Foreign Labor Trends

Switzerland



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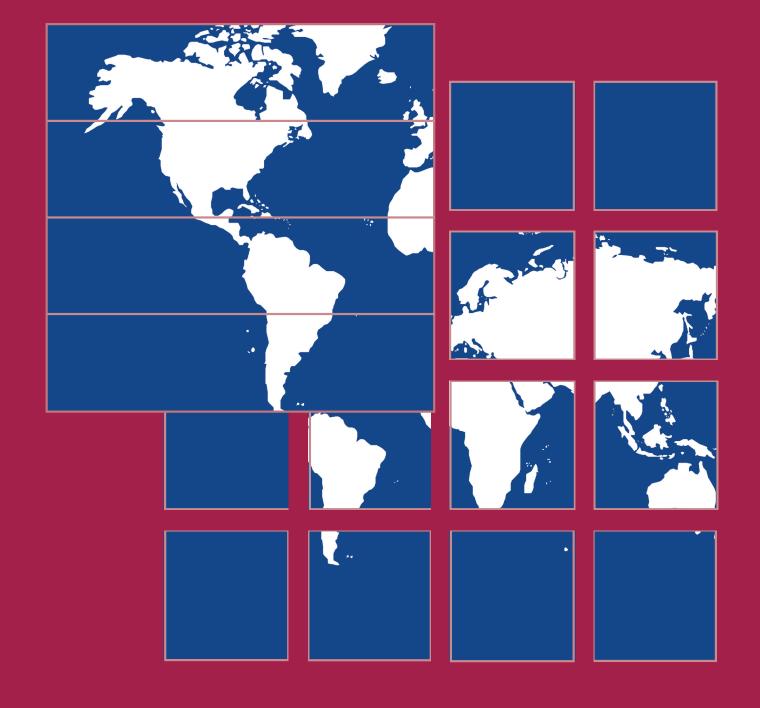


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KEY LABOR INDICATORS

Switzerland 2003

| | | | | <u>%</u> |
|-------------------------|---|-------------|-------------|---------------|
| | INDICATOR | <u>2001</u> | <u>2002</u> | <u>CHANGE</u> |
| 1. | Per capita GDP current prices (US\$) | 19,880 | n/a | ~ |
| 2. | —, in agriculture (%) | n/a | 2.0 | ~ |
| 3. | —, in manufacturing (%) | n/a | 34.0 | ~ |
| 4. | —, in services (%) | n/a | 64.0 | ~ |
| 5. | -, (SF) | n/a | n/a | ~ |
| 6. | Population, total (millions) | 7.2 | 7.3 | 1.4 |
| 7. | —, in major ethnic groups (%) | 2/2 | ć E | |
| | —, German | n/a | 65 18 | ~ |
| | —, French —, Italian | n/a n/a | 10 | ~ |
| | —, Italian —, Romansch | n/a | 10 | ~ |
| | -, Romansch -, other | n/a | 6 | ~ |
| | , other | 2000 | <u>2001</u> | |
| 8. | , in major urban areas (millions)¹ | 2.429 | 2.453 | 1.0 |
| ٠. | , in major arban areas (minions) | 2001 | 2002 | 1.0 |
| 9. | Birth rate (per thousand population) | 11.0 | 9.84 | -10.5 |
| 10. | Life expectancy at birth, total | 79.73 | 79.86 | 0.2 |
| 11. | –, male | 76.85 | 76.98 | 0.2 |
| 12. | —, female | 82.76 | 82.89 | 0.2 |
| 13. | Adult literacy rate (%) | 98 | 98 | 0.0 |
| 14. | Labor force, civilian, total (millions) | 3.9 | 4.0 | 2.6 |
| 15. | –, male (millions) | 2.264 | 2.289 | 1.1 |
| 16. | —, female (millions) | 1.651 | 1.685 | 2.1 |
| 17. | —, in informal economy (000) | 50 | 50 | 0.0 |
| 18. | Employment, civilian, total (millions) | 3.974 | 3.938 | -0.9 |
| 19. | —, in industry and textiles (%) | n/a | 26 | ~ |
| 20. | –, in export processing zones (000) | n/a | n/a | ~ |
| 21. | -, in agriculture (%) | n/a | 5 | ~ |
| 22. 23. | -, in services (%) | n/a | 69 2.0 | ~ 50 |
| 23. 24. | Unemployment rate (%) Underemployment rate (%) | 2.0 | 3.0 | 50 ~ |
| 2 4 . 25. | Labor productivity, manufacturing (% change) | n/a n/a | n/a n/a | ~ |
| 26. | Work-related accidents and illnesses | n/a | n/a | ~ |
| 27. | Days lost from industrial disputes (000) | 8 | 3 | -62.5 |
| 28. | Minimum wage rate | n/a | n/a | ~ |
| 29. | —, (US\$) | n/a | n/a | ~ |
| 30. | Average earnings by major industry (US\$) | n/a | n/a | ~ |
| 31. | Hourly compensation costs for production | , - | , - | |
| | workers in manufacturing (US\$) | 21.84 | n/a | ~ |
| 32. | -, (SF) | 36.88 | n/a | ~ |
| 33. | Hourly compensation costs for laborers (US\$) | n/a | n/a | ~ |
| 34. | —, clerical | n/a | n/a | ~ |

