foraus
Forum Aussenpolitik
Forum de politique étrangère
Forum di politica estera

Plan B after Brexit

What Britain Can Expect Negotiating a Swiss-Type Arrangement with the EU

foraus-Policy Brief / June 2016
Programme Europe


UTOPIA

Executive Summary français

Les eurosceptiques souhaitant que le Royaume-Uni quitte l'UE présentent souvent la Suisse comme un modèle. Selon eux, ce pays non membre possèderait néanmoins un accès au marché intérieur, ce qui lui permettrait de s'épanouir économiquement tout en maintenant sa souveraineté et son indépendance. Ceci dit, une relation de « type suisse » serait-elle vraiment une alternative crédible à la pleine participation du Royaume-Uni à l'UE ? Alors que le référendum sur une sortie du Royaume-Uni de l'UE approche, cette possibilité mérite d'être analysée. Cette étude considère soigneusement cette question en examinant la pertinence des trois principaux arguments présentant les relations Suisse-UE comme un modèle à suivre en cas de « brexit ». Les auteurs arrivent aux conclusions suivantes :

1. Contrairement à une idée largement répandue, **la négociation des accords bilatéraux liant la Suisse et l'UE a été longue et difficile.** Il a fallu environ 10 ans jusqu'à la ratification du premier volet de ces accords. En outre, la Suisse a été contrainte d'inclure plusieurs sujets dont elle ne voulait pas (par exemple la libre circulation des personnes). Il est vrai que toute sortie de l'UE serait régie par des règles différentes de celles rencontrées par les Suisses (i.e. art. 50 TUE). Toutefois, les enjeux économiques seraient assez similaires si l'on compare une éventuelle négociation entre le Royaume-Uni et l'UE(28) avec celle que la Suisse a eu avec l'UE(12). De même, les Britanniques devraient s'attendre à rencontrer plusieurs problèmes pratiques identiques à ceux que les Suisses ont affronté lors de leurs propres pourparlers.

   Ainsi, loin de permettre un quelconque regain de souveraineté, une intégration de type suisse ferait du Royaume-Uni une sorte de « satellite » de l'UE.

2. En tant que pays tiers, la Suisse est loin d'être dissociée de l'UE. Une partie importante des législations suisses est alignée sur le droit de l'UE en vertu des dispositions liées aux accords bilatéraux ou est reprise unilatéralement par la Confédération. La littérature scientifique nous indique **qu'entre 1990 et 2010 près d'un tiers des législations mise en vigueur en Suisse provient directement ou indirectement du droit de l'UE.** En parallèle, la Suisse ne possède pas d'accès au processus de prise de décision de l'Union et n'a que très peu de moyens de l'influencer même lors de la phase pré-parlementaire (moins même que les pays membre de l'AELE/

EEE tels que la Norvège). Ainsi, si des accords bilatéraux de type suisse permettrait au Royaume-Uni d'accéder à une grande partie du marché intérieur, ils ne lui permettraient pas de regagner une quelconque souveraineté « perdue ».

3. Même si le coût lié à la conclusion d'accords bilatéraux serait moins élevé que celui d'une pleine participation à l'UE, les sommes resteraient néanmoins significatives. Depuis le début de sa « voie bilatérale » la Suisse a déboursé plusieurs milliards d'euros pour maintenir ces accords (principalement sous la forme d'une contribution de solidarité à destination des pays les moins favorisés de l'UE).

En conclusion, les auteurs de cette étude mettent en garde les « brexiters » contre leur tentation de voir dans la Suisse une formule magique pour leurs relations avec l'UE. Les accords entre la Suisse et l'UE ont certes été bénéfiques économiquement. Toutefois, cet arrangement a eu un coût financier et politique certain pour la Suisse. Dernier élément et non des moindres, une intégration de type suisse ne répondrait sûrement pas aux attentes des eurosceptiques britanniques en termes de souveraineté et d'indépendance.

Executive Summary deutsch

Für diejenigen, die sich einen Austritt Grossbritanniens aus der EU wünschen, ist die Schweiz ein Vorzeigeobjekt: Ein Beispiel dafür, wie sich ein Land ausserhalb der EU nicht nur Zugang zum EU-Binnenmarkt und dem damit verknüpften wirtschaftlichen Erfolg, sondern gleichzeitig auch Souveränität und Unabhängigkeit sichern kann. Doch kann das schweizerische Modell wirklich eine Alternative – einen „Plan B" – für das Vereinigte Königreich bieten? In Anbetracht des anstehenden Referendums zur EU-Mitgliedschaft sollte der auf einem schweizerischen Modell basierende Plan B genauer unter die Lupe genommen werden. Die Autorin und der Autor dieser Studie befassen sich mit den Forderungen der Brexit-Befürwortenden und zeigen:

1. **Die Verhandlungen über die bilateralen Verträge zwischen der Schweiz und der EU waren ein langer und oft schwerfälliger Prozess.** Bis zur Ratifizierung haben die Verhandlungen fast zehn Jahre in Anspruch genommen und viele Punkte der Verhandlungsagenda – inklusive der Personenfreizügigkeit – waren von der EU bestimmt. Ein Austrittsabkommen zwischen Grossbritannien und der EU würde zwar innerhalb eines klarer abgesteckten Rahmens verhandelt, als die bilateralen Verträge mit der Schweiz. Allerdings lohnt sich ein Blick auf die Herausforderungen bei den damaligen Verhandlungen – nicht zuletzt deshalb, weil Grossbritannien wirtschaftlich gegenüber der jetzigen EU in einer ähnlichen Lage ist, wie die Schweiz gegenüber den damaligen zwölf EU-Mitgliedern.

2. Die Schweiz gleicht einen Grossteil ihres Rechts an das EU-Recht an – sei dies aufgrund der bilateralen Verträge oder im Rahmen des „autonomen Nachvollzugs". **Ungefähr ein Drittel der Rechtsreformen, die in der Schweiz zwischen 1990 und 2010 durchgeführt wurden, sind direkt oder indirekt auf EU-Recht zurückzuführen.** Gleichzeitig hat die Schweiz sehr wenig Einflussmöglichkeiten auf den Entscheidungsprozess für neue EU-Gesetze – weniger noch als die EWR/EFTA-Staaten, die sich über das sogenanntes „decision-shaping" in der frühen Phase der Entscheidungsfindung einbringen können. Ein ähnliches Abkommen zwischen Grossbritannien und der EU würde daher nicht zwangsläufig zu einer Rückgewinnung der „verlorenen" Souveränität führen.

Ein ähnliches Abkommen zwischen Grossbritannien und der EU würde daher nicht notgedrungen zu einer Rückgewinnung der „verlorenen" Souveränität führen.

