Obstacles to Swiss-EU Integration: A Two-Level Games Analysis

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Prepared for

University of Cape Town, South Africa
Department of Political Studies
In accordance with the requirements for a Masters of Arts in International Relations

February 16, 2004

University of Cape Town

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TABLE OF CONTENTS

INTRODUCTION..1-10

CHAPTER ONE
The Theoretical Parameters..11-13
Federations and Integration..13-15
General Overview of Federal Institutions: a Larger "Win-Set"........................15-19
Sources of Stress in Federations..19-20
Regional vs. Federal: An Allocation of Responsibilities................................21-23
Pluralism and Federalism: The Swiss Design..23-26
Creation: A Bottom-up Approach to Federalism.......................................26-28
The Canton and the Executive: Everyone Wins...28-29
Parliament: The Forum for Vocalization..30-31
Concordance and Swiss Pride..31-32
Criticisms..32-33
An Introduction to the Referendum..33-35
The Effect of the Referendum: Conservatism..36-37
European Economic Area Referendum: The History Behind it........................37-39
Bilateral Agreements: The Successful Bargain..39-43
Rational Choice Argument...43-44

CHAPTER TWO
A Theoretical Imperative...45-50
Historical and Societal Framework of Swiss Security Policy..........................50-51
Neutrality as a Power Mechanism for Small States.....................................51-54
Neutrality as a Geo-Strategic Move...54-55
Neutrality after World War II: A Strict Definition......................................55-59
The Dual Functions of Neutrality..59-60
Neutrality as National Identity: The Popular Position..................................60-61
Neutrality as a Source of Political Disagreement.......................................61-63
Contemporary Interpretations of Neutrality..63-64
Neutrality and the Revisionists..64-68
Criticisms..68-70
International Pressure: Reform from Abroad...70-71
A Realistic Time Frame...72-74

CHAPTER THREE
A Review of Putnam's Model..75-77
The Preferences of the Statesman..77-79
The Current State of Swiss Politics..79-81
Current Public Opinion in Light of United Nations Membership.....................81-82
The Rise of Party Politics: The Dissolution of a Consociational Haven..............82-83
Confrontational Politics: a More Pronounced Right-Left Axis........................83-85
Euro-Skeptic Parties: Out of Many, One...85-87
A Theoretical Understanding of Right-Wing Parties....................................87-89

The Trajectory and the Enlargement 89-92
Classic Radical Right Designs 92-94
Ideologies of Exclusion as the Doctrinal Core of the Radical Right 94-98
Is it Cause for Concern or Instability? 98-99
The Domestic Response 99-104

CONCLUSION 105-108

BIBLIOGRAPHY 109-113

INTRODUCTION

In the dominant Realist paradigm of international relations theory, foreign policy is strictly the product of the state acting as a unitary, rational actor. Accordingly, the dynamics of domestic level politics are secondary. Using this paradigm in the analysis of Switzerland's integration into the European Union, one might argue that domestic factors have a limited effect on the relationship between Switzerland and the EU. Contrary to Realist theory, which does not account for the overriding role played by domestic politics, I will posit that the domestic level not only impacts but also directly determines Swiss foreign policy decisions. The null hypothesis therefore states the contrary, namely, the Realist assumption that the state level is the decision-making one.

Switzerland's relationship with Europe cannot be solely attributed to specific and transient cases such as the "anti-European" attitudes of particular leaders or disputes about specific issues. It does not explain the longevity of Switzerland's position as an outsider who has survived several changes of government, or why the European Union has had such resoundingly low public support in Switzerland. The purpose of this paper, then, is to suggest more fundamental reasons for Switzerland's abstinence in one of the most fashionable integration trends of the last century, namely the creation of the EU.

Through a series of institutional studies, I conclude that Swiss domestic politics directly determine the essence of Switzerland's international relationships, in addition to the usual negotiations traditionally associated with the domestic level. Swiss federalist institutions will readily demonstrate that Switzerland is not at liberty to act as a unitary, rational actor as system-level explanations will prove unsatisfactory; rather, a domestic-level explanation, which looks at the society, culture, and political institutions of

individual nation-states, will provide the needed explanation to Swiss aberrations from the European norm.

