8-point program: Back to success with proven strengths

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At a glance

Suddenly, the coronavirus crisis has hit Switzerland and the world like a tsunami. The economic consequences are dramatic. Switzerland's gross domestic product will shrink more this year than it has for decades. Both the domestic economy and the export industry are suffering. But the economic crisis is far from over. Unfortunately, the unemployment rate will rise this year and probably also next year. We will have to cope with a large number of company closures and bankruptcies. In order to survive, companies in our country will have to adapt to the new circumstances. Those that fail to do so will go under. This process cannot (unfortunately) be stopped.

We are now at a crossroads between more state or more personal responsibility

Although the short and medium-term effects of the pandemic are devastating, it has not destroyed everything. Switzerland's economic, institutional and social structure remains intact. The state has prevented the worst through its generous support. This has helped healthy companies as well as employees and self-employed people without work to survive this first acute phase of the pandemic. But now we are at a crossroads: do we rely on more state support in Switzerland in the future or do we strengthen the personal responsibility of the population and companies? Or, to put it another way: are we going to let ourselves be blown off course or do we want to get back on the road to success?

An 8-point program for getting back on the road to success

We are all the economy. Companies are just as responsible as the entire population and politicians. In the past, companies have proven that they can always rise to new challenges together with their motivated and innovative employees.

One of the reasons why we are economically successful in Switzerland is because there is a great deal of entrepreneurial freedom, because federalism is strong, because the state footprint is smaller than abroad, because we have an excellent international network and because personal responsibility is practiced. These success factors must also be the foundation for our return to our former strength.
We therefore appeal to you to show restraint in economic policy and focus on the essentials - in other words, on measures that will enable prosperity in Switzerland in the long term.

The following 8-point program will put us back on the road to success.

1. innovation

Innovation has always been the main driver of economic development in Switzerland. Even in these difficult times, companies need new ideas to overcome the current situation. Adjustments to business models, new products, more efficient processes, etc. are needed. In addition to these adaptations at the operational level of companies, long-term oriented private research and development and competitive public research are also very important. Accordingly, spending on education, research and innovation should be prioritized and research-friendly framework conditions guaranteed.

— *Prioritization of funds in the area of education, research and development.*
— *Additional funding for competitive research (Innosuisse, SNSF).*
— *Participation in the European research framework program (Horizon Europe).*
— *Rapid implementation of the TRAF in the cantons so that companies can make broad and timely use of the new tax measures to promote innovation (R&D deduction, patent box).*

2. entrepreneurial freedom must be increased

In order for the Swiss economy to get back on the road to success, it must have sufficient entrepreneurial freedom. This is why there needs to be a return to efficient regulation and the core functions of the state. The benefits of regulation must clearly outweigh its direct and indirect costs. Individual responsibility also means that not every detail should be regulated by the state. Furthermore, it must not be forgotten: Switzerland can only remain internationally competitive with lean and efficient regulations.

— *Reduction of regulations.*
— *No "Swiss finish" for new international regulations.*

3. Switzerland must remain open and networked

The success of the Swiss economy depends heavily on exports, imports and integration into international value chains. Our country must therefore remain open. Without access to other markets and without foreign workers, our prosperity cannot be restored. Foreign trade policy should promote international trade with targeted measures. For example, the network of free trade agreements should be expanded and the bilateral approach with the EU should be maintained and strengthened. Protectionist measures should be clearly rejected; in particular, security of supply should not be confused with self-sufficiency.

- *Elimination of import duties.*
- *Rejection of the termination initiative.*
- *Clarification of outstanding issues regarding the institutional agreement with the EU.*
- *Expand and modernize the network of free trade agreements: in the short term with Indonesia and Mercosur, and in the medium term with India, the USA, Vietnam and Malaysia, among others.*
- *No additional state intervention in direct investments: Rethink the investment control legislation demanded by parliament.*
- *Intensify efforts to unblock and develop the World Trade Organization (WTO).*

4. Acceleration of digitalization

The pandemic has triggered a surge in digitalization. Working from home, online sales channels, virtual meetings and online school lessons have become the inevitable standard and turned out to be an opportunity to break new ground. This opportunity must be seized. Digitalization must be driven forward in both companies and public administration. This requires rapid adjustments to the digital infrastructure and the relevant legislation.

