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The price of political uniqueness: Swiss foreign policy in a changing world

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**The Price of Political Uniqueness:
Swiss Foreign Policy in a
Changing World**

Beiträge

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This article appears as an introductory chapter to an edited volume on *Swiss foreign policy since 1945* by Jürg Martin Gabriel and Thomas Fischer (Houndmills, Basingstoke: Palgrave, forthcoming).

Introduction

On March 3, 2002, the Swiss voted in favor of joining the United Nations. Less than a year earlier, on 10 June 2001, they approved a government bill permitting regular units of the Swiss Armed Forces to participate in operations abroad. Although in both cases the voting results were extremely narrow, they are an indication of change. Switzerland is overcoming its traditional reluctance to participate actively in international politics and to join the necessary organizations.¹ However, there is still a long way to go. Switzerland is not a member of the European Union, and neither is it part of the European Economic Area (EEA), the Union's antechamber. Needless to say, the country is not a member of the North Atlantic Treaty Organization (NATO), although it has begun to participate in a number of activities related to NATO's Partnership for Peace (PfP). As is well known, Switzerland is hesitant to join certain international organizations.²

In fact, Switzerland suffers from an interesting *dualism*: Economically, scientifically, and culturally the country is extremely *interdependent* internationally, while at the same time it places extraordinary emphasis on maintaining its *independence*. The dualism can also be seen as a case of *asymmetry*: When it comes to promoting the "low politics" of well being, the Swiss are internationalist; when matters of "high politics" or security are involved, their preferences are national.³ Put in more modern terms, the Swiss are excellent globalizers and free traders in some areas, but perfect isolationists and protectionists in others.⁴ This explains why they have joined most of the United Nations' specialized organizations, including the

¹ Although 55% of the voters favored UN membership, the cantonal majority – which was also required – was only 12 to 11! The armed forces decision was won by a mere a few thousand votes.

² For a brief summary of important Swiss foreign policy facts, see Jürg Martin Gabriel and Sandra Hedinger, "Aussen- und Sicherheitspolitik", in Ulrich Klöti, et. al. (eds.), *Handbuch der Schweizer Politik*, NZZ Verlag, Zurich 1999, pp. 694-723.

³ For decades after the Second World War, the Swiss government distinguished between "technical" and "political" international organizations and argued that adhering to the latter was incompatible with neutrality. Membership in "technical" organizations like the Council of Europe or WTO (formerly GATT), so the government argued, was in the national Swiss interest. Although the unfortunate distinction was formally abandoned some time ago, it is still engrained in the public mind. The United Nations, the European Union, and NATO are still considered to be highly "political." See Jürg Martin Gabriel and Manuel Rybach, "Die Schweiz in der Welt", in Klöti et. al. (1999), pp. 35-51; see also Urs Altermatt, "Die Schweiz auf dem Weg von der Isolation zur Kooperation", in Roman Berger, et. al. (eds.), *Für den Uno-Beitritt der Schweiz*, Friedrich Reinhard Verlag, Basel 1982, pp. 102-11.

⁴ Klaus Armingeon, "Integriert und isoliert: Die Schweiz im Prozess der Globalisierung", in Klaus Armingeon (ed.), *Der Nationalstaat am Ende des 20. Jahrhunderts – die Schweiz im Prozess der Globalisierung*, Paul Haupt Verlag, Bern 1996, pp. 7-20.

World Trade Organization (WTO) and the Bretton Woods Institutions (International Monetary Fund and World Bank), long before becoming a full UN member. It must be added, however, that they joined these economic organizations much later than comparable countries.

Up to a point, contradictions like these are part of any country's foreign policy, but in the case of Switzerland they are extreme. This is a puzzle that needs explaining. I will try to shed some light on the matter by isolating a set of *political institutions* that amount to what is often called a *Sonderfall*, a term connoting "political uniqueness." It is a very useful concept, because the Swiss are convinced that their domestic and foreign politics are markedly different from those of other countries.⁵

It is the purpose of this introductory chapter to characterize "political uniqueness" and to trace its origins, its development, and changing nature. In so doing it also introduces the eight contributions contained in this book. As the reader will discover, uniqueness is a theme that all the contributors touch upon. It surfaces in the areas of national defense, international trade and integration, but it also affects arms control, human rights, and the provision of good offices. Uniqueness even played a part in the recent controversy over the restitution of Jewish assets.

The essay has three main parts. It begins with *domestic politics*, because that is where uniqueness is most clearly visible. Switzerland is a pluralistic country with a political system that is not only strongly federalist in nature but exhibits a number of special features, some of which have foreign policy ramifications. The second part of the article will focus on the main Swiss *foreign policy* components, on sovereignty and on neutrality. The latter concept is especially important in explaining the feeling of uniqueness and, as I will point out, neutrality has a number of ramifications that are directly tied to domestic politics. In fact, it is the tight link between domestic and foreign politics that to a large extent explains the difficulty Switzerland exhibits in adjusting to change in the international arena.⁶

⁵ Kris W. Kobach, *The Referendum: Direct Democracy in Switzerland*, Dartmouth Publishing, Aldershot 1993.

⁶ For more details on how the Swiss see their role in foreign policy and on the link between domestic and foreign policy see Laurent Goetschel, Magdalena Bernath, Daniel Schwarz, *Schweizerische Aussenpolitik, Grundlagen und Möglichkeiten*, Verlag Neue Zürcher Zeitung, Zürich 2002, pp. 39-82.

In the third part, I want to show how much the *international setting* has changed. Switzerland was born into the classical European balance of power system. This system self-destructed in two world wars and, under American leadership, was reorganized after 1945. The "American century," as some have called it, was characterized by a combination of *multilateralism* and *hegemony*. Most Western Europeans accommodated to the emerging pattern and played by the new rules. Switzerland was different. It had difficulty with both the multilateralist and the hegemonic aspects of the new system and would have preferred to play by the old rules. In the long run, that proved to be impossible, and the country, however reluctantly, had to adjust.

The essay concludes with remarks about the situation today and the developments to be expected in the near future. As indicated at the outset, a turn of sorts has been achieved, but the really big hurdles are still ahead – and they lie in Europe. NATO has survived the demise of the Soviet Empire; it proved useful in getting the wars in the Balkans under control and is expanding eastward. The European Union, too, is integrating rather than disintegrating. Many Swiss expected the opposite to occur, and some saw a bright future for neutrality.⁷ They were proven wrong, but such skepticism has a price. As I will point out, non-membership in the Union is costly. Some of the costs are economic and financial, but most of them are more directly political. By not participating in European decisions that affect our future, the credibility of Swiss sovereignty and of its political institutions is suffering.

⁷ The government's 1990 Security Report is based on strategic "uncertainty" and a return to the old balance of power politics; see Schweizerische Sicherheitspolitik im Wandel, Bericht 90 des Bundesrates an die Bundesversammlung über die Sicherheitspolitik der Schweiz vom 1. Oktober 1990; see also Alois Riklin, "Die Neutralität der Schweiz", in Alois Riklin, Hans Haug and Raymond Probst (eds.), *Neues Handbuch der schweizerischen Aussenpolitik*, Paul Haupt Verlag, Bern 1992, pp. 206-7. See also John Mearsheimer, "Back to the Future: Instability in Europe after the Cold War", in *INTERNATIONAL SECURITY*, Spring 1990, 15/1, pp. 5-56.

