

## A Rupture in the World Economic System?

The events of the last few days dramatically bear out the current global turmoil. On Monday, before a group of business leaders in Bern the Chinese President Xi Jinping spoke out in favor of open global markets and against protectionism. On Wednesday, British Prime Minister Theresa May announced Britain's departure from the European Single Market and, on Friday, Donald Trump who had vehemently called for protectionist measures in recent months was inaugurated as the new US-President.

The rupture in the world economic system is undeniable. Up to this point, for more than sixty years, the US and Europe have successfully promoted the opening and integration of global markets. This successful model had geopolitical ramifications as well. The evident success of the market economy paved the way for first reforms in China which, expanded step by step, brought about the country's unprecedented economic rise. And as the Eastern bloc imploded because of its own inability to initiate reforms, the lure of the European single market turned into a potent incentive to bring down the iron curtain. By enrolling almost all the world's countries as members, the WTO effectively turned into a global world trade organization. Last week it became clear: the West is now being challenged by the worldwide success of its own economic system.

Now what? Are many in the West increasingly hoping for salvation by turning to simple formulas in a world that keeps getting more tightly networked and complex? Is it a good thing if politics is guided by a distaste for the future? The isolationist rhetoric sweeping some western countries is no help in facing the numerous challenges of today. Hidebound nationalism in search of an allegedly happier past is a useless concept and leads down the wrong path.

Protectionism ultimately erodes the prosperity of broad levels of the population. Prosperity is not a permanent condition but has to be earned in the marketplace day after day. An open society offers the individual a better chance to succeed in the global competition. That's also true for Switzerland. We need to be forward looking and empower our creative drive: Our prosperity was, is, and will continue to be the result of countless improvements and adjustments in all areas of the economy and of society.

**Open Access to World Markets**



As an export nation Switzerland depends on excellent access to foreign markets. The main tools to ensure this are free trade agreements and the bilateral agreements.