Chapter One will examine the complex interdependence of Swiss federal institutions at the municipal, cantonal, and federal level and its relationship to the European Union. As the European Union experiences a reassertion of nationhood and tries to cope with problems of forming a common foreign and security policy as well as tackling the practical consequences of enlargement, Switzerland has refrained from playing the regional game and, cocooned in its alpine isolation, opted to adhere to its original federalist design. At the level of political concepts, particular Swiss views of the nature of democracy, constitutional legitimacy, and political developments resonate loudly and must therefore be projected by the national government. Much of the EU debate in Switzerland remains constructed in terms of linkages: networks may be interconnected at the domestic level and internationally as long as they maintain and reinforce national integrity.

Yet, any interdependence at the international level that may jeopardize Swiss identity as defined by its strict federalist institutions is more than likely to be dismissed. The compatibility of Swiss democratic institutions and supranational principles is thus of paramount importance to the explanatory facet of this study. Therefore, the primary purpose of Chapter One is to elucidate the complexities of the Swiss federal institutional structures constraining and dictating the entire range of domestic behaviors, from policy decisions to political forms. Once the domestic federalist design and its interlinking at all levels of the political decision-making processes are isolated, it then becomes possible to

understand the governing bodies' relations toward the larger, supranational entity of the EU.

Furthermore, one of the main criticisms of comparativists in international relations interdependence theory has been that they acknowledge the influence of interdependence on national policy-making but fail to analyze it.[1] Thus my aim in the first chapter also is to deconstruct the intricacies of Swiss domestic and federal relations and understand how larger institutional agents may overwhelm the legitimacy of institutions which have been historically trenchant and lead to domestic concerns of a democratic deficit.

While the Swiss do not feel threatened by integration—in terms of security and economic existence—something more quintessentially Swiss is indeed endangered by the prospect of larger integration efforts. At the ideological level, a certain sense of Swiss hubris permeates the entire democratic design with the individual citizen carefully and actively determining his future. Thus, it can be argued that beyond a visceral dislike of regional blocs, the Swiss ideologically reject the governmental capacities of the entity and perceive a clear democratic deficit should membership be granted. Such a strategy is flamingly incompatible with the Swiss system of direct democracy and Swiss notions of identity. Therefore, I will also examine the relations between systemic regionalizing forces and the domestic institutions—namely federalism, direct democracy, and political culture—that might favor, impede, ameliorate or in some cases even reverse such integrative efforts.

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[1] R.O. Keohane and J. S. Nye, *Power and Interdependence World Politics in Transition*, (Boston: Little and Brown, 1977) p. 7

In addition, since permissive consensus—a term used to refer to ordinary citizen's lack of involvement or interest in integration developments.[2]—is a non-issue in Switzerland, the policymaking elites (governments, parties, bureaucrats and pressure groups) must set reform agendas and make decisions while actively taking account of the citizens' reactions. Consequently, Swiss political design/activism and culture are inextricably linked to foreign policy making, and this interdependence is an undeniable element of Swiss opposition to integration. Since an endorsement of a policy of integration currently challenges Swiss principles of democracy, identity, and sovereignty and appears incompatible with popular consensus, the costs are simply too high to be advanced by the Federal Government without it displeasing its domestic constituents. Ultimately, the strategic proposal will need to be tailored in such a way as to remove pragmatic barriers without being construed as a means to deeper integration.

Because the long-term end of increasing plenty in essence entails undermining national democracy, the Swiss remain reluctant to support it. Therefore, until the Swiss can reconcile the potential diminution of democratic benefits, integration will continue to be perceived as simply too costly because the power of accountable political authority is of great importance to the Swiss.

