technology (see section 3.5). It could also be applied to the business arena. Dispute settlement mechanisms in the commercial sector are becoming increasingly ineffective due to the fragmented nature of legal systems. Swiss mediation in economic and trade disputes would represent a sensible addition to the good offices provided by Switzerland. Indeed, there are already examples of this in practice, as in the context of the Georgia crisis, where Switzerland brokered an agreement between Russia and Georgia governing customs administration and the monitoring of trade in goods.

Harness expertise and practical knowledge for peacebuilding

Conflict resolution *à la suisse* should become a brand that can be deployed even without direct Swiss involvement. The courses launched by ETH Zurich and the FDFA to train international and Swiss mediators are one part of this approach. Another idea would be a Swiss 'manual' setting out practical peacebuilding measures. Bilateral mediation dialogues, including with non-Western countries, should be expanded.

Switzerland at the interface between peace and development

The 2030 Agenda recognises that peace and sustainable development are mutually dependent.

In Switzerland, peacebuilding and development cooperation are already closely linked in the context of international cooperation, thanks to common reference documents and regional strategies. However, the potential of international cooperation could be further maximised at an operational level.

Switzerland's water diplomacy activities illustrate what it can achieve at the interface between peace and development. Now a global brand, Blue Peace sees Switzerland working in the Middle East and Central Asia to transform water from a possible cause of conflict into a driving force for cooperation and peace. Such approaches to conflict prevention have great potential



3.4.3. Building bridges to consolidate a rules-based international order

Binding rules applying to large and small countries alike are the prerequisite for peaceful coexistence within the international community. Switzerland is dependent on a rules-based order for its prosperity, security and independence. Effective multilateralism is an integral part of this. Today, it is easy to forget the huge benefits that Switzerland derived from the international order established after 1945. These benefits should be the subject of renewed focus and communicated accordingly.

In our politically fragmented world, multilateral action is becoming more challenging but also more important. With power distributed more widely between countries in all parts of the world, there are growing divergences in interests and values.

The current changes in multilateralism are ultimately the expression of a crisis of confidence in globalisation. These changes have affected all international organisations, albeit in different ways. Heavily value-based organisations such as the Council of Europe are increasingly subject to centrifugal interests, whereas organisations like the UN, which act more as platforms for balancing interests, are proving to be more stable.

Switzerland should continue to advocate tirelessly for multilateral solutions and an international order based on the rule of law. There is a growing need for mediators that can conciliate between competing interests. With its stable set of values and its focus on practical compromise solutions, Switzerland is well placed to build bridges.

Promote multilateral organisations' ability to act

Multilateralism is in need of reform to reduce bureaucracy, boost efficiency and improve outcomes. One area for improvement is the way that organisations reach joint decisions between their member states. The operational performance of some organisations also needs to be enhanced. Switzerland, together with partners, should submit reform proposals in both these areas. Its strong multilateral engagement means that it can contribute credibly to these discussions.

The UN, with its universal membership and legitimacy, is an important instrument for safeguarding Swiss interests. At the economic level, Switzerland should seek to be included in the G20 as a permanent invitee, like Spain and Singapore. Discussions at this forum encompass a range of Swiss interests, not only financial ones. In Europe, the

OSCE and the Council of Europe remain particularly important. At the same time, Switzerland should continue its successful strategy of establishing formal relations with non-European regional organisations such as the African Union and ASEAN in order to ensure more broad-based support for its independent foreign policy.

In the multilateral context as elsewhere, Switzerland must pay particular attention to security policy issues. The erosion of international arms control is making Europe less safe. In cyberspace and in the field of artificial intelligence, rules are needed to prevent an arms race. Similarly, conflict prevention can only succeed if it is underpinned by multilateral agreements. Last but not least, Switzerland's multilateral engagement should be more firmly rooted in domestic policy.

Geneva as a laboratory for reformed multilateralism

Over the past 100 years, Switzerland has succeeded in making Geneva one of the world's leading centres of international governance, where countless decisions are taken that improve the lives of millions of people. This focus on operational action is one of Geneva's strengths. For Swiss foreign policy, Geneva offers a unique network of contacts that could be even more systematically utilised.

In addition, International Geneva is a source of prosperity, accounting for more than 10% of cantonal GDP. The benefits for the country as a whole far outweigh the costs. The International Geneva brand, and indeed multilateralism itself, should feature more prominently in domestic politics.

To help it achieve critical mass, International Geneva should also become more broadly based within the surrounding area, with the Lake Geneva and French border regions more closely integrated. This will require political commitment by Swiss politicians and the development of a forward-looking host state strategy.

