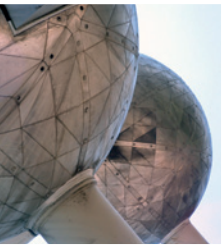
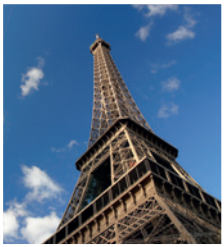
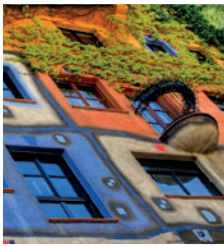
Swiss Foreign Policy Strategy 2012–2015

Federal Council report to Parliament
on the strategic axes of foreign policy

March 2012



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Federal Department of Foreign Affairs FDFA

Preface

Switzerland is a country of strong institutions deeply rooted in its pluralist, democratic, and federalist culture. However, its independence, security, and stability are to a large extent the fruit of cross-border exchange. Indeed, Switzerland – so poor in raw materials, so rich in successful ventures – is the living expression of openness to the world at large.

But do the Swiss really know this? Are they aware of the strategic importance of their foreign policy? Are they aware of the need to anticipate future issues, prevent problems with neighbouring countries from taking on continental dimensions, affirm their values through solidarity and responsibility, and constantly strengthen their partnerships? Do they know that their interests are often linked with global developments and that they can influence those developments?

If we are to answer these questions in the affirmative, we need to explain the Confederation's foreign policy, to make it accessible, and to be candid. This is the desire of the Federal Council, which has just adopted its foreign policy strategy for the current legislature. In our report, we affirm the principal objective of safeguarding the country's interests and promoting its values, as defined in the Constitution with timeless wisdom. And we define priorities for the years ahead.

We thank you for reading this report, sharing its content, and joining with others in making your contribution to the future of our country.

Didier Burkhalter

Table of contents

1 Introduction 5
1.1 Overall objective: interests and values 5
1.2 Principles governing implementation 6

2 The strategic axes of Swiss foreign policy 8
2.1 Neighbouring countries 8
2.2 The European Union and its member states 10
2.3 Stability in Europe and beyond 11
2.4 Strategic partnerships and global issues 15

3 Support for Swiss nationals living or travelling abroad 21

4 Implementation of foreign policy and communication abroad 23
4.1 Resources and representations network 23
4.2. Communication abroad 24

5 Conclusion 26

List of acronyms

ICC	International Criminal Court
ICRC	International Committee of the Red Cross
SDC	Swiss Agency for Development and Cooperation
FDFA	Federal Department of Foreign Affairs
G-8	Group of 8 (Canada, France, Germany, Great Britain, Italy, Japan, United States (G7) + Russia)
G-20	Group of 20 (Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, Great Britain, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United States)
Osec	Osec Business Network Switzerland
OSCE	Organisation for Security and Cooperation in Europe
PEP	Politically exposed persons
SECO	State Secretariat for Economic Affairs
EU	European Union

1 Introduction

The Federal Council asked the Federal Department of Foreign Affairs (FDFA) on 11 May 2011 to submit a document to it at the beginning of each legislature, setting out the most important strategic axes of Swiss foreign policy. This report is our response to both the Federal Council's request and a motion tabled by Parliament (10.3212 "For a clear foreign policy strategy").

This report is concerned with the priority areas of "general" foreign policy and therefore does not tackle "sector-related" aspects – foreign economic policy, international financial policy, international environment policy, etc. – in any depth. Nevertheless, following the example of the strategy adopted in recent years in the field of foreign health policy, the departments responsible will have to draw up even more joint strategies for safeguarding Switzerland's interests, so as to better coordinate the Federal Council's policies in relation to foreign countries.

1.1 Overall objective: interests and values

The overall objective of Swiss foreign policy is to safeguard Swiss interests and promote Swiss values. The Federal Constitution defines these interests and values in Art. 2 and Art. 54, paragraph 2. The definition given there is intended to have long-term validity and thus to impart stability to Swiss foreign policy, regardless of changes in the international situation at any given time.

According to the Constitution, the principal interests that Swiss foreign policy is intended to safeguard are the independence, security, and prosperity of the country. In pursuing these interests, the Confederation is committed to promoting efforts to combat distress and poverty in the world, respect for human rights and democracy, peaceful coexistence of nations, and conservation of natural resources.

In this age of globalisation, countries have become so interdependent that a conflict or crisis – even in a faraway land – often has direct consequences for Switzerland: threatening our foreign investments or exports, endangering our nationals living abroad, or destroying natural resources. Fragile states and states in conflict are fertile ground for organised crime, armed violence, and illegal proliferation of weapons and cross-border terrorist networks. The world economy is vulnerable to threats to the flow of trade, transportation, and energy resources. Moreover, we are subject to the pressure of migration from countries where insecurity, human rights violations, poor social and economic prospects, and degradation of the environment are commonplace. Therefore, in committing ourselves to preventing conflicts, alleviating poverty, and protecting the environment, Switzerland is fostering international stability, which in turn has a positive influence on the country's security, access to resources, and prosperity.

