

# Switzerland essay



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Switzerland is an independent country that has been able to maintain its neutrality, making them honored by the major European powers. An interesting historical fact is that Switzerland was not involved in either of the two World Wars. Switzerland's active role in many UN and international organizations has been a positive strategy strengthening ties with its neighbors, but also letting them retain a strong commitment to neutrality. However, Switzerland did not officially become a UN member until 2002.

Switzerland is located in Central Europe, east of France and North of Italy. Bordering countries are Austria, France, Italy, Liechtenstein and Germany. Bern is the capital city with Zurich being the largest city. It is mostly mountains and rolling hills with large lakes in the valleys. Switzerland is one of the most beautiful countries that I have had the opportunity to visit.

The population taken in July of 2004 was 7, 450, 867. Their population growth rate is . 54%. The total life expectancy is 80 years. The country's nationality is Swiss. The ethnic groups that make up Switzerland are: Germans at 65%, French at 18%, Italians at 10%, Romansch at 1%, and all others at 6%. With the diverse ethnic groups the primary languages follow suit with German speaking at 64%, French speaking at 19%, Italian at 8%, Romansch at . 6% and other at 9%. The primary religions are Roman Catholic at 46%, Protestant at 40%, other religions equaling 5%, and an estimated 8. 9% are non-religious.

Switzerland is known as the Swiss Confederation, with a Federal Republic type of government. The federal state is made up of 26 cantons. Of which 20 are " full" cantons and six " half" cantons for the purpose of representation

in the Federal legislature. Switzerland's government is somewhat similar to that of the United States, in that they have a constitution that provides for separation of the three branches of government. Switzerland's Federal institutions are:

The Federal Assembly – a bicameral legislature (The Legislative Branch). The Federal Assembly is the primary seat of power. It has two houses the Council of State and the National Council. These two houses have equal power in all respects, including the right to introduce legislation.

The Federal Council – a collegial executive of seven members (The Executive Branch). The Federal Assembly individually elects the seven Federal Councilors in a joint session of both houses at the opening of a new legislature. They are elected for a 4-year term, with no term limits and no provision to recall the cabinet or members during legislature. From the seven members a President and Vice President, are elected following the principle of seniority. Their constitution provided that the Federal Assembly chooses and supervises the cabinet, however the Federal Council has gradually assumed a preeminent role in directing the legislative process as well as executing federal laws.

The Federal Tribunal – the federal Supreme Court, a judiciary consisting of a single regular court in Lausanne. (The Judicial Branch) The Tribunal consists of 30 full-time and 30 part-time judges elected for six-year terms by the Federal Assembly. The principal function is to hear appeals of civil and criminal cases. It has authority to review cantonal court decisions involving

federal law and certain administrative rulings of federal departments, but it has no power to review legislation for constitutionality.

A strong emphasis on ballot votes arises out of the traditional Swiss belief that the will of the people is the final national authority. Every constitutional amendment adopted by parliament is automatically brought to the ballot and has to carry a double majority of votes and states in order to become effective.

The Swiss economy is very prosperous, a stable modern market with a highly skilled labor force and low unemployment. Their per capita income is virtually the highest in the world, as are their wages. The household income or consumption by percentage share: lowest 10% - 2.6%, highest 10% - 25.2%.

The Swiss legal system is highly developed, commercial law is well defined, and laws and policies protect investments. The Swiss franc is one of the world's soundest currencies, making Switzerland a safe haven for investors. The country is known for its high standard of banking and financial services. One Swiss franc equals .83 cents compared to the US dollar or one US dollar equals 1.21 Swiss franc.

Tourism, banking, engineering, and insurance are significant sectors of the economy and majorly influence the country's economic policies.

Switzerland has a per capita gross domestic product (GDP) larger than any of the big Western European economies. Their GDP purchasing power parity is

\$239.8 billion with real growth rate of -.3%. The per capita purchasing power parity is \$32,800.

The GDP by section consists of agriculture at 1.5%, industry at 34%, and the highest being services at 64.5%. Trade has been the key to their prosperity. Switzerland is dependent upon export markets to generate income and dependent upon imports for raw materials and to expand the range of goods and services available in their country. Exports account for \$110 billion. Export commodities include: machinery, metals, electronics, chemicals, watches, and agricultural products. Export partners include: Germany at 20.8%, US at 11.3%, France at 8.7%, Italy at 8.3%, UK at 4.9% and Japan at 4%.

The Swiss economy earns roughly half of its corporate earnings from its export industry. About 70% of Swiss exports are destined for the EU market. The EU is Switzerland's largest trading partner, with minimal economic and trade barriers between them.

Imports account for 102.2 billion. Import commodities include: machinery, chemicals, vehicles, metals, agricultural products and textiles. Raw material imports are converted into high-value exports by the country's skilled workers. Import partners are: Germany at 32.3%, France at 10.8%, Italy at 10.7%, US at 5.5%, Netherlands at 5%, Austria at 4.2% and U.K. at 4.1%.

The main industry is services accounting for 69.1%, then industry at 26.3%, and agriculture at 4.6%. Switzerland's energy or electricity production is 68.68 billion kilowatts, 110/220V and 50Hz.

Switzerland is a member of the UN, The World Trade Organization, the International Monetary Fund, the World Bank, and the Organization for Economic

Cooperation and Development. Switzerland maintains diplomatic relations with almost all countries and historically has served as a neutral intermediary and host to major international treaty conferences.

Switzerland's ability to maintain good relationships with so many countries and its power to stay neutral, along with its economy being so advanced and prosperous makes it a prime market for global marketing. It would be a safe market for a business to invest their time and energy in creating a marketing strategy to begin importing and exporting with Switzerland.

## **Works Cited**

" The World Factbook: Feb. 10, 2005." Switzerland. 2005 ." Michigan State University: 2001-2004." globalEDGE/country insights. 13 February 2005 .