 $^{^{\}rm 1}$ Metropolitan areas of Zurich, Geneva, Basel, Bern and Lausanne.

Switzerland 2003

Switzerland 2003

| | INDICATOR | <u>2001</u> | <u>2002</u> | % CHANGE |
|-----|--|-------------|-------------|-------------|
| 35. | —, mechanic | n/a | n/a | ~ |
| 36. | –, commercial assistant | n/a | n/a | ~ |
| 37. | Supplementary benefits as % of | | | |
| | manufacturing earnings | n/a | n/a | ~ |
| 38. | Average hours worked per week | 42 | 42 | 0.0 |
| 39. | Unionization of labor (%) | 20 | n/a | ~ |
| 40. | Average personal income per year | | | |
| | at current prices (US\$) | n/a | n/a | ~ |
| 41. | Avg. disposable income after taxes and | | | |
| | withholding (US\$) | 21,650 | n/a | ~ |
| 42. | Percent of population beneath poverty level ² | 3.4 | 3.4 | 0.0 |
| 43. | Consumer prices (inflation rate %) | n/a | 0.5 | ~ |

n/a = not available

Exchange rate: US\$ 1 = 1.6668 Swiss francs (SF) (Jan. 02); 1.6876 (2001); 1.6888 (2000); 1.5022 (1999).

 $^{^{\}rm 2}$ Poverty level is defined as half the median wage (SF 15,500 or SF 22,900 in 1999) per HRR.

SUMMARY

The 4 million person Swiss labor force is highly educated and skilled, and close to 70 percent is concentrated in the service sector. The well-functioning labor market in Switzerland has yielded a traditionally low level of unemployment, although in the wake of the global economic slowdown, a lagging Swiss economy has had a significant impact on the labor market. By the end of October 2002, unemployment stood at nearly 3 percent, low by international standards but high by Swiss standards. Switzerland has ratified and is in full compliance with all the fundamental International Labor Organization (ILO) conventions. Approximately one-fifth of the workforce is unionized. In general, labor-management relations are excellent.

BACKGROUND

Switzerland is a constitutional democracy with a federal structure. Because of its linguistic and religious diversity, the political system emphasizes local and national political consensus and grants considerable autonomy to the 26 individual cantons. A new Constitution came into force in January 2000.

Switzerland has a highly developed free enterprise, industrial, and service economy strongly dependent on international trade. The standard of living of the country's 7.3 million residents is very high.

After experiencing strong economic growth during the 1980s, the Swiss economy became one of the weakest in Western Europe between 1990 and 1996, when growth neared zero percent. Both cyclical and structural unemployment rose during this period, although never above 5.5 percent. After recovering towards the end of the decade, unemployment again began rising in 2001. It is noteworthy that since the 1990s, French- and Italian-speaking regions in Switzerland have had about twice the unemployment rate of German-speaking regions.

DESCRIPTION OF THE LABOR SCENE

At the end of 2001, the resident population in Switzerland increased by 57,150 to 7,261,200 consisting of Swiss nationals and foreign residents, including those working for international organizations. The entire increase in Swiss citizenry occurred through naturalization of foreign nationals. The rate of population growth increased nominally from 0.6 percent in 2000 to 0.8 percent in 2001. For the most part, this increase occurred in the cities and it is primarily due to immigration. Two-thirds of the population lives in urban areas, half thereof, within the metropolitan areas of the five largest cities: Zurich, Geneva, Basel, Bern and Lausanne. In rural areas the population increased only by 0.5 percent. It is estimated that 65,000 employees work for U.S. companies in Switzerland.