1.2 Principles governing implementation

Implementation of Swiss foreign policy is governed by a number of principles which transcend changing circumstances and remain valid regardless of temporary changes in the international situation. The three basic principles are the rule of law, universality, and neutrality, to which should be added the fundamental notions of solidarity and responsibility:

- **The rule of law:** Just as respect for the rule of law is accepted without question in Switzerland, it is clearly in the country's interest that international relations be governed by law and not by force. Hence the key importance for Switzerland of public international law. In the absence of rules, international actors may be tempted to further their interests by trying to exert pressure, or even by using force. Switzerland, on the other hand, has for many years been firmly opposed to use of force and in favour of peaceful means of settling disputes;

- **Universality:** Switzerland has always tried, as far as possible, to maintain good relations with all nations of the world. As a country that is heavily dependent – in particular economically – on its openness to the outside world (not being a member of the European Union or other major alliances or groups of countries, such as the G-20), Switzerland needs to maintain a wide network of relationships in order to safeguard its interests effectively. This being the case, in a context characterised by limited resources, the principle of universality does not mean an absence of priorities, and it does not prevent us from recognising the special importance of certain partnerships or the need to develop targeted strategies for particular countries;

- **Neutrality:** By virtue of its status as a permanently neutral country, Switzerland respects the obligations imposed upon it by neutrality law, first and foremost the duty not to participate in international conflicts involving other states. On the other hand, implementation of its neutrality policy – intended to ensure the visibility and credibility of its neutrality in the legal sense – is not governed by rules of law; rather it depends on analysis of the international situation at any given moment. While implying the maintenance of a degree of impartiality and objectivity in adopting a position, neutrality does not prevent Switzerland from defending its interests. On the contrary, it can be a flexible instrument of foreign policy, facilitating contacts with different interlocutors. In particular, it is an asset in Switzerland's role as a provider of good offices, which has traditionally been a strength of Swiss foreign policy, making our country distinct from others and enabling it to play a special role.

The fundamentals guiding Swiss foreign policy are supplemented by the notions of solidarity and responsibility.

In the current context, a state's influence and capacity to create the necessary space to safeguard its interests cannot be measured only in terms of its military might, economic power, or demographic size. This capacity also depends on its willingness to contribute in practical ways to solving global issues, including the issue of sustainable development. As a country that benefits from globalisation, Switzerland is called upon to behave in a constructive, committed, and responsible way. Therefore, our efforts in the field of international cooperation (with countries of the South and East, and in providing humanitarian and economic aid) and in strengthening human security (peace promotion, human rights, humanitarian policy, and international issues of migration) assume great importance. Moreover, as one of the most advanced countries in the fields of science, innovation, and technology, Switzerland can help by contributing specific solutions to challenges our planet is facing, having a special role to play in this field.

2 The strategic axes of Swiss foreign policy

The international environment in which Switzerland conducts its foreign policy is characterised by constant and profound change. The strategic axes of Swiss foreign policy must take this into account, even though the overall objective, interests, and values it seeks to promote, as defined in the Federal Constitution, retain their validity in the long term. Therefore, Switzerland needs to define priorities for action while being constantly ready to deal with exceptional situations and to react appropriately to them.

In analysing the current situation, Switzerland has identified four strategic axes for the present legislature:

2.1 Neighbouring countries

As a result of rapidly progressing globalisation, the nature of national frontiers has changed significantly. Although they continue to define the territory over which a state exercises its authority, their function as a barrier to movement of persons, goods, services, and capital has greatly diminished. Where movement of persons is concerned, this phenomenon is particularly evident in the case of countries like Switzerland and its neighbours within the Schengen area. For example, more than 700,000 vehicles cross the Swiss border every day.

While Switzerland has traditionally had close ties with its neighbours in the economic field and in other areas, such as energy, introduction of free movement of persons within the European Union (and in particular a large increase in the number of cross-border workers) has led to far greater contact and a need for cooperation in a number of areas, including transport, the environment, social insurance, taxation, health care, etc. Switzerland has witnessed development of large built-up areas straddling its frontiers, sometimes with more than one country. This has made it necessary to tackle challenges of a new kind and magnitude. This development is likely to be ongoing, bringing both challenges and opportunities.

