

## Switzerland and the EU – “it’s complicated”



# Switzerland and the UK – compared in a nutshell



United Kingdom		Switzerland
Parliamentarian Monarchy	State form	Federal Republic
65.7m (22nd)	Inhabitants	8.5m (99th)
2565bn (6th)	GDP (in USD)	681bn (19th)
242495 km <sup>2</sup> (78th)	Area	41285 km <sup>2</sup> (132nd)
4 countries forming a union	Subnational Structure	26 states forming a (con)federation



# 6 to 28 vs. 7 to 4

1957



1960



2018



2018



# Two main integrations steps



**1972**

Whereas the UK and Denmark join the EC, the other 5 EFTA member states sign Free Trade Agreements with the EC  
- also Switzerland

**1992-95**

Whereas Sweden, Austria and Finland join the EC, the other EFTA member states sign the EEA with the EC  
- also Switzerland

**But in a public referendum the majority refuses this step**



# EFTA Ministers sign the EEA Agreement on 2 May 1992



EFTA Ministers and Chief negotiators preparing for the signing of the EEA Agreement in 1992. First row from left: Bjørn Tore Godal, Minister of Foreign Affairs, Norway; Jean-Pascal Delamuraz, Swiss Federal Councillor in charge of the Federal Departement for Economic Affairs; Ulf Dinkelspiel, Deputy Minister for European Affairs and Foreign Trade; Jón Baldvin Hannibalsson, Minister of Foreign Affairs, Iceland; Pertti Salolainen, Minister of Foreign Affairs, Finland; Hans Brunhart, Head of Government and Minister of Foreign Affairs, Liechtenstein; Wolfgang Schüssel, Minister of Economic Affairs, Austria; Birgitt Ederer, State Secretary, Austria; Alois Mock, Minister of Foreign Affairs, Austria; Second row: Eivinn Berg, Norway; Franz Blankart, Switzerland; Frank Belfrage, Sweden; Secretary-General Georg Reisch, EFTA; Hannes Hafstein, Iceland; Veli Sundbäck, Finland; Prince Nikolaus, Liechtenstein; and Manfred Scheich, Austria.

Source: EFTA Bulletin 2012

## 20 May 1992: Switzerland applies to join the EEC (later EU)

Monsieur le Président,

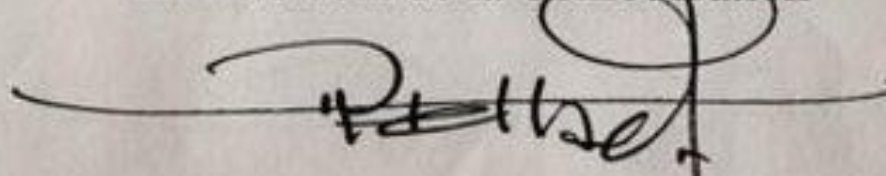
Le gouvernement suisse a l'honneur de demander, par la présente, l'adhésion de la Confédération suisse à la Communauté économique européenne en application de l'article 237 du Traité instituant la Communauté économique européenne, c'est-à-dire l'ouverture de négociations à ce sujet.

Veuillez agréer, Monsieur le Président, l'expression de notre très haute considération.

SECRETARIAT DU CONSEIL DES COMMUNAUTES EUROPEENNES N° ENREG. 547673 REÇU LE: 26 MAI 1992 DEST. PRINC.: ..... DUBOIS
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Au nom du Conseil fédéral suisse