3. **Die bilateralen Verträge sind zwar „kostengünstiger“ als eine volle EU-Mitgliedschaft, sie sind aber nicht umsonst.** Die Schweiz beteiligt sich an den Kosten der EU-Agenturen und -Programme, an denen sie teilnimmt und engagiert sich – seit 2008 mit 1.302 Milliarden CHF (ca. 0.9 Milliarden GBP) – für Projekte zur Verringerung der wirtschaftlichen und sozialen Ungleichheiten in der erweiterten EU.

Abschliessend warnen die Autorin und der Autor die Brexit-Befürwortenden, dass sie im schweizerischen Modell wohl nicht den Heiligen Gral finden werden. Die bilateralen Abkommen haben der Schweiz zwar den wirtschaftlich enorm wichtigen Zugang zum EU-Binnenmarkt gesichert. Die britische Forderung nach einem schnell verhandelten Abkommen, Kostensenkungen und grösserer Souveränität lassen sich auf diesem Weg allerdings nicht zwangsläufig erfüllen.

Executive Summary english

For those wishing to see the UK exit from the EU, Switzerland has become a poster child, an example of how a country outside the EU can retain access to the EU's internal market, thereby flourishing economically, and yet retaining its sovereignty and independence. But can a similar arrangement to that of Switzerland really provide a suitable alternative – a "Plan B" – for the UK's relationship with the EU? With the referendum providing potential exit for the UK from the EU rapidly approaching, a Swiss-type plan B deserves some serious consideration. This paper examines the three central claims made by those who see Switzerland as a model for the UK's future relationship with the EU and argues that:

1. Contrary to popular belief, **negotiating the bilateral agreements between Switzerland and the EU was a long and at times cumbersome process.** It took around ten years from the start of the negotiations to the ratification of the agreements and several points on the negotiation agenda – including the free movement of persons - were included against the will of the Swiss. While the negotiations between the EU and the UK would fall under a somewhat clearer framework (Article 50 TEU), the economic stakes for the EU-27 with the UK are comparable to those of the EU-12 with Switzerland at the time of the negotiation of the bilateral agreements, and many of the challenges experienced by the Swiss seem bound to re-appear.

2. Switzerland aligns a substantial part of its legislation to evolving EU law – be it by force of bilateral agreements or through "autonomous adaptation". Research has shown that **between 1990 and 2010, almost one-third of all Swiss legal reforms originated directly or indirectly from EU law**. At the same time, Switzerland has no formal access to decision-making and very limited possibilities of shaping legislation at the early stages before it goes to Council and Parliament – even less so than the EEA EFTA States. While the bilateral agreements have thus secured Switzerland access to the EU's internal market, copying the Swiss model would not necessarily lead the UK to reclaim their "lost" sovereignty.

While the bilateral agreements have thus secured Switzerland access to the EU's internal market, copying the Swiss model would not necessarily lead the UK to reclaim their "lost" sovereignty.

3. Even if bilateral agreements would most likely come at a lower financial cost than EU membership, there is no free-lunch. Switzerland pays for its participation in agencies and programmes and is contributing to economic development in the newer EU member states through the so called “solidarity contribution”.

In conclusion, the authors warn that there is no Holy Grail in a Swiss bilateral integration model. Although the bilateral agreements between the EU and Switzerland have been crucial in securing market access and thus benefitted both Switzerland and the EU economically, even partial market access comes at a financial cost and a Swiss-type deal might not fulfil “Brexiters” demands on increased sovereignty and independence.

Authors

Jacqueline Breidlid

is a Swiss-Norwegian national and currently works at Bernstein Public Policy in Brussels. She studied at Utrecht University and the College of Europe and has previous work experience from the EFTA Secretariat. She is particularly interested in the relationship between the EU and its close neighbours.

Cenni Najy

is a Swiss national and currently serves as Senior Policy Fellow at *foraus* and research assistant in political science at the University of Geneva. He studied International Relations and European Studies at the University of Geneva and the College of Europe. His research focuses on Swiss-EU relations and on the EU's external governance.

Copyright

Citation

foraus – Swiss Forum on Foreign Policy, 2016, Plan B after Brexit, Policy Brief, Geneva.

Acknowledgements

The authors would like to thank Prof. Joëlle de Sépibus at the University of Berne, Marius Vahl at the EFTA Secretariat in Brussels, as well as Quentin Genard at the Egmont Institute in Brussels for the useful comments on the draft.

We would also like to thank the agency eyeloveyou GmbH in Basel for the realization of the infographics and other graphic work.

www.foraus.ch

Index

1. Introduction

In 2013, the British Prime Minister David Cameron announced that if re-elected, he would renegotiate the UK's relationship with the EU and subsequently hold an in-or-out vote on Britain's future EU membership. Following an agreement in the European Council on a new settlement between the EU and the UK, the date for the referendum has now been set on 23 June 2016. While Mr. Cameron is campaigning for the UK to stay in the EU, a "Brexit" continues to be a potential scenario.

For those wanting to leave the EU, the Swiss integration "model" has often been characterised as an alternative to the UK's membership in the EU. For example, British EU MEP Daniel Hannan stated that the UK should leave the EU and secure a more beneficial integration deal, similar to the one Switzerland enjoys as a third-state through bilateral agreements.[1] The former mayor of London, Boris Johnson, who first coined the term "Britzerland", proposed that Switzerland and the UK could form a "new outer tier of the European Union" which would "trade" with the EU and "help set the norms of trade". He also stated that "we could construct a relationship with the EU that more closely resembled that of Norway or Switzerland – except that we would be inside the single market Council, and able to shape legislation".[2]

For those wanting to leave the EU, the Swiss integration "model" has often been characterised as an alternative to the UK's membership in the EU.

Three central claims are regularly characterised as advantages if the UK was to adopt the Swiss integration model:

1) The UK would be able to **swiftly conclude loose bilateral agreements** with the EU, providing access to the EU internal market, while avoiding the more controversial aspects of European integration, such as free movement of persons.[3]
2) The UK would be able to "regain" its **national sovereignty** and democratic accountability, as it would have lower exposure to EU legislation.[4]
3) The UK would **prosper** because it would avoid large direct contributions to the EU budget.

So far, however, there has been little in-depth research into whether a deal modelled on Switzerland's relationship with the EU would be feasible or appropriate for the UK. Moreover, the few publications on the matter are outdated and influenced by the political agenda of their authors.[5]

In view of the forthcoming referendum, this paper therefore seeks to provide an independent contribution to the attention of British stakeholders.

In view of the forthcoming referendum, this paper therefore seeks to provide an independent contribution to the attention of British stakeholders. It does not aim at taking sides on the in/out question – as

1 Daniel Hannan (MEP), "A Vision of Britain Outside the EU. Confident, Successful and Free", *The Telegraph*, 2 June 2015(a): http://bit.ly/1K6Ewcg.

