

Credit Suisse has allowed the morally bankrupt to steal from the poor for too long

How many exposés will it take for Switzerland and other countries to change their laws on banking secrecy?



'It is countries like Switzerland that are the key enablers.' Credit Suisse Group headquarters in Zurich.

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The bombshell revelations of the Suisse secrets, reported by the Guardian and a number of international outlets, are a continuation of the path-breaking work of the Panama Papers and the Paradise Papers. In one sense, it's the same old story over and over again. Every time journalists lift the financial sector's curtain of secrecy, a web of corruption and nefarious activities is revealed, disproportionately from shady customers and families of dictators, with a smattering of seemingly respectable politicians in democracies caught in the net.

But this time, there's something different. This time it's not a small, obscure offshore island or a struggling developing country trying to figure out an alternative business model to drugs. It's a major bank in the middle of Europe, in one of the most prosperous countries in the world; a country where the "rule of law" is *supposed* to reign supreme. Even more disappointing, given that the country and bank involved have made promises of transparency and doing better. And that's the point: without more transparency, there can't be accountability.

In fact, Switzerland's position increasingly appears two-faced, with a legal framework that penalises those who attempt to pierce its secrecy. Countries around the world have passed whistleblower laws, recognising how hard it is to uncover untoward behaviour. Frances Haugen's exposure of Facebook's misdeeds probably wouldn't have been possible without the US's strong whistleblower laws. But Switzerland, one of the oldest democracies in the world, seems to have doubled down on its commitment to secrecy, regardless of the incentives it provides for bad behaviour, by threatening journalists and others who try to access data showing what is going on in the dark shadows of its financial system.

Regrettably, but not surprisingly, no Swiss outlet was able to join the global journalism collaboration due to the danger of severe legal consequences under the country's banking secrecy laws. But journalists in other countries should be given kudos too, for risking the possibility of Swiss authorities' prosecution. Surely, Switzerland must know the chilling effect of its legislation: perhaps its very intent was to preserve its business models as long as possible, of taking a little slice of the ill-gotten gains of others, in return for providing a safe and secret place to hoard and store the geld.

The Suisse secrets have two particularly alarming aspects. The international journalistic collaboration only saw a small portion of the bank's client data, but if in this tiny portion are already so many problematic customers, including dictators and their families, suspected war criminals, intelligence officials and chiefs, a human trafficker, sanctioned businessmen and human rights abusers – a true rogues' gallery – what would we see if the window into the bank were larger?

Second, it appears the countries that suffer the most from the bank's assistance to bad actors are developing countries and emerging markets. The revelation confirms what experts have warned of for a long time: Switzerland agreed to an automatic information exchange mostly with other advanced countries, but not with poor countries, and especially those that might be the home to these illicit activities. As a result, kleptocracy and corruption can still flourish.

It's good to see that journalists believe in their duty to report, and that they fight for "the right to know" of the citizens of countries such as Switzerland, who can't control what their politicians hide. Politicians in advanced countries are fond of making speeches condemning corruption elsewhere. But it is countries like Switzerland that are the key enablers: that provide the haven, ensuring the long-term returns.

We should be clear: Switzerland is not alone. It rightly complains that closing the door there will simply shift the activities to real estate and finance in Miami, London or other money-laundering centres. Still, there is something morally repugnant about those in the US, UK or Switzerland living off spoils stolen from those so much poorer. And those countries like Switzerland that have designed a legal code that makes this system flourish should be especially embarrassed.

How many stories, how many revelations, how many exposés, will it take for Switzerland, the US, UK and other countries to change their laws on secrecy in banking and real estate, and all the other activities that facilitate money laundering and promote crime and corruption? While this treasure trove showed Switzerland

benefiting from a flow of money from poor countries, the system itself is corrupting: the rot of tainted money spoils all that it comes in touch with.

Hopefully, the Suisse secrets, this enormous achievement of honest and honourable journalism, will put to shame those who have resisted creating a more transparent financial and economic system.

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