Geneva's unique assets, including its diversity of actors, together with the neutrality and credibility of Switzerland as a whole provide ideal conditions for positioning Geneva favourably for the future. This is all the more important given the mounting global competition for dialogue and regulation 'hubs'.

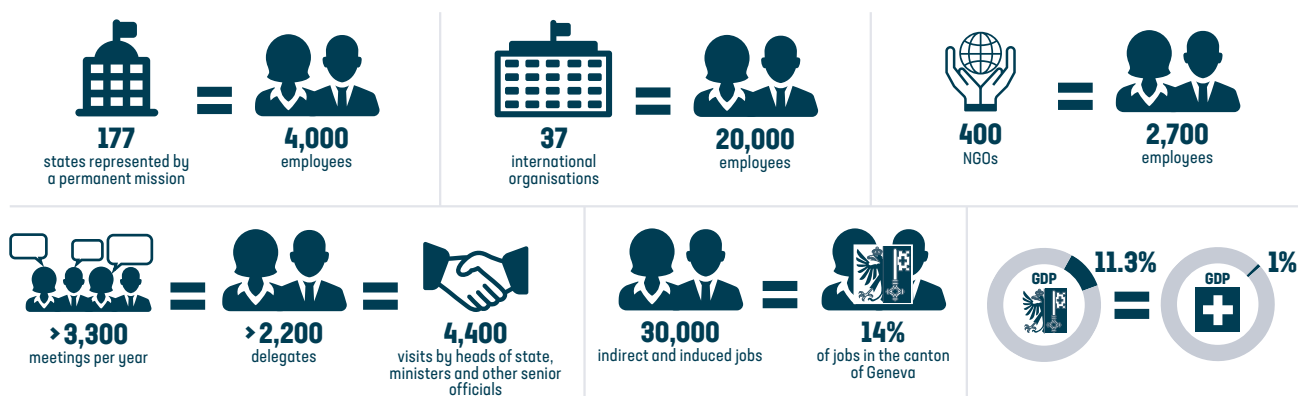
Geneva will be able to stand out from this competition by establishing itself as a leading centre for innovative forms of governance. These have qualities that go beyond intergovernmental cooperation as it currently exists, promoting the emergence of dynamic ecosystems involving a wide range of actors and helping to develop solutions on important future issues such as digitalisation.

Defend international law and apply it in new areas

International law is a life insurance policy for Switzerland. The country should therefore prioritise better compliance with existing obligations, especially in the area of international humanitarian law, which is coming under increasing pressure.

In new fields such as digital transformation, legal instruments must be clarified and adapted to the new realities (see section 3.5). Switzerland should be at the forefront of these efforts. The same goes

International Geneva facts and figures (2018)



Source: FDFA

for the application of international law in cyberspace. The final item on this to-do list is working out how to better involve non-state actors in international agreements.

In the area of soft law, Switzerland must ensure that it has the necessary expertise. Know-how in international dispute resolution should be expanded. Given the fragmented nature of the international trade system, Switzerland will become a party in disputes more frequently, with a growing risk that countervailing measures will be taken against it or that it will be taken to court. Switzerland will thus need to assert its interests with equivalent means.

Protect the rule of law, human rights and democracy

The rule of law, human rights and democracy are three cornerstones of the current international order, enabling individual freedom and allowing people to live their lives in the way that they choose. But there is no guarantee that they will remain in place by 2028 given the number of countries now leaning towards the principle of non-interference in internal affairs. Swiss efforts in this area will remain important, but will become more challenging owing to the increase in conflicting objectives.

Swiss efforts must not have the effect of pitting human rights against economic interests. Switzerland has developed a number of promising approaches aimed at working with the private sector to develop standards on corporate respect for and promotion of human rights, based on the principle of self-responsibility. This partnership approach to human rights policy has great potential. Companies have a fundamental interest in respecting human rights. At the same time, they can help to improve the human rights situation through their local engagement.

With the international understanding of human rights also showing signs of fragmentation, Switzerland should work to promote human rights dialogue between countries. Finally, the same observation applies to human rights as to other areas: new fields of activity throw up new challenges, such as protection against identity theft or cyberbullying, but they also bring opportunities. It is therefore time to think seriously about the issue of digital human rights.



3.5. Technology as a new topic of Swiss foreign policy

Technology will drive not just far-reaching global changes, it will also impact foreign policy. It would be reductive to regard new technologies merely as a tool. Rather, Switzerland should conceptualise technology as a new foreign policy topic. A tech foreign policy can help optimise the opportunities afforded by new technologies while minimising their risks for Switzerland and the world.

