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Amy C. Di Stasio

Lehigh University

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SWITZERLAND: HAS NEUTRALITY REACHED ITS LIMITS?

Amy C. Di Stasio

Introduction

No one would disagree with the statement that the history of Switzerland is, indeed, a history of success. In 1938 the New York Times described this tiny nation as "an island of liberty and harmony in a sea of dictatorships and discord" and "a citadel of peace through stormy centuries." (Olson, p. 12) The history of Switzerland can be viewed as an historical contradiction in comparison to the rest of Europe. It has successfully remained peaceful through centuries of world turmoil, translating this into the kind of prosperous society that warranted first place recognition in the Economist's 1993 quality of life survey.

Switzerland is an anomaly that challenges definition. Though it lacks a common culture, language, and religion, it is, notwithstanding, a unified nation. Achieving unification has been a long and tenuous struggle, a testimony to the strength and determination of human will. Gonzague De Reynold vividly describes the birth pangs of Swiss development:

In order to form itself, this people had to struggle not only against powerful enemies and conquer them; not only against a hard natural environment... but also, and above all, against itself. Composed of races that are different and even opposed carrying in its flesh... relentless antagonisms, speaking four languages, having undergone the fearful and exhausting fever of civil discords, having lost since the Reformation its religious unity, it includes all possible causes of division. And, nevertheless, in spite of everything, it possesses an incontestable unity... (De Reynold, p. 3)

Switzerland's struggle for unity has been two-fold: internally, she has worked to achieve the peaceful cohabitation of culturally diverse
communities. In addition, this internal struggle for unification was compounded by the external problems presented by Switzerland's geography. Because of its central location in Western Europe and its passage routes through the Alps which served to link French and German lands with the Italian peninsula, Switzerland was coveted by surrounding powers. Swiss history, played out on the battlefields of Alpine Europe, was the saga of a people struggling to prevent control by a foreign aggressor. Achieving and maintaining internal unity necessitated non-involvement in the affairs of surrounding nations, hence the birth of Swiss neutrality.

Swiss neutrality was never intended to imply pacifism; it was instead armed eternal neutrality. Defined as the nonparticipation of a state in an armed conflict among other states, Swiss neutrality implies that Switzerland is committed never to take part in any conflict that may arise, and is ready to enforce militarily its independence and neutral status. This concept of neutrality found its roots in European history. As explained by Stephen Halbrook, "Neutrality is the best way to enforce sufficient protection of a small country's independence and security." (Halbrook, p. 8)

The circumstances leading to the adoption of neutrality by Switzerland find their basis in a history of political turmoil. While neutrality was favored by Swiss geography, it was truly born out of a desire for long-term peace and security. As Rene Schwok states, "Historically, in a confederation divided into several religions, languages, and cultures, subject to diverse interests, neutrality has prevented divisions that could serve to disrupt a country's unity." (Schwok, p. 78) By refusing to intervene in the disagreements of foreign nations, the Swiss have maintained stability, peace and unity among their diversified population. Having survived a history of internal tension and external military intervention by surrounding nations, it is understandable that the Swiss fear their neighbors becoming too close. Accepting any form of political authority from an outside source is difficult, considering the hard-fought battle to achieve unity.

Chenaux-Repond describes Swiss history in this way: "The history of Switzerland is one of defense, reaction and fencing itself off — that is positioning itself as an antithesis to what was occurring in the rest of Europe." (Chenaux-Repond, p. 42) Swiss neutrality grew directly, in part, out of the political situation that existed on the European continent. Neutrality, then, was not an end in itself; rather, it was simply the means to an end, the final objective being internal stability and peace. However, at the end of the 20th century, the forces and factors that gave rise to Swiss neutrality no longer exist. Switzerland has achieved and managed to maintain an extraordinary degree of internal peace. More importantly, the European continent is markedly altered, and Switzerland no longer finds itself as a strategic center of communication and conflict. Therefore, it seems reasonable to conclude that the need for neutrality is no longer valid; yet, neutrality persists.