While the first chapter will examine the policy processes and dynamics as they respond to the political units on which they are operating, this enquiry must extend beyond the challenges of state decision-making and delve into the deeper power relations Switzerland seeks to maintain in the next century. The first chapter discusses the origins of a distinctively Swiss culture, derived from the institutions of a federalist direct democracy that dictate the mechanisms through which domestic policy must traverse in

[2] R. Jones, *Origins and Development of the European Union*, (London: Pinter, 1995) p. 24

order to be implemented. Chapter Two is a further investigation of the ramifications of Swiss political culture but directs its focus on its effects on foreign policy. Specifically, it elaborates upon the theoretical principle governing the currents of Swiss foreign policy: neutrality. It will depict neutrality in terms of a rational and realist strategy, which, through an armed militia, remains at the heart of Swiss pride and identity. The discussion maintains that neutrality, as defined by the government, is an instinctively security-based principle that does not seek to establish a balance of power so much as to create a protective means to thwart all threats of power. Acknowledging that "Our fate is insolubly linked to that of the European continent," the Swiss government maintains that "Neutrality is the best way to enforce efficient protection of a small country's independence and security"[3] when defined as the non-participation of a State in an armed conflict among other States. It will also ask whether neutrality makes sense as the risk of war in Europe diminishes and the idea of European unification advances.

It is commonly accepted that integration occurs when governments become more receptive to the logic of integration and when positive benefits are perceived to flow to their countries from deeper collaboration. However, as Robert Jones has argued, the logic of integration is only given force and urgency by perception of a common threat (of war, invasion and economic weaknesses).[4] How then does neutrality, a principle designed specifically to eradicate the potential of a threat, factor into the Swiss logic? Given that neutrality was introduced (a) to avoid taking part militarily in any armed conflict involving other states, (b) to defend Swiss national territory by maintaining an

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[3] *New Foreign Policy Report of the Federal Council*, "Presence and Co-operation: Safeguarding Switzerland's Interests in an Integrating World," 2000, p. 7

[4] R. Jones, *Globalization and Interdependence in the International Political Economy: Rhetoric and Reality*, (London: Pinter, 1995) p. 28

appropriate military capability, and (c) to pursue a predictable foreign policy in the service of peace,[5] how do these fundamental principles apply given the changing European conditions?

Switzerland has traditionally had a foreign policy strategy of splendid isolation from continental entanglements (due largely to a preoccupation with its domestic dynamics). In relation to Europe, it saw its role as an observer, monitoring any one European power from becoming too threatening to itself only while simultaneously avoiding long-standing commitments to its neighbors. Much like a parental figure, it mediated the skirmishes of the less experienced, all the while, knowingly secure in its own superior position. Furthermore, the Swiss have a visceral dislike of grandiose schemes and prefer pragmatic solutions to practical problems as evidenced by their continued faith in the merits of neutrality. In the explanation of Swiss motivations underlying neutrality, one must understand the appeal of the realist school of thought. On the one hand, it can be used to guard against foreign threats while it can also secure Swiss status among its neighbors. Therefore, the second chapter purports to explain both the pragmatic purposes of neutrality in terms of small statehood while acknowledging Swiss concerns for power stability through the use of an armed militia. By isolating the role of neutrality and its prominence among all ranks of Swiss people, it thereby becomes possible to factor in its effect on the likelihood of a reformed foreign policy. Because neutrality is so deeply embedded in the minds of many Swiss citizens, the resultant proposal for integration must ultimately be reconcilable ideologically. Not surprisingly, the prevailing notion of neutrality and its perceived power in ascertaining Switzerland's

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[5] *Report on Swiss Foreign Policy for the Nineties*, "White Paper on Neutrality," 29 November 1993, p. 20

stability and war-free existence poses a large obstacle to integration efforts. While revisionist accounts of the principle of neutrality are multiplying among the intelligentsia and the youth, and the Federal Council considers it important "to adapt Switzerland's neutrality policy to present-day conditions without, however, allowing it to become opportunistic."[6] As such, neutrality still accounts for the backbone of most foreign policies. Clearly then, this Realist priority must be acknowledged in any account of factors contributing to Swiss EU opposition.