The Swiss labor force, estimated at 4 million people (2002), is highly educated and skilled with a high percent working in the service sector. The rest is predominantly involved in the machinery, chemicals, watch, textile, and precision instruments industries. Additionally, Switzerland upholds traditionally strong banking and insurance industries. Swiss workers expect high wages and salaries. Because wages in Switzerland are among the highest in the world, the capital-intense Swiss economy is geared toward high-value-added products and services. Foreigners, who account for roughly 26 percent of the official labor force, fill many low-skilled, low-wage jobs. Many foreigners are long-time Swiss residents who have not

applied for or been granted Swiss citizenship. Only 5.1 percent of the workforce is in agriculture, where foreign, seasonal workers take many low-wage jobs. The balance is engaged in services or industrial manufacturing, much of which involves high technology.

Trade Unions

There are two main trade union associations in Switzerland, the Swiss Federation of Trade Unions (SGB) and Travail Suisse, acting as umbrella organizations of individual trade unions. The SGB is the larger union association, representing approximately 50 percent of organized labor. Travail Suisse, which resulted from the merger at the end of 2002 of the Christian National Trade Union Association (CNG) and the Union of Swiss Employee Associations (VSA), represents approximately 20 percent of unionized labor. The remaining 30 percent of organized labor belongs to trade unions not formally associated with one of the two umbrella organizations. During the last legislative session, union representatives cited the need for implementing contracts in more sectors, and also stressed the importance of having greater coverage of workers in sectors already using contracts. (In some sectors, workers may only be covered under the negotiated contract if they work a certain number of hours a week, or by some other qualifying measure.)

THE ECONOMY AND LABOR

Switzerland's efficient labor market has yielded a traditionally low level of unemployment. However, the Swiss economy has always been heavily dependent on trends abroad. This relationship has become much stronger over the past 20 years, with exports now accounting for about 45 percent of Swiss gross domestic product (GDP) – up from 30 percent in 1980. While this gives the country a welcome boost when the global economy is booming, Switzerland is also increasingly affected when its trading partners are experiencing economic difficulties. Swiss exports of goods and services have fallen sharply in the wake of the recent global economic downturn, indirectly curtailing domestic expansion.

The economic slowdown has had a significant impact on the labor market. By the end of October 2002, unemployment stood at 3 percent and current indicators suggest that the situation will get worse before it gets better. The Swiss Federal Office of Statistics (SFSO) reported that the number of jobs filled has fallen by 19,000, or 0.3 percent, over the past year. SFSO stated in its Fourth Quarter Report on the Swiss Economy that labor market frictions such as notice periods, redundancy, and recruitment costs cause employment to lag behind the performance of the real economy. This situation will continue for the short term, before companies are able to hire new staff on the back of improved sales and increased capacity utilization. The Economics Ministry estimates unemployment in 2003 will be between 3 and 3.3 percent.

FOREIGN INVESTMENT POTENTIAL

The Swiss welcome foreign investment and accord it national treatment. Foreign investment is neither aggressively courted, nor hampered by any significant barriers. The Federal Government adopts a relaxed attitude of benevolent non-interference towards foreign investment, confining itself to creating and maintaining the general conditions that are favorable both to Swiss and foreign investors. Such factors include economic and political stability, a firmly established legal system, reliable and extensive infrastructure, and efficient

capital markets. Many of Switzerland's 26 cantons make significant use of fiscal and other incentives to attract companies to establish operations and invest in their jurisdictions.

The Swiss Code of Obligations, the *Lex Friedrich*, the Securities Law, and the Cartel Law are the major laws governing foreign investment in Switzerland. There is no screening of foreign investment, nor are there any sectoral or geographical preferences or restrictions, except in areas considered essential to national security, such as hydroelectric and nuclear power, operating oil pipelines, transporting explosive materials, operating airlines, and marine navigation. National treatment is granted to foreign investors.

There is complete freedom of transfer of investment income, royalties, and repatriation of capital. There are no Swiss government policies or laws regulating or limiting the capital flow. Swiss foreign exchange markets are highly developed, efficient, and free, and access to foreign exchange is uncontrolled. There is no need for a parallel system for the repatriation of capital or profit.