1. Domestic “Uniqueness”

Politically, culturally, and religiously Switzerland is highly *heterogeneous*. No one religion, language, or ethnic affinity holds the country together.⁸ In that sense Switzerland is typical of Europe as a whole and is a miniature version of the European Union. But Switzerland was never a typical European *nation*, and so it was largely immune to nationalism of the cruder sort. In 1848 it became a federation of 25 (later 26)⁹ cantons, many of which had a history of internal division. The Canton of Grisons, to name just one example, was itself a federated republic (*Frei Rätien*) before it joined the Confederation, and to this day it is made up of Catholics and Protestants speaking German, Italian, and Romanish. There is much that separates and divides the Swiss people. What unites them is a strong will towards self-governance along republican and democratic lines. Switzerland is what in German is called a *Willensnation*.

The history of Swiss unity – like that of European unity – is one of overcoming divisions, fragility, and internal conflict.¹⁰ Even when it entered the First World War, the country was divided. The German Swiss sympathized with the Kaiser and the French Swiss with the Associated Powers. Joining one of the two sides would have led to internal disruption. The country was split along social lines as well. In 1918 Switzerland witnessed its only general strike, organized by the Social Democrats in 1918 and put down ruthlessly by federal troops. It was not until the advent of German fascism that the country began to truly unify. The contrast was considerable: While the First World War saw a divided nation, the Second World War brought unprecedented unity.¹¹

⁸ The four official languages are German, French, Italian and Romanish. Catholics make up 47% of the population, Protestants 45%.

⁹ To be exact, the federation now consists of 20 full cantons and 6 half cantons. For voting purposes, and for the determination of a cantonal majority, the number is 23 cantons, and the absolute majority is 12.

¹⁰ Division also characterized the 1848 revolution. The creation of the new Confederation was opposed by the conservatives and most of the catholic cantons. They seceded in 1847, took to arms, fought a short civil war – and lost. The victors were the largely protestant and liberal cantons that, for the following half century, ruled the federation almost single-handedly. It was only in 1891 that the first Catholic-Conservatives joined the Federal government.

¹¹ It was not the Federal Council, however, that symbolized unity but rather General Henri Guisan from the French part of Switzerland. The seven men constituting the federal executive were divided among themselves, and, in terms of anti-fascist patriotism, most of them could not compete with the general.

In retrospect, this new sense of unity turned out to be extremely important. It had a profound impact on the Swiss mentality as well as on political institutions, and it was accompanied by a feeling of success. In contrast to their neighbors, Switzerland had miraculously survived a terrible inferno. The Swiss saw this as an expression of their own efforts and virtues.¹² For them the miracle was a consequence of uniqueness, of a set of specific political institutions on the inside and the practice of armed neutrality toward the outside.

Swiss political institutions are both ancient and modern. In part they date back to medieval times, and, since Switzerland never experienced absolutism and centralization, they have survived to this day. For the same reason Swiss domestic politics are strongly local. However, Switzerland is also a modern polity with institutions established in 1848. At that time, and for many years thereafter, it was the only working democracy on the European continent. While the revolutions of 1848 failed in most other countries, in Switzerland the renewal succeeded. Ever since, the country has for many of its citizens been a model republic, blending the traditional with the modern.¹³ The change in 1848 was so important because it brought the drafting of a modern constitution, a strong emphasis on the rule of law, and the introduction of economic liberalism. Let us look at the results more closely.¹⁴

1.1 Federalism, Collegiality and Concordance

Given the heterogeneity of the country, it is no surprise that *federalism* is highly developed in Switzerland. Although the cantons abandoned some of their sovereignty in 1848, the federal government was consciously kept weak. In the meantime there has been a trend toward centralization but the cantons still jealously guard their autonomy. Federalism is also reflected in the bicameral shape of the national *legislature*, which is roughly a copy of the American system. In order to accommodate the cantons, there is not merely a chamber representing the

¹² Altermatt (1982), pp. 94-6.

¹³ For a general discussion of the "Swiss Model," see Georg Kreis, "Nach der schweizerischen jetzt die europäische Integration: Zur Idee der schweizerischen Modellhaftigkeit", in Thomas Cottier and Alwin R. Koppe (eds.), *Der Beitritt der Schweiz zur Europäischen Union, Brennpunkte und Auswirkungen*, Schulthess Polygraphische Verlag, Zurich 1998, pp.189-212.

¹⁴ For a general discussion of the Swiss political system see Wolf Linder, *Swiss Democracy, Possible Solutions to Conflict in Multicultural Societies*, Macmillan, Basingstoke 1994; Jan-Erik Lane (ed.), *The Swiss Labyrinth, Institutions, Outcomes and Redesign*, Frank Cass, London 2001; Hanspeter Kriesi, *Le système politique suisse*, Economica, Paris 1998.

people numerically (the "National Council"), but also a "Council of States" in which each full canton has equal weight.¹⁵

The shape of the *executive*, however, is not inspired by the American model. There is no publicly elected president. In fact there is no real president at all, since the executive consists of seven members (Federal Council) elected by the two chambers meeting jointly.¹⁶ The shape of the Federal Council is truly one of a kind. Elected for four years, and in fact for life, its seven members have equal rights. They are meant to speak with one voice and to practice *collegiality*. The council's chairmanship (called President of the Confederation) rotates annually among the seven. The system precludes the emergence of a leading figure. It actually discourages prominence by any one leader and punishes those who try. Switzerland has ministers but no prime minister. They are meant to govern jointly and in a collegial spirit, but there are times when the executive is divided and decision-making is slow.¹⁷

Since the members of the executive are not elected publicly, there are no persons "running" on a given foreign policy platform. In contrast to the United States, Great Britain, Germany, or France, there are no national elections with personalities linked to specific foreign policy goals. In the public eye, the government's main function is to administer the country and not to pull it in one direction or the other. That is the job of the people. This has serious foreign policy implications.

The executive is extremely stable, but stability must not be equated with strength. Unlike the British Cabinet, the Federal Council has no automatic majority in parliament and has to fight for each bill in two separate chambers, which are dominated by a multitude of parties.¹⁸

Federalism, collegiality and the dual legislature are formal institutions set out in the constitution, but there are informal arrangements as well. The most important is *concordance*, which refers to the distribution of chairs among the seven members of the government. After 1848 it was the Liberals that occupied all seats for almost half a century. As other political

¹⁵ There are six half-cantons counting together as three full ones.

¹⁶ Adrian Vatter, "Föderalismus", in Klöti et. al. (1999), pp. 77-108; Ruth Lüthi, "Parlament", in Klöti et. al. (1999), pp. 131-58; Ulrich Klöti, "Regierung", in Klöti et. al. (1999), pp. 159-86.