The third chapter aims to elaborate on two-level games as the paradigmatic nexus in which complex interdependence of Swiss federalist institutions and the Realist philosophy of neutrality combine to yield a new political landscape. It represents the culmination of the synthesis between descriptive and explanatory theory as it examines the effects of the most current election and the undeniable rise of polarized party politics. Given the existence of inflexible Swiss institutions and political culture, the emergence of antagonistic politics will be viewed as a foreseeable embodiment of the identity crisis occurring and as a factor hindering further integration efforts by tipping the scales in the favor of the opposition. Admittedly, regionalism represents concentrations of political and economic power competition in the global economy, with multiple inter-regional and intra-regional flows.[7] Clearly, such flows may not occur when a policy-making elite does not hold the necessary power.

Like the first chapter, it will focus on the interplay between international and domestic politics by viewing both components simultaneously with regard to the current political agenda. It will use Robert Putnam's seminal work on diplomatic strategies of

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[6] Ibid., p. 20

[7] B. Hettne, A. Inotai, and O. Sunkel, *Globalism and the New Regionalism* (NY: St. Martin's Press, 1999) p. 27

negotiations to explore the role of domestic constituencies.[8] Furthermore, Frederick Mayer's work on the systematic effects of domestic *division* on international negotiations will provide a theoretical framework under which to view the rising political polarization and its impact on international relations.[9] The historical period under consideration will be from 1986 onwards, for it marks the launch of the Campaign for an Independent and Neutral Switzerland (CINS), the anti-EU lobbying group founded by Christopher Blocher which has escalated into a full blown political movement in the form of the Swiss People's Party and "entangled" federal-level decision-making processes.

While "linkage politics"[10] draw attention to the role played by domestic institutions as seen in the first chapter, Putnam's model of two-level games will best explain the intersection of domestic and international interests in light of contemporary developments. In Putnam's metaphor, statesmen are strategically positioned between two "tables," one representing domestic politics and the other representing international negotiations. Diplomatic tactics and strategies are constrained simultaneously by what other states will accept and what domestic constituencies will ratify. To conclude a negotiation successfully, the statesman must bargain on these two tables, reaching an international agreement and also securing its domestic ratification. This metaphor will locate the determinants of foreign policy and regional relations within the nation-state itself rather than the system. Thus, by using a "state-centered" domestic theory, the third chapter will identify the sources of foreign policy behavior within the administrative and

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[8] R. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization*, Vol. 42, No. 3 (Summer, 1988)

[9] F. Mayer, "Managing Domestic Differences in International Negotiations: The Strategic Use of Internal Side-Payments," *International Organization* (Vol. 46, Autumn 1992)

[10] J. Rosenau, "Toward the Study of National-International Linkages," in *Linkage Politics: Essays on the Convergence of National and International Systems* (NY: Free Press, 1969)

decision-making apparatus of the executive branch of the state. Furthermore, a "society-centered" theory will prove helpful in understanding the pressures from domestic social groups through legislatures, interest groups, elections, and public opinion. As one scholar noted "Swiss political culture goes well beyond the limits of politics in the strict sense and come close to being a surrogate for conventional Swiss identity."[11] Unwritten rules and assumptions about how things ought to be done express themselves in quite specific political institutions and mechanisms. Consequently, Chapter Three will conclude that the slowness of Swiss decision-making and the uncertainty over whether any agreement can be sold at home continues to be a cause of uncertainty in Europe and in Switzerland.

Lastly, Putnam's two-level game analogy predicts that parties out of government garner large domestic popular support by taking positions on international relations that are typically more provocative than those in government. Clearly, this pattern of opposition is evident in the Swiss People's Party (SVP), which has meticulously played the role of both "challenger" and now "insider." It must be remembered that in Putnam's scheme, success or failure is defined in terms of agreement on deliberately coordinated policies that are negotiated, ratified, and implemented. The costs and associated benefits are thus subject to the strength of the opposition, which, as Chapter Three will demonstrate, possesses an unusually strong foothold among all spectrums of the Swiss population. This evolution thus provides substance to the argument that domestic interest groups must be viewed as forces that impede the executive from pursuing the common good. Consequently, the effects of domestic factors are not limited to the process of interest formation but also affect strategy and bargaining outcomes as well.