The Federal Institutes of Technology and other research centres position Switzerland at the cutting edge of research in new technologies. This is underscored by the country's Impact per Paper ranking in research on artificial intelligence (AI). Long Short-Term Memory (LSTM), the deep learning process that is integral to all smartphones today, was developed in Switzerland. The country is, after all, a world leader in engineering and robotics.

The relevant tech companies are located in Switzerland, and there is a high density of AI start-ups per capita. In biotechnology, successful global Swiss companies in the pharmaceutical, chemical and agricultural sectors and the food industry are playing a significant role. All of these companies are shoring up Switzerland's reputation as a hub for innovation. Numerous other international organisations and key players such as the WEF and the ICRC are headquartered in Switzerland. They are also key influencers in the debate on digital transformation. Other multilateral organisations, such as the UN, can benefit by networking locally with these knowledge centres.

Switzerland's foreign policy profile also predisposes it to be a hub for technology themes. Swiss neutrality is the basis for a credible tech foreign policy. Its independence and reputation for mediation and building bridges serve as enablers for new opportunities.

Consequently, the prerequisites for engaging with technology themes through a distinct foreign policy are there. At present, they are not being optimally combined. Switzerland has so far not been well represented in the debates on new technologies: the United States and China have been setting the benchmarks for AI, and Europe's position is being shaped by countries such as the United Kingdom, Germany, France, Finland, the Netherlands and Denmark.



The vision

By 2028, new technologies are an established topic of Swiss foreign policy.

Switzerland is a leading global hub for governance and research in artificial intelligence and other new technologies.

It has a clearly defined profile and is a leading contributor to international policy debates.

Switzerland utilises new technologies to enhance the impact of its foreign policy actions and commitments. Stakeholders from industry and the scientific community will become established partners in this process.

In the time frame until 2028, three building blocks will lay the foundation for Switzerland to consolidate its position in new technologies:



3.5.1. Switzerland as a hub for governance and innovation in new technologies

To project itself as a location for new technologies, Switzerland will need to adopt measures that go beyond foreign policy. They must include developing a national strategy on AI, a favourable regulatory environment for start-ups as well as internationally competitive government incentives to halt the brain drain that has already beset the Swiss AI development sector and other sectors such as biotechnology.

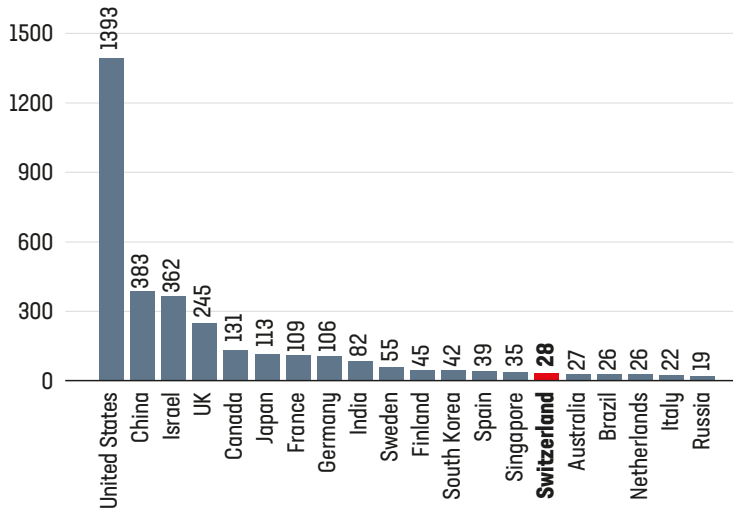
Foreign policy can play an important role here.

Switzerland should project **International Geneva as the leading destination for the global debates on digitalisation and technology.**

Geneva is already known for its dynamic ecosystem embracing diverse stakeholder groups. This ecosystem must be nurtured and encouraged to develop innovative governance models for new technologies. Governmental and government-related institutions across the world are currently finding it difficult to keep pace with the speed of technological development. The future will be shaped in creative interactions between various stakeholders on suitable platforms.

Expanding these capacities and networks could be one element of a host country policy. A step in that direction was the decision of the Federal Council along with the Canton and City of Geneva in spring 2019 to establish the Geneva Science and Diplomacy Anticipator foundation. There is

Top 20 countries for AI start-ups



Source: Roland Berger and ASGAR, Artificial Intelligence – A strategy for European startups

tremendous scope in **combining science policy and Swiss diplomacy.**

Switzerland should also **strengthen federal government, research and industry networks in the area of new technologies.** Competence clusters create the critical mass in the competition between geographical locations. An AI cluster involving partners can help to establish the right priorities for a tech foreign policy and to develop the required know-how.

