

# Doris Leuthard – Swiss President 2010

Around the world, bursts of fireworks and flying Champagne corks greeted a new year and a new decade. For Switzerland, 2010 also brought a new president, as Federal Councillor Doris Leuthard began her year-long term as head of state. *Swiss News* met her for a chat about the challenges she faces and her goals for the coming months.

By Matthew Beattie | 2009 was an *Annus Horribilus* for Switzerland. With Swiss banking secrecy firmly in international firing lines, the UBS dispute with the US, soured relations with Libya – prestige abroad has taken a battering. It must therefore have come as a relief for Federal Councillor Hans-Rudolf Merz to be able to hand the presidential torch to his colleague, Federal Councillor Doris Leuthard.

In a unique system of rotation, the 12 month presidential term passes between the seven members of the Federal Council. Although the role is defined as “leader among equals” – with responsibility for affairs of national significance shared between Federal Council members – the president represents the country as symbolic head of state in international affairs. The role also presents an opportunity to influence the domestic political agenda for the year – and with a struggling economy, growing unemployment and concerns about social cohesion following November’s minaret referendum, there is no shortage of candidates demanding attention.

## Teamwork in government

“My first priority is on the Federal Council as a whole,” Leuthard explains of her goals for the presidential term. “The members of the Federal Council received criticism that we have a group of seven leaders, but not a real team that works together. I think this can be improved. Secondly, I think the crisis will continue to affect us. We will continue to have rising unemployment, so the social cohesion problem will be part of my work... we must prepare society and the economy for the future, so that we can raise our growth rate. This will also be one of my priorities.”

Minister of Economic Affairs since her election to the Federal Council in 2006, Doris Leuthard’s expertise in the areas of employment and trade policy makes the timing of her presidential term particularly fortuitous. With business still struggling and unemployment rising, many people are concerned about the economic future. In 2009, under Hans-Rudolf Merz’s leadership, the Federal Council launched a series of economic stimulus measures. I ask Leuthard how the burden of recession is being eased for industry and individuals.



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Doris Leuthard

## Doris Leuthard

Doris Leuthard was born in 1963 in Merenschwand, Canton Aargau. She is a qualified lawyer and has been in practice since 1991. Representing the CVP (Christian People’s party) on the Federal Council, she leads the Federal Department of Economic Affairs (FDEA) – a position she has held since 1 August 2006. In 2010, Federal Councillor Doris Leuthard is the President of the Swiss Confederation.

## Facing economic challenges

“We will still have in 2010 the first, second and third stabilisation packages which have a positive impact on our economy,” she replies. “The impulses of these three packages will be around 3 percent of GDP. This will continue, along with measures, which will be in place 2010 – particularly regarding the labour market. The financial markets have not settled yet. What we have seen in Dubai can happen elsewhere. The international community is still confronted with a lot of difficulties. Therefore, it is important that all the recommendations of the G20; from the Financial Stability Board, are taken seriously and implemented as law by member nations. Many G20 nations agreed to the measures, but

have so far not carried them out; for Switzerland this might have negative consequences. Therefore we would like all the bigger financial centres to take responsibility including monitoring salaries.”

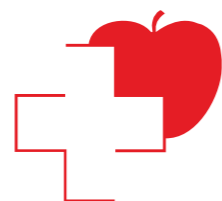
## Bringing minds together in Davos

With leaders such as Nicolas Sarkozy of France and the President of South Korea scheduled to attend this year’s World Economic Forum meeting in Davos, the event presents the perfect opportunity to work with national and business leaders to influence financial reform.

“It is a chance to meet with a lot of contacts on the presidential

level in a relatively short space of time.” Leuthard explains, “I will take my time to meet them and look at these international challenges for the future.”