SOCIAL SAFETY NET

Swiss unemployment increased sharply during the 1990s, causing unemployment compensation and insurance to accumulate an 8.8 billion franc debt. The Government enacted emergency measures in response to the economic downturn, with particular emphasis on unemployment benefits. The contribution rate from employers was increased from 2 to 3 percent of wages. A "solidarity" contribution was also introduced, requiring high-salary earners to contribute 2 percent of their salaries to the unemployment insurance fund. These reforms have reduced the debt to 2.3 billion SF and are supposed to eliminate it completely by 2003. Once this is achieved, the measures are supposed to be repealed, but the Economics Ministry estimates that repealing all of them could generate almost 1 billion SF in new debt every year. The Ministry bases its estimate on an average of 100,000 unemployed persons per year or an unemployment rate of roughly 2.8 percent. In order to cover this recurring debt, the Government is pushing a new law that will conform to the current Swiss economic situation. These reforms appeared on a referendum for the Swiss people's approval. Some of the highlights from the bill are:

- The contribution rate from employers will be reduced from 3 percent to 2 percent of wages.
- The "solidarity" contribution will be eliminated.
- The Federal Government and the cantons will contribute 5 percent to the cost of the program.
- Benefit coverage will be cut again from a maximum of 520 to 400 days (except for those over 55, and for workers in cantons where the unemployment rate rises above 5 percent if the canton decides to extend the program).
- The minimum contribution period required for receiving benefits will be raised from 6 to 12 months.

Swiss labor law prohibits women from working in the first eight weeks after giving birth, but no federal provision on maternity leave exists. Many private sector and most public sector employers voluntarily grant new mothers a paid leave of absence, commonly between 3 and 16 weeks. Several efforts of the federal authorities to install a binding nationwide system have failed in popular referendums, most recently in 1999. Between December 2002 and June 2003, Parliament adopted a new draft law calling for 14 weeks of maternity leave at 80 percent of salary for all professional women. However, the right-wing Swiss Peoples Party has already announced a referendum campaign to block the draft law, even before parliamentary debates have been finalized.

The Government is strongly committed to children's rights and welfare. It amply funded a system of public education and need-based subsidies of health insurance for low-income families.

LABOR LAW AND SYSTEM

Switzerland is in full compliance with ILO conventions. Government regulations cover maximum work hours, minimum length of holidays, sick leave, compulsory military service, contract termination, and other requirements. However, there is no minimum wage law, which results in low wage structures for unskilled and service industry workers. In cooperation with other interests, employees in the retail sector and in restaurants, bars, and the like have been successful in slowing reform of the restrictive federal and cantonal laws governing opening hours. The opening hours restrictions, however, are loosening gradually.

Free Movement of Labor

All 15 European Union (EU) signatory states ratified the Bilateral Agreement on the Free Movement of Persons in 2002 after initially signing in 1999. The Swiss labor market will gradually open up with these changes. Slated for introduction in 2004, priority for hiring Swiss nationals will be abolished. Quotas for nationals of EU member states will be lifted progressively, with the result of complete freedom of worker movement by 2014. A major change will be implementing a federal law on minimum pay and working conditions for employees providing services in Switzerland on behalf of a business based in the EU.

EU vs. non-EU

The Government has set new limits on work permits for foreigners outside the EU and European Free Trade Area (EFTA). The new law says that foreigners who do not possess an EU or EFTA passport will receive a work permit in Switzerland only if they are managers, specialists, or other trained workers, or if they are established persons in sports, research, or culture. Once the EU agreement on the free circulation of persons comes into effect, the frontiers will be effectively closed for non-EU or non-EFTA foreigners. The Justice Ministry indicates that 4,000 annual and 5,000 short-term permits will be available for non-EU, non-EFTA workers for the next year. The number is kept low because of rising unemployment in Switzerland. An additional 131,000 permits are available for workers from EU countries as part of the bilateral agreement. The Swiss Trade Union Federation disagrees with the new law since it does not include minimum working standards or a minimum wage of 3,000 SF.

Foreign Workers

In 2000, there were 885,789 foreign workers in Switzerland, and a 2001 estimate indicates that there were 921,559 foreign workers in Switzerland; a large number (212,486) came from Italy. Foreign workers in Switzerland have traditionally acted as a shock absorber to accommodate cyclical swings in employment activity. As a result, during the 1990s the foreign worker unemployment rate was typically 2.6 times that of the Swiss worker. Even with economic recovery, between February 2000 and 2001, when unemployment for Swiss workers decreased by 20 percent, unemployment by foreign workers decreased by 23 percent, thus maintaining a significant unemployment gap. The net influx of workers into Switzerland was 5,000 in 1999

and 22,000 in 2000. This may have occurred as a result of newly created part-time jobs in 2000. High unemployment in neighboring countries during this time may have also contributed to the sharp rise in net influx.