2 Oliver Wright, "Boil it Down to the Single Market: Boris Johnson calls for EU referendum", *The Independent*, 4 December 2012: http://ind.pn/1MP6LL8.

3 Hannan, 2015(a), op.cit.

4 David Davis (MP), Speech delivered at the Institute of Chartered Engineers, London, 4 February 2016: http://bit.ly/1NTQPWW.

5 See for instance David Buchan, "Britain should not go Swiss. Swiss and Norwegian Lessons for the UK", *Centre for European Reform*, September 2012.

this is for the British voters to decide – but only at assessing the pros and cons of a Swiss-type agreement in relation to British Eurosceptic arguments. Chapter two evaluates the first Eurosceptic claim by introducing the reader to the historical background of EU-Swiss relations. Chapter three then considers the current Swiss integration model and provides an assessment of the other two claims. Lastly, the paper assesses some recent developments in EU-Swiss relations and reflects on the future of the Swiss model as we know it today.

2. Historical Insights to EU-Swiss Relations

2.1 The Origins of the Bilateral Agreements

The end of the Cold War and the creation of the internal market were game changers – not only for the EU, but also for those Western European countries, which had earlier decided to stay outside the EU and instead join the European Free Trade Association (EFTA). Not wanting to be left outside the development of the internal market, all these countries, including Switzerland, decided to deepen their relations with Brussels (at that time, the only significant agreement they concluded with the EU was a free trade agreement on industrial products in the 1970s). Meanwhile, the European Commission made it clear that it wanted to deal with EFTA countries en bloc in order to reduce transaction costs and avoid cherry-picking integration deals. The seven EFTA countries were thus left with two alternatives: either to join a new integration scheme (the European Economic Area EEA) allowing them access to the internal market, or join the EU itself. Three of them chose the first option (Norway, Iceland and Liechtenstein), while the three others opted for the second (Sweden, Austria and Finland).[6]

To almost everyone's surprise, the Swiss people rejected the accession to the EEA in a 1992 referendum and froze its EU membership application. As a result, the Swiss economy was in danger of being disadvantaged due to the constrained access to the internal market compared to its EU and EEA EFTA competitors. Consequently, the Swiss government decided to seek a bilateral integration framework with the EU. Brussels' immediate reaction was lukewarm and the European Commission ignored these demands in the beginning.[7]

After several months of stalemate, the Swiss were, however, able to soften the EU position through a twofold strategy. First, they convinced their European counterparts that their long-term goal was still full EU accession. Second, Switzerland would continue the EU-isation process of its legal order on an "autonomous" basis (see below). As a result, the EU unenthusiastically accepted the principle of negotiating a new bilateral relation with Switzerland. The Commission however understood that there was an "asymmetry of needs" between Switzerland and the EU and delayed the opening of negotiations (which took almost two years to start). [8] The authors' own research show that between 1993 and 1994, the European Commission's strategists considered that the EU was in a good bargaining position. They often depicted the Swiss government as

6 In the Norwegian case, the government originally opted to join the EU, but following a referendum in 1994 in which the Norwegian people voted against EU membership, Norway decided to join the EEA instead. See also Sieglinde Gstöhl, "EFTA and the European Economic Area or the Politics of Frustration", *Cooperation and Conflict*, 29(4), 1994, pp. 333-336.

7 Grégoire Carasso, *La Communauté européenne face au rejet helvétique de l'Espace économique européen et à l'avenir de ses relations avec la Suisse*, Geneva, HEI, 2005.

8 See European Commission, "Future Relations with Switzerland", *Communication from the Commission*, com (93) 486 final, 1 October 1993.

"anxious to obtain access to the Single Market and to certain Community programmes". More precisely, they stressed that Switzerland was in desperate need of EU market access. As a relatively small market, a large part of Swiss exports were destined for its immediate neighbours. Therefore, the strategists advised against the conclusion of agreements that appeared to favour Switzerland disproportionately and the EU made sure that any such bilateral relation was not tailored to meet Swiss demands only. Consequently, out of the 18 cooperation issues submitted by the Swiss, only seven were put on the negotiation agenda. Thus, the EU postponed more than half of Swiss demands. The Union also imposed two issues that the Swiss did not want, one being the free movement of persons.[9] Remarkably, the EU did so while at the same time acknowledging Switzerland's critical importance as an economic partner: "Switzerland is among the Community's most important trading partners, being its second largest individual export market (after the US)".[10]

The ensuing Switzerland-EU negotiations were at times difficult and sometimes stalled for months (e.g. The Road Transport Agreement), mainly due to the European Commission's careful approach to the negotiations. For instance, the Commission made use of the principle of **"appropriate parallelism"**, meaning that the all negotiations had to progress at equal speed. In 1999, after many do-or-break situations, the first package of bilateral agreements ("B1") was signed, containing seven sectorial agreements.[11] Previously, the EU had secured a so called **"guillotine clause"** attached to all these treaties. This means that if any one of the B1 agreements is not ratified or (later) terminated by Switzerland, all the others automatically fall.

The B1 entered into force in June 2002, after a lengthy ratification process and almost ten years after the negative EEA referendum.[12] Another set of bilateral agreements, the Bilaterals II ("B2"), was signed in 2004. These consisted of nine separate agreements, with the most important one allowing Switzerland to join the Schengen passport-free area - however, not until December 2008 (see appendix for the list of B1 and B2 an other major agreements).

The ensuing Switzerland-EU negotiations were at times difficult and sometimes stalled for months (road transport agreement), mainly due to the European Commission's careful approach to the negotiations.

2.2 What Does This Tell Us About the UK Case?

The process and outcome of the Swiss-EU negotiations allow us to make five observations about the first claim of those in favour of a "Swiss model" for the UK, namely that bilateral agreements can be concluded in a swift manner.

Firstly, the Swiss-EU bilateral negotiations were time-consuming. Due to its status as a "third" state, i.e. Switzerland being neither part of the EU nor the EEA, no institutional framework was in place to centralise its negotiations. As a result, Switzerland faced different EU representatives with different agendas

9 Pascal Sciarini, Cédric Dupont and Omar Serrano, "Which Future for Switzerland's Bilateral Strategy towards the European Union? A Qualitative Comparative Analysis of Agenda- Setting", *Working Paper 2010-26*, Geneva, IHEID, 2010.