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[11] J. Steinberg, *Why Switzerland?* (Cambridge: Cambridge University Press, 1996) p. 75

Chapter Three will conclude that the rise of antagonistic party politics poses a viable threat to Swiss Federal leveraging power. Because of the new distribution of power along the political spectrum, members of the executive branch will be held accountable and be required to please more forceful constituencies. This expansion of an acceptable win-set will prove detrimental to the executive's negotiation power at the regional level and thereby stall any attempts for further political integration. Consequently, I will conclude that given present circumstances. Swiss statesmen are in a negotiation stalemate until domestic support is garnered.

CHAPTER ONE

The Theoretical Parameters

Explanations that are based in domestic politics should begin with the array of institutional choices that confront a domestic political actor, framing that choice in functional terms. Since the two-level games metaphor views the relationship between domestic and international politics through the eyes of the statesman, the process of negotiation is best divided into two stages: the bargaining phase and the ratification phase. The purpose of this chapter is to trace Swiss federalist structures and understand whether and how domestic agents decide, formally or informally, whether to ratify and implement agreements. The ratification process is thus the "crucial theoretical link" between domestic and international politics and the focus of this chapter.[12]

As a cursory glance of international theory literature will reveal, many Realists presciently acknowledged in the second half of the 20th century that states no longer operate in the international sphere as "unit actors" devoid of other influences. This concept morphed into the notion that a state acting at the international level becomes more and more a collection of diverse agencies and policy networks linked transnationally and feeding back into the domestic political arena.[13] Thus, the focus of this section is to integrate the institutional design of Switzerland and domestic constituencies affecting the Federal Council's policy strategies beyond the systemic level. By identifying the issue-specific commitments made at the domestic level in Switzerland and factoring in the stronghold of Swiss political culture, I will control for national-level

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[12] A. Moravcsik, "Integrating International and Domestic Theories of International Bargaining," in P. Evans, H. Jacobsen, R. Putnam, *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, (University of California Press, 1993) p. 23
[13] P. Gummett, *Globalization and Public Policy*, (Cheltenham ltd, UK, 1996) p. 86

commitments and shed light on the direction of causality in the dynamics of this two-level game.

In order to comprehend Swiss policy-making, one must first understand the design of two-level games. Each state is assumed to have a "win-set," defined as the set of potential agreements that would be ratified by domestic constituencies in a straight up-or-down vote against the status quo of "no agreement." With increases in the benefits of an agreement or the costs of no agreement, the win-set expands. The statesman acts as the agent for the polity, but is constrained only by the "win-set"— that is, by the nature of the agreements that the domestic polity would ratify. To appreciate state behavior, it thus becomes necessary to specify the preferences of and constraints on the major actors. Andrew Moravcsik argues that three essential building blocks are needed in the explanation: specifications of domestic politics (the nature of the "win-sets"), of the international negotiating environment (the determinants of interstate bargaining outcomes), and the statesman's preferences.[14] This chapter will examine the first building block by examining the nature of federalist institutions in Switzerland.

The main question will concern whether Swiss statesmen are able to act independently of constituent pressures and representative institutions. In this section, I will specify the nature of Swiss domestic politics as they relate to ratification procedures and conclude that Switzerland's long tradition of direct democracy single-handedly expands the "win-set" and makes it more difficult for the statesman to negotiate while satisfying both levels.

How do strong domestic factions influence the role of the agent? The two-level games approach assumes that domestic coalitions form on the basis of an assessment of

[14] A. Moravcsik, p. 23

the relative costs and benefits of negotiated alternatives to the status quo, and that the basis of these assessments remains constant throughout the analysis. The domestic constraints on policy-makers depend not only on group calculations of interest but on their political influence as well.[15] In general, the greater the statesman's control over domestic instruments, and the lower the cost of exercising such control, the greater his or her ability to shape the final agreement.