- *Rapid expansion of the 5G network.*
- *Timely introduction of the E-ID.*
- *Rapid introduction of the electronic patient dossier.*

- *Digitalization of all relevant administrative processes. In particular, the DaziT project (modernization and digitalization of the Federal Customs Administration) must be driven forward quickly.*
- *No special digital taxes.*

5. debt reduction without tax and duty increases

The state has accumulated massive new debts during the crisis. This must be reduced again over a long time horizon as part of the debt brake. This will give Switzerland sufficient financial leeway for the next crisis. However, this must not be taken as an opportunity to increase taxes, as this would be poison for economic development. Companies need low taxes and fewer levies so that costs are not too high. The population needs low taxes so that they have money to consume and invest. This is the only way to kick-start an economic upturn. The independence of the Swiss National Bank (SNB) must also be preserved. After all, it is an important guarantor of the macroeconomic stability of the Swiss economy and must be able to act without political interference.

- *Debt reduction within the framework of the debt brake over a long time horizon. Credit balances from the ordinary budget, profit distributions from the SNB and all extraordinary income are to be used for this purpose.*
- *No increase in taxes and duties.*
- *Abolition of the issue tax on equity.*
- *Do not misappropriate income from the SNB's negative interest rates for pension provision.*
- *No sovereign wealth funds or other constructs to finance coronavirus spending.*

6. safeguarding the social systems without further social expansion

The social systems have reached their limits during the crisis, but have also proven their flexibility. Now the long-term issues where the shoe pinches the most must be tackled quickly. Here, it must be possible to secure old-age provision without expanding social security. As the financial framework conditions will deteriorate due to the coronavirus crisis, clear priorities must be set. This leaves no room for proposals that entail social expansion.

— *Rapid safeguarding of the AHV without increasing benefits, but by making the retirement age more flexible.*

— *Energistically drive forward the BVG revision and reduce the conversion rate for pension funds.*

7. climate legislation: the economy is part of the solution

The Swiss economy is living up to its own responsibility when it comes to climate protection. Long before the CO2 Act, companies set themselves voluntary targets, which they achieved. The industry will also exceed the targets for the current period. Despite the coronavirus crisis, the Swiss economy continues to support the Paris Agreement. The targets are therefore fixed. However, the economy and the population must find the best and most cost-effective way to achieve them. Technology bans, additional activism and irrelevant links with other business must be avoided. Climate policy must also focus on increased international cooperation, as this is the only way to achieve the desired climate effects.

— *Despite the coronavirus crisis, the CO2 Act must be concluded swiftly. The economy and the population must be given flexibility on their own responsibility as to how they achieve the target.*

— *Avoid irrelevant links with other business.*

8. Revision of the pandemic planning

True to the motto "After the crisis is before the crisis", the current laws, regulations and pandemic planning must be scrutinized. Damage prevention is a central element of this. A second, similar pandemic cannot be tackled in the same way. Security of supply must also be discussed and optimized. However, in-house production in Switzerland is likely to be expensive and inefficient for most goods relevant to a pandemic.

- *Evaluation and revision of pandemic planning.*
- *Strengthen resilience by means of suitable prevention measures (risk map, better data situation, etc.).*
- *Build up sufficient stocks of all supply-relevant goods such as protective masks, gloves and other protective materials.*
- *Strengthening cooperation in Europe.*

Conclusion: It takes all of us

We, the people of this country, have it in our own hands. We determine our future. Together, we can master the difficult tasks ahead and get back on the road to success. Switzerland is a strong business location: our companies are broadly diversified, innovative, often active in highly specialized niches worldwide and ensure a high level of added value. The Swiss population is well-educated, high-performing and correspondingly productive.

Thanks to our well-functioning economy, the public sector generated high tax revenues until before the crisis, which made it possible to continuously increase government spending. We have therefore been able to improve and expand the infrastructure in recent years. We have been able to invest more money in education, research and innovation and afford high spending on social welfare, agriculture, national defense and development aid. And we have been able to reduce public debt, despite constantly increasing government spending. This is now benefiting us in the crisis.
With the 8-point program, we will manage the arduous path back to success!


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