Some issues can be dealt with effectively within the canton's framework of cross-border cooperation. The cantons play an important part in Swiss foreign policy. By participating in cross-border bodies in this way, Switzerland's frontier regions are managing shared living areas, in conjunction with, say, Baden-Wurttemberg and Bavaria (Germany), the Rhône-Alpes region (France), and Lombardy (Italy) – all prosperous, densely populated, and powerful neighbouring regions, major actors in European regional policy. For example, development of regional public transport systems meets people's travel needs throughout the basin comprising the cantons of Valais and Geneva as well as that part of France bordering them. The FDFA provides necessary political support, either by coordinating and facilitating relations within a framework of bilateral contacts with neighbouring countries or by developing legal instru-

ments within a bilateral or multilateral framework emanating from the Council of Europe or the European Union.

Strategic axis 1

Maintenance and development of our relations with neighbouring states, with special emphasis on cross-border regions and rapid settlement of disputes.

Other issues need to be tackled in the context of relations between national capitals. Experience shows that problems originating in a cross-border context can very quickly take on a wider dimension. The issue of Zurich airport or the bi-national Basel-Mulhouse airport, implementation of the agreement on free movement of persons, safety of nuclear installations in the vicinity of national borders, and taxation matters in relation to Italy are all pertinent examples.

Good relations with neighbouring countries, though fundamental, cannot be taken for granted. Switzerland needs to foster them and act quickly and with determination to resolve practical problems affecting them. The Confederation will be paying greater attention to these matters in the next few years, with particular emphasis on Swiss relations with Liechtenstein. Contacts need to be strengthened at both presidential and ministerial levels (with respect to sectoral policies as well as foreign affairs), and between representatives of our respective administrations. Contacts maintained by Swiss parliamentarians are also a positive factor in efforts to foster Swiss links with other countries.

Maintaining harmonious and balanced relations with our neighbours is all the more important in that the three largest are important members of the European Union, as well as belonging to the G-8 and G-20 groupings, and one is a permanent member of the UN Security Council. Switzerland needs to grasp the opportunity afforded by having such neighbours. The Confederation will also be adopting a similarly active policy towards the United Kingdom, a not-so-

distant neighbour, member of the EU, the G-8 and G-20 groupings, and a permanent member of the UN Security Council.

2.2 The European Union and its member states

Switzerland and the European Union (EU) have close economic, political, and social ties. Our relations with the EU are of fundamental importance. Despite difficulties it currently faces, the EU, with its member states, remains the world's foremost economic power and dominant continental player.

The fact that the EU is currently undergoing an economic and institutional crisis raises some important issues for Switzerland:

- firstly, as the pressure on the Swiss franc has demonstrated, Switzerland is directly affected by difficulties facing the EU and the Euro zone;

- secondly, there is a danger that the EU's difficulties and the energy it must devote to solving them will cause it to look inwards, having a negative influence on its readiness to pursue a bilateral approach with Switzerland. Pressure in respect of taxation is likely to increase. However, there could be a growing need for the EU to solve certain specific problems in a pragmatic way. Agreements on a withholding tax, as negotiated by Switzerland with Germany and the United Kingdom, could prove useful in supporting efforts to stabilise the Union;

- thirdly, the history of the European project shows that major crises are generally resolved by greater integration and transfer of powers from member states to the Union. At the same time, Switzerland cannot rule out the possibility that the widely differing circumstances of the EU's member states will persuade the EU to agree to closer cooperation and differentiated models of integration involving a limited number of its members (variable geometry Europe).

In the short term, pursuit of the bilateral approach requires that Switzerland establish a new balance between the need to find concrete solutions to concrete problems – for example, regarding market access and fiscal matters as well as an appropriate institutional framework which respects the functioning of both parties' institutions and their sovereignty. In particular, it is necessary to find mechanisms for adapting the bilateral agreements to developments in relevant aspects of the *acquis communautaire,* and for their interpretation, supervision of their application, and settlement of disputes.

Strategic axis 2

Fostering and deepening our relations with the European Union, while safeguarding our political room for manoeuvre and long-term economic interests

In addition to our relations with the EU as an entity, we must, as a non-member country, make special efforts to nurture relations with its individual member States, which constitute our "extended neighbourhood". If necessary, Switzerland must target particular countries so as to influence the framework conditions at European level as much as possible, maintain a good understanding, and gain acceptance of Switzerland's specific characteristics and needs.

2.3 Stability in Europe and beyond

Even within Europe there are economic and social disparities. And such imbalances and tensions are all the more evident if we look farther afield to the rest of the world and to regions bordering on Europe, which constitute our "wider neighbourhood". In this age of globalisation, the fact is that Switzerland's security and prosperity depend fundamentally on a stable international environment, as the recent world financial crisis and events in North Africa have reminded the Confederation.