The analysis of Swiss domestic structures will indubitably show that the institutions through which ratification takes place are extremely weighty and influential. From approval, to authorization to final ratification, the more restrictive the ratification procedure, the less autonomy is left to the statesman. This observation will be nowhere more evident than in the discussion of the referendum and the credible threat posed by Swiss people's constitutional right to challenge all political matters with "initiatives." A threat broadens the "win-set" by raising the cost of "no-agreement," and the credibility of a threat depends in part on the assurance that it would be carried out, which is easily accomplished through the Swiss referendum. Therefore, the role of domestic support in issuing credible threats is quintessentially important to the question of Swiss integration.

Federations and Integration

An understanding and appreciation for Swiss domestic conditions and institutions is necessary as a solid basis for an objective and comprehensible discussion on the Swiss "win-set" and European integration. By using the two-level games metaphor, determining whether domestic conditions are suitable for the beginning of negotiations with the EU for Swiss membership, is the first step to solving the Swiss conundrum. Putnam's model predicts that for the time to be "ripe"—for integration to be initiated at

[15] A. Moravcsik, p. 25

the federal level—broad policy support for the goal of ascension must be secured at the domestic level. Without the support of domestic constituencies, the statesman's hands are otherwise effectively tied and a no-agreement decision is essentially certain.

In order to appreciate the extent to which domestic conditions dictate foreign policy decision-making in Switzerland, one must first comprehend the role of institutions—both formal and informal—of Switzerland, as prescribed by federalism. Consequently, this chapter will look at federalism's ability to moderate diversity through power-sharing mechanisms and emphasize unity through non-institutional themes of consensus. It will also delve into the complexities of specific federal designs and ask the following question: how does a direct democracy, as actively practiced through popular initiatives, facilitate or hinder the processes of larger regional integration agreements by aggregating popular opinion? The answer to this question lies in the stability of the federation, as determined by factors of internal rifts, moderating factors of unity, issues of power-sharing, popular opinion, and representative institutions.

To emphasize the role of the average Swiss citizen in the practice of referendum voting and synthesize the effects of direct democracy and Swiss diversity I will turn the reader's attention to one particular case study: the European Economic Area (EEA) Treaty initiative. With this example, it is my intention to demonstrate how the rise of internal cleavages, along cultural and linguistic lines, has thwarted the federal government's attempt to unify popular opinion, while simultaneously aggravating the federation's already precarious balance. This division signifies a more costly "win-set" for the negotiator who, in turn, must satisfy a larger group of individuals before he can propose a tangible deal. Furthermore, I will show how stress factors affect the fluidity of

federal functions and raise general criticisms regarding the inefficiencies and obstacles of federalism when it comes to reaching the necessary broad positive consensus. I will claim that the system of concordance and unity in Swiss federal institutions is in a state of crisis, and this instability is hindering prospects of greater regional integration by the Federal Council who finds itself with little autonomy to initiate or successfully perform a deal with the EU given the dearth of domestic support. Ultimately, this integrative analysis of domestic and international politics will aid understanding of the bilateral negotiations which were recently passed and ratified by the Swiss in the name of pure functionalism.

General Overview of Federal Institutions: a Larger "Win-Set"

In all federations, a common feature is the existence at one and the same time of powerful motives to be united for certain purposes and of deep-rooted motives for autonomous regional governments for other purposes. This steadfast quality has manifested itself in the design of federations by the distribution of powers between those assigned to the federal government for the purposes shared in common and those assigned to the regional units of govemment for the purposes related to the expression of regional identity. Thus it is typically argued that the defining institutional characteristic of federations has been the combination within a single political system of shared-rule and self-rule through the constitutional distribution of powers between the federal and regional governments.[16] This allocation of power—separated along regional and indirectly cultural and linguistic lines—presents a strong impediment to the agent who is responsible for synthesizing all interests, as divergent and dispersed as they may be.

[16] R. Watts, *Comparing Federal Systems in the 1990s* (Montreal: McGill Queens University Press, 1997), p. 31

The specific form and allocation of the distribution of powers has typically varied relating to the underlying degrees and kinds of common interests and diversity within the particular society in question. Different geographic, historical, economic, ecological, security, linguistic, cultural, demographic, and international factors and the interrelation of these are significant in contributing to the strengths of the motives for union and for regional identity, and therefore affect the particular distribution of powers within different federations.[17] Generally the more the degree of homogeneity within a society the greater the powers that have been allocated to the federal government, and the more the degree of diversity the greater the powers that have been assigned to the constituent units of government.[18] Therefore, in Switzerland, where diversity and heterogeneity have historically pervaded the political scene, a limited scope of autonomy at the federal level seems to be of a logical consequence. This lack of power in turn translates into a difficult bargaining position for the executive who must appeal to the international level.