¹⁷ For more details on decision-making in Swiss foreign policy see Goetschel, et.al, pp. 83-103; see also Ulrich Klöti, et.al., *Handbuch der Schweizer Politik*, NZZ Verlag, Zürich 1999, pp. 511-689.

¹⁸ Pascal Sciarini, "La formulation de la décision", in Klöti et. al. (1999), pp. 589-650.

parties began to form on the right and on the left, and as the Liberals themselves turned more conservative, the seven seats were shared with other parties proportional to their parliamentary strength. Today the government includes two Liberals, two Social Democrats, two Christian Democrats, and one member of the People's Party. Of course, the linguistic minorities are also accommodated.¹⁹

The bicameral legislature and collegiality tied to concordance emphasize unity in diversity and have certainly succeeded in integrating the country. Almost everyone, so it seems, is represented in the government, and there is no real opposition. In fact, the Swiss dislike the idea of an organized opposition and of alternating governments. They prefer low-key politics to boisterous election campaigns and to divisions typical of other democracies. While it is entertaining to watch televised debates of the German Bundestag or the French National Assembly, the brilliance of confrontations does not accord with Swiss collegiality, concordance, and soberness.

1.2 Direct Democracy and Smallness

Nonetheless, there are moments of political tension. They occur not when the Swiss elect, but when they *vote*.²⁰ It is *direct democracy* that divides the public, polarizes, and is often accompanied by populist rhetoric. Although direct popular participation in politics has ancient roots, the 1848 constitution did not overly emphasize its practice. At the federal level, direct democracy developed largely after 1848, and to this day there are tendencies for more rather than for less public participation. The Swiss vote on all levels and on almost everything through referendums and initiatives. The direct involvement of citizens in political decisions is all-important. In foreign affairs many public votes have hindered rather than promoted the shaping of progressive policies. Direct democracy is the single most important factor explaining Switzerland's foreign policy dualism.

¹⁹ The careful balancing is said to be represent a "magic formula" further stabilizing the political system. It was an especially symbolic event when the first seat was turned over to the opposition Social Democrats in 1943. More than any other event, it shows how strongly that World War Two integrated the country.

²⁰ Jürg Martin Gabriel, "Wahlen statt Abstimmungen" in Silvio Borner und Hans Rentsch (eds.), *Wieviel direkte Demokratie verträgt die Schweiz?*, Verlag Rüegger, Chur 1997, pp. 243-57; for a discussion of the impact on voting on foreign policy see Raimund E. Germann, "Der Verfassungsentwurf von 1995 und die aussenpolitische Handlungsfähigkeit", in Borner and Rentsch, pp. 155-65.

Another trait of Swiss political culture is *smallness*, or what in German is referred to as *Kleinstaatlichkeit*. The Swiss are extremely aware of being a small polity, and it is something that they like. It is no coincidence that the only Swiss political philosopher of renown is Jean-Jacques Rousseau, the Genevan famous for his advocacy of small, directly ruled republics. Like most Swiss, Rousseau was skeptical of large political units. In many of his publications he depicted the evils of large and centrally governed kingdoms.

The weakness of a small country became particularly glaring when Napoleon occupied Switzerland and turned it into a French satellite. Later the Swiss watched the growth and decline of the Second and Third German Reich, and they also witnessed the expansion and the collapse of the Soviet Empire. To this day many Swiss are convinced that large political entities and *Grossräume* are inherently unstable. From this perspective, the European Union is seen as bound to fail. Although the United States has turned out to be both large and successful, it is its size and power that bother the Swiss at times. As I will show in greater detail later on, in Switzerland it is easy to mobilize sentiments against the American superpower.²¹

The combination of these institutions – of federalism, collegiality, concordance, direct democracy, and smallness – constitute a political system that the Swiss strongly identify with, consider to be unique and want to preserve. The Swiss are reluctant to change these institutions and they are extremely sensitive when they come under foreign pressure to do so. Political change "imposed" from abroad is generally resisted, irrespective of its origin. The Swiss are ready to defend their "uniqueness" against authoritarian neighbors, democratic superpowers or international organizations. Actually, foreign policy is largely seen as an instrument useful to defend the Swiss political system against such incursions from abroad.

²¹ Jürg Martin Gabriel, "Kleinstaatlichkeit und Identität – oder das Problem der Kontextlosigkeit", in Wolf Linder et.al. (eds.), *Schweizer Eigenart – eigenartige Schweiz*, Paul Haupt Verlag, Bern 1995, pp. 215-30.

2. Foreign Uniqueness

2.1 Sovereignty and Neutrality

The institutions most commonly associated with Swiss foreign policy are seen to be equally unique as those characterizing domestic politics. This holds for the Swiss conception of *sovereignty* and of *neutrality*. Both are central to an understanding of Swiss foreign policy and, in addition, both are intimately tied to domestic institutions. It is necessary, therefore, to look at them more closely. I will particularly emphasize neutrality, not only because it has been most dominant but also because it is linked to three other factors – to a specific conception of *national defense*, to the notion of a *militia army* and to a belief that Switzerland is particularly suited to offer international *good offices*.

Over the centuries, and especially as a result of fascism, the Swiss have become sensitive about anything that might diminish their *sovereignty*. Instead of seeing sovereignty as an instrument to preserve more basic values, such as individual freedoms, security and economic wellbeing, there is a tendency to regard it as an end in itself and to equate it with a maximum of political *independence*.²² Any diminution of sovereignty is seen as prejudicial and as a loss of "national freedom". The idea of sharing sovereignty with others, a notion common in today's Europe, is alien to most Swiss. They make no distinction, therefore, between a voluntary and an involuntary transfer of sovereignty.

Neutrality, like sovereignty, is held in equally high esteem. In part this can be explained by domestic politics since entering into alliances might have torn the country apart. As I mentioned earlier with reference to the First World War, to remain neutral was at times tantamount to preserving the country's unity and its domestic institutions. In such moments direct democracy, federalism, collegiality, concordance, sovereignty and neutrality all became one.

However, neutrality also has an *international* dimension. Seen from this angle the concept is relatively flexible. It is a policy designed for situations when *others* are at war – but once a neutral *itself* is attacked he is free to join alliances. It is an *instrumental* concept meant to

²² For a constitutional point of view, see Dietrich Schindler, "Der Weg vom 'geschlossenen' zum 'offenen' Verfassungsstaat", in Bernhard Ehrenzeller, et. al. (eds.), *Der Verfassungsstaat vor neuen Herausforderungen*, Dike Verlag AG, St. Gallen 1998, pp. 1027-41.

serve a country's security. This conception squares with international law, is in line with the Swiss constitution and is also the official position of the Federal government. Unfortunately, it is not the view held by the public at large. Like sovereignty neutrality is by many seen to be an end in itself. Let us examine the Swiss neutrality conception next.²³

The international law of neutrality was codified in the Hague Conventions of 1907. When war breaks out among sovereign states these conventions make it legal for states wishing to stay apart to declare neutrality, a status involving certain rights and duties. Among other things, a neutral has to declare its neutrality publicly, must prevent the misuse of his territory by the warring parties and has the right to carry on free trade with all sides. Because this body of rights and duties can be claimed by any state when war breaks out, it is identified as *occasional* neutrality. For the Swiss this was not enough. It has been their aim to practice *permanent* neutrality. What exactly does this mean?

