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21 Sustainable Development, regional and international Disparities

Neuchâtel, 12.2008

Monitoring Sustainable Development
Switzerland in a Globalised World

Switzerland's lifestyle and economic system are closely intertwined with other countries through a variety of global interplays. A number of indicators show whether these interplays are sustainable with respect to the use of environmental, economic and social resources.

Due to the positive and negative effects of globalisation, sustainable development is becoming increasingly significant the world over. The resource-intensive lifestyle of industrialised countries, for example, is a global problem. At the same time, the effects of climate change affect first of all the poor. The economic boom in newly industrialising countries is often connected with environmental degradation and social inequality. From a global perspective, access to natural, economic and social resources is unfairly distributed. Sustainable development includes assuming responsibility for this, for example by respecting principles aimed at preserving natural resources, achieving fairness of distribution and alleviating poverty.



Where does Switzerland stand?
What are the effects of resource flows?
Does Switzerland live up to its responsibility?

Switzerland's lifestyle is not sustainable, because we use more than our fair average share of global resources. Nevertheless, investments abroad and remittances by migrants in Switzerland are on the increase and can contribute to sustainable development in other countries (see charts 1–6 below).

Switzerland is increasingly fulfilling its global responsibility: Although official development assistance is stagnating, duties on imports from developing countries are being lowered, consumers in Switzerland are buying more and more fairtrade products and multilateral agreements are increasingly coming into force (see charts 7–10 below).

Selected Monitoring Sustainable Development (MONET) indicators show that Switzerland has achieved improvements and experienced setbacks on the way to sustainable development in a globalised world.

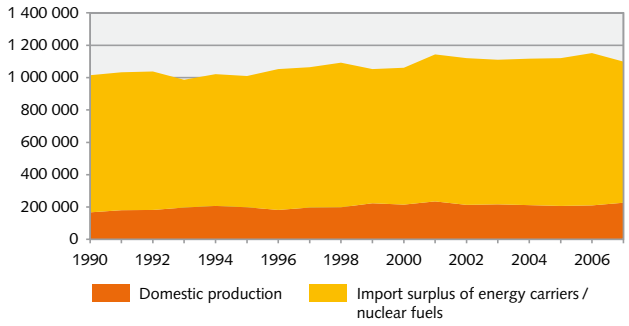
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What is the impact of resource flows and financial flows?

Energy consumption is rising and is heavily dependent on imports

Switzerland's energy dependence on other countries is substantial: approximately 80% of energy requirements are met through imports consisting of fossil and nuclear fuels which are non-renewable energy sources.
The global demand for energy continues to grow. Secure access to energy sources is a central factor of geopolitical strategies and a potential source of conflict.

G1 Energy dependency
Domestic production of primary energy carriers and imports
(Import surplus of energy carriers and nuclear fuels), in terajoules

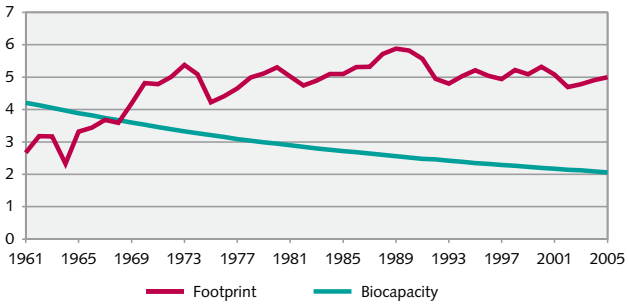


Source: Federal Office of Energy © FSO

Switzerland consumes more than twice its fair share of environmental services and resources

The ecological footprint shows the magnitude of the use of and stress on natural resources, such as crop cultivation and the consumption of energy and wood. Since the late 1960s, Switzerland's ecological footprint has been larger than its fair share of the world's biocapacity, i.e. the ability of nature to produce raw materials and break down pollutants.
From a global perspective, economic development is dependent on growing consumption of environmental services and resources, which means that the higher a country's national income, the larger is its ecological footprint.