The scientific community has proposed the idea of a **foreign policy initiative to support basic research in artificial intelligence.** The objective is to achieve transparent, fair and peaceful use of AI as a counterpoint to a technological arms race. There is a proposal to set up an AI organisation in Switzerland along the lines of CERN. Such an ambitious plan would need to be supported by a supranational group of like-minded countries.

Another promising approach is positioning **Switzerland as a safe harbour for data.** Data protection as well as secure information systems and data infrastructure are increasingly critical issues – for international organisations too. A **digital safe deposit box** could emerge as a **new form of good offices** and simultaneously strengthen Switzerland's position as an IT and business location. Swiss neutrality, political stability, data protection regulations and acknowledged technological know-how provide an excellent foundation.



3.5.2. Tech diplomacy

In the last 30 years, Switzerland has been globally acknowledged for its peace-building efforts. The geopolitically motivated technology race could present an opportunity for similar ambition in establishing a high-profile Swiss tech foreign policy. It can serve as an important link between peace policy, development cooperation, environmental and foreign policy, thereby strengthening the rules-based international order.

New standards and regulatory models are a long-term goal. In the short and medium-term, asking the right questions and finding solutions that enjoy broad societal support are key. Existing international law should be applied as widely as possible. Until such time as there is agreement on generally applicable standards, self regulation through voluntary commitments on the use of AI algorithms appears to be a promising approach. The international organisations based in Geneva would be particularly interested in such benchmarks.

Switzerland should focus on building a tech foreign policy profile in three policy and governance areas, and on contributing to the respective international debates:

The first area pertains to **security issues.** Autonomous weapons and the militarisation of space using high-tech weapons call for a rethink of arms control and international humanitarian law in this new scenario. A further topic to be addressed is influence operations and the corresponding defence capabilities. Switzerland's cyber foreign policy could be developed within the framework of its tech foreign policy.

The second area pertains to **democracy and ethical issues**. Citizens must be put at the heart of technological change. The key parameters for this objective are digital privacy protection and social norms for digital platforms. Human rights must be defended equally – online or offline. In this context, Switzerland can raise its profile by pioneering the development and application of responsible and human-oriented AI and other new technologies.

The third area pertains to **social and economic transformation**. Switzerland can provide inputs for formulating an international response to the challenges posed by the Fourth Industrial Revolution and thereby maximise the opportunities for OECD and developing countries. One focus area could be strategies for technological innovations to become growth drivers in developing countries.

Digitalisation in a cross-cutting issue: in order to leverage the potential of new technologies for foreign policy and to carve out a distinct profile, the FDFA needs to **develop specific competencies** by working together with industry and the scientific community. An organisational unit for tech foreign policy could bring together data specialists and tech diplomats. Such a unit could become a nodal point of contact for all stakeholders. A tech ambassador and relevant know-how in its overseas missions, such as San Francisco, could extend the reach of Swiss tech foreign policy.

3.5.3. Making foreign policy more effective

Digital transformation offers tremendous opportunities for shaping and implementing foreign policy. Its impact can be enhanced through the use of **AI as an instrument for analysing and supporting decision-making**. For instance, social media analytics can provide multifaceted insights into international perceptions of Switzerland (Chapter 3.2.4 and 3.3.1).

Peacebuilding can be supported with big data analytics providing early recognition of potential conflicts. Humanitarian crises can be better responded to by pinpointing needs more quickly and precisely (Chapter 3.4.1).

In this way, digital transformation facilitates achieving the 2030 Agenda's sustainable development goals. Swiss foreign policy should accord high priority to this core idea. In concrete terms, it should expand both digital services and digital service delivery.



3.6. Self-confident with and vis-à-vis the EU

Switzerland's relations with Europe are the **core issue of its foreign policy**. Global and trade-related trends indicate that this will not change (Chapter 2). **Access to the EU single market** remains central to Swiss prosperity: trade with the EU comprises over half of Switzerland's foreign trade. The single market is expected to grow again in significance – also as a labour market. The same holds for the role of the EU as a partner in the fields of science, education and innovation. The ongoing fragmentation of the world trade order further increases the relevance of the homogenous and rules-based EU market, as does the technology-driven reshoring of production plants.

Developments in mainland European also have implications for Swiss security. The future course will be determined by how **Europe is able to assert its position among the global powers**. Should the European countries prove unable to safeguard their interests and values externally, this critical development would also impact Switzerland. Within Europe, cooperation between **police and judicial authorities** will gain greater importance. Joint solutions will be sought for an asylum policy. Had Switzerland not been associated with the Schengen and Dublin Agreements, it would, from a technical perspective, already be worse off today.