This is why Swiss foreign policy attaches key importance to fostering stability in Europe, in the regions bordering on it, and in the rest of the world. A considerable proportion of Swiss financial and human resources is devoted to achieving this aim (see Chapter 4).

Our efforts to foster stability are based in particular on international cooperation (which includes development cooperation and cooperation with Eastern Europe, as well as humanitarian and

economic aid) and on activities to promote peace, respect for human rights, the rule of law, and international security. Moreover, as the stability of the international environment also depends on the rules which govern it, and on compliance with them, Switzerland ascribes special importance to public international law. During the current legislature, coordination of development cooperation, humanitarian aid, and human security activities will be strengthened.

International cooperation

Where development policy is concerned, Switzerland is recognised as a reliable partner, efficient, close to grass-roots realities, innovative, and respectful of cultural and religious diversity. Development policy is an increasingly important aspect of Swiss foreign policy. Given the growing interdependence between countries and between different policy areas, creating conditions for sustainable and equitable development has become increasingly important, both for developing countries and for developed countries such as Switzerland. Switzerland's security and prosperity in fact depend on the framework of conditions that pertain internationally. All countries have many interests in common, whatever their level of economic development. Reduction of greenhouse gases, conservation of natural resources, market stability, global health and the control of epidemics, peace, respect for human rights and international humanitarian law, etc., are all "global public goods" which can be assured only by joint effort.

For the first time, the Federal Council has submitted its Message to Parliament on international cooperation for 2013–2016 with reference to the four framework credits of humanitarian aid, development cooperation, cooperation with the countries of Eastern Europe, and economic and trade policy measures. The overall objective is to alleviate poverty and reduce global risks. For Switzerland, this programme represents a commitment of one Swiss franc per person per day. The priorities are fragile states, development of integrated projects, participation in global programmes (climate, food, water, health, migration, finance, and trade), and cooperation with private actors. Moreover, Switzerland's international cooperation activities will increasingly be based on a unified strategy involving all federal departments concerned, coordinated by the SDC and SECO. By achieving greater consistency, Switzerland's aim is to act more effectively. The overall objective of Swiss international cooperation is to alleviate poverty and manage global risks by ensuring sustainable global development. In concrete terms, Switzerland will pursue five principal lines of action: preventing and managing crises, conflicts, and disasters; enabling all countries to gain access to resources and services; promoting sustainable economic growth; encouraging the transition to market-economy-based democratic systems; and participating in a form of globalisation that favours development and environmental protection. It is also essential to maintain a robust capacity to react to natural and humanitarian disasters.

Promotion of peace, respect for human rights, the rule of law, and international security

Switzerland is especially well placed to act in the field of human security. As a neutral state – one committed to dialogue as a way of resolving conflicts and with a long tradition of providing good offices and mediation – it also has incomparable experience of direct democracy, federalism, and respect for diversity. Like international cooperation, peace promotion benefits Switzerland's security and prosperity. Switzerland's concrete input (such as its mediation activities in the Caucasus or its mandates to act as a protecting power) provides the opportunity to strengthen Swiss contacts not only with the states directly concerned, but also with the great powers with an interest in the efforts the Confederation is making.

Following adoption of the Message to Parliament concerning the continuation of peace promotion and human security measures 2012–2016, Swiss activities over the next few years will centre around six priority themes corresponding to Switzerland's recognised skills: peace and security; democracy, elections, and power-sharing; dealing with the past and prevention of atrocities; increased promotion and protection of human rights; protection of civilians in armed conflicts; migration and combating human trafficking.

Part of the new framework credit will also be devoted to initiatives in the field of disarmament, arms control, and non-proliferation – an area in which Switzerland intends to place greater

Strategic axis 3

Continuing and adapting Switzerland's commitment to stability in Europe, in regions bordering Europe (our "extended neighbourhood"), and in the rest of the world

emphasis during the next few years. Switzerland's objective is to strengthen international stability and security by reducing the armament levels as far as possible. Our country's commitment to peace is based on a wide range of instruments, including mediation, civilian peace promotion programmes, and the Swiss Expert Pool for Civilian Peace Building. Instruments linked to military peace support are also an important and integral part of this commitment. In line with the 2010 security policy report, Switzerland plans to extend its commitment in the field of military peacekeeping over the next few years, both quantitatively and qualitatively. Recent experiences (for example, where protecting embassies is concerned) show that the debate on intervention by the Swiss Armed Forces abroad needs to continue if Switzerland is to arrive at a political consensus. The Confederation's commitment to the Partnership for Peace (PfP) and the Euro-Atlantic Partnership Council (EAPC) will also remain important. These involvements help to strengthen Switzerland's security by contributing to the stabilisation of Europe and the Mediterranean, to develop Swiss capacities and knowledge, to modernise the Swiss army, and to promote Swiss interests in a regional framework.