Permits

Visas and residence and work permits are strictly controlled in Switzerland. The country recently changed from a three-tier to a two-tier system for issuing work permits. Under the previous system, citizens of EU countries were in the first tier and enjoyed liberal access to work permits. The second tier was comprised of the U.S., Canada, Australia and New Zealand, and citizens of these countries generally received favorable consideration for work permits. The third tier was made up of the "rest of the world." These nationalities generally had the most difficulty obtaining work permits, except in cases of very highly qualified applicants. Under the new system, the second and third tiers are combined. While on the surface this would appear to be a negative development for U.S. work permit applicants, Swiss officials are adamant that the impact on U.S. applicants should be negligible as they are generally among the most highly qualified. The U.S. Embassy has received no information to date that Americans are experiencing increased difficulty obtaining a work permit. In any event, the issue of work permits for Americans has not represented a significant barrier to investment.

Illegal Workers

The Government is facing renewed calls to legalize the estimated 100,000 to 300,000 illegal immigrants currently living and working in the country. Due to the nature of the statistic, a more specific estimate is not available. Illegal workers have become a vital cog in the Swiss economy, often taking low-paying jobs in agriculture, the construction sector and restaurants - jobs that the Swiss are reluctant to fill themselves. They often earn substandard wages and are vulnerable to abuse of their worker rights. A leading organization that supports illegal workers says that a blanket amnesty is the only way to resolve the controversial issue. The Government forbids wage discrimination against foreign workers, but has ruled out any kind of blanket amnesty for illegal immigrants, saying that each case must be reviewed separately.

Women

The statistics on women in the workforce often overestimate actual numbers because most women who work in Switzerland do so on a part-time basis. The lack of childcare, combined with other cultural factors, severely restricts a woman's ability to work full-time. The Government is exploring ways of expanding childcare availability. In 2001, a study found that about one-third of part-timers cited a desire to work more hours than they actually do. This figure had been the same level for the previous 10 years. In the 1990s, the average unemployment rate for women was 20 percent lower than the average unemployment rate for men. Again, this statistic may be misleading, as many women who left the workforce due to the economic downturn did not register for unemployed status.

Work Hours

Swiss law sets a maximum 45-hour workweek for blue- and white-collar workers in industry, services, and retail trades, and a 50-hour workweek for all other workers. The law prescribes a rest period of 35 consecutive hours plus an additional half-day per week. Annual overtime is

limited by law to 170 hours for those working 45 hours per week, and to 140 hours for those working 50 hours per week.

Compensation upon Layoff

The federal Department of Justice is currently drafting a new directive that will force wealthy companies to provide for a social compensation plan when undertaking massive layoffs. Although the new regulation is not expected to pass Parliament in the next three to four years, the directive will set a precedent for Switzerland's business practices whereby compensation schemes vary from one company to another.

LABOR STANDARDS AND WORKER RIGHTS

The Right of Association

All workers have the right to associate freely, to join unions of their choice, and to select their own representatives. Workers exercise these rights in practice. Approximately one-quarter of the workforce is unionized. Unions exist independently of the Government and political parties. Additionally, unions associate freely with international organizations. In general, labor-management relations are excellent, and are characterized by willingness on both sides to settle disputes through negotiation rather than by labor action. Days lost to strikes are among the lowest in the Organization for Economic Cooperation and Development (OECD). Over 1,000 collective agreements exist today in Switzerland, and are regularly renewed without major problems.

The Constitution provides specific protection of the right to strike, but an effective and informal agreement between unions and employers dating from the 1930s, has (since 1975) resulted in fewer than 10 strikes per year. In fact, in 2001, there were only 3 days of strikes on record. Swiss law prohibits retribution against strikers or their leaders. The law also protects workers from acts of anti-union discrimination, and the Government generally respects this provision in practice. In 2000, there were 8 labor disputes affecting 19 companies and 3,894 workers. The statistics for 1999 indicate that 5 labor disputes took place, and affected 129 companies and 2,255 workers.

Construction workers in Switzerland staged a historic one-day strike in 2001, pressing their demand for a reduction in their retirement age. Trade unions reported that more than 15,000 workers at about 100 major building sites across the country participated in the strike and in protest rallies. The unions said the stoppage was particularly successful in the French- and Italian-speaking parts of the country, and threatened further strikes. Also, demonstrators briefly blocked the country's main motorway between Zurich and Bern. Employers denounced the strike as illegal, and rejected union allegations that they had reneged on their agreement to lower the retirement age for construction workers from 65 to 60. But in the end, employers caved and granted the unions' demand for the lowered retirement age.