In 1815, at the Congress of Vienna, Switzerland was recognized as a permanent (perpetual or everlasting) neutral. It meant that Switzerland, in case of war, would not declare neutrality in the last minute. In contrast to other countries it was ready to transcend occasional neutrality and to declare its abstention from war *in times of peace*. For the Swiss, therefore, neutrality had a *political dimension* preceding the outbreak of war, and a *legal dimension* taking effect with the occurrence of war. It was the political dimension that became characteristic of Swiss neutrality and that the government paid special attention to. It consisted of a certain number of *voluntary measures* intended to preserve Swiss credibility when war breaks out. Put generally, the country should not enter into any obligation that might jeopardize its abstention from a war. As the Swiss like to say, *neutral politics* have the function of protecting the credibility of *neutral law*.²⁴

Over the years the government distinguished a certain number of self-imposed obligations meant to strengthen credibility. Some were *military* in nature, others *economic*: Switzerland would refuse to enter into any military arrangement that could be interpreted as an alliance,

²³ For a brief history of Swiss neutrality, see Edgar Bonjour, *Schweizerische Neutralität, Kurzfassung der Geschichte in einem Band*, Helbing & Lichtenhahn, Basel 1978.

²⁴ For a general discussion of Swiss neutrality, both legal and political, see Hanspeter Brunner, *Neutralität und Unabhängigkeit der Schweiz im ausgehenden 20. Jahrhundert – Bestandesaufnahme und Ausblick*. Schulthess Polygraphischer Verlag, Zürich 1989.

and it would not participate in economic sanctions of any kind. Both principles looked good on paper but, as it turned out, were difficult to practice. Let me concentrate on alliances first.

Alliances were an integral part of classical European politics and meant to preserve the balance of power. As the Swiss experienced, the alliance mechanism failed repeatedly during the time of Napoleon, yet the old system was restored at the Congress of Vienna. Based on the act mentioned earlier, Switzerland declared itself part of the newly recreated balance and, as a permanent neutral, promised not to enter into *preventive alliances*. Once attacked, however, the Swiss were free to choose any ally. In that sense, and in no other, Switzerland's neutrality was recognized internationally. As indicated, it was permanent only until violated.²⁵

Based on this arrangement, Swiss decision-makers were faced with the difficult question of determining when an alliance was *reactive* and in accordance with the rules, and when it was *preventive* and in violation of the rules. From a military perspective it all depended on the *threat perception*. If the threat to Swiss sovereignty was minor, there was no problem; if the threat was perceived to be grave, however, then caution would dictate the planning of a preventive alliance and the establishing of first (and secret) contacts. The Swiss did just that in two world wars – a highly controversial move, of course.²⁶

One cannot blame the government for not publicizing its attempts to form preventive alliances. It is less understandable, however, why it never communicated the fact that *once attacked*, Switzerland would enter into an alliance. On the contrary, the idea of permanent neutrality was communicated in such a way as to exclude any type of military cooperation. The language used publicly clashed fundamentally with actual policy. In private the federal government was ready to practice two types of policies – one valid *while* neutral, the other *after* neutrality had been abandoned.²⁷ However, by not discussing openly both dimensions of Swiss security policy, most Swiss began to think that dying as a neutral was more honorable

²⁵ Since the Hague Conventions do not mention permanent neutrality this concept is not considered to be part of neutral law but only of neutral politics. For a detailed discussion of the distinction see Jürg Martin Gabriel, *Sackgasse Neutralität*, vdf Hochschulverlag AG, Federal Institute of Technology Zurich, 1997, pp. 18-27; for a short English language version see Jürg Martin Gabriel, *The American Conception of Neutrality After 1941 – Updated and Revised Edition*, Palgrave/Macmillan, London 2002, pp. 9-16.

²⁶ Daniel Sprecher, *Generalstabschef Theophil Sprecher von Bernegg*, NZZ Verlag, Zurich 2000; Georg Kreis, *Auf den Spuren von "La Charité"*, Helbing & Lichtenhahn 1976.

²⁷ Gabriel, *Sackgasse Neutralität*, pp. 19-27, 75-92, 129-58.

than surviving as an ally. Small wonder that neutrality was perceived as an end in itself rather than as an instrument. The mistaken perception prevailed during the Second World War, and it was carried into the Cold War.²⁸

The communication gap had yet another dimension. When speaking about neutrality the government failed to draw a distinction between *bilateral* and *multilateral* alliances or, more precisely, between classical ad-hoc alliances belonging to the balance of power system and permanent alliances as part of collective security. Throughout the 20th century the impression was maintained that neutrality was incompatible with *any type of alliance*. Today, both of these communication gaps have to be overcome.²⁹

Let me turn to *economic sanctions* next. As mentioned earlier, under the Hague Conventions neutrals have the right to trade freely in times of war. During the limited wars of the 19th century this right was realistic, but as wars grew total in character – and as economic warfare grew in importance – the practice of neutral free trade became impossible. The idea suffered yet another blow when economic sanctions were made part of the League of Nations and of the United Nations. In the 20th century, therefore, the Swiss government was confronted with an increasing number of trade restrictions, the origins of which were either abroad or at home.

Given their neutrality conception, the Swiss were especially sensitive to *foreign* restrictions, to those imposed by international organizations or, worse, by large actors such as the United States and the European Union.³⁰ I will deal with this issue in more detail later on but it is

²⁸ The Federal Council did nothing to dispel the myth. Until the end of the Cold War, "general defence" exercises were conducted in which large portions of the military and civilian elite participated actively for an entire week. As a rule Europe would find itself in a general state of war in the exercise, with the Russians using nuclear devices and coming right up to the Swiss frontier. At this point the exercise was usually terminated. The scenario beyond neutrality was never acted out in public. It would have made headlines in the Swiss press and the voters would have been outraged. No wonder neutrality was perceived as an end in itself – which it was never meant to be. It was only with the report on national security of the year 2000 that the government for the first time openly and explicitly discussed the issue. See *Sicherheit durch Kooperation; Bericht des Bundesrats an die Bundesversammlung über die Sicherheitspolitik der Schweiz vom 7. Juni 1999*.

²⁹ Gabriel (1997), pp. 129-58.

³⁰ Jürg Martin Gabriel, "Switzerland and Economic Sanctions: The Dilemma of a Neutral", in Marko Milivojevic and Pierre Maurer (eds.), *Switzerland's Defense and Foreign Policy*, Berg, Oxford/New York 1989, pp. 232-45; Jürg Martin Gabriel, "Die Stellung der Schweiz zu Wirtschaftssanktionen", in Alois Riklin, et. al. (eds.), *Neues Handbuch der schweizerischen Aussenpolitik*, Paul Haupt Verlag, Bern 1992, pp. 919-28. – Until recently it has been difficult to find a written document containing the official Swiss position on export controls and economic sanctions. The best one had was a paper written in 1954 by the Foreign

quite obvious that Swiss sensitivities were particularly acute in the grey zone between economic and military goods. As Andrea Heinzer points out in her essay, the Federal Council has traditionally pursued an extremely cautious policy in the area of export controls involving "strategic goods". In today's world this is an important foreign policy area with direct links to arms proliferation, arms control and various international non-proliferation regimes. As Andrea Heinzer demonstrates, the Swiss government has in the past – officially at least – not participated in such efforts. This has changed, but it meant that the government had to alter its conception of neutrality.

