

Europe's Development - A Swiss View

Lukas Reimann, Wil, Switzerland

I consider it an honor to write an article for "Nei til EU" - on the one hand, because "Nei til EU" serves as an example for us. Its strength, ample activities, competent reports, high membership rates, striking campaigns and the creativity of this organization, which protects Norway from becoming a EU member in a fortress-like manner, can be a useful model for the Swiss EU opponents. For us, it is both important and interesting to learn about the activities and success of the Norwegian EU opponents. On the other hand, it is an honor because both EFTA members, Norway and Switzerland, have lots of similarities. The citizens of both countries are convinced Europeans and Democrats; both states are crucial elements of Europe without being EU members. Both are highly cosmopolitan, express international solidarity and convince by virtue of their humanitarian services. Both the Norwegian and the Swiss foreign policies are premised on two fundamental pillars: a distinct international commitment and a special emphasis on national sovereignty. Norway has repeatedly demonstrated this by its negotiator role in international conflicts as well as its strong involvement in the United Nations. Switzerland has been loyal to its perpetual neutrality for more than 350 years, not getting involved in the war conflicts of its big neighbors. Instead, it became the country of origin of the Red Cross; the first location of an organized international community (League of Nations); an environment for central units fostering the understanding among nations; a shelter for asylum seekers in all times. In addition, both states are increasingly faced with the pressures of the EU as well as direct intrusions into their national sovereignty, which has to do with the European Union's current development.

The EU's Development

Rather than a static entity, the EU is a project of continuous changes with an open finality. Various developments and problems within the EU have an effect on third countries: On 1 May 2004, eight Central European countries, plus Cyprus and Malta, joined the EU. Despite of their high economical growth, the "new" member states have a lot of catching up to do. The current arrears to the "old" members of the Union will only exacerbate the battle for Structural Fund shares and burden the agricultural budget even more. With an increasingly paralyzing effect on the EU's decision-making bodies, divergences within the EU are bound to occur, which is further intensified by precarious election results in certain Central European countries. Meanwhile, the EU enlargement has not been completed. The EU is currently in negotiation with four countries (Bulgaria, Romania, Turkey, Croatia). There is, however, disagreement concerning the time schedule as well as the extent and finality of the enlargement process. Future developments are difficult to foresee. The present EU enlargement will already turn out to be a major challenge within the next years. The rejection during referenda over the constitution draft in France and the Netherlands was a setback for the integration process. Questions concerning the distribution of power, decision-making and management capacity, the maintenance of close relations with the public and democratic legitimacy in a growing EU still need clarification. The rejection in France and the Netherlands is, in any case, a clear indication for the degree in which Brussels has distanced itself from its European citizens - which should normally provoke thoughts of EU politicians. EU barometer surveys speak a clear language and EU ombudsman, Nikiforos Diamandouros, received a record figure of 3,920 complaints in the previous year. He is also considering this a proof for the "confidence crisis" from side of the population regarding the EU institutions. The primary cause of complaints was the lack of transparency within administrative bodies; most involved the European Commission. Corruption, inefficiency and bureaucracy have repeatedly led the EU to be in the negative headlines. Another fact is that the EU is steadily developing into a tremendous center of power, which tries to eliminate all peculiarities and sovereignty rights of its members. More and more laws and regulations, which influence and

often cast damp over Europeans' lives, are being launched. Rather than being handled by the nation-states, let alone the provinces, more and more areas are exclusively handled by Brussels. The principle of subsidiarity has already become a thing of the past. The target is a European Superstate which handles and controls all matters. In summary, one can say there may be uncertainty as to the development of the EU, in the areas of enlargement, institutional reforms as well as economic and social policy. A dynamic analysis of Switzerland's integration policy options has to consider these elements of uncertainty.

The Situation in Switzerland

The Swiss keep a close track of the EU developments. Many of its citizens would wish that the EU turned into a democratic entity which accepts the sovereignty and variety of its member states and changed in such a way that would make an accession to the EU for Switzerland worth considering. Unfortunately, we are light-years away from this and the development points into a completely different direction, which results in a growing rejection of the EU accession.

In July 2006, the Federal Council published a report of 150 pages concerning the EU policy in Switzerland, which had been expected with suspense. Therein, for the first time, the accession to the EU is only referred to as an option, and no longer as a target.

Economiesuisse, the well-heeled governing body of the Swiss economy had been a strong proponent of the EU accession. The same organization released a report in spring of 2006, arguing that the Swiss economy was clearly opposed to a EU accession and Switzerland's wealth would be gravely endangered by it. In addition, surveys among citizens continue to show a rather stable and explicit resistance to a EU accession, which the results of a national referendum in 2001 last confirmed, in which more than 75% of the citizens said no to the EU accession.