Over the last few years, there has also been a discernible trend toward greater numbers of peaceful street demonstrations by groups seeking to gain greater public profile for their demands, or groups facing layoffs due to corporate mergers or restructuring.

Until recently, the Government did not allow public servants to strike. The 2000 Federal Act on Public Servants removed this long-standing prohibition for federal employees and those of

state-owned entities such as the railways and the postal service. Under this Act, the Government may curtail or suspend the right of certain categories of government employees to strike only for reasons of national security, safeguarding national foreign policy interests, or providing the population with essential goods and services. The Act became effective for all Federal employees on January 1, 2002. The Federal Act on Public Servants applies only to federal employees, and in some cantons and many communes public servants are still denied the right to strike.

The Right to Organize and Bargain Collectively

The Constitution provides workers the right to organize and bargain collectively, and unions exercise this right. Typically, 50-55 percent of contracts are negotiated by collective bargaining. These contracts often last for periods of two, three, or five years, and are usually renewed through negotiations one year prior to the expiration date of the current contract. Non-union firms often adopt the terms and conditions reached as a result of unions' collective bargaining. Periodic negotiations between employers' and workers' organizations determine wages and settle other labor issues at the local, or less frequently, at the industry-sector level. Labor appeal courts exist at both the cantonal and district levels.

Prohibition of Forced or Compulsory Labor

The Constitution implicitly bans forced or compulsory labor. Article 27 provides for economic freedom and explicitly guarantees the right to choose freely one's profession as well as unrestrained access to, and unencumbered exercise of, a gainful occupation. The Government also prohibits forced and bonded labor by children under Article 30 of the Labor Act. The Government is also drafting a new bill, which will enforce Switzerland's commitments against child labor.

Status of Child Labor Practices and Minimum Age for Employment

The minimum age for employment of children is 15 years. Children over 13 may be employed in light duties for no more than 9 hours a week during the school year and 15 hours the rest of the year. Employment for children between 15 and 20 is strictly regulated.

Education is free and compulsory for 9 years, from age 6 or 7 through age 16 or 17 depending on the canton. Some cantons offered a 10^{th} school year. Almost all children attended school.

The Government ratified ILO Convention 138 (Minimum Age) on August 17, 1999 and Convention 182 (Worst Forms of Child Labor) on June 28, 2000.

Discrimination in Employment

The law prohibits discrimination directed at persons with disabilities in employment, education and the provision of other state services. About 700,000 (nearly 10 percent of the population) are disabled. Most cantons have already implemented some provisions for persons with disabilities, but there was no countrywide standard.

Although the Constitution prohibits all types of discrimination and the law provides for equal rights, equal treatment, and equivalent wages for men and women, some laws continued to

discriminate against women. Women less often occupied jobs with significant responsibilities, and women's professional stature overall was lower than men's. A 2000 study, which compared wages for women and men in the private sector from 1994 to 1996, found that on the average, wages were 21.5 percent lower for women than for men with identical jobs and levels of education. In 1998, only 38 percent of women held managerial positions compared with 56.9 percent of men. The Federal Office for Equality Between Women and Men and the Federal Commission on Women work to eliminate all forms of direct and indirect discrimination.

Sexual harassment in the workplace was a problem. The law includes provisions aimed at eliminating sexual harassment and facilitating access to legal remedies for those who claim discrimination or harassment in the workplace. The Federal Service for the Combating of Racism sponsored a variety of educational and awareness-building projects to combat racism, xenophobia and anti-Semitism.

Acceptable Conditions of Work

Minimum Wage

There is no national minimum wage. Industrial wages are negotiated in a collective bargaining process. Such wage agreements are also widely observed by non-union establishments. Wage levels are often set by broad sectoral agreement between labor and management. However, the latest Swiss-EU Bilateral Agreement contains a provision that the federal government and cantons impose minimum wages for ordinary employment contracts where there are no collective labor agreements.

Worker Health and Safety

Workers have the right to remove themselves from work situations that endanger their health or safety without jeopardizing their continued employment. The 1998 Revised Labor Act and the Federal Code of Obligations contain extensive regulations to protect worker health and safety, increase flexibility in the workplace, and remove restrictions on women working at night. The Federal Office of Industry, Trades, and Labor rigorously enforces these regulations, but the degree to which enforcement is effective is unclear.