While neutrality is deeply imbedded in the fiber of Swiss history, it is not now and never has been validated by constitutional law. Rather, Switzerland's neutrality has been flexible in nature — a concept defined and redefined in order to best serve its purpose with regard to its impact on foreign policy. To a great extent, it has served as a convenient tool, allowing Switzerland to carefully choose its degree of involvement in world affairs. However, as the European community continues to move closer to unified cooperation, Switzerland "runs the risk of standing in its own way" (Chenaux-Repond, p. 45) by continuing a strict adherence to its policy of neutrality. Herein lies the Swiss dilemma; while neutrality has served Switzerland well, perhaps it has reached the limits of its usefulness.

Historical Basis for Neutrality

Throughout history the policy of neutrality as a tool of foreign policy has received its share of both praise and scorn. Critics of the policy argue against the concept on political, moral and emotional levels. Politically, the argument exists that Swiss neutrality is inherently negative and lacking in positive values — an admission of political weakness rather than a show of strength. As Luck states, "The do-nothing neutrality of the Swiss is ridiculous; it was a state of nullity rather than neutrality, a form of political sleeping sickness." (Luck,
Neutrality is blamed for converting Switzerland into a maid, existing only to serve foreign powers. Adherence to neutrality has also resulted in accusations of immorality. Again, according to Luck:

A free and independent people should be ashamed to hide under a cloak of neutrality when people in neighboring States seek to rise against their oppressors; the Swiss should join, in the name of elementary justice and human rights, in overthrowing rulers who exploit and victimize their people. (Luck, p. 374)

In the face of criticism, neutrality persists because it has ultimately proven successful in accomplishing Switzerland's goal of internal peace and harmony. To completely understand this nation's loyalty to an undoubtedly controversial policy, however, it is necessary to review Swiss history — a history of complex events that provide the reasons for this nation's loyalty to the concept of neutrality.

The Swiss Confederation was formally established on August 1, 1291, when leaders of the three Alpine provinces of Uri, Schwyz, and Unterwalden successfully defended their democratically governed communities (cantons) against the intrusions of the Hapsburgs. They referred to themselves as Eidgenossen — Companions of the Oath — and pledged mutual assistance against all enemies who threatened their independence. Their alliance marked the beginning of the nation of Switzerland. During the years of the 14th century, the three original cantons expanded to include Lucerne, Zurich, Glarus, Zug and Bern, comprising much of what is now central and northern Switzerland. While the threats to Swiss independence continued, common hostility to the Hapsburgs proved strong enough to override the diversities that strained the young confederation. By 1394, after suffering decisive military defeats at the Battles of Laupen, Sempach, and Nafels, the Hapsburgs could no longer maintain their dominance over the cantons.

At the beginning of the 15th century, the struggle for freedom from external domination continued, as the eight cantons found themselves surrounded by the powerful dynasties of Hapsburg, Milan, Savoy and Burgundy. In the Burgundian War in 1476, Switzerland defeated the most powerful army in Europe, led by Charles the Bold. The victory gained recognition for the Swiss army. It was increasingly evident that, because of Switzerland's coveted location, maintaining independence would be an ongoing battle. In 1481 at the Diet of Stans, the tiny Swiss Confederation adopted the advice of a politically astute Swiss monk, Brother Klaus, who proposed that Switzerland choose to remain neutral during all foreign conflicts. As Klaus stated, "Neutrality would deny potential aggressors a casus belli, a reason for war, and would thus serve to deter foreign aggression." (Halbrook, p. 7) Though it would be another generation before this concept acquired full recognition and acceptance, its significance as a tool for ensuring freedom and democracy was already apparent.

Maintaining Swiss Independence

In 1495 the ruler of the Holy Roman Empire, Maximilian I, attempted to reestablish his control over the cantons. Maximilian joined the Swabian League, an alliance of southern German principalities organized to block Swiss expansion. Switzerland entered the conflict with an attack on Graubunden; with the Empire's defeat at the Battle of Dornach, Maximilian abandoned his plans, thus unofficially recognizing the independence of the Swiss Confederation in 1501. The Swabian War marked the final war for Swiss independence, and within two years the thirteen cantons joined in a Federal Union.