Le Président de la Confédération





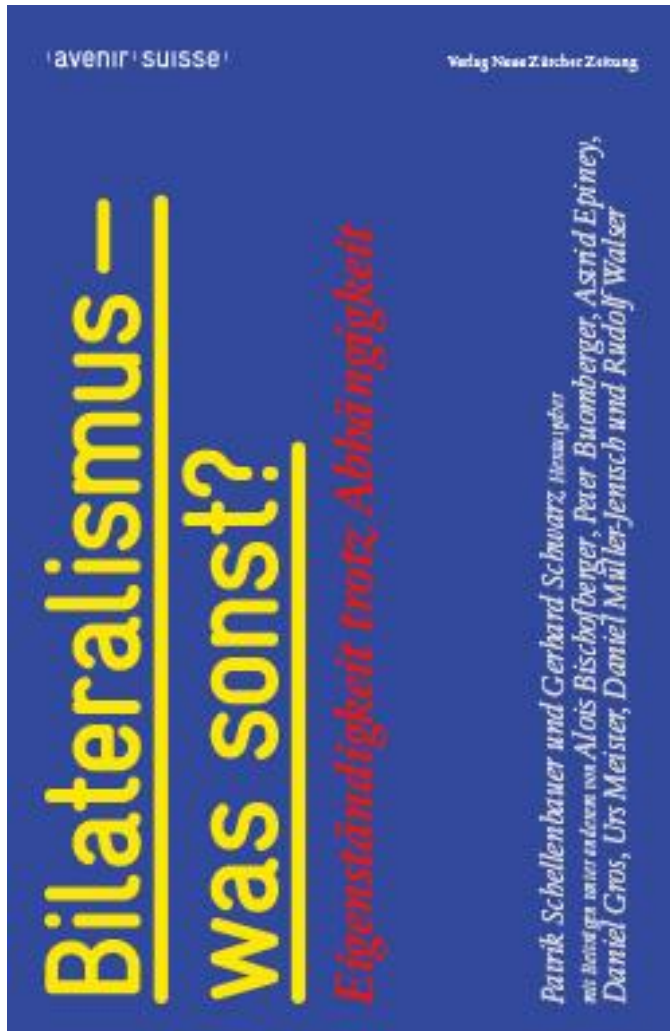
# 1992 Switzerland applies to join the EU and refuses EEA

- The EEA Agreement, signed on 2 May 1992, was originally planned to enter into force on 1 January 1993  
→ Pressure on Switzerland
- A majority of the Federal Councilors considered the EEA as a transition to EU membership ("Training-Camp")
- On 20 May 1992, the **Swiss government officially applied to join the European Union.**
- On 6 December 1992, **50.3% of the Swiss people refused to join the EEA in a public referendum** → Switzerland withdrew from the EEA Agreement only a few months after the signing



Disappointment in Berne: Jean-Pascal Delamuraz, René Felber and Arnold Koller on 6 December 1992.

# "Bilateral" Agreements



Switzerland has concluded a variety of agreements with the **European Community** or its legal successor, the **EU**.

Since the **EU acts as a single actor** in these agreements, this means there are **two contractual parties**, namely **Switzerland and the EU**.



# The first bilateral agreements

**1972 Swiss – EEC Free Trade Agreement** → Free Trade Area for industrial products = Abolition obstacles to trade, i.e. duties, quotas