10 European Commission, 1993, *op.cit.*, p.2.

11 The negotiations did not produce nine agreements but only seven, due to repackaging. See Ibid., p. 8.

12 Cédric Dupont, Pascal Sciarini and Caroline Eggli, "Entre cohérence et efficacité: la Suisse dans les négociations bilatérales avec l'Union européenne", *Swiss Political Science Review*, 7(4), 2001, pp. 5-37.

for each of the sectors negotiated, which delayed negotiations significantly. As the bilateral agreements are, legally speaking, **"mixed agreements"**, signature/ratification was in addition needed not only by the EU but also by all the EU member states. The case of a possible UK departure from the EU is somewhat different. While Article 50 TEU does not go into much detail on how the withdrawal of a Member State and the "framework for its future relationship" with the EU would work in practice, it does nevertheless provide a negotiation framework. That being said, the existence of this legal provision alone does not guarantee a quick agreement conclusion and ratification.[13] Article 50 TEU states that any withdrawal agreement is to be negotiated in accordance with Article 218(3) TFEU, which in itself provides for a rather lengthy procedure involving the Commission and the Council. The agreement is then concluded by the Council, acting by qualified majority, and after obtaining the consent by the European Parliament.[14] In addition, the withdrawal treaty of the UK may, as in the bilateral agreements between the EU and Switzerland, actually "have to be concluded as a mixed agreement". This could lead to a long ratification procedure[15] - potentially even longer than in the case of Switzerland, as 27 member states would have to ratify instead of what was 15 member states for the Swiss.

Article 50 TEU states that any withdrawal agreement is to be negotiated in accordance with Article 218(3) TFEU, which in turn sets a rather lengthy procedure in which the remaining member states, the Commission and the Parliament would all be involved at different stages of the negotiations.

Secondly, even if one takes into account the different economic size of the UK, it is difficult to argue that the British negotiators would not face serious challenges to secure a (new) close relationship with the EU. Indeed, concluding a classical free trade agreement would probably not be any source of trouble. However, securing an access to the internal market or the core of European integration – like the Swiss did in the 1990s – would be a more complicated task legally and politically speaking.

It is true that the UK is a larger and economically more relevant player than Switzerland. In the case of a Brexit, the British government might therefore possess more bargaining power than the Swiss ever had. Having said that, in relative terms, it appears that the UK is barely a more important trade partner to the EU[27] than Switzerland was in the early 1990s to the then much smaller EU[12]. The UK would become the second largest trade partner of the EU but so was Switzerland at the time. As the situations are surprisingly similar (see table 1), it is farfetched to state that the UK "can expect to do far, far better" than what Switzerland achieved.[16]

13 Article 50 itself considers the possibility of long negotiations to settle the future status of a withdrawn country: "the [EU] treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the [withdrawal] notification, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period".

14 Article 50(2) TEU.

15 Adam Lazowski, "How to withdraw from the European Union? Confronting Hard Reality", *CEPS Commentary*, Centre for European Policy Studies (CEPS), 2013.

16 Regarding such claims see: Daniel Hannan, "The Norwegian Model is Preferable to being an EU member – but we can do even Better than that", *Conservativehome*, 29 October 2015 (b): http://bit.ly/20bWq52.

Table 1. How important would UK trade be to the EU (comparison with Switzerland, early 1990s).

	EU[12] trade with Switzerland (1990)	EU[27] trade with the UK (2015)
Exports of goods based on trade value	10.5	14.8
Imports of goods based on trade value	8.1	12.6

See: World Trade Organization, International Trade statistics 2001, Geneva, 2001: http://bit.ly/20Tk59l; European Commission, "Statistics", DG trade Export Helpdesk, 16 April 2016 : http://bit.ly/1gJTvGF.

Thirdly, some EU member states might oppose the opening of ambitious bilateral negotiations with the UK for fear of reinforcing their own Eurosceptic forces (by showing that there is a life after EU membership).[17] Switzerland did not encounter this problem as these Eurosceptic forces were less powerful in the early 1990s.

Some EU member states might oppose the opening of ambitious bilateral negotiations with the UK for fear of reinforcing their own Eurosceptic forces.

Fourthly, when the EU and Switzerland negotiated the bilateral agreements, the EU did not want to "reward" the Swiss for rejecting EEA-membership by offering them deeper and more tailor-made integration than the EEA EFTA countries. Indeed, such a situation might have given incentives for these countries to leave the EEA and seek a "Swiss deal".[18] To this day, the EEA still offers the deepest form of integration for third-countries and most EU officials are relatively pleased about its smooth functioning.[19] Thus, while the outcome of any potential negotiations between the EU and the UK cannot be predicted, it is unlikely that the EU would swiftly accept all British integration demands. "Sensitive" topics, such as the **free movement of persons, would in all likelihood feature on the negotiation agenda** so as to avoid precedents that might be exploited by other "close" neighbours.

"Sensitive" topics, such as the free movement of persons, would in all likelihood feature on the negotiation agenda.

Fifthly, Switzerland in its bilateral negotiations between 1993 and 2006 continuously stressed that full EU accession was a "strategic goal".[20] Thus, in the EU's perspective, relations with Switzerland rested on the idea that bilateralism was a provisional solution.[21] **In the case of a Brexit, it is the contrary. The long-term goal of the UK would be to leave the EU and to secure long-lasting bilateral agreements with no immediate, if any, accession perspectives.** EU negotiators might therefore not have an incentive to accommodate UK demands in the same way as they accommodated Swiss demands.

17 John Springford and Simon Tilford, "The EU will play Hardball with Post-Brexit Britain", *The Daily Telegraph*, 19 April 2016: http://bit.ly/1MFjqWy.

18 As the Commission itself argued: "Swiss requests should, however, be considered on a strict basis of mutual advantage and without undermining the EEA. It would be inappropriate for Switzerland to obtain all the advantages of an Agreement which it has rejected, and whose entry into force has been so long delayed as a result". See: European Commission, 1993, *op.cit.*, p.3.

19 Council of the European Union, "Council Conclusions on a Homogeneous Extended Single Market and EU Relations with non-EU Western European Countries", *General Affairs Meeting*, Brussels, 16 December 2014.

20 Swiss Federal Council, "Rapport sur la politique extérieure de la Suisse dans les années 90", Berne, 29 November 1993, p. 26 : http://bit.ly/23WfiG5.

21 *Ibid.*

3. The Swiss Integration Model Today

As seen, the Swiss bilateral model is much more complex than it might seem at first sight. It took around 10 years to negotiate two sets of sectorial bilateral agreements and negotiations were at times complex and even stalled. The following section will look at the actual functioning of Swiss bilateralism and thereby evaluate the second and third claims made in the introduction.

The Swiss model is however not only about bilateral cooperation agreements, but also about autonomous alignment to EU regulation.