Soon after the Swabian conflict, Switzerland found itself involved in a struggle among France, Austria and Italy over control of the vital Po Valley. The Swiss had a vested interest in the area, and wanted to prevent either France or Austria from closing in on them. In spite of a valiant effort, a dispirited and disunited Swiss force was decisively defeated on the fields of Marignano in September 1515. Under the terms of the peace treaty, Switzerland was permitted to retain most of her original territory. According to Halbrook, "The defeat at Marignano prompted Switzerland to adopt a policy of permanent armed neutrality, with no imperialist or territorial ambitions." (Halbrook, p. 8) Linguistic and religious issues hampered
any agreement regarding territory outside Swiss borders, leaving the Swiss with two options: either destroy the Confederation by involving themselves in the policies of Austria, France and Italy, or choose to remain independent. Neutrality presented the most logical choice. As Luck explains, “Neutrality was emerging as a Swiss policy, and distinctions were drawn between wars of defense, which clearly were permissible to a neutral, and offensive combat which was not consonant with neutrality.” (Luck, p. 133)

**Neutrality as a Foreign Policy**

The benefits of neutrality became increasingly evident during the destructive Thirty Years War. Violations of their territory by belligerents united Swiss Protestants and Catholics in their solid determination to resist such incursions. With the Treaty of Westphalia in 1648, Switzerland's independence was officially confirmed, thus ending 350 years of struggle with the Austrian Empire. However, solving the external threat to peace represented only a portion of the problem. Internally, the loose confederation struggled for order. The thirteen Swiss cantons had neither a central government nor a national army. Religious antagonisms persisted, and mistrust between rural and urban cantons was evident. Stephen Halbrook describes the Swiss condition as “a Confederation of disparate languages, ethnicity and traditions; a decentralized political system of the cantons, under which no leader from one canton was allowed to dominate the others.” (Halbrook, p. 8) Switzerland's political institutions found themselves ill prepared to meet the violent forces set loose by the French Revolution. The nation struggled to maintain neutrality in spite of existing pro- and anti-French sentiments. However, her strategic position on the main Paris-Milan route prompted occupation by Napoleon. On March 5, 1798, the ancient confederation of thirteen cantons ceased to exist, as the French established the Helvetic Republic. Giving little consideration for the history and tradition of the Swiss, a single constitution was imposed, and Switzerland became a vassal state. Internal disorder arose and steadily worsened, and by 1803 anarchy prevailed. With the Mediation Act of 1803, Napoleon restored relative order and stability. The thirteen cantons were reestablished and six new ones were added to form the Helvetic Confederation. After the fall of Napoleon, The Congress of Vienna recognized the perpetual neutrality of the Swiss Confederation. Switzerland had learned a costly lesson at the hands of Napoleon. Stephen Halbrook explains: The period of Napoleon dominance was the last instance in which Switzerland's democracy and sovereignty were lost to a foreign invader. This occurred only because the Swiss themselves were disunited.... After the Napoleonic experience, the Swiss were determined never to allow an invasion again.... (Halbrook, p. 15)

But determination alone would be insufficient in solving the existing problems. With the defeat of Napoleon, the Mediation Act fell apart and was replaced by a federal pact reestablishing the Swiss Confederation of sovereign states, united for the singular purpose of common defense and the maintenance of internal order. Legal barriers separated the country, with each canton retaining its individual laws, currency, postal service, weights and measures, and army, thus making a unified foreign policy impossible. Civil liberties became nonexistent; suspicion and religious hostility surfaced. In 1845, these deep-seated religious differences led to the formation of a separatist league of Roman Catholic cantons known as the Sonderbund. The Diet, representing the remaining cantons, demanded its dissolution in July 1847, recognizing that the Sonderbund was incompatible with regard to the restrictions of the Federal Pact. Civil War ensued for 25 days and resulted in victory for the confederation and, more significantly, in the drafting of a new constitution for Switzerland. Surprisingly, neutrality as an objective of the state was not written into the Federal Constitution. The Constitution of 1848
marked a major turning point in Swiss history, finally ending the internal strife and conflict that had to that point been a burdensome fact of life. Since its adoption, Switzerland has enjoyed a long absence of major internal crises with regard to either ethnic or religious differences. Switzerland had finally achieved the lasting internal peace she desired.