G3 Ecological footprint
Switzerland's ecological footprint and global biocapacity,
in global hectares per person

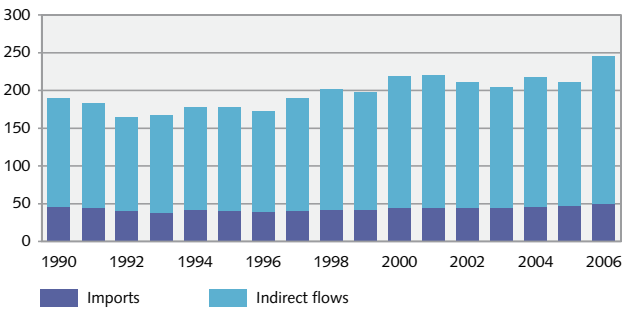


Source: Global Footprint Network © FSO

Switzerland transfers environmental use and pollution abroad

Material requirement abroad for imports to Switzerland includes the materials consumed in exporting countries in order to manufacture and transport materials and import goods for Switzerland. These material requirements are growing at a faster rate than the imports; environmental burdens are being exported from Switzerland to other countries. This increase is partly attributable to the growing trend towards importing end products.

G2 Material requirement abroad for imports
Imports to Switzerland and indirect flows associated with imports,
in million tonnes

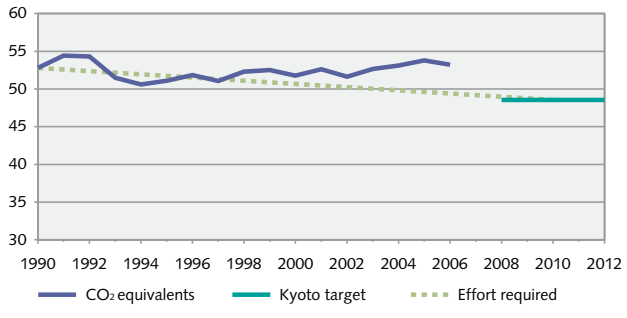


Source: Federal Statistical Office © FSO

Greenhouse gas emissions are stable

By ratifying the UN's Kyoto Protocol, Switzerland took on a commitment to reduce greenhouse gas emissions by 8% from 1990 levels between 2008–2012. In international comparison, Switzerland's per capita greenhouse gas emissions are below the average of industrialised countries, but far above the global average. Although the world's poorest regions have the lowest CO_2 emissions, climate change has a particularly negative impact on these regions, because they tend to lack the necessary means to adapt to change.

G4 Greenhouse gas emissions
CO_2 equivalents, in million tonnes
Movement towards target and target value of Kyoto Protocol for 2008–2012

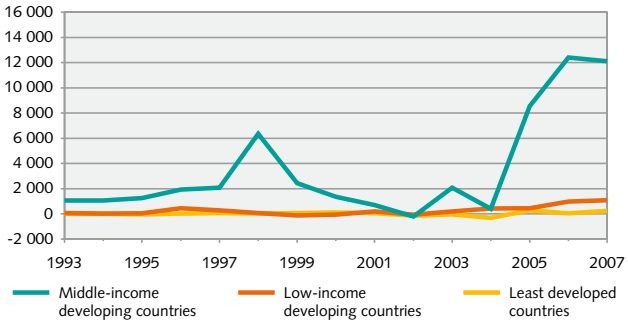


Source: Federal Office for the Environment © FSO

Direct investments in developing countries are tending to increase

Foreign direct investments (FDIs) aim to establish strategic long-term relationships with companies abroad. Thus, FDIs promote the transfer of technology to and the creation of jobs in the countries where investments are made. Swiss companies mainly invest in companies in industrialised countries and much less in the poorest countries. Nonetheless, in 2007 FDIs from Switzerland to developing countries were nearly seven times higher than Swiss official development assistance.