2.2 Armed Neutrality and Good Offices

As mentioned earlier, a neutral state has the obligation to prevent the warring countries from misusing its territory for the conduct of their military campaigns, be this at sea, on land, or in the air. In order to fulfill this duty, a neutral is expected to maintain armed forces adequate for the purpose. However, there is no obligation to maintain a massive military establishment in order to win a war autonomously. Yet, as Andreas Wenger shows in his contribution to this volume, *autonomous* self-defense (or national defense) stands at the core of traditional Swiss foreign and security policy, and it is explicitly equated with *armed neutrality*. Although from a legal perspective the link is wrong, that is not the public perception. For most Swiss, neutrality and autonomous defense are identical. This, too, is a conception cemented during the Second World War.³¹

National defense and armed neutrality are tied to a third concept held dear by the Swiss – to the idea of a *militia army*. Historically seen this is surprising because for centuries the Swiss served as professional mercenaries in foreign wars. However, this did not prevent them from raising a militia to fight foreign invaders. As a result Switzerland knows both traditions, but with the increased emphasis on national sovereignty and on neutrality, professionalism went into oblivion. The militia principle became the corner stone of the Swiss military system.

Ministry's legal advisor, Prof. R. Bindschelder of Geneva. For the actual document, see Dietrich Schindler (ed.), *Dokumente zur schweizerischen Neutralität seit 1945*, Paul Haupt Verlag, Bern 1984, pp. 15-19.

³¹ For a general account of Swiss defense policy since World War II see Kurt R. Spillmann et.al., *Schweizer Sicherheitspolitik seit 1945*, Verlag Neue Zürcher Zeitung, Zürich 2001; see also Marko Milivojevic and Pierre Maurer (eds.), *Swiss Neutrality and Security, Armed Forces, National Defense and Foreign Policy*, Berg Publishers, New York 1990.

The idea of the citizen-in-arms became so completely part of Swiss life that until a few years ago, it was often said that Switzerland did not *possess* but *was* an army.³² Every male citizen became a soldier, thousands of university graduates were officers, and many prominent politicians were high-ranking commanders. Today this tradition is changing, but during the 20th century it was another feature of Swiss uniqueness. During the Second World War, the identity of neutrality and of the militia army was (almost) total. Armed neutrality, intimately tied to sovereign independence and the preservation of domestic political institutions were the core of Swiss political identity.³³

As an "island of peace" in the middle of a Europe at war, neutral Switzerland was willing to provide *good offices*. This instrument of diplomacy, as the article of Thomas Fischer shows, also became part of Swiss foreign policy. Especially during the Second World War, when many countries broke off diplomatic relations, Switzerland assumed "protecting mandates" over abandoned embassies and, in case of need, served as a channel of communication among enemies. Furthermore, the city of Geneva became an important site for diplomatic conferences.

The number of protecting mandates held by the Swiss during the Second World War was impressive. It was at that time that in the eyes of the public the country acquired the image of a uniquely qualified provider of good offices. It must be emphasized, however, that such good offices were of a purely *technical* character and excluded mediation. In fact, in all of their history the Swiss have been involved in very few mediation efforts. Some of them failed so badly that the Federal Council became extremely cautious in this regard. Furthermore, the number of protecting mandates has continually decreased.³⁴

³² The militia principle also prevails in politics. The members of the federal legislature, for instance, serve on a militia basis, and the same is true for most cantonal and local politicians. The militia principle, therefore, has some affinity with republicanism and with the ideas expressed by such philosophers as Jean-Jacques Rousseau. For highly interesting discussion of this link see Jan Metzger, *Die Milizarmee im klassischen Republikanismus*, Paul Haupt Verlag, Bern 1999. See also John McPhee, *La Place de la Concorde Suisse*, Farrar, Strauss & Giroux, New York 1984.

³³ During all of the 20th century the army did much to tie the nation together and to promote a tightly knit elite. Some were left out, however. In contrast to Israel, where the militia principle is also at the heart of the defense system, Swiss women are not subject to military service. The Social Democrats were also marginalized, although during the Cold War some of them made their way into the officer corps.

³⁴ Altermatt (1982), pp. 94-111.

Protecting mandates are strictly *bilateral*, which fit well with the Swiss preference for quiet diplomacy. The public, preoccupied with the absorbing nature of direct democracy, was happiest when foreign policy did not intrude. It was often said with pride that, in the public mind at least, neutrality stood for the absence of foreign policy. It was thus not surprising that foreign policy was handled by a small group of people in Berne, who had a strong preference for personal and private bilateralism of the classical sort. Multilateralism, especially of the kind practiced on Swiss soil in the era of the League, was not to their taste. When it was resumed within the United Nations system, the Swiss were not unhappy to stand aside.

From a Swiss perspective, good offices also have a *humanitarian* dimension. The International Committee of the Red Cross, a wholly Swiss institution, has the function of protecting the military and civilian victims of war.³⁵ The links between the ICRC and the government are multiple and relatively close. ICRC presidents are often former senior officers of the federal government, and Berne finances a portion of the institution's budget.³⁶ Furthermore, neutrality is one of the ICRC's operating principles which, in the eyes of many, is additional reason for considering it to be an expression of Swiss "uniqueness". However, the intimacy between the ICRC and the federal government has its downside as well. As Jon Fanzun argues in his contribution, the Federal Council has found it useful to use its ICRC support as an excuse for not developing a comprehensive and modern human rights policy.

To sum up, Swiss "political uniqueness" has an inward and an outward face, and for a long time the formula proved successful. The Swiss political culture managed to integrate a divided people, gave the country internal and external peace, and created a valuable framework for scientific, technical, and economic modernization. However, success can also have a blinding effect. The Swiss were slow to realize that their international environment no longer conformed to the standards of the 19th century.³⁷ Of course, they were not alone in this.

³⁵ Hans Haug, *Humanity for all: The International Red Cross and Red Crescent Movement*, Henry Dunant Institute, Geneva 1993.

³⁶ During World War Two the link between the Federal Council and the ICRC was particularly intimate and also problematic, especially regarding the issue of holocaust information. See Jean-Claude Favez, *Une mission impossible? Le CICR, les déportations et les camps de concentration nazis*, Librairie Payot, Lausanne 1988.