**1989 Insurance**

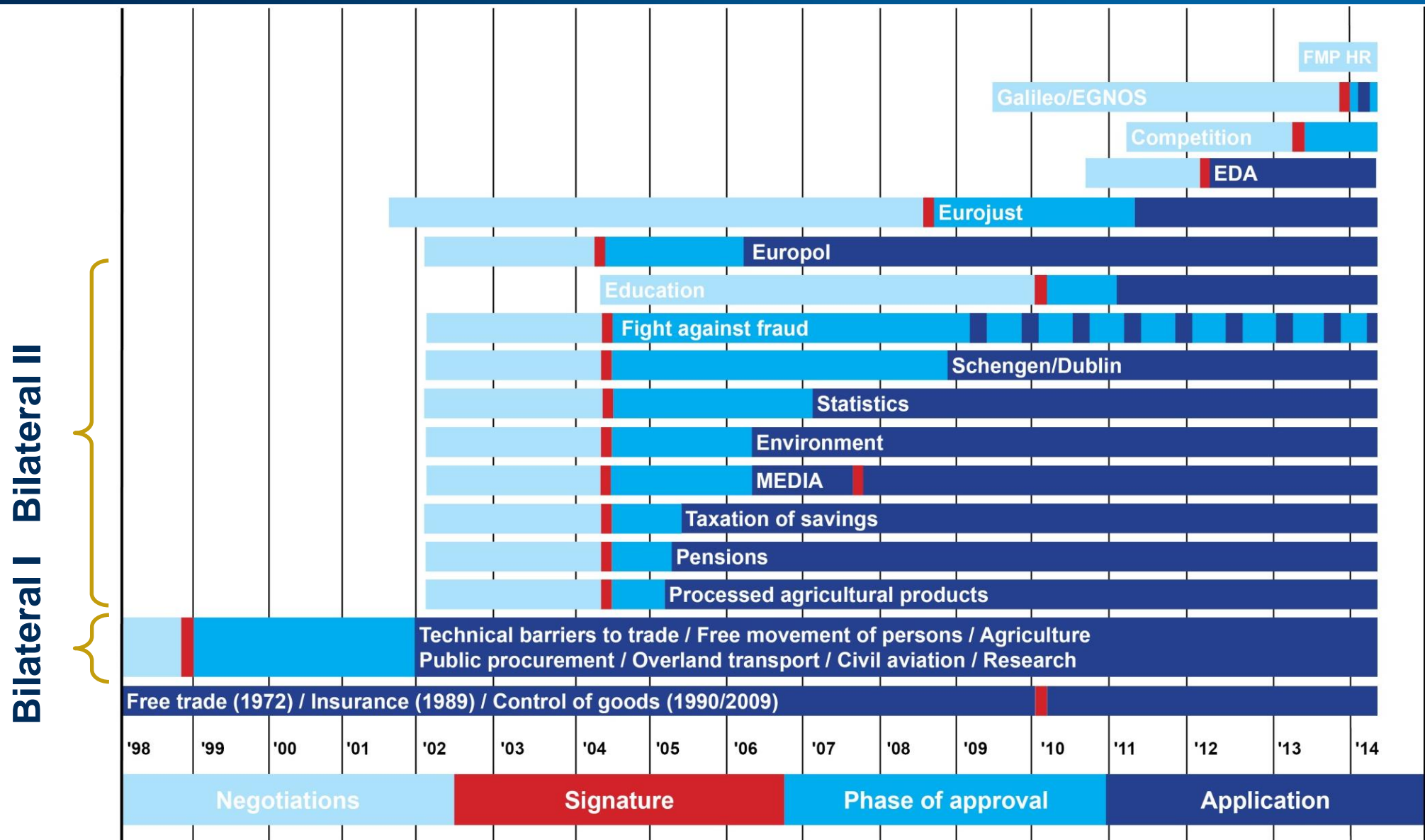
Equal rights of establishment for insurance companies  
(excluding life insurances)

**1990 (completely revised, 2009)**

**Customs facilitation and security**

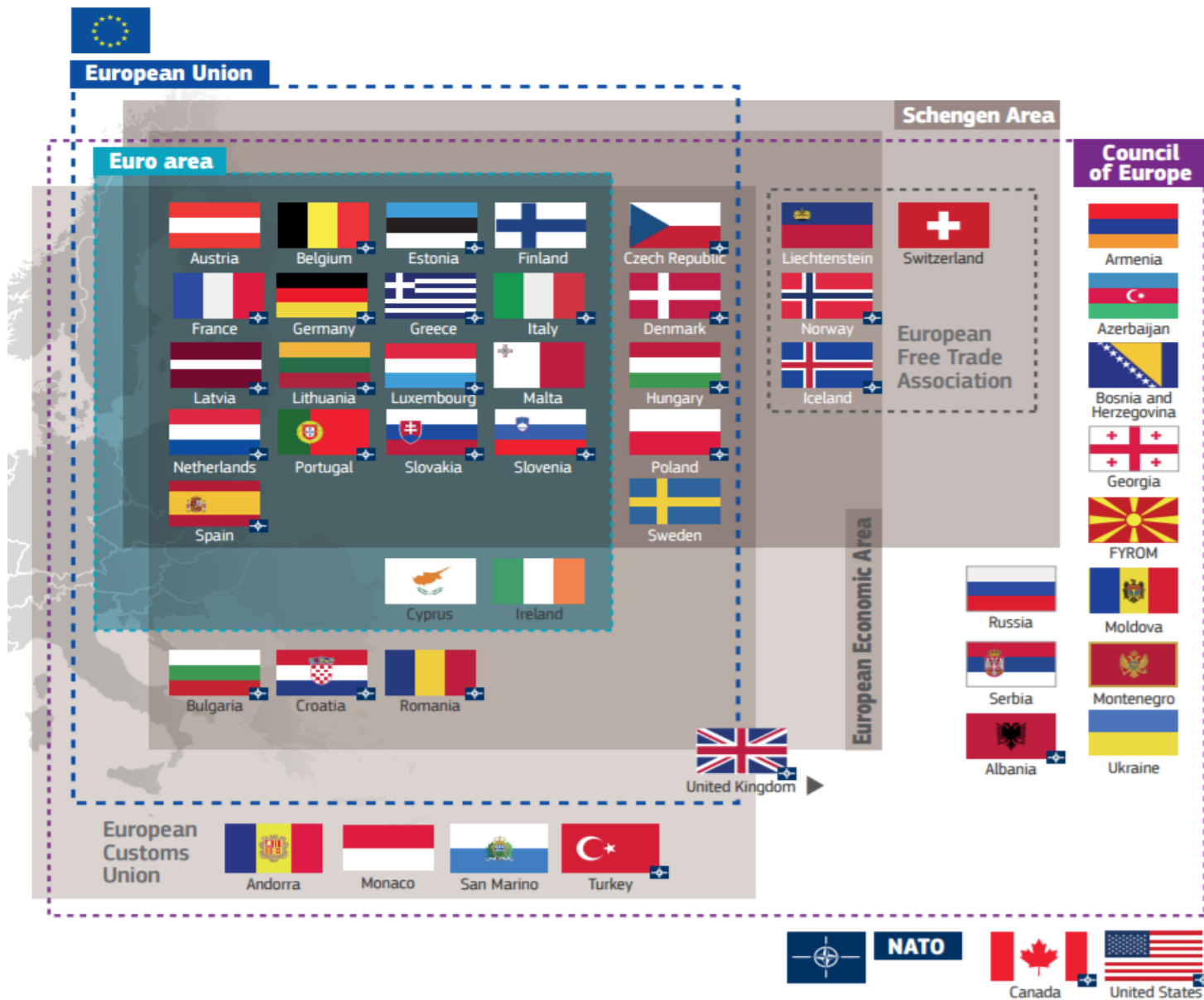
Regulation of controls and formalities in goods transport (24-hour rule)

