

Introduction

Usually, Switzerland is not perceived in conjunction with phenomena like corruption or varieties of bad governance. Geneva is the home of a major United Nations seat and the four Geneva Conventions of 1949, the two Additional Protocols of 1977 and the Additional Protocol of 2005 that form the core of international humanitarian law.¹ Furthermore, it is the homeland of the International Committee of the Red Cross, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal,² and comparable institutions. In wealthy and affluent societies, corruption is seen as less pervasive.

Switzerland's financial centre plays a central role in its economy with regards to labour, the creation of value and tax revenue. The financial sector is responsible for roughly 1.5% of the gross domestic product and employs 6% of the workforce. Furthermore, this sector contributes approximately 10% of the country's income and corporate tax revenue. Switzerland's general stability accounts for its international reputation as a preferred provider of financial services. Important competitive advantages are, for instance, its political constancy and the stability of its currency. Switzerland also plays a leading global role in asset management: roughly one third of all private assets invested abroad are managed by Swiss banks.³

Country situation

According to the Transparency International (TI) Corruption Perceptions Index 2011, Switzerland is at the forefront with a reputable eighth position behind New Zealand, Scandinavian countries, Singapore and the Netherlands.⁴ But this is only one side of the coin and reflects a common perception

A closer look at the Swiss Alps republic offers plenty of less laudable facets.

A main pillar and pride of Swiss identity is its longstanding neutrality. Over broad periods of its contemporary history, Switzerland used this special status for all sorts of doubtful collaborations. Among the more familiar is the Nazi gold transferred by Nazi Germany to Swiss and overseas banks before and during the Second World War. And over the course of decades, Switzerland was a safe harbour for fraud and embezzlement of national wealth for almost all despots around the world, including Idi Amin (Uganda), Jean-Bedel Bokassa (Central African Republic), Joseph Desire Mobutu (Zaire), "Baby Doc" Duvalier (Haiti) and Ferdinand Edralin Marcos (Philippines), among many others.⁵ Money laundering on a broad scale for Latin American and other drug cartels was another lucrative line of business for Swiss banks.⁶ Huge treasures of peculated na-

1 www.eda.admin.ch/eda/en/home/topics/intla/humlaw/gecons.html

2 www.basel.int

3 www.transparency.ch/financialcentre

4 cpi.transparency.org/cpi2011/results and www.transparency.org/news/pressrelease/20111201_cpi