³⁷ Altermatt (1982), pp. 96-102. As Altermatt shows, success was coupled with a feeling of superiority. To this day the Swiss have a tendency to not only look down on their "less democratic" neighbors but also on such "lesser neutrals" as Sweden, Finland, and Austria. The neighboring republic of Austria in particular constituted a clear case of "inferiority" suffering from a triple handicap: It lacked a tradition of democracy,

Politicians like Winston Churchill, Charles de Gaulle and Lady Thatcher also tried to deny and even resist the changes taking place and to continue along familiar national patterns. But they failed in due course and were superseded by politicians who steered a different course. The Swiss, given the nature of their political system, take much longer to catch on.

3. The Changing International Setting After 1945

1945 was a watershed in world affairs. In Europe at least, the age of the classical nation-state and of balance of power politics came to an end. So did the era of traditional bilateral interstate relations. From now on, and with strong American backing, there was a trend toward *multilateralism* and *supranational* integration. The change was symbolized by the birth of international bodies like the Organization of European Economic Cooperation (OEEC, now OECD), the Council of Europe, NATO, the European Coal and Steel Community, the European Community (now the European Union), and the European Free Trade Area (EFTA), to mention only the more important ones. In Europe the *age of independence* is giving way to the *age of interdependence* and of supranational integration.

Multilateralism had yet another purpose: it helped to *legitimize American leadership* or, as some would say, American *hegemony*. That, too, is largely a story of success. Multilateralism made the "American century" more bearable for second-rank powers. Unlike the fascist and Soviet hegemonies, American preponderance was combined with a measure of self-restraint and the ability of dependent states to participate in the making of important decisions. Of course, as a typical hegemon the United States also practiced unilateral power politics, but in its relations with Europe that trait was not dominant.³⁸

The Swiss experienced both trends of the "American century." They began to sense the irresistible dynamics of multilateralism and of integration, but they also had several direct encounters with the American hegemon. Both tendencies clashed head on with the traditional Swiss worldview. To put it mildly, Switzerland had problems with both multilateralism and

was an opportunistic neutral, and possessed a weak army, thereby constituting a veritable "transit zone" for a Soviet march on Switzerland.

³⁸ For a general discussion of the concept of American hegemony see Bernd W. Kubbig, "Introduction: The US Hegemon in the 'American century'. The State of the Art and the German Contributions", *Amerikastudien/American Studies*, 2001/46, pp. 495-524.

American leadership. Let me begin with some remarks about Swiss-American relations and then turn to the issues of multilateralism and integration.

3.1 American Hegemony

As Richard Senti points out in this book, Switzerland had no great difficulty identifying with American initiated trade liberalization after 1945. Except for the field of agriculture, where protectionism had the upper hand, Swiss foreign economic policy favored the removal of trade barriers. As a small and landlocked country with no natural resources except an ample water supply, the Swiss are strongly dependent on international trade. In this sense the "American century" was to their liking and they profited handsomely from its advantages.

As already indicated, matters were different at the intersection of economics and security. Between 1945 and today there have been four major clashes between the United States and Switzerland in this area. In each case the central issue was *neutral free trade*. Over this matter the Swiss quarreled regularly with the United States, and although the problem is less acute today, it has bedeviled Swiss-American relations until recently. A first clash occurred toward the end of World War Two, followed by two more conflicts during the Cold War. A fourth clash happened after the end of the Cold War and, ironically, had a direct link to the first encounter of 1944-46.

During *World War Two* the United States conducted an intensive campaign of economic warfare directed both at the fascist powers and the neutrals. Among other things America froze all neutral assets on its own soil, a measure hitherto unknown. Then, in 1943, it began to put pressure on all neutrals to stop "trading with the enemy." The neutrals were expected to end their commercial and financial transactions with Germany. As a matter of principle, and based in the main on their classical interpretation of sovereignty and of neutral law, the Swiss steadfastly refused to sever their economic ties to the fascist powers.³⁹

At the end of the war, however, American pressure was so intense that the Swiss had no choice but to conform and to sign the Washington Agreement of 1946, which dealt mainly with the restitution of monetary gold and private German assets. The Swiss were outraged and saw it as an exercise of raw power: David had been blackmailed ruthlessly by Goliath. In the

³⁹ Heinz K. Meier, *Friendship Under Stress: US-Swiss Relations 1900-1950*, Verlag Herbert Lang & Co., Bern 1970; Gabriel (2002), pp. 42-65.

area of neutral trade Switzerland was experiencing more trouble with the United States than it had with Nazi Germany. When engaged in economic warfare, the Americans were no longer willing to respect traditional international law.⁴⁰

American and Swiss positions did not change during the Cold War, and it was not surprising, therefore, that a second confrontation occurred during the *Korean War*. The United States, now on behalf of the Paris-based Coordinating Committee for Multilateral Export Controls (Cocom), pressured Switzerland into signing what historians have termed the Hotz-Linder Agreement of July 1951. Although the Swiss again resisted, they ultimately conformed to Cocom rules. This meant adopting Cocom's three control lists and a reduction of certain categories of "strategic" exports. In contrast to 1946, the arrangement was kept secret and only became public knowledge towards the end of the Cold War.⁴¹

The third encounter between the United States and Switzerland occurred during the *Reagan Administration* when economic sanctions, which the Nixon Administration had loosened, were once more tightened. Since neither the American nor the Swiss documents on this matter have been published, it is difficult to be precise. It is a fact, however, that a young Swiss diplomat by the name of David de Pury was stationed in Washington during those years in order to "coordinate" East-West trade. His major counterpart in the Department of Defense was Richard Perle, and there are speculations that there may have been another (if informal) Hotz-Linder Agreement.

As indicated, the fourth confrontation came after the end of the Cold War and had its roots in the events of World War Two. In the foreground stood the issue of restituting *Jewish assets* "dormant" in Swiss bank accounts. However, in the background loomed the familiar question of neutral economics in times of war. Formally speaking, the problem of Jewish assets dates back to the Washington Agreement of 1946 and arose in connection with German assets (or so-called "flight capital") transferred to Switzerland during the war. The United States, together with France and Great Britain, demanded the transfer of these assets to the Allied Control Council. At that time, the issue of Jewish assets was not central, but it became so later. The main reason for the resurfacing of the matter after so many decades was the

⁴⁰ Gabriel (2002), pp. 54-65.

⁴¹ André Schaller, *Schweizer Neutralität im West-Ost-Handel, Das Hotz-Linder-Agreement vom 23. Juli 1951*, Verlag Paul Haupt, Bern 1987.

extremely restrictive handling of individual Jewish claims by Swiss banks, for which – unfortunately – they had the government's tacit approval.⁴²

The fact that the issue had a link to neutrality became evident once the confrontation over restitution started. The introduction to the Eizenstat Report, issued by the U.S. Department of State in 1997, made explicit reference to neutrality. It also questioned the morality of Swiss financial (and gold) transactions, with particular emphasis on the final phase of World War Two.⁴³ Predictably, many Swiss felt outraged and agreed with the *Neue Zürcher Zeitung's* opinion that the Americans "do not understand neutrality".⁴⁴ Once again the United States and Switzerland had clashing conceptions of the international rules of the game in general and of neutrality in particular. As so often – the hegemon won.