Public international and humanitarian law

A commitment to developing and strengthening public international law is a constant aspect of Swiss foreign policy. In particular, Switzerland sees the rules relating to use of force, international justice, and international humanitarian law as very important.

Switzerland's long-standing commitment to respecting, promoting, and strengthening international humanitarian law is part of the country's humanitarian tradition. As the depository of the Geneva Conventions and seat of the International Committee of the Red Cross (ICRC), this accords well with its neutrality. The principal challenge to international humanitarian law at present is that parties to a conflict often fail to respect its rules. Internationally, there is a need to consider ways of remedying this situation, and Switzerland has a role to play here.

Another key aspect of public international law (and one of growing importance) is that of international criminal justice. Switzerland is committed to combating impunity and to an International Criminal Court (ICC) capable of fulfilling the vital mandate that states have conferred upon it. Switzerland was elected in December 2011 to one of the two vice-presidencies of the Assembly of States Parties to the ICC's Rome Statute. Therefore, Switzerland will continue to pay close attention to this commitment over the next few years.

Switzerland has played a pioneering role over the last 20 years in its de-

termined and well-targeted activities to return the illicit assets of politically exposed persons (PEPs). On four occasions during the events of the "Arab Spring" Switzerland adopted measures to freeze the assets in this country of people holding key positions in deposed governments or assets of their close familiy members. These measures inspired other governments and have now been superseded by multilateral measures to rapidly freeze the assets of PEPs associated with deposed regimes. The four decisions to freeze assets were based directly on the Federal Constitution. Legislative work is now in progress to establish a formal legal basis of criteria and administrative procedures to govern such seizures of assets.

2.4 Strategic partnerships and global issues

The rapid economic and social development of the Asia-Pacific region continues. New powers are emerging in Latin America and Africa. Some countries, such as the Gulf States, Russia, and Australia, benefit from strong demand for commodities. Consequently, the transatlantic dominance that has prevailed since the Second World War is increasingly being called into question. The traditional axes of power are shifting.

The Asia-Pacific region now accounts for one third of gross world product given purchasing power parity, half of global economic growth and more than half of the world's population. The economic strength of this region is matched by its growing political weight. The Asia-Pacific region includes six members of the G-20 (China, Japan, India, South Korea, Indonesia, and Australia) and is, after the EU but ahead of the United States, the most important region for the Swiss economy. Brazil is of growing importance in the Americas, moving from the status of regional power to that of key global player and affirming a determination to exert its influence on geostrategic developments. In addition to the United States and Brazil, this continent is home to a further three G-20 members: Canada, Mexico, and Argentina. In Africa, where development varies enormously from country to country, South Africa is playing a key role. The largest recipient of Swiss exports on the African Continent, South Africa, also absorbs the bulk of Swiss direct investment in sub-Saharan Africa.

In the multilateral sphere, these emerging powers are claiming a political and decision-making role commensurate with their economic weight and growing populations. The issue of international architecture and global governance is becoming crucial. Reform of the Bretton Woods Institutions, attempts to reform the UN Security Council's composition, strengthening of governance for sustainable development and the environment, and emergence of new groups such as the G-20 (whose restricted composition raises problems) are all aspects of this difficult issue.

Switzerland needs to redefine its position proactively in response to these new factors. On one hand, we need to develop and diversify bilateral relations

with important strategic partners; on the other, to strengthen our multilateral commitment.

Strategic partnerships

Of course, our "extended neighbourhood" will continue to be of primary importance. In the Balkans, the Confederation is deploying all the foreign policy instruments available. For several years now, the Swiss have paid close attention to relations with the Balkan countries, Russia, and Turkey, in accordance with foreign policy guidelines set out by the Federal Council in 2005. In the Caucasus, Switzerland is very much in the spotlight as a result of its work in mediating between Russia and Georgia and between Armenia and Turkey. Switzerland also has close relations with the countries of Central Asia, based in particular on their membership in voting groups led by Switzerland within the Bretton Woods Institutions and the Global Environment Facility.

Strategic axis 4

Strengthening and diversifying our strategic partnerships; commitment to improving global governance in areas where Switzerland has special skills; systematic promotion of international Geneva

Within the regional European organisations to which it belongs (Council of Europe, OSCE), Switzerland is especially concerned with respect for human rights and conflict prevention. For example, it is committed to furthering reform of the European Court of Human Rights. Switzerland is also interested in strengthening the OSCE, an organisation with a large number of members, which takes a broad view of security policy issues. Preparations for Switzerland's chairmanship of the OSCE in 2014 will need to be given due priority, and FDFA resources must be allocated to reflect Switzerland's commitment to this task throughout the period when it will become part of the presidential "troika" (2013–2015).