Economic and trade relations between the EU and Switzerland are today governed through B1 and B2, as well as a Free Trade Agreement (FTA) dating back to the 1970s. Currently **more than 120 bilateral agreements are in force**, out of which about 20 are considered to "form the nucleus of the bilateral law" (most of them B1 or B2).[22] What is rather unique about these agreements is that there is no overarching association or framework agreement – each treaty has its own governing structure. Strictly speaking, it is thus **not possible to speak of a single Swiss "model", but rather of a series of Swiss models.**

Most agreements between the EU and Switzerland are governed by so called Joint or Mixed Committees, composed of representatives of the EU and Switzerland. The main task of these committees is to manage the agreement in question and to ensure its proper implementation. This includes information exchange on the development of the agreement, relevant legislative developments in Switzerland and the EU, legal changes to the agreements, or the effects of new jurisdiction on the agreement.[23] As compared to, for example, the EEA Agreement, where disputes related to the participation of the EEA EFTA States are solved in a single Joint Committee, dispute resolution under the EU-Swiss Bilaterals thus currently takes place in a range of joint committees that operate separately from each other.[24]

As will be seen below, the Swiss model is however not only about bilateral cooperation agreements, but also about autonomous alignment to EU regulation.

3.1 Sovereignty and Democratic Accountability

Adaptation to EU Legislation

Swiss-EU bilateral agreements do not follow a single mechanism of how to manage changes in EU legislation. While a few agreements, in principle, are entirely static in nature in the sense that no changes to the provisions of the agreements are envisaged, most agreements underline the principle of "equivalence of legislation". This principle means that in case either Switzerland or the EU adopts new legislation relevant to the agreement in question, the two parties enter a consultation procedure and the joint committee can then make "technical changes" to specific annexes and protocols of the agreement in question.[25] In addition, there are some agreements

22 European Parliament, Directorate-General for Internal Policies, *Internal Market beyond the EU: EEA and Switzerland*, Brussels, 2010, p. 15.

23 Marius Vahl and Nina Grolimund, *Integration Without Membership: Switzerland's Bilateral Agreements with the EU*, Center for European Policy Studies (CEPS), Brussels, 2006, p. 37.

24 *Ibid.*

25 This is for example the case in the air transport agreement, the land transport agreement, the public procurement agreement, the agreement on technical barriers to trade, the environment agreement, for some of the annexes of the free movement agreement and the statistics agreement.

where Switzerland explicitly commits itself to adopt future EU legislation in certain areas.[26] It should also be mentioned that Switzerland complements what is strictly foreseen in the bilateral agreements in terms of adapting to new EU legislation with the practice of **"autonomous adaptation"**, meaning that it voluntarily adopts a range of EU legislation into national law. [27] A prominent case is the introduction of the so called "Cassis-de-Dijon" principle, which allows products that are lawfully produced in the EU to be imported into Switzerland without any further authorisation or certification. The Swiss do not benefit from reciprocity though.

While it thus might seem as if the Swiss arrangement is a static system, the claim can be made that in reality the relationship between the EU and Switzerland is in constant adaptation with Switzerland often adapting to changes in EU regulations "autonomously".[28]

As a result, the EU has had an increasingly strong influence on Swiss domestic legislation in recent years. During the last two decades, Switzerland has adapted to a large number of new EU legislation relating to the bilateral agreements. **During the 1990-2010 period, almost one-third of all Swiss legal reforms originated directly or indirectly from EU law** (see table 2). This largely silent process left a significant footprint in Swiss domestic law.[29] A central factor in the adaptation to new EU legislation is the need for Switzerland to keep its legislations as EU-compatible as possible. Otherwise, the Swiss economy could end up losing its access to the internal market. This particular situation has left several observers to conclude that Switzerland is in fact nothing more than a "passive executor" of EU law.[30]

Table 2. The Europeanisation of Swiss federal legislation 1990-2010.[30]

Total legal reforms: 1124 (100%)		HORIZONTAL DIMENSION			
		Full adaptations	Partial adaptations	EU compatible reforms	TOTAL
VERTICAL DIMENSION	Direct Europeanization	84 (7.47%)	15 (1.33%)	0 (0%)	99 (8.81%)
	Indirect Europeanization	62 (5.52%)	55 (4.89%)	144 (12.81%)	269 (22.93%)
	TOTAL	146 (12.99%)	70 (6.23%)	152 (13.52%)	368 (32.74%)

See: Sabine Jenni, "Europeanization of Swiss Law-Making: Empirics and Rhetorics are Drifting Apart", p. 210.

26 Sandra Lavenex and René Schwok, "The Swiss Way. The Nature of Switzerland's Relationship with the EU", in Erik Oddvar Eriksen and John Erik Fossum, *The European Union's Non-Members: Independence under Hegemony,* Routledge, London, pp. 39-40.

27 On this issue see for example Christa Tobler, "A Look at the EEA from Switzerland", in: Carl Baudenbacher et.al., *The EEA and the EFTA Court. Decentred Integration*, Oxford, Hart Publishing, 2014, p. 541.

28 Vahl and Grolimund, *op.cit*, p. 108.

29 Sabine Jenni, "Europeanization of Swiss Law-Making: Empirics and Rhetorics are Drifting Apart", *Swiss Political Science Review,* 20(2), p. 208-10.

30 Jürg Martin Gabriel and Sandra Hedinger, "Aussen- und Sicherheitspolitik", in Ulrich Klöti et al., *Handbuch der Schweizerpolitik,* NZZ Verlag, Zurich, 2002, p.707.

31 Note that Swiss federal legislation relates here to "laws that were in force for at least one year"."Direct europeanization" means Swiss legal changes related to the implementation of a bilateral agreement. "Indirect europeanization" means Swiss legal changes not related to the implementation obligations of bilateral agreement. Sabine Jenni, op. cit., p. 209.

For the UK, **a Swiss-style arrangement would thus mean a continuous adaptation to evolving EU legislation in the fields of potential future bilateral agreements.** The UK would hence not cede to be exposed to EU legislation in a range of areas.

No Access to Decision-Making, Limited Decision-Shaping Powers

Switzerland does not have any access to the formal decision-making structures of the EU.[32] There are no Swiss Parliamentarians in the European Parliament and Switzerland does not participate in any Council formations, including the Competitiveness Council (dealing with internal market issues). With regards to the ability to shape legislations at the experts' level before they end up at the Parliament and Council ("decision-shaping"), Switzerland has the right to speak, albeit only in certain areas such as air transport.[33] The practice allowing EEA EFTA experts to participate in "comitology" committees[34] as observers has however not been extended in a general manner to Switzerland.[35]

While it is unclear as to how much influence over European legislations the UK would be able to negotiate with a Swiss-type integration, it remains a fact that no third country has gained comprehensive access to EU decision-making so far.

For the UK, a Swiss-style arrangement would thus mean a continuous adaptation to evolving EU legislation in the fields of potential future bilateral agreements.