Besides the cooperative approach being taken on financial reform, Leuthard has been actively involved with liberalising Swiss markets and driving agricultural change. This opening up of trade with the EU and other partners has not always received support from Swiss farmers – many of whom face an uncertain future in a deregulated market: a group of them expressed their displeasure by pelting her with wellington boots during the Jura Cheese Olympiad in October 2009. Despite such protests, Leuthard remains committed to reform and the measures agreed



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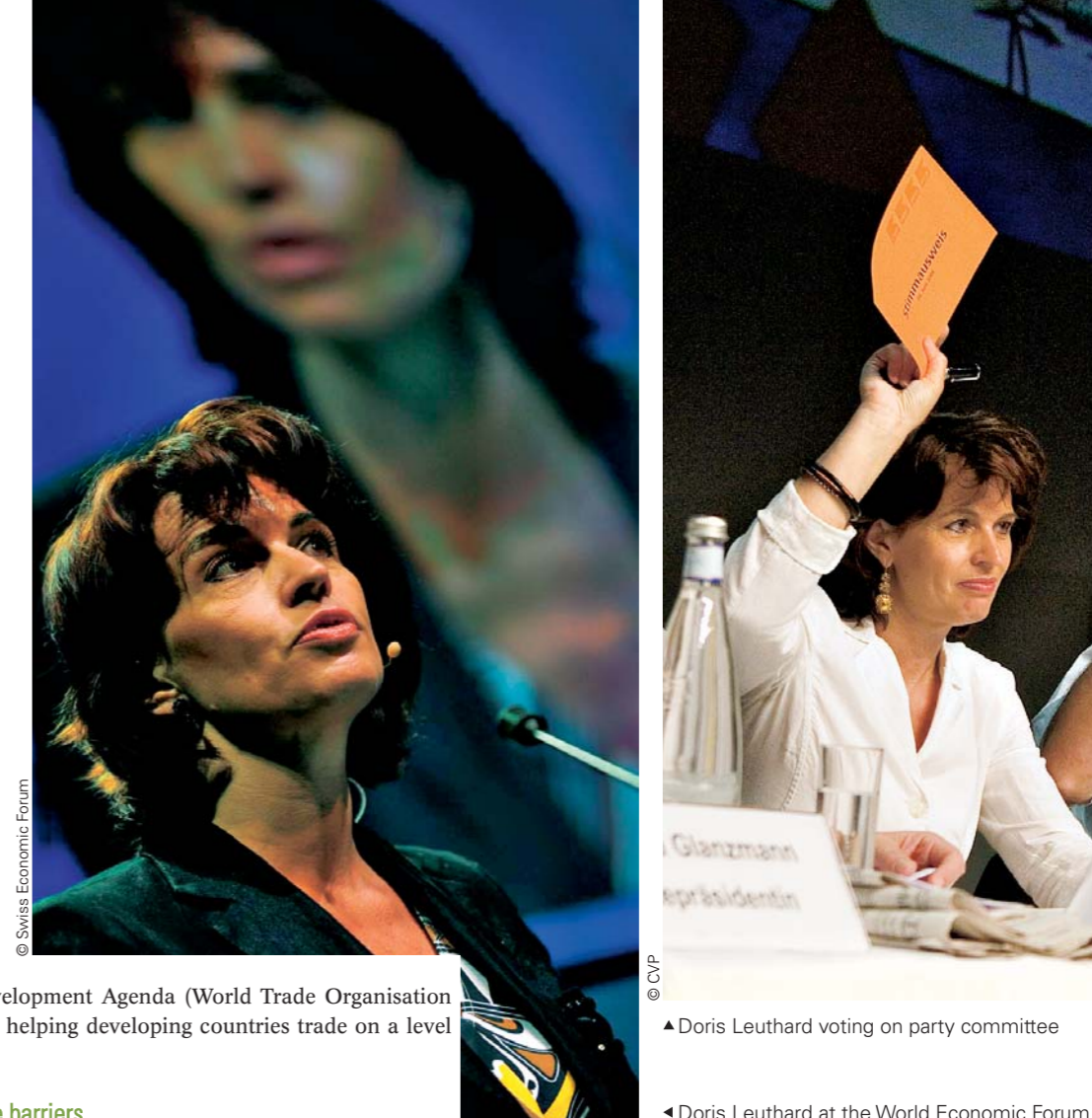
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in the Doha Development Agenda (World Trade Organisation agenda, aimed at helping developing countries trade on a level playing field).

### Dismantling trade barriers

“When the Doha round possibly comes to an end in 2010, Switzerland will be one of the most affected countries because we have a lot of subsidies... We must cut our tariffs on average by 50%. This will mean that the import of agricultural products from outside Switzerland will be much easier and cheaper. The Federal Council’s answer to this is opening our market towards Europe, where we already have an export and import rate of about 70 to 80 percent. It is already a fact that Europe is our main trading partner. It is therefore logical that we have an internal market in Europe for all other goods – also agricultural products.”