The Mediterranean region also demands a special effort on Switzerland's part. The main thrust of Swiss activities in North Africa, decided on by the Federal Council in March 2011, is to support the transition to democracy, economic development, and cooperation in the field of migration. It is in Switzerland's interests to work for political and economic stability throughout the region, and the same is true of the Middle East. This being the case, Switzerland will endeavour to maintain balanced relations with all countries in the region, working to promote human rights among other goals.

Following the foreign policy guidelines defined by the Federal Council in 2005, relations with the United States, China, India, Japan, Brazil, and South Africa have been deepened considerably. These efforts need to be continued and extended to include, for example, political dialogue, extension of the contractual network, and multilateral cooperation. The short-term priority with the United States is still to settle

important issues that remain outstanding. Switzerland is maintaining regular political dialogue with China supplemented by dialogue in a dozen sectors, and negotiation on a free-trade agreement is progressing positively. Contacts have been made with Brazil with a view to launching a dialogue on financial issues.

In addition to the priority countries identified in 2005, special emphasis needs to be placed on deepening relations with the emerging powers, including those belonging to the G-20. In the Asia-Pacific region, we must keep pace with the economic dynamism by intensifying our political relations. Developing these relations – particularly through regular political dialogue, increased multilateral cooperation, and the presence of a strong diplomatic network – is a priority if we are to position our country effectively in the multi-polar world of the 21st century. Relations with the Gulf States, which are playing a growing political role on the international scene and are major economic partners with considerable investments in Switzerland, are also of increasing importance. Switzerland's network there needs to be strengthened accordingly.

Global governance

Because of their multilateral character, international organisations are particularly well placed among those on the international stage to take up the challenges deriving from globalisation and the shift in the axes of power. Switzerland wishes to see the rule of law serve as the basis for international relations and is committed to multilateral coop-

eration as a way of finding solutions. It therefore has a fundamental interest in being involved in those institutions where decisions are taken and in exerting its influence where matters of governance are concerned. This also means building alliances with like-minded countries or organisations, depending on the area of concern (human rights, the environment, etc.). The European Union, for instance, may be a "natural" partner of Switzerland in the multilateral context.

The objectives of the United Nations correspond on the whole with those of Swiss foreign policy. The UN's almost universal composition and very broad mandate give it unparalleled legitimacy and scope. Switzerland is therefore concerned that this unique organisation (of which it is a full member) is not robbed of its substance by fragmentation of its decision-making mechanisms, to the advantage of groups of lesser legitimacy.

In a targeted and consistent way, Switzerland will continue to advocate for the UN to be able to act with greater efficiency and effectiveness. In 2012, the tenth anniversary of Switzerland joining the United Nations, it will have the opportunity to demonstrate the interest and scope of commitment to this organisation. Switzerland would also like to be actively involved in discussions on reforming the Security Council. Moreover, Swiss candidacy for a seat on the Security Council during 2023–24 gives the Confederation a clear objective to work towards during the second decade of our UN membership. Finally, within the Organisation Internationale de la Francophonie, of which Switzerland holds the presidency until October 2012, Switzerland will continue to work to improve human security, respect for international law and human rights, and promotion of cultural and linguistic diversity.

Global issues

The multilateral framework (and particularly the UN framework) provides Switzerland with a good platform for defending its interests and developing its special skills in key areas – all with a view to meeting some of the major challenges facing the world today. The areas in question are those in which Switzerland plays a front-rank role and in which its contribution as a constructive and creative partner are widely recognised. They include, for instance, the economy and finance, the environment, science and research, and health.

Given the importance of the financial sector for our country's economy and the global role of Switzerland as a financial centre, we have an enormous interest in maintaining international financial stability. Switzerland is one of the world's 10 most important financial centres and the leading nation in cross-border asset management; the Swiss franc is one of the world's currencies most in demand. Through targeted action within the competent international bodies (in particular the International Monetary Fund and the Financial Stability Board) and by deploying our special skills in financial, economic, and monetary matters, the Confederation can make a substantial contribution to

the current discussions. This targeted commitment is all the more important in that Switzerland is not a member of the G-20.

In the field of the environment – one of the major global challenges today – Switzerland also enjoys credibility and is recognised as having much to contribute. Switzerland is working in particular for protection and sustainable use of natural resources and application of a "polluter-pays" approach and the precautionary principle. Switzerland places the emphasis on consolidating and developing existing instruments, on strengthening international governance of the environment, and on mobilising sufficient resources to ensure effective implementation. By conducting an active policy in this field, Switzerland encourages establishment of fair competition and sustainable economic growth, thereby helping to alleviate poverty and promote social stability and peace.