While it is unclear as to how much influence over European legislations the UK would be able to negotiate with a Swiss-type integration, it remains a fact that **no third country has gained comprehensive access to EU decision-making so far**. Furthermore, decision-shaping powers are limited – even more so for Switzerland than for the EEA EFTA States. If the UK wants to retain some access to the EU internal market, it would in all likeliness need to adapt to evolving EU legislation in areas of interest. This is a very different situation from the one the UK enjoys now, where the UK is one of the main players when new EU legislation is negotiated. The British government is also very influential when finding compromises on what it considers sensitive issues (e.g. better management of free movement). In this regard, one element should be taken into account: the recent deal between the other EU member states and the UK on a future relationship (for a UK in the EU) provides an "alert and safeguard mechanism" in case of an inflow of workers "of an exceptional magnitude over an extended period of time" from other member states. It also grants any Member State a four-year "emergency-break" on in-work benefits.[36] Switzerland does not currently benefit from such an emergency break[37]. At this point, it is unclear whether the UK outside the EU would be able to maintain such arrangements on the free movement of persons.

32 The only exception to this rule is the Schengen Association Agreement where Swiss experts participate in the relevant Council committees and expert groups. Also, the Swiss minister in charge of migration is allowed to attend Schengen Council meetings but he/she has no right to vote.

33 Sandra Lavenex and René Schwok, op. cit., p.42.

34 These committees play an important role in the making and implementation of EU laws.

35 Sandra Lavenex and René Schwok, op. cit., p.43.

36 European Council, "European Council Conclusions", *EUCO 1/16*, 19 February 2016: http://bit.ly/1TQcCoB.

37 Frédéric Simon, "Brexit Deal on EU Migrants inspires Switzerland", Euractiv, 15 March 2016: http://bit.ly/1Wp8z6I.

Access to EU Programmes and Agencies on EU Terms

Switzerland has negotiated cooperation with or participation in a range of EU programmes and agencies (sometimes outside of the B1 and B2). For more than 20 years, it has, for example, participated in the EU's research framework programmes. It also participates in some agencies such as Frontex[38] or the European Aviation Safety Agency (EASA)[39], and has established cooperation with the European Police College, (CEPOL). **As cooperation with or participation in EU agencies has to be negotiated on a case-by-case basis, the extent of participation may vary considerably.** Switzerland's participation in agencies is however far more limited than, for example, EEA EFTA countries[40]. In general, access to EU programmes and agencies for third countries takes place on EU's terms.[41] This is also the case for other third states, such as Norway or Turkey. The fact that the number of agencies and regulatory authorities has grown exponentially over the recent years and that these enjoy increasing supervisory and decision-making powers, in particular in the areas of financial services and network industries, has become a challenge for non-EU states. [42]

In this context it should also be mentioned, that Switzerland's future participation in two important EU programmes – Erasmus+ and Horizon 2020 – remains uncertain due to the acceptance of the Swiss popular initiative on mass immigration from 2014 (see below).

If the UK goes for a Swiss-type integration, negotiation on participation in some EU agencies and programmes might be possible. In addition to the required financial contribution, the UK should also expect to have no say on the terms of participation, which will be decided by the EU. Furthermore, the UK should keep in mind that participation might well be coupled to other, more sensitive, political issues.

3.2 No Free Lunch: The Solidarity Contribution

One of the central arguments of British Eurosceptics is that if the UK left the EU, it would avoid direct contribution to the EU budget. While it is true that non-EU states do not contribute directly to the EU budget, it should be highlighted that **Switzerland did contribute around 1 billion Swiss Franks (GBP 725 millions) to EU enlargement for the 2006-2016 period.** This "solidarity contribution", which is aimed at "reducing economic and social disparities within an enlarged EU"[43], is also paid by the EEA EFTA States[44], and is politically linked to the continuation of EU-Swiss bilateralism. In addition, the B1 and B2 entail a range of costs related to their implementation. For example, in the B1 the overland transport

Switzerland did contribute around 1 billion Swiss Franks (GBP 725 millions) to EU enlargement for the 2006-2016 period.

38 In this EU agency, Switzerland has been granted voting powers on certain issues.

39 In EASA Switzerland does not have voting powers.

40 Sandra Lavenex, "Experimentalist Governance in EU Neighbourhood Policies: Functionalist versus Political Logics", in Jonathan Zeitlin, *Extending Experimentalist Governance? The European Union and Transnational Regulation*, Oxford University Press, Oxford, 2015, pp. 30-34.

41 Vahl and Grolimund, *op.cit*, p. 2.

42 On agencies in the EEA see Jacques Pelkmans & Philipp Böhler, *The EEA Review and Liechtenstein's Integration Strategy*, Centre for European Policy Studies (CEPS), 2013, p. 141.

43 René Schwok, *Switzerland-European Union: An Impossible Membership?*, PIE Peter Lang, Brussels, 2009, pp. 49-50.

44 On Norway's financial contribution see: http://bit.ly/1UCKkK.

agreement brought along costs relating to the shift of traffic from road to rail.[45] Switzerland also pays for its participation in EU agencies and programmes. A report of the Federal Council found that the maintenance of the existing bilateral agreements, the participation in EU programmes/agencies and the financial solidarity contribution would generate payments up to 718 million Swiss Francs for the year 2013 (GBP 517 million).[46] Although it of course needs to be acknowledged that net payments are in reality lower, as many programmes generate returns, the overall sum is relatively high. In addition, total payments might well rise in the coming years, as Switzerland is expected make a new solidarity contribution for 2016 onwards, which might be higher than the previous one.

Any type of Swiss-integration would most probably cost less than what the UK pays each year as a net financial contribution to EU membership (around GBP 8.5 billions in 2015)[47]. However, taking into account the size of the UK economy, the net contribution for the UK outside the EU might still reach several GBP billion. In addition, an issue which is often neglected in Brexit calculations is that **many policies currently covered by the EU budget**, such as agricultural subsidies and regional policies, would in the case of a Brexit have to be funded by the UK national budget. The increase in public spending could thus be considerable. As the Swiss example shows, more selective participation in the EU internal market, programmes and agencies comes with costs as well.

4. Recent Evolutions of the Swiss Integration Model

The Institutional Question – The Swiss Integration Model soon to Resemble the EEA?

During the early 2000s, the bilateral agreements between the EU and Switzerland were implemented rather successfully: Swiss-EU relations were stable and the Swiss economy reached relatively high growth rates. In 2006, the Swiss government declared that EU accession was no longer a strategic goal,[48] and in 2010 it stated that bilateralism should become a long-term rather than an intermediate solution.[49] This decision was a tipping point for the EU – stuck with agreements they had considered as provisional, the Council and the Commission started to question a range of issues related to the bilateral agreements. Subsequently, the Council of the EU asked Switzerland to conclude a new institutional agreement covering all existing agreements so as to make bilateralism sustainable for the long run.[50] According to the demands of the Council, **Switzerland would have to adopt the evolution of all relevant EU legislation in a "dynamic" manner.** Swiss courts

According to the demands of the Council, Switzerland would have to adopt the evolution of all relevant EU legislation in a "dynamic" manner.