EU Adaptation Mania

Apart from the active and direct shaping of relations with the EU, Switzerland is indirectly affected by the developments and decisions on European level. Since 1988, Swiss bills have systematically been reviewed for their EU conformity. The "autonomous conformation" (so called autonomer Nachvollzug) to EU law made about 80 percent of the Swiss economic law EU compatible. Politicians often still lack the courage towards their own, superior solutions and prefer relying on the blind adoption of the EU law instead. It is a development we are watching with high concern. A current example, which serves as a showcase for hundreds of such cases and only reached the public last week, can demonstrate this: In Switzerland it has been customary to feed meal left-overs from restaurants and staff-canteens to pigs. This is controlled by strict and rigid directives regarding the hygiene, procedure (boiling) and monitoring. The process is very ecological and experts confirm that this type of nourishment is by far more healthful for pigs than chemical products are. It seems that in some EU countries hygiene had not been on top of the list, therefore, this type of feeding was forbidden within the entire EU. The Swiss government follows suit, even though no plausible reason exists. It is just one of the things the EU has decided. While the authoritative accession proponents pretend that a EU accession is currently not a subject, behind the scenes everything is being done to get Switzerland "ready for accession". They abolish "accession obstacles" systematically, i.e., they continuously adapt our legislation and general framework to EU standards to eliminate all differences. By doing so, they talk about an "autonomous conformation" by which they want to say that Switzerland is already constantly impelled to adopt EU laws. This is not true, however. There can be no question of a compelling adoption, as we would have the choice in each field of reference to maintain or introduce better regulations. The problem arises from the fact that the accession strategists consequently drive at adopting the EU regulations in order to bring everything into line. The alleged forced "autonomous conformation" to EU legislation is merely part of their strategic target. It goes without saying that there are many EU regulations which are an advantage for us to adopt, if expedient laws have passed this (as in the case of technical

developments). What happens in Bern, however, is something completely different. The authoritative accession proponents purposefully "harmonize" all delicate areas which could create problems during a future referendum. The abolition of the 28-ton limit for trucks can still be cited as a primary example. Inevitably, these are those areas for which Switzerland (still) possesses better general conditions than the EU. This kind of "autonomous conformation", i.e., the purposeful elimination of our more advantageous parameters for the benefit of an enforced alignment with the EU is extremely harmful to our country. Years ago, Federal Minister, Moritz Leuenberger, stated with unexcelled clarity (Frankfurter Rundschau of 2 March 2001): "The more hurdles we eliminate, the more naturally the EU accession can later take place." We have already arrived to the point at which everyone from politicians to media sources, who should normally be in the know, believe the absurdity that it is in the interest of our country to no longer lay down the rules ourselves, but to let them be laid down abroad instead. They say we need foreign directives, such as the EU environmental laws to protect our environment; such as the EU consumer protection to better protect our consumers. All that, although Switzerland protects its environment and consumers by far better than the EU does. Against all logic, the voters are made to believe that our wealth could only be maintained by adopting the EU directives. This line of reasoning is not only grotesque, it is downright devious, for the old EU strategists realized long ago that only then will the Swiss citizens vote for a EU accession, when also their wealth has dropped to EU level (when salaries / prices for the average citizen have been scaled down to EU level.) The urge for accession into the Brussels direction is therefore especially disastrous because, compared to that of the EU, our political system is fundamentally different in nature. Switzerland's typical direct democracy and a EU accession are mutually exclusive. There is an immediate logic behind that: for a superior entity like the EU, which enacts mandatory regulations for its member states, our democracy is out of place. The EU will never be able to tolerate that in a small member state 100,000 citizens have the chance to collect signatures for just about any issue and, in the event of a majority of ballots, can enforce a deviating solution. The moment in which Switzerland acceded to the EU, our value added tax (according to EU legislation) would jump up to at least 15% (currently 7.6%). Though the Swiss citizens would be able to collect 100,000 signatures (or 500,000 or even a million), they would not be able to lower the VAT down to 14 percent. The ones who have real interest in Switzerland's direct democracy and its prosperity will inevitably conclude: "Economic order - yes, political adaptation - no." We need a different type of regulations and more advantageous laws than those of the EU.