Finally, the commodities trading sector has experienced unprecedented growth in Switzerland over the last decade. Switzerland has a strategic interest in fostering development of this sector, because raw materials are in many cases strategic assets concentrated in emerging countries. Thus growth in this sector stimulates the labour market and tax revenues, and its development gives Switzerland greater international weight. However, there are significant associated risks, particularly as regards the country's international reputation, issues of speculation and price volatility, illegal and illicit trading, taxation and security of procurement, as well as its impact on the daily lives of Swiss people. Switzerland must adopt a coherent foreign policy in this field and increase inter-departmental capacity to anticipate the potential risks involved.

The comparative advantages our country enjoys need to be further developed. This will mean demonstrating what makes Switzerland special (having a special role to play) and pursuing a targeted and innovative policy, i.e., concentrating on areas of strength, having innovative ideas, and putting them into practice.

International Geneva

With Geneva as one of the favourite host cities for international organisations and events, Switzerland has a considerable asset for deployment of its foreign policy. Some of the principal organisations active at the global level in fields the Swiss give high priority (including trade, the environment, human security, and health) have their headquarters in our country. Sustainable promotion of international Geneva, and constant improvement of the framework conditions for international institutions, states (universality) and non-governmental organisations will continue to be a central pillar of Swiss policy. As host nation, Switzerland makes a substantial contribution to establishment of peaceful international relations and to tackling the great challenges of our times. At the same time, having international Geneva enables Switzerland to play a role disproportionate to the size of its national territory. In early 2012, the Federal Council planned to enter into an agreement with the

Geneva authorities to strengthen and perpetuate the institutional framework of political and technical dialogue concerning international Geneva.

3 Support for Swiss nationals living or travelling abroad

The Swiss are a very mobile people, and this makes the "public service" activities of the FDFA and its representations abroad all the more important:

- Almost one tenth of Swiss citizens (approx. 700,000) live abroad. These individuals depend on Swiss representations for provision of consular services; in fact Swiss representations play a role similar to those of municipal administrations back home.

- The Swiss are some of the world's greatest travellers, making roughly 16 million trips abroad each year. Even though half of the trips they make are to neighbouring countries, a large number of visits are also made to countries significantly exposed to political disorder, armed conflict, or natural disasters. In an emergency, Swiss citizens are entitled to seek assistance from Swiss representations.

This mobility, in itself positive and an advantage for Switzerland, is matched by an increasing demand for the consular services provided by the FDFA and its representations abroad. Experience shows that public expectations are growing where these services are concerned. The FDFA has regrouped and modernised its provision of consular services within a newly established Consular Directorate. It has installed the "FDFA HelpLine" as a one-stop shop covering all requests for consular services and has set up a Crisis Management Centre to support Swiss citizens in the event of kidnapping, political unrest, armed conflict, or natural disaster. Hence the FDFA is well equipped to tackle problems Swiss citizens may encounter abroad. The FDFA will also enhance the coherence of its policy on the Swiss Abroad generally by aiming

to establish a one-stop-shop approach which takes into account their specific needs as well as increased international mobility in general.

In the next few years, the aim will be to consolidate these new developments and to examine how the modern communication tools available (such as social media) can be used to enhance services offered to Swiss citizens abroad – in particular the advice provided for travellers. Another important task will be to draft specific legislation on Swiss nationals abroad, as required by Parliament. The responsibilities of each individual traveller for his or her personal safety and the limits of state assistance must be reviewed.

4 Implementation of foreign policy and communication abroad

4.1 Resources and representations network

In 2012, the FDFA can draw on a total budget of CHF 2.9 billion to implement its foreign policy objectives. Roughly two-thirds of this sum (CHF 1.76 billion) is allocated to international cooperation, including development aid and humanitarian aid, while the remaining third is devoted to conventional diplomatic activities and defence of Swiss interests.

In this latter area, the last few years have been characterised by increased budgets for the various agencies within the federal administration active in foreign policy, particularly the State Secretariat for Education and Research (SER) and the State Secretariat for International Financial Matters (SIF). Also benefitting are those funded to a large extent by the Confederation, such as Osec/Business Network Switzerland, Switzerland Tourism. In contrast with this general tendency, the share of FDFA resources devoted to the safeguarding of Swiss interests has remained steady.

The FDFA has tried in several ways to free up resources for the purpose of safeguarding Swiss interests and it will continue its search for additional measures to generate further synergies during the present legislature.

In implementing its foreign policy, the FDFA operates a network of almost 140 diplomatic and consular representations in addition to its head office. This network is constantly subject to checks on its efficiency, taking into account developments in the international situation, to ensure that the allocation of resources guaranties the best possible safeguarding of Switzerland's interests as defined by its foreign policy strategy. This also applies to cooperation with other federal departments and organisations attached to or integrated into the network, including Swiss Business Hubs and Swissnex.