45 Vahl and Grolimund, *op.cit*, p. 65.

46 Swiss Federal Council, "Rapport du Conseil federal sur l'évaluation de la politique européenne de la Suisse (en réponse au postulat Markwalder [09.3560])", 10.86, Berne, 17 September 2010, p. 6669: http://bit.ly/1SuHgmK.

47 HM Treasury, "European Union Finances 2015. Statement on the 2015 EU Budget and Measures to Counter Fraud and Financial Mismanagement", *Report Presented to Parliament by the Financial Secretary to the Treasury,* London, December 2015.

48 Swiss Federal Council, "Rapport Europe 2006", 06.064, Berne, 28 June 2006: http://bit.ly/1RIBVVV.

49 Swiss Federal Council, "Rapport du Conseil federal sur l'évaluation de la politique européenne de la Suisse", 10.86, Berne, 17 September 2010: http://bit.ly/1SuHgmK.

50 Council of the European Union, "Council's Conclusion on EU Relations with EFTA Countries", 3060th General Affairs Meeting, Brussels, 14 December 2010.

would have to follow the jurisprudence of the Court of Justice of the EU (CJEU) regarding the interpretation of this *acquis*, and there would be a common settlement mechanism in case of disputes.[51] While Switzerland reluctantly opened up to institutional negotiations in 2014, the talks are far from over and frustration is mounting in the European Commission.[52]

Two observations are particularly telling for the British case. Firstly, **the EU conditions the negotiations of any further bilateral agreements on finding a solution to the institutional question.** As a result, Switzerland has been unable to conclude new market-access bilateral agreements with the EU for many years. This is particularly striking as some of these agreements, such as the market coupling/electricity agreement, would be quite beneficial for the EU. One can thus expect that similar conditions would apply to the UK if it were to negotiate bilateral agreements with the EU. In addition, it is unlikely that the EU would weaken its negotiation position towards Switzerland (and its relations with EEA EFTA countries) by allowing the UK to benefit from institutional opt-outs.

Secondly, the wish list of how the overarching structure in the Swiss model should look – dynamic adaptation to the EU *acquis*, judicial enforcement, surveillance, etc. – would, if implemented, **make the Swiss model resemble the institutional setup of the EEA.** As recently pointed out by the former Norwegian Minister for EU and EEA Affairs, EEA member states have little influence on the EU legislation that they incorporate. He further stated that while such an arrangement might work for small states such as Norway, he had a "hard time seeing the UK, with its global ambition, dedication and contributions, being comfortable with such an arrangement".[53]

The Initiative on "Mass Immigration": A Major Challenge for Swiss-EU Relations

The challenge posed by the institutional question is however incomparable with the conundrum emerging from the acceptance of the popular initiative[54] "against mass immigration" by the Swiss. The initiative – which was accepted by a slim majority in February 2014 – states that yearly immigration to Switzerland should be limited by quotas. It also forbids Switzerland to conclude new international treaties in contradiction to these limitations. Meanwhile, existing incompatible treaties should be modified accordingly until early 2017.[55]

While the initiative has at the time of writing not yet been implemented, it provoked an immediate rift in Swiss-EU relations. The European Commission declared that the initiative "goes against the principle of free movement of persons between the EU and Switzerland" and that the EU would "examine the implications of this initiative on EU-Swiss relations as a whole".[56] Meanwhile, the Council declared that it expected Switzerland to "honour its obligations arising from the agreement on the free movement of persons".[57]

51 José-Manuel Barroso, "Lettre adressée à la Présidente de la Confédération, Madame Eveline Widmer-Schlumpf", Pres (2012)1548156, Brussels, 21 December 2012.

52 Interview with EU officials, February 2016.

53 Vidar Helgesen, "Brexit: a Norwegian View", *Open Democracy*, 19 March 2015: http://bit.ly/1RJFIoQ.

54 Direct democracy vote which proposed to create a new provision in the Swiss Constitution.

55 The text of the popular initiative is available in German here: http://bit.ly/1RIC3od.

56 European Commission, "Declaration of the European Commission following the Popular Vote in Switzerland on the Mass Immigration Initiative", Brussels, 9 February 2014: http://bit.ly/1ffuuma.

57 Council of the European Union, "Negotiating Mandate for an EU-Switzerland Institutional Framework Agreement", 3310th *Economic and Financial Affairs Meeting*, Brussels, 6 May 2014.

The Swiss Federal Council, which is responsible for the implementation of the initiative, has declared that it sees the introduction of quantitative limits as being incompatible with the bilateral agreement on the free movement of persons and hence requested a re-negotiation of that same agreement[58]. The EU has firmly rejected this request.[59]

Shortly after the vote, Switzerland stated that it would be unable to sign the Protocol extending the bilateral agreement on the Free Movement of Persons to Croatia. "Countermeasures" followed, as the EU argued that conditions were no longer given to conclude the renewal of Switzerland's participation in some EU programmes (on research and student exchange issues mainly). Under pressure from the inside and outside, the Swiss government backtracked and ratified the Croatian protocol. At the current stage, Switzerland's long-term participation in these multi-billion programmes remains uncertain, especially if the initiative on "mass immigration" is to be implemented.

With the EU refusing to re-negotiate the agreement on the free movement of persons and with the deadline of February 2017 concerning the implementation of the initiative looming, it remains uncertain whether the agreement on the Free Movement of Persons will prevail.[60] As the agreement is connected to all other Bilaterals I agreements, a termination would, in the worst-case scenario, terminate the entire Bilaterals I package – and thus end the Swiss integration model as we know it.

On top of this, the EU Commission in April 2015 stated that no market-access agreements would be concluded, even on a provisional basis, as long as no solution is found to making the initiative of mass immigration compatible with the bilateral agreements.[61] Consequently, Switzerland was unable to join the new EU electricity market and was also barred from preparing a (much needed) agreement on financial services. This has led to major uncertainties for a range of sectors and companies reconsidering long-term investment in the country.

5. Conclusion

With the clock ticking towards an in-out referendum on 23 June 2016, a heated debate not only for or against staying in the European Union - but also on possible alternatives to EU membership – is in full swing. The Swiss-EU bilateral agreements in particular have often been cited as a model for the UK in case of Brexit.

This paper has sought to provide added value to this debate by explaining the origins and recent developments of the Swiss-EU agreements. It has argued that bilateralism is no blueprint for the future relations between the EU and the UK. Historically, the Swiss integration journey was not as smooth as

While it is not entirely clear what Brexit supporters would wish as an alternative to UK membership, the Swiss model clearly does not seem to fulfil their demands.

is often assumed and largely developed according to EU preferences and demands. In addition, it is worth noting that the EU-Swiss bilateralism recently went through serious difficulties and is now in a

58 Mario Gattiker, "Letter addressed to Gianluca Grippa, Head of Division Western Europe", Berne, 4 July 2014.

59 Catherine Ashton, "Letter addressed to Didier Burkhalter, President of the Swiss Confederation", Brussels, 25 July 2016.