What is the role that Switzerland needs to play in the present European context? Greater prosperity and security through Europe can reinforce Swiss independence. At the same time, Switzerland's political identity is being put to the test by European unification, as reflected in the anxieties voiced during the current debate on Switzerland's European policy.

In sum, the implications are that Switzerland needs a close partnership with the EU and its member states, a **partnership that is capable of evolving**. The question of acceding to the EU will not arise, even in 2028. Switzerland will continue to pursue a bilateral path that strikes an optimum balance between extensive market access and maintaining the greatest possible political independence.



The vision

Having consolidated its bilateral approach, Switzerland will work with the EU, as a non-member state, in shaping Europe.

The various institutional issues will have been settled and a self-aware and strategic approach will guide the internal debate on Europe. Switzerland is a European country both in cultural and geographical terms and defending its global interests must start with Europe. Switzerland will strive to put in place jointly agreed arrangements for regional cooperation.

It will take an active role in shaping decisions, providing effective input into policy areas coordinated by the EU at European level. Switzerland thereby contributes to preserving Europe's attractiveness as a location for global business and innovation. In return, as a partner it benefits from the political clout of like-minded neighbouring EU countries.

The three building blocks below set out the contours of a sound and stable relationship between Switzerland and the EU in 2028:



3.6.1. Regulated participation in the single market is the key

Non-discriminatory access to the EU market has been a core concern of Swiss foreign policy since the 1950s, and will remain so until 2028. Three developments have a crucial bearing on formulating the requirements for a future model of cooperation:

1. A strong EU single market will persist (Chapter 2.1). Switzerland therefore requires a viable model for preserving and structuring its access to the market in the long term.
2. Both in economic and social terms, Switzerland is more strongly connected with the EU than many member states. The volume of trade with the EU amounts to CHF 1 billion per workday. Every day, some 1.5 million persons and 1 million vehicles cross Swiss borders. The model must take into account these very close links, while still remaining flexible.
3. Switzerland desires to retain its independent policy vis-à-vis Europe. The model must preserve the achievements of the bilateral approach and make it viable for the future.

An institutional agreement is best suited to meet these three requirements from among all the European policy options available. It would institutionally cement bilateral relations, continue to guarantee sectoral participation in the single market and consequently enhance legal certainty. Finally, such an agreement would allow for the **further development of Switzerland's independent path**. The dynamic incorporation of new EU legislation within the scope of market access agreements guarantees that the existing agreements will remain applicable, and that they may be further developed based on situational requirements, while also providing for new participatory rights to Switzerland.

Active participation in the framing of EU legislation strengthens Swiss sovereignty. **Participation in preparing norms** should therefore be given preference over autonomous adoption. The close involvement of Parliament and the cantons will reflect the convergence of foreign and domestic policy. Both will have a growing role in shaping Switzerland's European policy. A mixed parliamentary committee of representatives from the Federal Assembly and the European Parliament would create new opportunities for influence. An institutional agreement will underscore Switzerland's importance as a sectoral partner in the single market.

It is in Switzerland's interest to have defined procedures for accepting or rejecting new EU legislation and for arbitration. Such arrangements can prevent arbitrary political influence. While relations with the EU will not be entirely free of conflict – relations between sovereign partners by definition never are – there would nevertheless be capacity for constructive conflict. Differences in opinion would be resolved in an orderly way, with law prevailing over power. The principle of proportionality applicable to any compensatory measures would also relativise the guillotine clause. In sum, relations between Switzerland and the EU would become more **symmetrical, stable and consequently more predictable**. Overall, this would have a positive impact on Swiss foreign and European policy, and also widen the scope of their application.



3.6.2. Preserving sectoral interests at all levels

Switzerland has much to offer Europe: from cutting edge research to contributing towards reducing economic and social disparities in an enlarged EU. Switzerland is respected and welcome as a partner in those areas where it wishes to pursue its interests jointly with Europe.

For regional cooperation within Europe, Switzerland has a selection of policy instruments that are flexible and related to specific thematic areas at various levels: national/independent, cross-border with neighbouring countries, bilateral or plurilateral ventures with like-minded countries or regional organisations, such as the OSCE and the Council of Europe. In all such forums it meets member states of the EU.

EU-driven approaches will become increasingly important if there is Swiss interest in pursuing cooperation at the European level in any policy area. There are several such areas ranging from **digitalisation, energy transition, promotion of culture and armaments cooperation**. Harmonious relations with the EU are consequently crucial. Opportunities to cooperate are the basis for contributing Swiss concerns, ideas and strengths. It will bolster the Swiss negotiating position if the EU perceives it as constructive and solution-oriented.