3.2 Multilateralism and Integration

Let me now turn to the second dimension of the post-1945 system – the new *multilateralism* and the European trend toward *integration*. These developments also meant a change of international rules that, depending on the concrete circumstances, were bound to create difficulties for the Swiss. The new developments occurred at three different levels: the global, the Euro-Atlantic, and the Western European.

At the *global* level multilateralism is chiefly embodied in the United Nations system. As already mentioned, Switzerland was reluctant to adjust. As part of its dualistic policy of distinguishing between international organizations engaged in "low" and "high" politics the country joined the major functional organizations but, for a long time, refused to join the United Nations itself. Daniel Möckli's contribution shows vividly that the process of joining the "political" core of the UN system was excruciatingly difficult, and that the government's argumentation often lacked coherence. It was only at the end of the Cold War and with the

⁴² Schlussbericht der Unabhängigen Expertenkommission Schweiz-Zweiter Weltkrieg (Bergier-Kommission), *Die Schweiz, der Nationalsozialismus und der Zweite Weltkrieg*, Pendo Verlag, Zürich 2002, pp. 181-515; Unabhängige Expertenkommission Schweiz-Zweiter Weltkrieg, *Die Schweiz und die Goldtransaktionen im Zweiten Weltkrieg*, EDMZ, Bern 1998.

⁴³ United States Department of State, "U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II", Foreword by Stuart E. Eizenstat, Under Secretary of Commerce for International Trade, Special Envoy of the Department of State on Property Restitution in Central and Eastern Europe, Washington, D.C. May 1997.

⁴⁴ "Kein Verständnis für die Neutralität", editorial NEUE ZÜRCHER ZEITUNG, 9 May 1997, p. 11.

publication of the 1993 Foreign Policy Report that some of the old concepts were brought in line with the logic of multilateralism in general and collective security in particular.

As Jon Fanzun points out, the 1993 Report also elevated *human rights* to the level of an official objective therefore establishing the issue as a serious foreign policy concern. Pressure to do so had come from a number of sources at home and abroad. Domestically it was mainly the Social Democratic party that demanded a serious commitment to human rights. In doing so it ran up against the more traditional groups on the right that considered ICRC support to be the only human rights commitment compatible with neutrality. The argument was also used to oppose UN membership. ICRC neutrality and effectiveness, so the reasoning, would suffer from a Switzerland belonging to an organization committed to collective security. Fortunately, a majority of Swiss were not convinced.

Adjusting to the developments at the *Euro-Atlantic level* turns out to be more difficult, the main reason being the Swiss attitude toward alliances. At its core NATO is a preventive (or defensive) alliance and, as outlined above, a permanent neutral can join alliances only reactively. Had the Soviets invaded Western Europe during the Cold War, it was to be expected that Switzerland would, at some point, end up on the side of NATO. How extensively the military prepared for such an eventuality is uncertain. Historical studies seem to suggest that, in contrast to the two world wars, there was no secret agreement.⁴⁵ One thing is clear, however: Membership in a preventive alliance ends permanent neutrality. If the Swiss were to sign the NATO treaty as it stands today it would mean the end of a long tradition.

For the time being, NATO membership is not the most pressing Swiss foreign policy issue. The real challenge lies at the level of *European integration*. Although Switzerland joined the OEEC right after World War Two and adhered to the Council of Europe in 1963, it has exhibited difficulty with coming to terms with integration. When the European Economic Community was founded in 1958, Switzerland, together with Great Britain, was instrumental in setting up EFTA.⁴⁶ However, the British joined the EEC in the early seventies, and given the reduced importance of EFTA the Swiss were forced to negotiate a bilateral free trade

⁴⁵ Mauro Mantovani, *Schweizerische Sicherheitspolitik im Kalten Krieg 1947-1963*, Orell Füssli, Zürich 1999.

⁴⁶ Roland Maurhofer, *Die schweizerische Europapolitik vom Marshallplan zur EFTA 1947 bis 1960 – Zwischen Kooperation und Integration*, Difo-Druck GmbH, Bamberg 2001.

agreement with the EEC. It was superseded only in 2002 by the bilateral package agreement mentioned earlier. As I have already pointed out an attempt to find a multilateral arrangement with the EU failed when the Swiss, in a public vote, refused to join the EEA in 1992.⁴⁷

Let me conclude by once more emphasizing that the classical European system no longer exists. Switzerland would have preferred to play by the old rules but had to realize that this was impossible.⁴⁸ Classical neutrality is in decline. It had been on the rise in the 18th and 19th centuries, and, ironically, the United States in those days contributed in an important way to the development of the law of neutrality. After 1917, however, and particularly as a major power, the United States changed course on neutrality. Especially in the area of economic neutrality, the United States contributed to its decline.⁴⁹

Conclusions and Outlook

More than ever, the United States dominates international politics and is capable of influencing and, if necessary, enforcing the rules of the game. Furthermore, the forces of interdependence and globalization, which are at the root of multilateralism and integration, are difficult to resist. The Swiss government is aware of these realities but, as the narrow results of recent public decisions indicate, the process of adjustment continues to be difficult. Many Swiss still adhere to the asymmetrical worldview mentioned at the outset of this chapter: Globalism in the area of "low politics", national solutions in matters of "high politics".

In light of this dilemma the Federal Council's 1993 Foreign Policy Report was a useful step towards redefining basic concepts. The maintenance of sovereign independence, formerly the only goal of Swiss foreign policy, is no longer a top priority. It has been replaced by a cluster

⁴⁷ For a detailed study of the process – and its failure – see Ralf Langejürgen, *Die Eidgenossenschaft zwischen Rütli und EWR*, Verlag Rüegger, Chur 1993; see also Raimund E. Germann, "Die bilateralen Verhandlungen mit der EU und die Steuerung der direkten Demokratie", in SCHWEIZERISCHE ZEITSCHRIFT FÜR POLITISCHE WISSENSCHAFT, Vol. 1, Issue 2-3, 1995, pp. 35-60.

⁴⁸ Neutral Sweden adjusted more quickly and more gracefully. It, too, was not invited to San Francisco but joined the United Nations as early as 1946. From the beginning it declared that it would not be neutral in cases where collective security functioned. Should the Security Council be paralyzed, however, the country would pursue its traditional neutrality. This two-track policy implied an adjustment to the new rules of international politics and turned out to be entirely realistic.

⁴⁹ Gabriel (2002), pp. 1-5.

of five different goals, paving the way for more flexibility and realism. The goals include peace and security, economic well being, democracy and human rights, social justice, and ecological balance. As already mentioned, the importance of neutrality has been reduced.⁵⁰

Major challenges lie ahead, however. Although the Cold War is over, matters pertaining to the interface of economics and security can still become an issue between the United States and Switzerland. After the events of 11 September 2001, Washington has pressured Switzerland in the area of banking. Although for the United States terrorism is a matter of "high politics", the Swiss government considers it to be an issue not of inter-state war but of international crime thereby isolating terrorism from neutrality. Yet it is conceivable that new security threats assume larger proportions and that transatlantic pressures increase. In such a case a renewed encounter with the US hegemon over "free trade in war" (or the banking secret) is entirely possible.