Referenda in Switzerland

There were also two national referenda in 2005 which were directly related to the EU. On the one hand, the people accepted the accession to Schengen by 54.6%. Thereby, Switzerland has become part of the European fortress, which is hermetically sealed off towards the outside - at least according to the intention - and internally more intensively police-controlled - again, according to the intention, with such consequences as the dragnet controls and the police persecution into the other country. The diversified protection by structured borders and areas, which has now been omitted, has to be counterbalanced by a forced patrolling of external borders and by an intensified "policing" of the domestic territory. Schengen is therefore not a project of freedom. It is part of a major project of a concentration of political power in Europe, which is only little concerned with liberal concepts and is anything but cosmopolitan. The expansion of free passenger traffic to the 10 new EU states was agreed to by 56%. This treaty is already leading to problems today because a strong immigration has set in, which makes unemployment go up and salaries go down, despite the quotas and restrictions which still exist as transitional arrangements and protection. In return for this market liberalization with Eastern Europe, Switzerland is supposed to pay by pressure of the EU one billion Swiss Francs to the Cohesion Fund. The Swiss government has announced that, in exchange, it will cut on foreign aid for such nations as Ukraine or nations from Latin America and Africa and arrange everything in a

budget neutral way and that the citizens could agree without hesitation. An upcoming referendum about the issue in November of 2006 is awaited with a lot of suspension. The main arguments of proponents in the referendum campaign are that Norway is paying still much higher contributions and that the EU would threaten Switzerland with sanctions in case of a rejection. It is obvious that Eastern Europe urgently depends on help, in any case also from Switzerland, and no one objects to it. But Switzerland can render this help better by projects of its own, and not by contributions to Brussels based on EU pressure. And this may not occur at the expense of the help to other, still needier, nations! According to a recent survey, 50% of the Swiss explicitly disapprove of these payments. We are very anxious to find out if the EU will then really apply sanctions against Switzerland. President of the EU Commission, Barroso, has already threatened with this during interviews with Swiss newspapers.

EEA Accession an Alternative?

For Norway it would be interesting to know if an accession to the EEA would be an option for Switzerland. Various politicians were out to revitalize the discussion of the EEA accession. The EEA (European Economic Area) was established to stronger commit the EFTA nations (among them Switzerland) not part of the European Community (EC) then to the EC - especially in the areas of law and legislation. In 1992, the Swiss public rejected the EEA by 50.3% with a record high of 78% voter participation. Prior to and after this, all experts, politicians and economic leaders warned of Switzerland's pauperism and doom. But nothing like that has happened! The EEA agreement would have obligated Switzerland to adopt about 80 percent of the Community Acquis of that time, i.e., the total body of EU law accumulated so far, and to introduce future EC/EU law without power of veto. The EEA agreement thereby resembles a colonial contract which creates a "legalized hegemony". The governments of the nations who signed the agreement declared immediately after their signing of the agreement that the EEA agreement, due to lack of co-decision and/or power of veto, could not be a lasting solution. Therefore, on 6 December 1992, the Swiss public and the cantons rejected the accession to the EEA for political, economic but also for historic cultural considerations. Today, the option EEA can no longer be relevant for the following reasons:

- Low significance, as since 1995, by the EU enlargement, only Norway, Iceland and Liechtenstein have been members of the EEA.
- Switzerland managed elementary EEA areas independently and in mutual interest with the EU by bilateral agreements.
- Institutional deficiencies, such as the mandatory adoption of EU law and the nonexistent power of veto over subsequent decisions: the EEA agreement compels for the automatic incorporation of EU decrees in an extent and in areas which could have a negative effect. Today's "Acquis communautaire" differs from the one which was object of discussion in 1992; for instance, EU decrees have been integrated into the social welfare area since then.

Bilateral Agreements a Strong Alternative

Bilateral agreements are a better solution for Switzerland than a delayed EEA accession. This instrument can help find mutual solutions together with the EU, in order to govern common areas in a binding way, while Switzerland's autonomy, rights of co-determination and sovereignty remain fully preserved. This bilateral method will also play a major role for Switzerland in the future. It will enable Switzerland to carry on friendly relations and commerce with all nations on earth in an independent and cosmopolitan manner. The name of Switzerland's independence is freedom of action. This allows us to conduct an autonomous foreign trade policy. Possibly, Switzerland will soon be negotiating about a free trade agreement with the USA. As a EU member it could not do so autonomously. The EU decides over with whom free trade can be carried out. Another example: the Federal Council has recently approved the Free Trade Agreement with South Korea. Switzerland is thereby gaining free access to one of the ten major global economies. So far, neither the EU nor the

USA have been able to achieve such a deal. Every year Swiss enterprises export at a value of more than one billion Francs to Korea, which makes the advantage of being independent clearly noticeable. A further option is in any case that Switzerland will more-closely consolidate with Norway again and revitalize the EFTA, together with the other EFTA nations!

