



Questions and answers

Will Swiss European policy necessarily lead to membership of the EU?

No. EU membership is one of a number of options. For the Swiss Federal Council, however, it is not currently on the agenda. The Federal Council favours the “bilateral path”: It is of the opinion that Swiss interests are currently best achieved through the conclusion of bilateral agreements in clearly defined areas of interest such as trade, internal security or the environment. So far, this path has been successful for Switzerland. Relations with the EU have never been as close as today, economic exchanges are in excess of one billion francs per day. This intensive cooperation is based on a contractual framework of around 20 main and over 100 subsidiary agreements.

What are the pros and cons of the bilateral path?

One advantage is that the bilateral approach enables tailor-made cooperation in those areas in which Switzerland and the EU have mutual interests. For example, the reciprocal opening of markets, participation in EU programmes and agencies (for instance in the fields of research, the environment and film promotion) or cross-border cooperation in police and judicial matters. At the same time, Switzerland can develop and retain its own regulations in other areas which deviate from the EU rulings if this is in its interests, for example in trade and monetary policy or in the financial and labour markets.

The disadvantages include the fact that Swiss companies are still suffering to a certain extent as a result of the incomplete opening of markets – for instance in the important service sector. A further problem is that Switzerland has no power to influence the development of EU regulations although these often have a major effect on the country.

What are the pros and cons of EU membership?

One advantage would be the complete economic integration of Switzerland into the EU single market. Swiss companies would be on a completely equal footing with their European competitors in international markets. In addition, Switzerland would have full power to influence decisions as a member state with equal rights.

Disadvantages would be, on the one hand, economic consequences such as higher interest rates (loss of the interest bonus) and relatively high mem-

bership contributions (net payments of 3.4 billion francs a year). Referendums and initiatives could be retained. Nevertheless, the material area of application would be restricted in part.

Why does the Federal Council not withdraw the “frozen application for EU membership” in Brussels?

The “application for EU membership” consists of letters dated May 1992 in which the Federal Council requested the starting of membership negotiations. As early as January 1993, the Federal Council explained that Switzerland was postponing the start of membership negotiations until further notice. These letters do not constitute a legal instrument but merely a political statement. Consequently, withdrawal is not possible in the legal sense. In addition, the so-called “frozen application” dating back more than 15 years has no practical effect whatsoever. In the event of Switzerland wishing to start membership negotiations with the EU, it would certainly have to send a new letter to the EU. This is because today’s EU is no longer identical to the EC of 1992. The Federal Council therefore sees no reason to comply with requests for “withdrawal” of the application for membership. This is also the position of parliament which has so far rejected all attempts to obtain withdrawal of the application for EU membership.

Is there a future for the bilateral path?

The bilateral path is not a simple option: the search for solutions with a Union of 27 member states is not always easy. Up to now, however, acceptable solutions which satisfy important interests of both sides have repeatedly been found in terms of economic relations as well as in political areas such as security, asylum and the environment. Continued success of the bilateral European policy in the future requires certain prerequisites. Firstly, Switzerland must retain sufficient room for decision-making in its relations with the EU. Secondly, the EU must retain its willingness to search for solutions with Switzerland within the framework of bilateral agreements. And thirdly, the economic framework conditions must not change to the detriment of Switzerland.

Is everything that the EU decides “implemented autonomously” in Switzerland?

No. Switzerland is not obliged to implement EU law. It adapts its regulations to EU law where this is in its interests. This is the case, for example, if differences between Swiss and EU regulations create trade barriers and

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thus put Swiss companies at a disadvantage compared with their European competitors, or if Swiss law is adapted for reasons of health protection, product safety or legal security. Nevertheless, there are also sensitive areas in which Switzerland consciously retains deviating regulations, for example, regulations concerning the transport of animals or genetically modified food, in patent law or fiscal matters.

Why are new negotiations constantly being held with the EU?

Negotiations are only held if there is a mutual interest in a negotiated solution. The numerous negotiations and agreements between Switzerland and the EU are an indication of the major interdependence of interests in this partnership. This is not surprising: Switzerland is situated in the middle of Europe from a geographical perspective. Accordingly, the EU is by far the most important trading partner of Switzerland, and Switzerland is the third most important market for EU products (2008). The pressing problems in areas such as transport, the environment, migration or crime and asylum are transnational – meaning that there is also a need for transnational solutions to be negotiated. Besides, many negotiations are not about new subjects but rather about the further development of existing agreements. Looking after existing “bilateral achievements” is in itself an ambitious programme: some agreements have to be renewed, others adapted to changing circumstances or extended to include new countries. Negotiations concerning new subject areas are held whenever there is a demonstrable mutual interest. In Switzerland, the Federal Council, Parliament and, if necessary, the people decide on whether a new agreement should come into force.

Who decides whether Switzerland wishes to conclude a new agreement with the EU?

If a treaty results in new laws or important amendments to laws, the Swiss Constitution states that the decision always rests with parliament and – in the event of an optional referendum – with the people. In clearly defined areas which, in turn, require the approval of parliament, the Federal Council can decide by itself.

How much does Switzerland pay the EU for the bilateral path? What would be the cost in the event of EU membership?

If one adds up the various contributions paid by Switzerland for participation in the different EU programmes, agencies and cooperation arrangements as part of the bilateral agreements, and if one also includes the enlarge-

ment contributions towards the reduction of economic and social disparities in the enlarged EU, Switzerland's annual payments to the EU amount to just under 600 million francs. Switzerland's net contribution in the event of EU membership would probably be considerably higher at around 3.4 billion francs (based on 2006 calculations). In both cases, however, funds also flow back into Switzerland.

The EU is striving to reduce inequality in Europe. Is Switzerland involved in this?

Switzerland is making a solidarity contribution towards the development of a stable, democratic and economically prosperous Europe. It does so autonomously and as a partner of the EU. For example, through its involvement in the peace-keeping missions in the former Yugoslavia or as a long-standing member of the Council of Europe campaigning for human rights. The former communist states of Eastern Europe are provided with support for their democratic and market economy reforms as part of the East Assistance. Through its enlargement contributions, Switzerland is helping to reduce economic and social inequalities in the enlarged EU. Finally, through the New Transalpine Rail Link (NEAT), Switzerland is making an important contribution towards linking northern and southern Europe, as well as towards an environmentally friendly transport policy in Europe.