# Bilateral agreements Switzerland-EU



... and now also to be renegotiated bilaterally between the UK and Switzerland

# In or out?



# Bilateral path: Crucial votes

1992	No	(50,3 %)	to the European Economic Area (EEA)
1997	No	(74,1 %)	to the initiative “EU membership negotiations: Let the people decide!”
2000	Yes	(67,2 %)	to Bilaterals I (as a “package”)
2001	No	(76,8 %)	to the initiative “Yes to Europe!”
2005	Yes	(54,6 %)	to Schengen/Dublin (part of B II)
2005	Yes	(56,0 %)	to the extension of the free movement of persons (part of B II)
2006	Yes	(53,4 %)	to cooperation with the countries of Central and Eastern Europe
2009	Yes	(59,6 %)	to the continuation and extension of the FMP
2014	Yes	(50,3 %)	to the initiative “stop mass immigration”
2014	No	(74,1%)	Ecopop (further immigration restrictions)





# 9th February 2014 – initiative against free movement of people



Swiss voters support an initiative “limiting the freedom of movement of foreign citizens to Switzerland”

The initiative asks for **caps on immigration**, without defining precisely how this can be enacted



# Initiative against free movement of people – Tit for Tat Vol. 1



As a reaction the federal council decides **to not ratify the Croatia-protocol**. Which would enlarge the free movement of people to Croatia ... and the EU suspends membership in Horizon 2020 and Erasmus+



- Switzerland ratifies Croatia Protocol
- Switzerland enacts «caps light», compatible with free movement of people

... and the **EU reactivates H2020/E+**

### Negotiating mandate for an EU-Switzerland institutional framework agreement

*Brexit  
related*

The Council adopted today<sup>1</sup> a decision authorising the opening of negotiations on an agreement between the EU and Switzerland on an institutional framework governing bilateral relations.

Currently, relations between the EU and Switzerland are based on a highly complex system of more than 120 sector-specific agreements, covering a wide range of EU policies, including Swiss participation in many areas of the EU's internal market.

With the aim of in particular protecting the homogeneity of the internal market and ensuring legal certainty for authorities, citizens and economic operators, the Council voiced, as early as in 2008, the need for an overarching institutional framework for EU-Switzerland relations.

# November/December 2017 – Tit for Tat Vol. 2



Switzerland: Support of European cohesion with 1.3bn  
EC: Negotiations on Framework Agreement to be completed early in 2018  
Bottom line: ?



EC: Only provisional accreditation of Swiss  
Stock Exchange SIX / Financial Market (limited to 1 year)



Switzerland: Parliament considers rejecting cohesion  
funding; SVP announces initiative against FMP





# The future