Neutrality Defined and Tested

Though already recognized, it was not until the Hague Convention of 1907 that neutrality as a policy was formally defined and established. The convention was called by Czar Nicholas II, and several protocols were adopted regarding the rights and duties of neutral powers. As set forth in The Hague Convention on Rights and Duties of Neutral States, neutrality required and/or permitted:

• non-participation in war
• self-defense
• impartiality toward belligerents
• no mercenaries for belligerents
• the right to territorial integrity.

Swiss neutrality would be severely tested with the outbreak of World War I on August 1, 1914. On August 4, the Swiss Federal Council reaffirmed that Switzerland would maintain the strictest neutrality when confronted by belligerent states. As Halbrook explains:

The concept of armed neutrality served Switzerland well in World War I as it had for centuries. Despite her location in the center of the continental European powers fighting the war, Switzerland successfully preserved her strict neutrality and avoided becoming a battlefield. (Halbrook, p. 20)

With the signing of the Treaty of Versailles, Switzerland's peaceful position was reaffirmed; the European nations ultimately recognized her policy of neutrality as a vital factor contributing to the balance and stability of the European continent. But then in May 1920, Switzerland made a decision that would have appeared to be in direct opposition to its stated policy of non-involvement: she joined the League of Nations. The Council of the League recognized that Switzerland's permanent neutrality was justifed in the interests of general peace and consistent with the League's principles. While not called upon to engage in military operations or to permit the transit of foreign troops, Switzerland would be bound to participate in economic sanctions taken by the League against covenant breaking nations.

The disintegration of the League of Nations during the 1930s prompted Switzerland to relinquish the concept of differential neutrality, which permitted economic sanctions, and return to the position of integral neutrality, which forbade it. Fearing that world political turmoil would continue to escalate, Switzerland strengthened herself for the effects of possible conflict — militarily and psychologically. At the outbreak of World War II, a strong declaration of neutrality was issued by the Swiss Federal Council — a declaration backed by a strong army and air force. The nation was both determined and prepared to fight to preserve the peace and freedom it had worked so hard to achieve. Immediately following World War II, Switzerland survived as the only democratic state in central Europe despite a difficult geographical position on the continent.

In 1986 the Swiss people overwhelmingly rejected membership in the United Nations by a three-to-one vote, fearing that the decision to join would necessitate relinquishing the political self-control, and ultimately the neutrality, they had fought so hard to maintain. However, in 1991 Switzerland did side with the United Nations in the Persian Gulf War. Participation did not include military support, but Switzerland did agree to sanctions against Iraq, an incredibly difficult policy decision for a traditionally neutral nation. As Hansjoerg Seiler explains:

Iraq would never have considered Switzerland as a neutral under these circumstances. On the other hand, the coalition of international forces in Iraq could not view Switzerland as an ally they could count on. Therein lies the inevitable dilemma of the neutral state. (Seiler, p. 27)

Through hundreds of years of world turmoil, Switzerland has managed to emerge relatively unscathed — a tribute to its policy of neutrality. Looking inward at the political, economic, and social success that has been achieved, it is obviously difficult for
Switzerland to simply abandon a policy that has served it so well.