In respecting the principle of universality while having to meet constantly changing needs with fixed resources, Switzerland will seek to free up resources to meet the new needs by looking for gains in efficiency and exploiting synergies.

Creation of regional consular centres based in one city, which manages consular services for a group of countries, is one aspect of this approach. Through these measures, resources have been freed up to establish a Consular Directorate to cope with the growing demand for consular services from Swiss citizens living or travelling abroad. The regrouping and rationalisation of certain consular services has been made possible by modern technology. This has made it possible to introduce support measures aimed at ensuring quality services at all times, including in areas where

new developments may sometimes be experienced as constrictive (e.g., the capturing of biometric data).

This reorganisation of Swiss consular services has not resulted in a single embassy closure. It has even been possible to open a new embassy in Armenia, in a region (the Caucasus) where Switzerland is actively committed, and to take the decision to open an embassy in Qatar. Finally, a consulate general has been opened in the Indian city of Bangalore, an important centre for innovation and research, in parallel with the opening of a fifth branch of the Swissnex network which promotes Swiss science and technology (Boston, San Francisco, Shanghai, Singapore, and now Bangalore).

One of the key tasks of Switzerland's representations abroad is issuing visas. The Confederation's efforts to support the Swiss economy (and particularly to maintain and develop Switzerland's attractiveness as a tourist destination and a business location), requires the country to facilitate movement of people and, therefore access to the visas they require. With this in mind, Switzerland is cooperating closely with many European partner countries to make the best possible use of the Schengen representation instrument. This cooperation will continue.

As part of the programme to re-examine tasks performed by the Confederation, the FDFA, in concert with other federal departments concerned, is required to assess the functioning of its network of representations – and in particular the presence of representatives from other federal offices at its embassies. The aim is to make the most of synergies and modernisation to achieve greater work coherence of the people concerned with a view to safeguarding our country's interests more effectively.

4.2. Communication abroad

In the information and communication society era, it is not enough just to conduct a good foreign policy. Foreign policy needs to be supported by active and adequate communication measures. This is particularly true of Switzerland, because some of its activities and characteristics – in particular the important economic and financial role it plays – are subject to close scrutiny, not always of a benevolent kind. In the next few years, Switzerland will need to continue making determined efforts to improve the way in which it is perceived abroad. This relates to both potentially sensitive areas (such as its role as a financial centre) and areas with a clearly positive connotation (such as science, innovation, and the environment). Several major events will take place in the next few years: the Olympic Games in London and Sotchi, the Yeosu Exhibition, in 2012, and the Milan Exhibition in 2015, Switzerland's co-presidency of the European Space Agency (2012–2015), its chairmanship of the OSCE (2014, and as part of the troika 2013–2015), and its presidency of the Eureka Research Initiative (2014/2015). These big events will provide a favourable setting for positive communication. In addition,

the pilot phase of the "e-diplomacy" project will provide an opportunity to assess and make greater use of new means of information and communication, in particular the social media, in communication abroad.

5 Conclusion

In today's complex and dynamic international environment, Switzerland obviously needs a clear foreign policy: Our interests must be safeguarded and our values promoted. Developments in Switzerland's immediate vicinity as well as global challenges – which know no national borders – have a direct influence on our independence, prosperity, and security. Swiss foreign policy must respond to these challenges in a coherent, practical, and effective way.

It is on the basis of the rule of law, universality and neutrality, supplemented by the fundamental notions of solidarity and responsibility, that Switzerland is best able to perform this mission.

As has been demonstrated many times in the past, foreign policy is not immune to extraordinary major developments. The strategic axes of Swiss policy therefore need to be defined in such a way as to meet the challenges and grasp the opportunities that arise. This is why, during the present legislature, Switzerland's foreign policy will be based on following four strategic axes:

- Switzerland will maintain and develop its relations with neighbouring States, paying special attention to cross-border relations and the rapid settlement of disputes.
- Switzerland will manage and deepen its relations with the European Union, while safeguarding its political room for manoeuvre and its long-term economic interests.
- Switzerland will pursue and adapt its commitment to stability in Europe, in regions bordering Europe (our "extended neighbourhood") and in the rest of the world.
- Switzerland will strengthen and diversify its strategic partnerships; it will commit itself to improving global governance in areas where it has special skills; it will systematically promote international Geneva.

To these strategic priorities, Switzerland must add the task of supporting Swiss nationals living or travelling abroad, in response to the growing mobility of Swiss citizens.

It is imperative that Switzerland be fully committed to its foreign policy, that it work in unity to safeguard its interests and promote its values. This being the case, it is appropriate to allocate the necessary resources to its implementation and to strengthen Swiss communication abroad. This needs to be done in close cooperation with the proper departments, to ensure that the available resources are used efficiently across departments and embassies, and in communication abroad.

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