Rights in Sectors with U.S. Investments

Except for special situations (which is employment in dangerous activities regulated for occupational, health and safety, or environmental reasons), legislation concerning workers' rights does not distinguish among workers by sector, nationality, or employer. Neither does it discriminate in any other manner that would result in treatment of workers employed by U.S. firms different from those employed by Swiss or other foreign firms. Government-financed or subsidized research and development programs are open to foreign companies with operations in Switzerland. Major U.S. companies have regularly participated in research projects funded by the Government.

Foreigners

Unions allow foreign workers to belong to them. In fact, approximately 30-40 percent of the members of unions in the SWG are foreign workers. They come to Switzerland predominately from Italy, Spain, the former Yugoslavia, Portugal, and Turkey. As is typically the case with unions, they tend to serve blue-collar workers because most white-collar workers feel that they do not need the representation.

Salaries

Salaries are renegotiated every year apart from the contract. An interesting example of wage bargaining in practice involved the workers of Co-op and Migros, the two largest grocery stores in Switzerland. Three years ago, their previous average wage of 2,800 SF per month fell below the poverty line, so they banded together and negotiated a salary of at least 3,000 SF per month for every worker.

Trafficking in Persons

Trafficking in women for prostitution increased in 2002. Prostitution is legal for Swiss citizens if the practitioners are registered with police and comply with taxation and other cantonal requirements; prostitution by foreigners is illegal. The Penal Code criminalizes sexual exploitation and trafficking in women; however, trafficking in women remained a problem. The country was a destination and, to a lesser extent, a transit location. According to authorities, most persons trafficked in 2000, originated in Thailand, parts of Africa, or South America, and Eastern Europe, particularly Hungary, Russia, Ukraine or other states of the former Soviet Union.

The Government has an office to combat trafficking of young women for the purpose of commercial sexual exploitation.

DIRECTORY OF LABOR CONTACTS

UNIONS

Under the umbrella group of:

Schweizerischer Gerwerkschaftbund (Swiss Federation of Trade Unions)

Comedia

Swiss Media Union Monbijoustr. 33 3001 Bern

Phone: (41) 31-390 66 11 Fax: (41) 31-390 66 91

Email: sekretariat@comedia.ch Website: http://www.comedia.ch

Number of Members: 16,597 (2001); 16,846 (2000).

Gewerkschaft Bau und Industrie (GBI)

Building and Industry Union Strassburgstr. 11, Postfach 915

8021 Zürich

Phone: (41) 1-295 15 15 Fax: (41) 1-295 17 99 Email: info@gbi.artemis.ch Website: http://www.qbi.ch

Number of Members: 91,276 (2001); 90,985 (2000).

Schweizerischer Eisenbahn und Verkehrspersonal-Verband (SEV)

Swiss Railway and Transport Employees Union

Steinerstr. 35, Postfach 186

3000 Bern 16

Phone: (41) 31-357 57 57 Fax: (41) 31-357 57 58 Email: info@sev-online.ch

Website: http://www.sev-online.ch

Number of Members: 53,117 (2001); 53,610 (2000).

Gewerkschaft Industrie, Gewerbe, Dienstleitungen (SMUV)

Union of Industry, Trade, and Service Performance

Weltpoststrasse 20, Postfach

3000 Bern 15

Phone: (41) 31-350 21 11 Fax: (41) 31-350 22 55 Email: mail@smuv.ch

Website: http://www.smuv.ch

Number of Members: 89,907 (2001); 90,941 (2000).

Schweizer Syndikat Medienschaffender (SSM)

Swiss Syndicated Media Union

Bodmerstrasse 3 8002 Zürich

Phone: (41) 1-202 77 51 Fax: (41) 1-202 79 48 Email: ssmzentrale@tic.ch

Website: http://www.ssm-site.ch

Number of Members: 3,536 (2001); 3,364 (2000).

Unia Die Dienstleistungsgewerkschaft

Service Performance Union Monbijoustrasse 61, Postfach

3000 Bern 23

Phone: (41) 31-376 09 00 Fax: (41) 31-376 09 04 Email: info@unia.ch

Website: http://www.unia.ch

Number of Members: 16,603 (2001); 15,599 (2000).

Verkauf Handel Transport Lebensmittel (VHTL)

Sales, Trade, Transport, and Foodstuffs Union

Birmensdorferstrasse 67

8004 Zürich

Phone: (41) 1-242 35 76 Fax: (41) 1-242 94 05 Email: vhtl@limmat.ch Website: http://www.vhtl.ch

Number of Members: 16,239 (2001); 17,122 (2000).