Modifying Swiss Neutrality

A close look at the history of Switzerland clearly indicates that neutrality as a policy has served the nation well, enabling it to remain whole and to prosper in spite of surrounding turmoil. Initially, neutrality was solely an emergency measure, a stop-gap device, prompted by the realization that external neutrality would serve to foster internal cohesion. However, in the course of history the usefulness of neutrality has firmly rooted itself deep in the Swiss conscience. For the people of Switzerland, the history and habit of neutrality runs so deep that it has become, for many, a national ideology. While the Swiss define their neutrality as self-determined, permanent and armed, in reality it has always been flexible in nature, adapting itself to the circumstances of the time and applying itself to serve the best interest of the nation. The question then remains as to whether neutrality is still in the best interest of Switzerland.

Swiss neutrality remains historically motivated; however, historic events of the 20th century have significantly altered the nation's geopolitical surroundings such that the political landscape, as well as the political order of Europe, no longer makes neutrality a necessity. In 1991 the Swiss Council conducted an in-depth study examining the validity of neutrality, and concluded that it (neutrality) was still a useful tool for implementing the foreign and security policies of the Swiss confederation. However, only two years later in “The White Paper on Neutrality,” the Federal Council recognized both the importance and feasibility of adapting Switzerland's neutrality policy to present situations, particularly with regard to European integration. “The White Paper on Neutrality” clearly explained that Swiss neutrality and European integration need not be considered mutually exclusive as indicated by the following points:

- The freely assumed obligation of neutrality should not prevent the country from taking whatever measures it deems necessary to counter new types of threats against which it can protect itself only through international cooperation.
- Participation in collective sanctions imposed by the international community against a country that has broken the peace or violated international law is compatible with neutrality.

Switzerland's integration into Europe and the European Union in particular is truly not an issue of constitutionality, but rather one of political and popular willingness. While Swiss opinion polls continue to reaffirm public opposition to a reinterpretation of neutrality, the Federal Council fully acknowledges that some degree of adaptation is necessary to insure Switzerland's position as a viable political and economic force.

It is obvious that Switzerland may have been unique in a European theater marked by strife and turmoil, but that uniqueness has long since faded. The nations of Western and Central Europe have demonstrated their ability to coexist peacefully and democratically, as well as to cooperate economically and socially. With the signing of the Maastricht Treaty in 1992, a continent that had been shaken by conflict embarked on a future of friendly collaboration with the establishment of the European Union. Under the terms of the treaty, member states set forth the following objectives:

1. To promote economic and social progress through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency.
2. To assert its identity on the international scene by implementing a common foreign and security policy and by the eventual framing of a common defense policy.
3. To strengthen the protection of both
the rights and interests of the people of the Member States mainly by establishing a citizenship of the European Union.

4. To develop cooperation with regard to justice.

5. To maintain in full the *acquis communautaire* (acquired communication/document presently in force).

In essence, Europe has achieved an admirable level of peace and security and is continuing on the path toward common prosperity based on cooperation and dialogue — a trend that appears destined to continue. As President of the Swiss Confederation Flavio Cotti explains: "Europe appears to be politically fundamental because it is the guarantee of peace, of collaboration and of solidarity among its members. It is a network of progressive and intense inter-relationships…. And it is exactly for that reason that Switzerland’s membership in the European Union represents the strategic objective of the Swiss Federal Government.” (Cotti, p. 3)

Switzerland and European Cooperation

Switzerland has been consistent in attempting to establish closer ties with the nations of western Europe, supporting the process of European integration. The primary focus of cooperation has dealt with guaranteeing Swiss economic interests while maintaining her neutral and political independence. Switzerland was the co-founder of the Organization for Economic Cooperation in Europe (OECE) in 1948. As a founding member of the European Free Trade Association (EFTA) established in 1960, the Swiss supported a broad-based free trade market in Europe. With the creation of the Swiss Integration Bureau in 1961 and membership in the European Council in May 1963, it became increasingly apparent that Switzerland had no intention of allowing neutrality to interfere with cooperation. Cooperation would be analyzed to determine if agreements violated Switzerland’s policy of neutrality. The Swiss had, indeed, established a foundation for step-by-step negotiations in the context of bilateral agreements. Once again, in 1972 Switzerland remained consistent in her desire not to be excluded from European cooperation. The nation’s prime economic goal — to secure free circulation of industrial goods within western Europe — resulted in the signing of the Free Trade Agreement (FTA) which afforded the Swiss the opportunity to negotiate additional trade agreements without relinquishing any degree of sovereignty. The arrangement allowed Switzerland to enjoy the economic benefits of cooperation without jeopardizing neutrality, federalism and direct democracy. Finally, in 1992 Switzerland joined the World Bank and the International Monetary Fund.

