New Swiss government installed

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On December 14, 2011, both houses of the Swiss parliament elected the new government, the *Bundesrat* (Federal Council). There was much talk of "concordance"—the Swiss system that includes all the major parties in government. But the essence of this concordance consists of the fact the government is assembled on the basis of manoeuvres and understandings between the parliamentary factions; its composition has practically nothing to do with ordinary voters.

The results of the popular elections to the two houses of parliament—the National Council and Council of State—on October 23 have no influence on the distribution of the seven *Bundesrat* seats, whose holders are effectively the ministers of Swiss government. Although there had been a significant shift in votes in the elections, six of the seven former cabinet ministers were confirmed in office. The social-democratic foreign minister, Micheline Calmy-Rey, was replaced by Alain Berset, who is also a member of the Social Democratic Party.

While the FDP (Free Democratic Party), with just 15 percent of the vote, has two Federal Council seats (ministers), the strongest party, the SVP (Swiss People's Party, 26.6 percent) has only one seat. The BDP (Civic Democratic Party), a split-off from the SVP, with 5.4 percent of the vote, also has a seat, while the Greens (GPS) with 8.4 percent, are not represented in government. The SP (Social Democrats, 18.7 percent) has two federal council seats, and the CVP (Christian Democratic Party, 12.3 percent) one.

The manoeuvres surrounding the selection of the *Bundesrat* were to prevent the right-wing populist SVP receiving a second seat. This succeeded and was met with approval in sections of the press. The "dampers have been put on the SVP," wrote the *Vienna Standard*; SVP leader Christoph Blocher was "gutted", according to the *Neue Zürcher Zeitung*. In reality, these efforts have achieved the opposite effect, driving even more voters into the arms of the SVP and its party chief, the billionaire businessman Blocher.

Meanwhile, the Social Democrats, who were once seen as the representatives of the working class, have taken on the important functions of state: the newly elected social democrat Alain Berset is interior minister, (in Switzerland, responsible for health, education, research and culture), while his colleague, the social democrat Simonetta Sommaruga, is the justice and police minister.

With the euro crisis inflating the value of the Swiss franc and adversely affecting the economy, the Social Democrats are in charge of unemployment benefits, reforming the health system and cutting back on pension provisions. Should it come to protests, the Social Democrats will—as in other European countries—take responsibility for ensuring internal stability.

The "concordance" system arose in the post-war period and was originally designed to incorporate all parties in government so as not to exclude any part of society. It originated as a typical form of "social partnership" at the end of World War II, aimed at defusing the revolutionary struggles of the working class and integrating the reformists into the system. In 1943, the first Social Democrat was admitted temporarily into the government; since 1959, the party has had two fixed seats in the *Bundesrat*, under the so-called "magic formula". The price was the absolute loyalty of the SP to the bourgeois state.

While the SP became a pillar of state, Christoph Blocher's SVP emerged in the 1990s from the right-wing Agrarian Party (BGB). Exploiting xenophobia and anti-European Union isolationism, it channelled the dissatisfaction of backward social layers and exploited it for neo-liberal ends, such as tax cuts and deregulation. In December 2003, the SVP captured two seats in the *Bundesrat*.

The SVP lost its second seat four years later—not as a result of a loss of their electoral base, but through agreements reached between the so-called centre-left parties, including the SP and the Greens. In 2007, officials refused to confirm Christoph Blocher as a federal councillor (minister), electing instead Eveline Widmer-Schlumpf, who today represents the BDP. Widmer-

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Schlumpf will officiate in the coming year as federal president.

The turmoil surrounding the SVP has made it extremely difficult to maintain a concordance government. The SVP benefits from the intrigues of the other parties and plays a duplicitous role. It exploits the fact that it has not received a second seat, pointing to this as an example of the popular will not being respected.

Ueli Maurer, SVP federal councillor and minister of defence, has threatened half-heartedly to resign from the government and in an interview on the SVP web site announced that there would be "a lot of results going 6 to 1, 6 to 1, 6 to 1"—that is, he would vote against the rest of the federal government.

Nevertheless, the SVP, as all the parties, clings to the façade of concordance. Behind this lies a government that operates in the interests of a small elite of big business and high finance. Switzerland is the country with the highest number of billionaires per head of population in Europe, and the elite wants to use the current economic crisis to attack the welfare state.

The gulf separating the government from the mass of the population is increasingly apparent. While many workers are not allowed to vote, as they do not have a Swiss passport, not even half of eligible voters went to the polls; in October, turnout was 48.5 percent. At the same time, thousands of young people were protesting in Zurich, Basel, Bern and Geneva as part of the Occupy movement against the power of the banks.

Though the wrangling over the *Bundesrat* elections filled the media for weeks, the problems that concern most Swiss people do not receive a mention: the impending budget cuts, the austerity measures and consequent job losses, as well as layoffs throughout the economy.

Thousands of jobs have already been cut in Switzerland and more will follow. This includes the previously thriving chemical industry. On October 25, the pharmaceutical company Novartis announced that 2,000 jobs worldwide will be cut, including 760 in Basel and 320 in Nyon. The company increased its profits in the third quarter by 7 percent compared to the same quarter last year, to nearly US$2.5 billion. The US chemical company Huntsman has cut 680 jobs at its Basel affiliate.

The banks also are affected. In mid-November, UBS announced the elimination of 3,500 jobs both at home and abroad. Many of the jobs affected were in investment banking, with 400 posts going in Switzerland. The job cuts at UBS take place three years after the Swiss bank was rescued in October 2008 with US$60 billion of state money. Since late 2007, the UBS group has slashed more than 18,000 posts.

The second large Swiss bank, Credit Suisse, announced it would cut 2,000 jobs by the end of the year and eliminate an additional 1,500 jobs in the next two years. The company reported its third-quarter profits fell by 11 percent to 683 million francs.

The financial and economic crisis is being used to radically cut back on jobs, not only in the financial sector but also in industry, energy and public services.

The nuclear power plant operator Alpiq responded to the political decision for a nuclear phase-out with the announcement of 450 job cuts. Bern's nuclear operator BKW also plans to eliminate about 255 jobs, or approximately 9 percent of the workforce.

The paper industry in Switzerland, which employs just 2,750 people, saw more than 750 job cuts this year alone, almost 25 percent. A total of 550 jobs were lost in the closure of the Biberist paper mill, along with 40 redundancies at the Balsthal mill, and the Cham Paper Group has cut 200 posts.

Even the World Health Organisation, based in Geneva, is carrying out cuts. It wants to dismiss 350 of its 2,400 employees in Geneva in late December.

The issue of unemployment was not discussed during the election campaign by any political party and was also largely bypassed in the political discussions. The current economic situation was only discussed in connection with the military budget: the Swiss military wants to purchase 22 new fighter aircraft, and in this context parliament increased the military budget by nearly 1 billion francs in the summer.

In return, savings must be made in other areas totalling around 600 million francs. The SP has decided not to organise protests or make the issue subject to a referendum.

All the parties, from left to right, agree that the consequences of the financial crisis must be borne by the working class in the form of austerity measures and cuts. They support the power-sharing concordance government as a means to keep social conflicts under control.

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