Federalism is typical of societies where territorial segmentation has led to political division between the forces preferring centralization or decentralization. Federalizing, by definition, involves both the creation and maintenance of unity and the diffusion of power in the name of diversity. In addition to expressing a balance between unity and diversity, the design of federations has also required a balance between the independence and interdependence of the federal and regional governments in relation to each other. The classic view of federations considers the ideal distribution of powers between governments in a federation to be one in which each government is able to act

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[17] C. Bliss and J. Braga de Macedo, *Unity with Diversity in the European Economy* (Cambridge: Cambridge University Press, 1990) p. 33

[18] R. Watts, *Comparing Federal Systems in the 1990s*, p. 32

independently within its own watertight sphere of responsibility.[19] In practice, however, federations find it impossible to avoid overlaps in the responsibilities of government and a measure of interdependence is typical of all federations. How does this element of interplay and connectivity between federal and local level entities translate into policy mobilization? To which domain is each level restricted and where do the overlaps occur? The question of the leveraging power of the statesman should readily appear to be directly related to the degree of interdependence between levels of government. A higher degree of interdependence ought to suggest that the agent is more actively constrained by cantonal or municipal level politics than his counterparts who may be accountable strictly to federal level interests.

Generally speaking, in most federations, international relations, foreign affairs, defense, the functioning of the economic and monetary union, major taxing powers and interregional transportation have been assigned to the jurisdiction of the federal government. Social affairs, maintenance of law and security, and local government have usually been assigned to the regional governments.[20] Therefore, the federal government of Switzerland is theoretically charged with the duty of high politics while low politics remain in the realm of more regional governments. Two areas where in practice there has tended to be extensive activity by both levels of government have been economic policy and social affairs. In the former, regional units of government have been concerned to ensure the economic welfare of their own citizens and to develop policies related to their

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[19] R. Watts, *Comparing Federal Systems in the 1990s*, p. 32

[20] A. Etzioni, *Political Unification: A Comparative Study of Leaders and Forces*, (NY: Hold, Rinehart and Winston Inc., 1965) p. 12

own particular economic interests.[21] Therefore, both regional and federal levels must be intimately involved in the processes if policies are to be favorable to domestic economic interests.

Traditionally, the analysis of federations has centered upon relations between federal and local governments. However, some scholars have proposed that contemporary federal arrangements increasingly have taken on a multi-tiered character. The argument follows the following form: efforts to maximize citizen preferences or reduce their frustrations have led to the establishment of multiple levels of federal organizations each operating at a different scale for performing most effectively their particular functions.[22] The resulting multi-tiered federal systems have created a more complicated context for the operation of individual federations participating in these wider forms of federal organization. In other words, the extent of interdependence has escalated and executive branch agents are more vulnerable to the demands of powerful local level politics. The trend to multi-tiered federal systems and the role of local governments within federations therefore shed light on the nature of the "win-sets" available to statesmen.

Traditionally, the determination of the scope and powers of local government was left in federations to the intermediate state governments. However, the importance and autonomy of the tier of local and cantonal government have varied enormously and are most prominent in Switzerland. Furthermore, intergovernmental relations directly between federal and local governments have been considerable. For example, some have argued that the degree of municipal autonomy in Switzerland—notwithstanding the fact

[21] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, (London: The Macmillan Press Ltd., 1994) p. 159

[22] R. Watts, *Comparing Federal Systems in the 1990s*, p. 64

that it varies from canton to canton—is unique in Europe.[23] It reflects an extremely high degree of federalism.[24] It is no exaggeration to state that municipal autonomy is both the most ancient and least challenged characteristic of the Swiss state. No other organization or principle restricts federal power and the statesman more in a two-level game—no matter whether reasonably or not.