Long-term support for **research cooperation** must be ensured. The networking of cross-border research capabilities will strengthen innovation on both sides. 45% of research staff at Swiss research institutes are from the EU zone. Over half of the professors at the Federal Institutes of Technology (ETH) are from Europe. From a scientific, technological and economic perspective, Switzerland's full participation in the EU's framework programmes for research is in the interests of the EU and Switzerland.



3.6.3. Striking a balance between independence and partnering with Europe

Switzerland cannot influence Europe's leverage as a global force. It is therefore all the more important that it appraises how closely it wishes to cooperate with the EU in those foreign policy areas where the EU can and does act effectively. On numerous fronts, Swiss values and interests coincide with those of its neighbours, including with regard to shared risk analyses.

Switzerland has supported various EU sanctions that go beyond existing UN resolutions. For many years it has participated in civilian and military EU peacekeeping operations – in the Ukraine, the Western Balkans and the Sahel. It is one of the few third countries to have a cooperation agreement with the European Defence Agency (EDA), giving it access to the EDA's forums and projects. Switzerland also maintains active contact with the European Union's External Action Service on specific issues: coordination in multilateral forums, regional strategies as well as development assistance and humanitarian commitments.

On the other hand, Switzerland has no **structured political dialogue with the EU**. Cooperation is also limited in other areas in comparison with other non-EU countries in Europe. Switzerland is the only country in the Euro-Atlantic region, for instance, that does not formally endorse positions and declarations emerging from the EU's common foreign and security policy. It also does not join EU sanctions if this would jeopardise a possible role for Switzerland as a mediator.

A Swiss foreign policy that is guided by self-interest consequently requires space – also and especially as far as the EU is concerned. The Swiss policy of dialogue demonstrates the opportunities that emerge from an independent position – often for all actors.

The goal is to objectively analyse by what means Swiss interests can best be served. In some cases, more can be achieved by acting in concert with the EU and thereby leveraging its critical mass in negotiations. At the same time, Switzerland must ensure that it does not become a victim of this mass. Were the EU to conclude better free trade agreements with third countries than Switzerland is able to, for example, this could negatively impact Swiss competitiveness.

The discussions on the future development of cooperation with Europe are worth following closely. It does not serve Swiss interests to have the EU moving towards becoming a European superstate, nor to have Europe disintegrate. An EU that is a union of European nations helping them to achieve greater prosperity and security while respecting their uniqueness also benefits Switzerland. In light of this, the proposal to establish a European Security Council with the participation of the United Kingdom will be of interest for Swiss foreign policy.

What is certain is that neither Switzerland nor other European states can individually defend the liberal international order. In the future, Switzerland will demonstrate the same commitment and confidence vis-à-vis the EU as it has within the UN, the OSCE and other organisations.

Foundations of an agile foreign policy

A vision is not a utopia. All the developments set out in AVIS28 can be implemented. Switzerland can develop its foreign policy in a way that reflects its own interests and has a broader domestic support base. Focusing on the needs of its citizens and the economy makes sense. With political will, the proposed innovations in Switzerland's engagement for development, peace and a rules-based international order can be achieved. The same applies to establishing a Swiss foreign policy on technology and to the relationship with Europe. A Switzerland that plays its part self-assuredly and does not confine its policy on the EU to damage limitation will forge its own identity with foresight.

Realising the 2028 Vision will require adjustments to the foundations of Swiss foreign policy, which will need to be more agile to meet the challenges of tomorrow's world. AVIS28 therefore concludes with some reflections on four factors underpinning Swiss foreign policy: personnel, the external network, anticipation, and the need for coherence and efficiency. These reflections may stimulate further in-depth discussion in the wake of AVIS28.



Foreign policy needs generalists, but also more specialists

The foreign policy outlined in AVIS28 will require a **broader range of skills** within the FDFA. This means more economic expertise, both in the work of Swiss diplomacy and in international cooperation activities, as well as specialist knowledge of new technologies. More staff in responsible positions at head office and in the representations will have to communicate differently and more intensively. These skills will need to be developed. In addition, foreign policy should be developed in closer coordination with the domestic policy agenda. This will be a challenge facing all levels of management. In-depth knowledge of non-European countries and cultures will also become more important.

All these elements are in addition to an already very demanding competency profile. **Job profiles will need to be adapted.** On the one hand, there will still be a need for proven all-rounders who are willing to bring their expertise to maturity in a range of disciplines by dint of many years of training. Generalists with broad skill sets will be particularly in demand in the external network. On the other hand, more specialists will also be required, including for the diplomatic corps, in areas such as medi-

ation, economic diplomacy, international law and multilateral engagement.