While the Swiss appear to be moving in the direction of economic integration, the preservation of absolute neutrality has served to hinder attempts at institutionalized political ties with Europe. In 1986, fearing an irrevocable strain of the neutrality policy, the Swiss overwhelmingly rejected United Nations membership by a three-to-one margin. In December 1992, Switzerland negotiated, but failed to ratify, the European Economic Area (EEA) Treaty, which would have extended the European single market. The rejection of the December 1992 referendum clearly illustrated the cultural rift that existed within Switzerland with regard to European integration. Chenaux-Repond explains:

French-speaking Swiss seem to approach Europe with more positive expectations and more self-confidence than their German-speaking brethren. Despite their unquestionable political pride and sense for autonomy, they are partners in French culture without encumbering complexes. In contrast, German-speaking Swiss continue to suffer from at least a residual quest for demarcation from their German mother-culture — certainly a remnant of their experiences with Nazi Germany. (Chenaux-Repond, p. 49)

Switzerland has been cautious to pick and choose those aspects of European integration which were beneficial yet safe with regard to neutrality. However, in order to maintain a viable political and economic position on the European continent, cooperation needs to be extended, via participation in the European Union.
Switzerland's Cooperation with the European Union

The European Union is unquestionably a major force in the political and economic future of the world, and its impact on Swiss development will become increasingly relevant in the years ahead. Recognizing the importance of the European integration process, the Swiss Federal Council acknowledges that assuming a position of non-participation could result in political isolation and economic discrimination as evidenced by the following:

Switzerland will best defend its long-term interests by participating fully and with equal rights in the European Integration Process. Only full membership of the EU will give Switzerland a say in the decision making process that is shaping the political, economic and cultural future of Europe. In spite of Switzerland remaining outside the EU, many of the Union’s decisions affect Switzerland in much the same way as they affect the member states. ("Integration Policy As Seen By The Confederation: Current Situation and Outlook")

The growth of the European Union has significantly altered the balance of strength on the European continent. In a Europe without an EU, Switzerland would be considered a relatively strong force — politically, economically and financially. However, if the EU is viewed as a single entity, the relative importance of Switzerland diminishes a great deal. As a member of the EU, Switzerland could derive more strength by employing the joint power of the Union, thereby increasing its own influence with regard to the rest of the world. The Economist reported on November 28, 1992, that membership in the EU would “help liberate the Swiss economy and enable Switzerland to come to terms with, and perhaps steer European independence.” ("Switzerland and Europe: Time to Join the Others," p. 5)

Switzerland has to date placed itself in a no-win situation with regard to integration into the EU. Rene Schwok explains that “Switzerland finds itself in a sort of satellite position, where it is attracted to the gravitational pull of the EU without being able to take part in it or exercise the slightest influence.” (Schwok, p. 79) The Federal Council has taken all the necessary steps to insure that Switzerland adopts most of the standards, directives, and laws of the EU, in an attempt to place its own economic laws on an equal footing with those of the European Union. This indicates that the Swiss recognize that to do any less would negatively affect their ability to negotiate with the European Union. By and large, Switzerland has subjected itself to the regulations of the EU but has allowed itself no voice in the decision making process — all in the name of neutrality.