Schweizerischer Verband des Personals öffentlicher Dienste (VPOD)

Swiss Union of Public Service Employees

Sonnenbergstrasse 83, Postfach

8030 Zürich

Phone: (41) 1-266 52 52 Fax: (41) 1-266 52 53 Email: vpod@vpod-ssp.ch

Website: http://www.vpod-ssp.ch

Number of Members: 36,830 (2001); 36,619 (2000).

garaNto

Union of Customs and Frontier Guard Employees

Monbijoustrasse 130, Postfach 6

3000 Bern 23

Phone: (41) 31-379 33 66 Fax: (41) 31-379 33 60

Email: deborah.caminada@syndicom.ch

Website: http://www.garanto.ch

Number of Members: 4,067 (2001); 4,296 (2000).

(Note: The VSZP and the VSZB have merged. Since Jan 1, 2002, the name of the combined

unions has been garaNto.)

Gewerkschaft Kommunikation

Communications Union Oberdorfstrasse 32 3072 Ostermundigen Phone: (41) 31-939 52 11 Fax: (41) 31-939 52 62

Email: zentralsekretariat@syndicom.ch Website: http://www.gewerkschaftkom.ch

Number of Members: 38,375 (2001); 39,131 (2000).

Musikerverband (SMV)

Musician's Union Rossimattstrasse 17

3044 Muri

Phone: (41) 31-951 02 02 Fax: (41) 31-951 02 03 Email: info@smv.ch

Number of Members: 2,012 (2001); 1,975 (2000).

Verband Seidenbeuteltuchweber (SVSW)

Silk Purse and Cloth Weaver's Union

Alex Graf Wilerstrasse 14 9400 Rorschach

Phone: (41) 71-855 55 27

Number of Members: 256 (2001); 267 (2000).

Gewerkschaftliche Bewegung für Arbeit und Gerechtigkeit (GEWAG)

Union Movement for Work and Justice

Stauffacherstrasse 145

8004 Zürich

Phone: (41) 1-242 38 69 Fax: (41) 1-242 38 83

Gerberstrasse 10 4800 Zofingen

Phone: (41) 62-751 27 44 Fax: (41) 62-752 51 72 Email: gewag@bluewin.ch

Number of Members: 521 (2001); 496 (2000).

Schweizerischer Bankpersonalverband (SBPV)

Swiss Bank Employees Union Monbijoustrasse 61, Postfach 8235

3000 Bern

Phone: (41) 31-371 43 11 Fax: (41) 31-371 98 74 Email: sbpv@cns.ch

Website: http://www.sbpv.ch

Number of Members: 14,843 (2001); 14,969 (2000).

Total membership of previous unions listed: 384,179 (2001); 386,220 (2000).

UNIONS

Under the umbrella group of:

Chrislichnationalen Gewerkschaftsbund der Schweiz (The National Christian Unions of Switzerland)

SYNA Zentralsekretariat

Josefstrasse 59 8031 Zürich

Transfair Christliche Gewerkschaft Service Public und Dienstleistungen Schweiz

Transfair Christian Union of Public Service and Service Performance of Switzerland Union Hopfenweg 21, Postfach 3000 Bern 14

Website: http://www.transfair.ch

Christlichsoziale Organisation Tessin (OCST)

Christian Social Organization of Ticinese Via S. Balestra 19 6900 Lugano

Website: http://www.ocst.com

Christliche Vereinigung der ArbeitnehmerInnen des tertiären Sektors des Wallis (SCTV)

The Cantonal Marksman Society of Valais Rue de la Porte-Neuve, Case postale 1951 Sion

Website: http://www.sctv.ch

Verband der Ungarischen Christlichen ArbeitnehmerInnen der Schweiz (VUCAS)

The Christian Union of Hungarian Employees in Switzerland Postfach 4132 8022 Zürich

Verband Christlicher Tschechischer und Slowakischer Arbeitnehmer in der Schweiz (VCTSA)

The Christian Union of Czech and Slovakian Employees in Switzerland Schlosstalstrasse 54 8406 Winterhur

KEY SOURCES

2001 Country Reports on Human Rights Practices: Switzerland, (Washington, DC: Department of State, 4 March 2002) (http://www.state.gov).

ILOLEX, (Geneva: International Labor Organization, 1996-2001) (http://www.ilo.org).

The World Factbook, 2000, 2001, and 2002 (http://www.odci.gov/cia/publications/factbook/index.html).

U.S. Department of Labor, Bureau of Labor Statistics, September 2002.

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