In general, both the diplomatic corps and international cooperation bodies should be aiming for a **greater variety of expertise**, whether through recruitment or increased use of secondments. Private sector experience will be more important for diplomatic careers than it is today. At the same time, the secondment of FDFA personnel to specialist departments and international organisations could be expanded. Conversely, foreign policy could make greater use of external expertise, for example in the form of a pool of experts for development cooperation (see section 3.4). The FDFA needs to become more permeable, in both directions.

Ensuring that FDFA personnel are representative of the wider population strengthens the legitimacy and domestic credibility of Swiss foreign policy. Accordingly, the country's different language communities should be appropriately reflected in the staff composition.

Employees are the most important asset of Swiss foreign policy. Switzerland is politically and economically a middle-ranking power with global interests. Ensuring that these interests are intelligently, sensitively and realistically represented is vital to the country's success. This applies to all job profiles. To attract the most talented young people into these demanding roles, flexible working models are essential.

Balancing work, family and free time is also key in terms of equal opportunities. **Gender equity** boosts productivity and will underpin the success of a future foreign policy. With women making up 50% of its staff, the FDFA is well positioned in this respect. At senior management level, the proportion has risen to 25% in recent years. Nevertheless, it is important that further efforts are made to achieve gender parity at all managerial levels, and that gender equality and women's rights are given a high profile in foreign policy activities.



Successful foreign policy relies on a flexible and innovative external network

Switzerland currently has an official presence in over 120 countries. It has 102 embassies, 12 permanent missions to international organisations, 29 consulates general and 19 cooperation offices. According to an international study, Switzerland is ranked number 16 in the world for the size of its external network.

This network represents Switzerland's strength. It is an expression of the country's independent foreign policy and an important instrument for protecting Switzerland's global interests. It performs a range of tasks, from fostering relationships and promoting business interests to looking after Swiss nationals abroad. Relationships of trust forged in these countries can also lead to requests for good offices.

However, there is a risk that the external network could become overstretched. For example, there are currently around 20 micro-representations consisting of only one transferable staff member plus local employees. The usefulness of such representations is debatable. Generally speaking, Switzerland is now present in too many locations with too few resources. Possible solutions would be either to increase the transferable human resources or to concentrate funding and rely on more cross accreditations for countries in which Switzerland is not physically present.

The principle of universality, whereby Switzerland maintains diplomatic relations with all countries, has been a cornerstone of Swiss foreign policy since 1945. New states, regardless of their political orientation, should be recognised once they meet the relevant criteria under international law. It is only in recent years that the principle of universality has also been applied to the external network. A dogmatic interpretation is not expedient: the network should reflect political priorities rather than the other way around.

Apart from universality, the current strategy for the external network also specifies the principles of **flexibility and efficiency**. Since 1990, 38 representations have closed and 39 have opened. Switzerland has expanded its presence to a further 20 countries, primarily those classed as emerging economies. By having a range of Swiss actors together in one place and by strengthening cooperation with partner countries, it is able to exploit synergies within its external network. Flexibility must also mean being able to transfer resources from lower priority areas within head office or the external network to strategically important locations, or to undertake closures.

As the world and societies change, it is important to think about the form and function of representations abroad. It is also worth exploring a **network-based approach** that would see the representations cooperate more with each other on substantive issues and become less reliant on head office alone. This would enable representations

Switzerland's external network



within a region to specialise in particular areas and enhance their expertise through exchange, without the need for additional resources.

In the future, **representations should be designed more as innovative platforms** for Switzerland, and should be open to a wide range of actors from politics, business, science/academia, innovation, culture and the media. The main aim of these platforms would be to promote interaction between people from Switzerland and the host country. Modern representations are already seeing a demand for this kind of service, especially in big cities, which are increasingly important driving forces on foreign policy and economic issues.



Providing resources for a strategic framework will strengthen the ability to anticipate

The representations act as Switzerland's external antennas. Their reports help build up a picture of what is going on, the quality of which is essential to Switzerland's independence. They give early warning signals and suggest new foreign policy options.

Head office needs to be able to draw the right conclusions from this information and to act quickly. Compared to many other foreign ministries, the FDFA's capacity for anticipation and analysis is very modest. Models such as an **internal think tank or a planning unit** would enhance its ability to process information from the external network.

Such a unit could help to ensure a high-quality overall view of foreign policy. As specialisation increases, classifications within a strategic framework will be required. It is equally important that this unit can provide 'rolling' risk analysis. Global political and economic volatility means that decision-makers need regular, comprehensive and accurate information about how situations are developing.