Will entrance into the EU truly compromise neutrality? Does a neutral state truly need to remain totally independent of other countries to maintain credibility? A close look at the Swiss economy indicates that this is certainly not the case. Two-thirds of Swiss exports go to the EU, and three-fourths of Swiss imports come from it. Switzerland is also the second leading trade partner of the EU (after the United States) and the third leading supplier to the EU after the United States and Japan. It is also one of the main foreign investors in the EU, and Swiss companies provide work for more than 1.1 million EU citizens. In reality, has not neutrality already been compromised?

Sidestepping the EU: Bi-Lateral Agreements

Recent history corroborates the obvious conclusion that the Swiss already recognize the importance of European participation and have taken certain steps to accomplish it. However, the steps come in the form of bilateral agreements, which indicate that the Swiss are gravitating toward the EU while continuing to sidestep total commitment.

The vote of the Swiss population against the December 1992 referendum which would have enabled the nation to join the European Economic Area was the initiating factor for the sector-by-sector bilateral agreements. The Swiss Federal Council perceives that the aforementioned agreements are necessary for two reasons:

- Switzerland’s non-participation in the Single European Market could have
negative economic effects which could be alleviated by negotiating bilateral agreements.

• The context of the bilateral agreements is more limited and will ensure that the wishes of the Swiss population will be respected.

While the ultimate goal of the Swiss Federal Council is full accession to the EU, the Council wisely concedes that a "do nothing" or "a wait and see" policy is not an acceptable alternative. Therefore, formal negotiations to ratify the agreements begun in December 1994 are concerned with seven major areas:

1. **Free Movements for Persons** is a critical issue for the Swiss considering that, at over 19 percent, it has one of the highest proportions of foreigners in its population of any Western European country. Arriving at a solution which equally recognizes the requirements of the EU and Switzerland is a difficult task. The proposed solution would permit Switzerland to control immigration for a period of twelve years, at which point total freedom of movement would be complete.

2. **Overland Transport** discussions will require Switzerland to develop an environmentally friendly transport policy through the Alpine region. Included in the Swiss Constitution is the Article on the Protection of the Alps, which requires that goods being transported by road must be transferred to the railway for transit through the Swiss Alps. According to the proposal by the Federal Council, this could be accomplished by imposing a heavy goods vehicle tax proportionate to the number of kilometers traveled and by improving railway performance, making it commensurate with transport by road standards. At a meeting in December 1998, Switzerland and the EU reached an agreement on the issues of overland transport.

3. **Air Transport** negotiations are specifically aimed at providing Swiss airlines the same rights as their EU competitors are permitted. As a result of their present status, Swiss airlines suffer monetary losses estimated at Sfr200 million per year, which is likely to double in the near future.

4. **Public Sector Markets** negotiations are aimed at applying the principles of non-discrimination and transparency to the markets of local authorities. Since Swiss industries are predominantly export-driven, agreements within this area are critical. According to the Swiss Integration Office report, "Additional competition in the Swiss internal market, would stimulate the efficiency and competitiveness of Swiss bidders... and eventually would result in more effective utilization of public funds." ("Bi-Lateral Agreements...")

5. **Technical Barriers to Trade** negotiations are vital, in that agreement would enable Swiss producers to have products tested and certified in their own countries with the help of a Swiss-based laboratory recognized and accepted by the EEA. The financial benefit to these negotiations is obvious and noteworthy. According to EU estimates, the partial dismantling of trade barriers will result in a savings of 2.45 percent yearly, leading to a general reduction in product pricing.

6. **Field of Agriculture** negotiations focus on a number of significant issues including the limitation of state intervention and the increase of production. To a certain extent, agreement in this area constitutes a trade-off. Increased competition negatively affects the Swiss home market, while the new and increased opportunities provided by competition will be a benefit.

7. **Research** negotiations, when concluded, will afford Swiss researchers complete and full participation in and access to all EU research programs.

