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Unemployment

The scourge finally reaches Switzerland

Switzerland has not been spared from the dark clouds sweeping the economic horizon. In the country where hard work has always been the cardinal virtue, more and more people are having to get their unemployment booklets stamped.

Alexander N. used to drive an expensive BMW. Now he rules the roads with a Volkswagen Golf. He used to live with his wife and children in a detached house with a garden on the edge of town, now he has had to take a three-room flat in an urban area. He used to have several workmen at his beck and call, but now this 48-year old insurance salesman is unemployed. First his wife divorced him. Then he quarrelled with his superior. Then his redundancy notice came. Financially he is not so very badly off. He gets about Sfr. 6,000.– a month from the unemployment fund, which represents 80% of his last gross salary. But he still finds it hard to get along. He spends Sfr. 1,000.– on alimony and another Sfr. 2,000.– for his flat. But on top of that comes a mountain of debt – stemming from the good life which he used to lead. Once a week he has to go to have his unemployment booklet stamped – to an office which he had always thought of as a place for social dropouts. Now he finds himself among them, the once successful businessman, the respectable Swiss citizen. And not the ghost of a chance of another job in sight.

It can happen to anyone

"We are just zeros now", complains Alexander P., who was a workshop foreman in an engineering factory until his department was one day simply rationalised out of existence, which put him out on the street. 75,000 people – men and women, young and old – are now looking for a new job throughout Switzerland. The situation is affecting all trades and professions – bricklayers and managers, computer experts and engineers, secretaries and waitresses. None are spared. The latest to join the unemployment queue are those who thought they were beyond all danger, highly-trained managerial staff. And the older a person is when unemployment sets in, the harder it is to get another job.

Why a recession?

The stream of unemployment is constantly growing. The Union Bank of Switzerland estimates that the number of jobless will top 100,000 before the Swiss economy bottoms out and starts to climb out of its trough. Jean-Luc Nordmann, head of the Federal Office for Industry and Labour, reckons that this will happen some time during the coming summer.

What is the main reason for the recession? Mr. Nordmann puts it down largely to economic weakness worldwide. But the Swiss economy is also suffering from substantial structural weaknesses. The present trough may well provide the opportunity which is needed for new thinking and innovation. Are Switzerland's relatively high wages also partly to blame? "Not at all", says Beat Kappeler, secretary of the Swiss Trade Union Federation, "for if this were the case countries with lower wages like France and Italy would be flourishing". Mr. Kappeler blames inflation and high mortgage rates with their disastrous delaying effects on construction.

In spite of everything, however, there is now a glimmer of hope on the horizon. During the coming summer, or at least in the second half of the year, things will gradually start looking better, following an improved economic climate in all the OECD countries. Exports should start upwards, and consumer spending is likely to increase.

Psychological problems

The Swiss Trade Union Federation is asking the federal government to take measures to create new workplaces. It also wants the private economic sector to increase capital investment. Improvements in the unemployment insurance scheme are already in the pipeline. Joblessness is not only a matter of loss of purchasing power, however, it also affects people's mental and physical health. In a country like Switzerland, where hard work has always counted for so much, people easily start thinking that they are not worth anything any more when the redundancy notice comes. Some unemployed people continue to leave the house in the morning and come back in the evening as if there

Joblessness affects not only purchasing power but also mental and even physical health. Many resort to alcohol as the only way out. (Photo: Keystone)

were nothing wrong – simply to hide what has happened from their neighbours. Some of them – above all the long-term unemployed – give way to addictions, provoke family problems or simply become ill. In the last few months a whole series of agencies have sprung up aimed at stopping people thinking that "they aren't worth anything any more". Unemployment is a social problem, and in only very few cases are the individuals involved personally responsible for their plights.
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