G5 Direct investments in developing countries
Switzerland's capital exports, by countries' income categories, in CHF million



Country groups according to OECD/DAC
2007 figures provisional

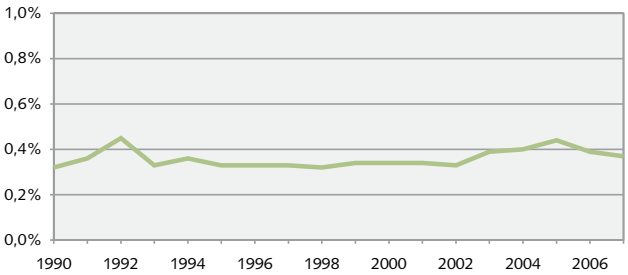
Source: Swiss National Bank © FSO

Is Switzerland living up to its responsibility?

Development assistance expenditure is stagnating

The thematic and geographic focal points of development cooperation are constantly changing, for example due to globalisation, climate change and new conflicts.
Since 1990, Switzerland's official development assistance has amounted, on average, to 0.36% of gross national income. Switzerland's contribution thus does not meet the UN requirement of 0.7%. In absolute figures, Switzerland's official development assistance in 2007 totalled CHF 2,020.5 million.

G7 Official Development Assistance
Swiss ODA in proportion to Gross National Income at market prices (before Gross National Product)



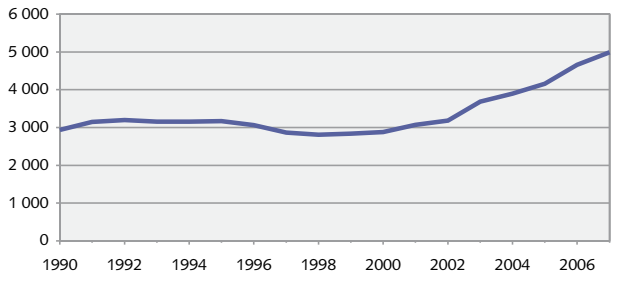
2005 and 2006: provisional data; 2007: estimate

Sources: Swiss Agency for Development and Cooperation; State Secretariat for Economic Affairs © FSO

Remittances by migrants to their countries of origin are increasing

Private remittances by migrants to their countries of origin contribute significantly to combating poverty and are mainly used to meet basic needs. They are also, though less frequently, invested in health care, education, housing, agriculture and small businesses.
After direct foreign investments, this kind of private financial assistance constitutes the second largest cash flow to developing countries.

G6 Remittances by migrants
Total of official private remittances from migrant workers in Switzerland to their countries of origin, in CHF million

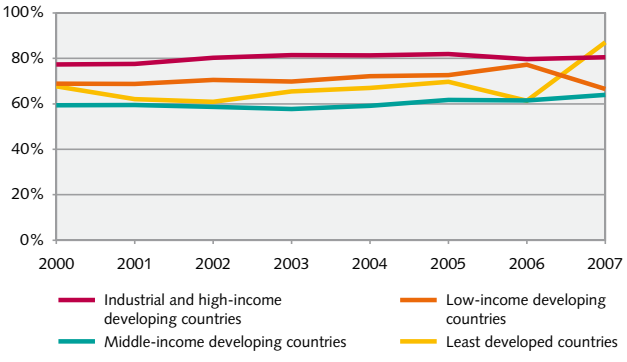


Source: World Bank © FSO

Duty-free imports from developing countries are increasing

The federal Ordinance on Preferential Tariffs for Developing Countries came into force in Switzerland in April 2007. Under this ordinance, goods from the least developed countries (LDCs) are imported to Switzerland free of customs duties; imports from other developing countries receive, depending on the goods, customs duty exemptions or reductions. But quota restrictions still exist in the textile and agricultural sector, despite the fact that developing countries tend to be active in these sectors in particular.