The negative Consequences of a EU Accession

An accession to the EU would cause tremendous changes to Switzerland. On the one hand, the shift of power to Brussels would destroy the enormous direct democracy, which grants its citizens maximum power of co-determination. The Swiss could participate in referenda as much as they like and voice their own opinions in national issues; the Brussels decisions would override, however. For instance, the citizens have distinctly consented to a citizen's initiative for agriculture free of genetic manipulation. A EU accession would immediately nullify this initiative. Another citizen's initiative for the protection of the Alps, which limits truck traffic through the mountains, demanding a shift from road to rail, has also been adopted. This initiative would become void with a EU accession. The Swiss agreed to a bill regarding the debt brake, which is designed to cut down on Switzerland's national debts. A EU accession, due to the high accession fees and payment terms, would render this impossible. EU members are unmistakably subjected to the maxim: EU law breaks national law. It is a fact that the EU has started to govern more and more areas, thereby limiting the autonomy and sovereignty of its member states. The alleged co-determination and co-decision rights of the small nations, Switzerland and Norway, within the EU committees would be rather minimal, and considering the fact that the EU presses more and more for decisions by majority, increasingly meaningless.

A EU accession will bear further serious disadvantages for Switzerland:

- Abandonment of the Swiss neutrality: acceding to the political union of the EU with a common foreign, security and defense policy would signify the end to Swiss neutrality.
- Billions of costs: In the event of a EU accession, annual payments between 5 and 7 billion Francs must be reckoned with, which would mean significantly higher public spending ratios and tax rates.

Consequently, a Swiss family of four would have additional annual expenditures of approximately 3,600 Francs. (Additional price increase of the market basket due to double VAT). On top of that, further costs arising from a membership and the related increasing activities in foreign policy, the adaptation of Swiss laws, enlargement and restructuring of federal and cantonal administrations. In addition, one must add yet some more billions for the enlargements of the EU ("cohesion payments"), the protection of the external borders, etc.

- Enormous interest charges: The inevitable adaptation of the Swiss interest rate level to the European will have a still more profound effect. The interest on debts would rise in Switzerland - provided these were to be adapted to the most favorable Swiss interest rate level within the EU - by at least 1.5 percent! The interest charges for the entire federal and private indebtedness of Switzerland of altogether about 1,000 billion Francs would thereby rise by 15 billion Francs per year. The tax payers from the federal government, cantons and communities as well as all private debtors - especially the economy and the mortgage borrowers - would have to pay these costs.
- Higher rental charges: In the case of a EU accession, the effects on the real estate market, the residential rents and the building industry would be grievous as well. Since in Switzerland the rents are linked to the mortgage interests, rents would also rise by about 20 - 30 percent. Apart from that, such a rise in interest rates would inevitably lead to major crises in the real estate and construction industry.
- Massive rise in the public spending ratio: the gigantic growth of the entire burden of taxes, duties and debts, among others with a value added tax of at least 15 percent, would lead to a massive increase in the public spending ratio. By this, the business location Switzerland would incur severe detriments, a decreased competitiveness and thus, more unemployed.

The current crisis of the EU, after the rejection of the EU constitution by France and the Netherlands, the high unemployment rate, the different political structure, the centralism, the harmonization of significant economic and monetary instruments, the loss of sovereignty and direct democratic influence make the EU accession of Switzerland impossible. Therefore, the EU membership cannot be a "longer term" option.

A liberal, open civil society like Switzerland, with the willpower for autonomy, is able to practice a special kind of politics befitting the country and thereby achieve a higher success than within a regimented giant architecture with its downward harmonizing pressure. An independent and sovereign Switzerland offers the chance to go more innovatively, economically more efficient and readier for competition than a centralistically organized EU. Surely enough, being solely an independent and liberal nation does not suffice to ensure Switzerland a successful future. Freedom and independence are not the solution to all problems, but they are a prerequisite for it. Acceding to the EU would destroy just those basics of our success.

Norway and Switzerland carry on the fundamental Ideas of the EU

All people in Europe, no doubt, support the original objective of the EU's founding fathers "No more war in Europe". This is no longer a matter of today. Nowadays, the EU is concerned with completely different issues. A uniform mishmash instead of diversity is the major idea. With their humanitarian services and internationally responsible cosmopolitan roles, Norway and Switzerland today make a valuable contribution - even more effective than the EU foreign policy - to restrain wars globally and alleviate misery. Thus, they carry on the intellectual heritage of the EU founding fathers, Konrad Adenauer, Robert Schuman and Alcide de Gasperi, something we can be proud of! An accession to the EU would bring major economic disadvantages and a heavy loss of wealth to both Norway and Switzerland today. In particular, the sovereignty, good community relations, peculiarities and distinctions, the independence and democracy of these two wonderful nations would be strongly affected. Specific interests of both nations would be overlooked. Our next generation, which we are continuing to educate well, qualifying them for a liberal-minded cooperation on global basis as well as for a peaceful and useful problem solution, deserve our full trust that they will be able to better solve our national problems than the EU authorities will also in the future. Norway and Switzerland are modern nations with a big future, if they stay out of the EU. By this, they do a great favor for their own population but for all other people in Europe as well. It will do the EU good to see the proof of individual nations that a country in Europe can be successful also (or just for that reason) without an accession to the EU.