60 Denis von Burg and Pascal Tischhauser, "Gesucht : Weg aus der Sackgasse", SonntgsZeitung, 21 February 2016 : http://bit.ly/1SkUekw.

61 Interview with EU officials, May 2015.

state of crisis – both due to the recent popular initiative on mass immigration, as well as the standstill on the institutional issues. In all likelihood, the main features of EU-Swiss bilateralism will change in the years to come in a direction less favourable to Swiss preferences for a flexible and sectorial integration.

While it is not entirely clear what Brexit supporters would wish as an alternative to UK membership, **the Swiss model clearly does not seem to** fulfil their demands. Such an integration model would be long and difficult to develop. Moreover, it is unlikely to be precisely reproduced in the current context. For instance, the fact that there is an increasing pressure to take on evolving EU *acquis* in a dynamic manner means that the Swiss integration model does not necessarily give the freedom to pick-and-choose. Per se, this situation poses important problems regarding sovereignty. Similarly, the fact that Switzerland does not have access to the decision-making process, and only limited access to decision-shaping, raises a range of questions about sovereignty and democratic accountability. This is very important, as sovereignty preservation is often one of the core issue at stake for most British Eurosceptics.

In conclusion, as the Norwegian review of the EEA noted, there is no way for highly developed European economies to "hide" from the EU internal market's economic and normative attraction force.[62] So far, small countries, such as Switzerland or the other EFTA States have managed to find agreements that have – at least for the time being – satisfied demands on both sides, especially because these countries are small and therefore ready to pay a sovereignty price for their non-accession. The Swiss model in particular does however not seem to offer a blueprint for the UK.

62 Frederik Sejersted, et al., *Outside and Inside. Norway's Agreements with the European Union*, Oslo, Official Norwegian Reports, 2012: http://bit.ly/1TLJII3.

6. Appendix

List of major EU-Swiss bilateral agreements

First agreements

1. Free Trade (signed in 1972). Abolition of obstacles to trade (duties and quotas) for industrial products.

2. Insurance (signed in 1989). Equal rights of establishment for insurance companies (excluding life insurance).

3. Customs facilitation and security (signed in 1990 revised in 2009). Simplification of customs clearance of goods and improvement of the cooperation at the border points.

See: Schwok, 2009.

The bilateral agreements 1
(signed in 1999 and in danger after the 2014 referendum on "mass immigration")

1. Free Movement of Persons. Phased elimination of migration restrictions for EU citizens with a Swiss work permit or who are financially self-sufficient.

2. Overland Transport. Free circulation of trucks of 28 tons and over across Switzerland.

3. Air Transport. Mutual opening of the air transport market. Swiss airlines were put on an equal footing with their EUropean competitors in the EU market. They were also allowed to hold a majority share in EU companies.

4. Public Procurement Markets. Mutual opening of the market for public procurement, enlarging the already existing WTO agreements (municipal/regional public transports procurements, railway services, water distribution etc..

5. Participation in EU Research Programs. Confirmation of Switzerland's participation in these programs which otherwise might have been jeopardized.

6. Agriculture. Reduction of customs duties and quotas on certain agricultural products traded between the EU and Switzerland (most importantly cheese).

7. Elimination of Technical Barriers to Trade. Introduction of mutual recognition of conformity assessments i.e. evaluation, inspections, certificates and authorizations. This did not include the adoption of the Cassis de Dijon principle.

See: Schwok, 2009.

The bilateral agreements 2 (signed in 2004)

1. Taxation of Savings. Switzerland imposed a withholding tax on all income accruing from the EU residents' savings located in Swiss banks. Banking secrecy was maintained.

2. The Fight against Fraud. The EU and Switzerland undertook steps to cooperate against fraud in customs duties and indirect taxes.

3. Schengen/Dublin. Schengen: checks on persons at borders were abolished. Switzerland and its EU neighbouring countries may still, however, maintain customs controls on merchandise. Dublin: seeking asylum in Switzerland if the request had already been made in another European state was prohibited.

4. Processed Agricultural Products. Reduced customs duties on processed agricultural products traded between the EU and Switzerland.

5. Statistics. Switzerland joined Eurostat.

6. Pensions. Income tax exemption for pensions of retired EU officials living in Switzerland.

7. Environment. Switzerland joined the European Environment Agency.

8. MEDIA. Swiss participation in MEDIA (EU programme supporting the European audiovisual industry).

9. Education, Occupational Training. Swiss participation in EU programmes aiming at encouraging cross-mobility of students, trainees and young people (Socrates, Leonardo da Vinci etc.).

See: Schwok, 2009.

S'engager pour *foraus*

En tant que membre

Chacun(e) peut devenir membre de notre unique réseau et peut s'engager en tant que bénévole comme il/elle le souhaite. En devant membre, tu as l'occasion d'accéder à un environnement international dynamique et à côtoyer de près des personnalités d'envergure. Tu peux également donner un échos médiatique à tes idées et défendre tes convictions dans des débats ouverts.

En tant qu'auteur

foraus te donne la possibilité de répondre concrètement aux challenges que doit affronter la politique extérieure de la Suisse en t'offrant une plateforme d'expression sans équivalent. En effet, tu as l'occasion de développer tes perspectives et idées innovantes dans le cadre de papiers de discussion ou d'analyses courtes publiées par le foraus.

En tant que donnateur

Notre Cercle des Donateurs (CdD) contribue grandement au développement du foraus. En tant que membre du CdD vous soutenez durablement les différentes activités du foraus.

Dernières publications

foraus Policy Brief
TTIP : Switzerland at the Table or on the Menu ? The Impact of the Transatlantic Trade Agreement on Switzerland and its Relations with the EU.

foraus Diskussionspapier Nr. 28
Der Konkordanzartikel. Ein direkter Gegenentwurf zur Initiative «Raus aus der Sackgasse» RASA.

foraus Kurzanalyse
Die neue Alpenraumstrategie der EU im Gesamtkontext europäischer Makroregionen. Lessons learned, Chancen und Herausforderungen für die Schweiz.

www.foraus.ch

Zürich | *foraus* - Forum Aussenpolitik | Röschibachstrasse 24 | 8037 Zürich
office@foraus.ch | +41 44 501 68 65

Geneve | *foraus* - Forum de politique étrangère | c/o IHEID | CP 136 | 1211 Genève 21
bureau_romandie@foraus.ch | +41 22 908 44 56

Compte postale: 60-176892-9