G8 Duty-free imports from developing countries
Share of duty-free imports in the total value of all imported goods, by countries' income categorie



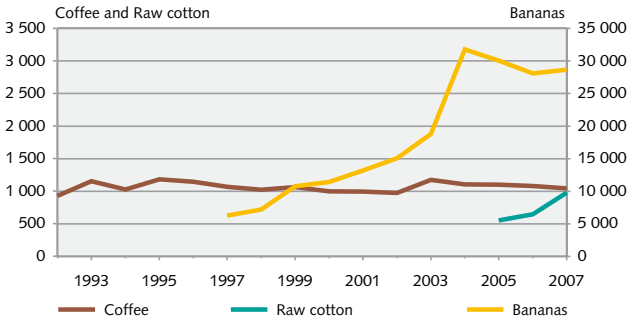
Country groupings according to OECD/DAC

Source: Federal Customs Administration © FSO

Fair trade consumption is increasing

Fair trade labelling designates goods produced under dignified working conditions and environmentally sustainable practices. Producers and small farmers receive fair and stable prices for their products. Employees receive a secure income. Long-term trade relations offer security and make investments possible. In Switzerland, a growing number of customers are demanding fair trade products. Consequently, fair trade certification is becoming an increasingly significant selling point.

G9 Fair Trade
Sale of Max-Havelaar-certified products in Switzerland, in tonnes

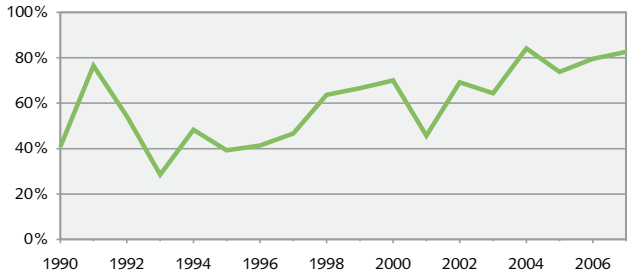


Source: Max Havelaar (Switzerland) © FSO

A growing number of multilateral treaties are coming into force

Multilateral governance contributes to the resolution of global problems. It is based on treaties that are concluded at an international level and are subsequently ratified and enforced by the individual contracting states. The indicator shows the extent to which Switzerland fulfils its responsibility to implement these treaties.
Switzerland campaigns, among other efforts, for a stronger United Nations Environment Programme (UNEP) as the central pillar of the international environmental system. Over the past few decades, Switzerland has ratified the principal human rights protection treaties.

G10 Multilateral treaties
Share of multilateral treaties that have come into force in Switzerland



Source: Federal Department of Foreign Affairs © FSO

Where should globally equitable sustainable development be headed?

Sustainable development in a globalised world
Based on the postulates of sustainable development, the Sustainable Development Strategy 2008–2011 of the Swiss Federal Council and the UN's Millennium Development Goals, the following important axes for action can be highlighted for Switzerland within and outside its borders:

- Combating **global warming**, reducing **energy consumption** and promoting renewable source of energy
- Using **natural resources** in a sustainable manner and facilitating fair access to them
- Increasingly gearing **production** and **consumer behaviour** towards sustainability
- Further developing an open, rule-based and non-discriminatory **trading and financial system**
- Securing fair access to **social and economic resources**, particularly income, education and health care
- Stepping up contributions to **combating global poverty** and **promoting peace** and increasing their effectiveness
- Strengthening **multilateral governance**, particularly global environmental and social legislation
- Improving the **integration** of all population groups and promoting **gender equality**

"MONET globo" project

In a joint project by the Swiss Agency for Development and Cooperation (SDC) and the Federal Statistical Office (SFO), Monitoring Sustainable Development (MONET) has been expanded to include globally relevant sustainability indicators. The new indicators measure interplays between Switzerland and other countries.

Further information on the internet

Global dimension indicators, additional MONET indicators, postulates: www.monet.admin.ch

Sustainable Development Strategy: Guidelines and Action Plan for 2008–2011: www.are.admin.ch/sustainabledevelopment → Federal Government

UN Millennium Development Goals: www.un.org/millenniumgoals

Swiss Agency for Development and Cooperation (SDC): www.sdc.admin.ch

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E-mail: monet@bfs.admin.ch
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