Coherence and efficiency will be central to future foreign policy



The world is changing and Swiss foreign policy is changing with it. More and more units within the administration work in, or in connection with, international contexts. In their respective thematic sectors, the offices in effect operate their own foreign policy and maintain their own international networks. This departmentalisation of foreign policy began three decades ago and now extends far beyond European issues.

AVIS28 has deliberately made only marginal reference to **sectoral foreign policies**. Some concluding remarks on the vital role of coherence are therefore all the more important. Coordinating the departments' foreign policy activities with Swiss interests in mind will become a core task for the FDFA. The aim must be to combine specialist sectoral expertise and diplomatic knowledge in order to create administratively lean coordination models that enable the units to interact and work together in an overall political context. This would be a milestone for Switzerland on the path to a coherent safeguarding of its foreign policy interests.

Conflicting objectives are the expression of a pluralist society. The aim is not to overcome such conflicts but rather to ensure transparency: the conflicts should be clearly stated and carefully weighed up, and decisions taken in a transparent way.

The need for efficiency is equally important. AVIS28 identifies a number of innovations that could make Swiss foreign policy fit for the future. They range from new economic development instruments to the creation of a tech ambassador profile and a planning unit in the FDFA. Rather than simply supplementing existing foreign policy, these innovations should be linked to clear **prioritisation and retrenchment planning**. Switzerland cannot do everything. But it does have to know how it intends to position itself in order to work efficiently towards meeting the goals it sets. If it achieves this, Switzerland's 2028 Foreign Policy Vision will become a reality, enjoying domestic political support and generating great benefits.

Switzerland's success is not guaranteed, but it is the author of its own success story. By having the courage to embrace change, it can add a new chapter to that story.

Whole-of-Switzerland approach: AVIS28 proposals for further developing Swiss foreign policy



About AVIS28

Federal Councillor Ignazio Cassis set up the AVIS28 Working Group in autumn 2018 with the remit to develop a foreign policy vision for Switzerland in 2028 (*Aussenpolitische Vision Schweiz 2028*, AVIS28) and submit that vision to him in the form of a report. Mr Cassis and the FDFA would then draw on the working group's report as a source of inspiration in further developing Swiss foreign policy and aligning its instruments with the challenges and opportunities ahead. The report is also intended to encourage a broad debate on the future of Swiss foreign policy.

The working group met for six workshops between October 2018 and May 2019, and developed the 2028 Vision on the basis of intensive dialogue and discussions. In line with Mr Cassis's instructions, FDFA staff were also able to contribute their analyses, plans and ideas. To this end, the FDFA General Secretariat set up a number of sounding boards. Round-table discussions on numerous foreign policy topics as well as events with external experts were held. There was also an AVIS28 blog. The results of these discussions and inputs were made available to the working group.

The working group comprised senior FDFA staff, the president of the Conference of the Cantonal Governments of Switzerland and experts from academia, business and civil society. The experts were appointed personally by Mr Cassis to provide an outside perspective on global affairs and Swiss foreign policy and augment the internal views put forward within the FDFA.

Members of the AVIS28 Working Group:

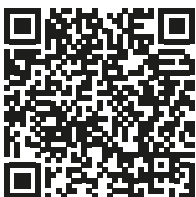
- **Dr Philipp Aerni**, Director of the Center for Corporate Responsibility and Sustainability at the University of Zurich
- **Pascale Baeriswyl**, State Secretary, Head of the Directorate of Political Affairs, FDFA
- **Dr Roberto Balzaretto**, State Secretary, Head of the Directorate for European Affairs, FDFA
- **Alenka Bonnard**, Director and co-founder of staatslabor
- **Dr Manuel Sager**, Ambassador, SDC Director-General, FDFA
- **Dr Markus Seiler**, FDFA General Secretary (head of the working group)
- **Peter R. Voser**, Chairman of the Board of Directors, ABB
- **Dr Thomas Wellauer**, Group Chief Operating Officer, Swiss Re
- **Benedikt Würth**, Cantonal Councillor, President of the Conference of the Cantonal Governments of Switzerland

Secretary: Dr Daniel Möckli, Policy Advisor, FDFA General Secretariat.

The above titles refer to the positions held at the time of appointment to the working group.

The working group analysed the factors driving changes in Switzerland's global and regional context and drew conclusions for Swiss foreign policy in the medium term. It examined Swiss interests, identified regional and thematic priorities and set out proposals concerning the future capacities and expertise of the FDFA.

The working group's report outlines a target vision for foreign policy in 2028 and identifies ways how the vision can be realised. It is available to download from the FDFA website in German, French, Italian, and English: www.fdfa.admin.ch. The report reflects the opinions of the working group: it is not a report by the FDFA or the Federal Council.



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