While negotiations are ongoing, the compromises reached in some of the bilateral negotiations in December 1998 indicate that, even in its present interpretation, neutrality need not stand in the path of integration.
Reconciling Neutrality and Eurocompatibility

A careful examination of the feasibility of reconciling neutrality and European accession indicates that the two are certainly not mutually exclusive. The government has slowly made certain revisions with regard to existing neutrality demands in order to guarantee that Switzerland not suffer political and economic isolation. While the sector-by-sector bilateral agreements are certainly a step in the right direction, the effects of total accession to the European Union are far greater and are within the realm of Switzerland's neutrality requirements. For example:

- Accession of Switzerland to the European Union is completely compatible with the Federal Constitution which was revised in 1977 specifically with an eye toward EU accession.
- Accession would actually strengthen Swiss independence by affording it the opportunity to influence and shape the rules decisions that are of concern to the nation.
- Accession would actually guarantee Switzerland a position of strength since the added influence of EU membership would make it difficult for any outside pressure to be exerted on the nation.
- Accession would allow Switzerland to profit from trade agreements concluded by the EU on behalf of its members.
- According to the Federal Council, accession would actually promote national cohesion as well as the influence of Switzerland outside of its own borders.
- Accession would not interfere with the rights of initiative and referendum guaranteed to the Swiss people by the Federal Constitution.
- The Federal Council believes that EU accession would in no way threaten the role of Parliament or of the cantons in the Swiss political system.

A Success Story That Has Reached Its Limits?

The success story of Switzerland is unquestionably admirable. It is a story cherished by the population, and rightfully so. It has become a story so cherished, however, that it is difficult to relinquish even when it is clearly evident that it no longer serves the best interest of the nation. For Switzerland, this history of success is synonymous with its history of neutrality; therefore, the Swiss mentality perceives that relinquishing neutrality threatens the continued success of the country. In reality, just the opposite is true.

Realistically speaking, at the present time neutrality is not a political, economic or social issue, but rather an issue of ideology, identity and national pride. It is so deeply imbedded in the fiber of Swiss history that it does, in a sense, define the nation as a whole. However, the reasons that gave rise to neutrality are no longer valid. The positive role that neutrality played in the development of Switzerland has ended; it seems clear that if Switzerland is to continue on a path of productive development, change is necessary. That change necessitates at the very least a reinterpretation of the long-standing policy of neutrality.

In the last half of the 20th century, the makeup of Europe has undergone positive changes, politically, economically and socially; Switzerland can no longer separate itself from the impact of these changes. The changes have produced a Europe that boasts of peace, security, stability and cooperation, conditions once unique to Switzerland. This new, united Europe is a powerful force to be reckoned with and not ignored.

Change in traditional policies is difficult; change on a small scale is obviously easier to accept than major change. Switzerland has taken a number of small steps with regard to cooperation, specifically in the form of bilateral agreements. Yet the Swiss continue to sidestep the final major step — European accession. In reality, neutrality is not an obstacle to Swiss-
European cooperation; the two are reconcilable. Switzerland is completely capable of assuming its place in the "new" Europe, while still maintaining most aspects of its neutrality. As Dieter Chenaux-Repond explains:

There is no question at all that Switzerland possesses the overall potential for full membership in the European Union. Its economic strength, its infrastructure, its multilingual and multicultural composition could have made Switzerland an EU member par excellence years ago. The issues of military security and neutrality as the instruments to guarantee security are no obstacle. (Chenaux-Repond, p. 51)

Only in the event that the European Union concludes a collective security agreement among its members would the question of neutrality need to be re-evaluated. As the Integration Report of 1999 clearly states:

EU accession would have no impact on the preservation of Swiss neutrality, as the examples of Finland and Austria prove. By staying neutral, Switzerland would undertake when it joins the Union to participate in the creation of a comprehensive continental security system and would ultimately gain a security margin from that system. However, it could preserve its position in situations with a critical bearing on neutrality by exercising the constructive right of abstention. ("Bilateral Agreements..."

The future of a progressive and productive Switzerland lies within the European Union and ultimately within the hands of the Swiss people, who need to take the next step and say, Yes to Europe! (Swiss Integration Office)