International trade reforms are never easy and Leuthard clearly has strong sympathy for all the Swiss farmers they will affect. “We will create a system of side-measures to accompany the process of opening up markets. This is a must. We need to provide financial support for a transition period of several years, and give the farmers enough time. It is only do-able when we are clear on both the measures and on the financial side.”

### Challenges at home

2010 holds a number of social and political challenges for the Federal Council. The conclusive outcome of November 2009’s referendum, banning minaret construction on mosques, showed a strength of feeling among voters regarding the position of minorities in society; it also took many politicians by surprise. Critics saw the campaign as a prejudiced attack on a minority, but what are the long term effects on international opinion and domestic social cohesion?

“The government was – like many others – surprised by this clear result. But it’s a democratic decision, which has to be accepted. It’s no more than us not wanting minarets in Switzer-

land. The result of the vote has been followed by many interpretations of the vote, which were partly exaggerated.

Of course, we have to analyse the deeper motivation, but I think that there are very different reasons for people voting as they did: the economic crisis might be an element; or that we have a population of almost 23% foreigners living in Switzerland with 400,000 from Islamic countries. These feelings probably exist all over Europe, but many countries do not have the chance to hold popular votes,” Leuthard explains. “In consequence, we have to strengthen our contacts with Islamic countries and explain what it means for religious minorities here. We should also work harder on integration, because Switzerland is an open country. We have a lot of foreigners, minorities and religions; and this will continue being a part of our philosophy, structure and our culture. I don’t think this will mean a break from the past or that Switzerland’s reputation may suffer internationally.”

### Change in the air?

November’s referendum also raised the question of legitimacy of such popular votes, with opponents of the ban claiming it



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Doris Leuthard at the Swiss Economic Forum



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government has agreed to review the model of the system of the Federal Council and to discuss various possibilities this spring... It has to be reviewed that the presidency is more compatible with today's challenges and needs and that Members of the Federal Council have a more efficient way of working together with the parliament."

#### More say for foreigners?

With possible political reform on the agenda for 2010, the question for many is whether such reform might include greater political say for foreigners. The non-Swiss workforce represents a large cross-section of the nation's population, yet most have no right to vote: in contrast, Germany for example, encourages all EU citizens to vote in both European and community elections – although federal elections remain restricted to German nationals. Although Germany is an EU member and has a very different political system, I ask Leuthard whether there is a case for allowing foreigners to vote on issues directly affecting them.

"Every resident here in Switzerland can apply to be a Swiss Citizen. I think that's the right way for people who would like to have an influence on the political system here. When you are a resident in a culture and feel a part of it – if you want to stay there and influence it – you are welcome to apply for a citizenship."

With citizenship criteria differing between cantons and lengthy periods of residency required before foreign residents can apply to become Swiss; many who want to take their place in society and play a democratic role, find themselves frustrated and limited by red-tape: a point I raise with Leuthard.

"It requires a long time: ten years. This is another question – whether it's too long. We presented a project where this was considered, but this was rejected. We will perhaps come again with a renewed project... here I would be more open to the access to Swiss citizenship being made easier than it is today – at least for those who have lived here for a long time."

breached constitutional and human rights legislation. As an experienced lawyer herself, Leuthard is familiar with the legal process associated with passing new laws: indeed it was her desire to partake in the lawmaking process which first motivated her to become involved in politics. Although she acknowledges that some legal experts may raise questions about legitimacy, she believes that all processes were followed in evaluating the popular vote and its implications. "I was a lawyer myself, so I know when you have several lawyers come together, it is normal to have at least two differing opinions; however, in this case, the majority agreed."

Various problems during 2009 demonstrated weaknesses in the decision-making process within the Federal Council and caused some to question whether the president should be given longer terms of office and greater decision-making powers. "Our system of rotation presents some challenges on the international level," Leuthard replied when asked about her views on the matter. "Our presidents are not really known internationally; you begin your term making contacts; and by the time you have those contacts it is time to leave office. That's why the