The main challenge to Swiss foreign policy, however, is the growing dynamism of the *European Union*. Since that organization is supranational in character, the Swiss will not only have to alter their conception of sovereignty but also to refashion their domestic institutions. There is no doubt that, once a member of the Union, direct democracy will be reduced and that the collegial form of government will have to undergo some alterations.⁵¹ It is to be expected that these institutional issues will become more important than neutrality.

In the meantime, the new package of bilateral agreements will have to be implemented. It consists of seven parts covering, among other things, the free flow of labor, transportation, agriculture, and science. The Federal Council has already announced that it intends to negotiate another package. As it appears at present, Brussels will insist that several sensitive issues be part of the deal or, worse, it might make them a precondition for entering into negotiations. The main issues are banking regulations (or tax evasion) and closer cooperation in matters of justice, police and refugees (Schengen and Dublin accord, and the like). North-South transit, although partly covered by the first agreement, is also becoming an ever-growing problem.

⁵⁰ Bericht über die Aussenpolitik der Schweiz in den 90er Jahren vom 29. November 1993. See also Jürg Martin Gabriel, "Neutralität für den Notfall: Der Bericht des Bundesrats zur Aussenpolitik der Schweiz in den 90er Jahren", in Gabriel (1997), pp.129-58.

⁵¹ For a detailed discussion of the possible impact of EU membership on Swiss political institutions, see various articles in Cottier and Kopse (1998), pp. 273-569.

Major changes also lie ahead in the *security* field. At present, the Defense Ministry is busy with a reorganization of the Swiss Armed Forces. The changes envisaged are massive and, as Andreas Wenger indicates, many will touch such core values as the militia principle, autonomous defense and armed neutrality. It is true that important first steps have been undertaken. Under the auspices of the OSCE an unarmed contingent of the Swiss army was involved in Bosnia, and there is now an armed military unit stationed in Kosovo under NATO command.⁵²

These are giant steps by Swiss standards, and there are bound to be more commitments of this kind in the future. The Swiss army will therefore require a more highly developed professional component. Up to now, the only professional soldiers have been full-time militia instructors. This is changing rapidly; there simply are not enough young militia officers, and professionals increasingly have to take their place. For the moment, the supply of soldiers is adequate and there is no resistance against compulsory military service among the young. Yet empirical studies indicate that various socio-economic trends work in favor of abolishing mandatory service. A voluntary and much smaller militia is in sight.⁵³

Conservative and nationalist groups oppose these developments, and they will again succeed in retarding the process. Since NATO is their most favorite object of hostility they will undertake special efforts to resist a more intensive Swiss involvement within the Partnership for Peace. Fortunately, in this field the government is largely autonomous; it is therefore to be expected that there will soon be further steps toward more intensive PFP participation. Furthermore, the General Staff is keeping a close watch on the development of the European Union's security policy, which – in the long run – constitutes the most important challenge to the Swiss army.⁵⁴

⁵² Jürg Martin Gabriel (ed.), *Schweizerische Aussenpolitik im Kosovo-Krieg*, Orell Füssli Verlag AG, Zurich 2000.

⁵³ Karl W. Haltiner, Andreas Wenger, Jonathan Bennet and Tibor Szvirczev (eds.), *Sicherheit 2000, Aussen-, Sicherheits- und Verteidigungspolitische Meinungsbildung im Trend*, Forschungsstelle für Sicherheitspolitik und Konfliktanalyse der ETH Zürich und Militärische Führungsschule an der ETHZ, Zürich 2000.

⁵⁴ Heiko Borchert and Jürg Martin Gabriel, "Die Schweizer Armee und die europäische Sicherheitsordnung: Herausforderungen und Aufträge", in Cottier and Kopse (1998), pp. 609-36; Heiko Borchert and René Eggenberger, "Selbstblockade oder Aufbruch? Die Gemeinsame Sicherheits- und Verteidigungspolitik der EU als Herausforderung für die Schweizer Armee", in *ÖSTERREICHISCHE MILITÄRISCHE ZEITUNG*, Nr. 1/40, Jan./Febr. 2002, pp. 1-19.

As the UN vote shows, the traditionalists are no longer as successful as they once were. In 1986 they set up an organization called "Action for a Neutral and Independent Switzerland" (AUNS). It was instrumental in defeating the government's first attempt to join the United Nations. Since then, the group has been taken over by the Peoples' Party, headed by Christoph Blocher, a wealthy Swiss industrialist. For the last fifteen years Blocher has been the undisputed leader of a strongly traditionalist movement. Although Blocher made his personal fortune by selling chemical technology around the globe, he is staunchly nationalist. His success in business is for many voters solid evidence that the traditional Swiss dualism of combining internationalist "low politics" with nationalist "high politics" is still working.

With his populist style, Blocher appeals to many of the disgruntled voters and, in the last national elections, managed to absorb practically all small parties of the extreme right wing of the political spectrum. In terms of seats won in legislative election, the People's Party continues to grow. Although Blocher and his followers pretend to be "the peoples' voice," they have lost on many issues put to public vote. It is one thing for a Swiss party to gain seats in local and national legislatures; it is quite another thing to win majorities in public votes. The Peoples' Party may well continue to grow in size, but it has lost some of its appeal on specific issues.

Christoph Blocher will continue to emphasize "political uniqueness," and he will no doubt succeed in retarding the process of EU membership. Such procrastination will come at a *price* that is both economic and political. OECD studies show that the Swiss economy, relative to that of EU member states, has been stagnating. But the price to pay lies chiefly in the *public* domain; it is basically political and has a budgetary side. Let me explain.

EU membership is not free; the Union has a budget and Switzerland, when joining, will be a net contributor. However, non-membership also has its costs. Still thinking largely in national terms, Switzerland has a tendency to embark on expensive projects said to be of "national" importance. The recent salvaging of our "national" airline – Swissair – is a good example. The cost to taxpayers is 2 billion Swiss francs. It was also a question of pride to hold the 6th Swiss "national" exhibition in the year 2002, a celebration that placed a heavy burden on the public till.

The most expensive venture said to be in the "national" interest is the network of North-South railroad tunnels that the Swiss are now building (NEAT). The project serves the European Union more than ourselves. If Switzerland were a member of the Union, there is a possibility that such infrastructural undertakings would (at least in part) be financed by all Europeans. The same applies to the construction of additional North-South automobile tunnels. They, too, are financed by the Swiss taxpayer but used largely by citizens of the Union. The Swiss do not even levy a toll. National pride has its price in budgetary terms.

Less measurable, but nonetheless real, is the purely political price Switzerland is paying. Many of the decisions taken in Brussels affect our daily lives, and it has become almost routine for the Swiss to implement what others decide – while pretending to be sovereign. If we were a member of the European Union, the loss of domestic sovereignty would be made up for by sovereignty gains at the European level. In the absence of such compensation, the Swiss political culture is weakened. To believe the opposite is an illusion. In the long run, therefore, it makes political sense to join the Union and to alter our sense of political "uniqueness".