The relationship of federalism to integration theory further hinges on the question of stability. Clearly, an unstable federal state is unlikely to achieve broad domestic support for regional initiatives if it is experiencing a growing rift among its factions. Rather than aggravate its already precarious state, it will prioritize domestic unity over other initiatives. The costs associated with a potentially volatile agreement will be egregiously high, and the statesman will have to refuse it in order to preserve domestic interests. Therefore, the main question to ask is whether Switzerland satisfies the stability requirements necessary for broader foreign policy consensus. An important point to note at the outset of any consideration of the pathology of federal systems is that the intricacies faced by them have arisen not so much because of the adoption of federation as a form of government but from the particular variant or variation of federal arrangements that has been exclusively the source of their difficulties.[25] Thus, Switzerland's complex system of concordance, direct democracy, and referendum must all be taken into account when examining key institutional factors and their impact on the nature of the "win-set."

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[23] C. Hughes, *Switzerland*, (London: Ernest Benn Limited, 1975)
[24] R. Kieser and K. Spillman, *The New Switzerland*, (USA: Verlag Neue Zurcher Zeitung, 1995) p. 43
[25] K. Kobach, *The Referendum: Direct Democracy in Switzerland*, (VT: Ashgate Publishing Ltd., 1993) p. 8

Sources of Stress in Federations

Studies have shown that conventionally there are four factors which contribute to stress within federations: (1) sharp internal social divisions, (2) particular types of institutional or structural arrangements, (3) the particular strategies adopted to combat disintegration, and (4) political processes that have polarized internal divisions.[26] In this thesis, my aim is to show that the increasing cultural/linguistic rift among Swiss citizens, the inefficiencies derived from a system of direct democracy, and the recent provocative elections have seriously worsened Switzerland's political cohesion and reawakened historical cleavages along socio-cultural and linguistic lines. Such antagonism at the domestic level in turn translates into a more difficult negotiation position for the Federal Council who must consistently seek the approval of its constituents.

As remarked by Anthony Etzioni, the most important analytical property for the study of the prerequisites of unification seems to be the degree of heterogeneity of the member units. While cultural homogeneity is neither a prerequisite to unification nor a sufficient condition, it might very well affect the probability that a union will evolve—heterogeneous units might initiate a union if the elites in power are homogenous.[27] If popular opinion is strongly united toward a certain proposal, the "win-set" remains small: the statesman can accept the outcome without fearing intervention or refusal from his domestic constituencies. However, "historical moments in which congenial factions are in power simultaneously" remain sparse in Switzerland. Consequently, the Federal Council is constantly under the watchful eye of its strongly divergent popular interests.

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[26] R. Watts, *Comparing Federal Systems in the 1990s*, p. 102
[27] A. Etzioni, *Political Unification: A Comparative Study of Leaders and Forces*, p. 26

Regional vs. Federal: An Allocation of Responsibilities

As previously discussed, a "society-centered" domestic explanation of two-level games stresses pressure from domestic social groups and permits analysts to dissect the effect of cultural behavior on federal policy-making; therefore, much attention must be paid to the role of regional divergences in Switzerland. Incongruent political outlooks and interests are typical of all federations: that is usually why they adopted a federation as a solution in the first place. But a number of factors may sharpen such differences. Among the sharpest divisive forces have been language, religion, social structure, cultural tradition, and race. Other factors that contribute to the sharpness of internal cleavages have been variations in the degree of economic development, and or regional disparities in wealth accentuating regional resentment, especially when these have further reinforced linguistic, cultural and social differences among regions. On the other hand, in some instances, moderating factors that have emphasized the importance of maintaining unity have been the need for security from external threats, a point on which I will elaborate in the discussion of the role of a neutral foreign policy in Chapter Two. Some authors also point to the significance of inter-regional trade and the need for international leverage through united action in trade and investment negotiations and relations as a rallying point for unity in federal institutions.[28]

Whether the stresses within a federation can be accommodated and resolved depends not only upon the strength and configuration of the internal divisions within the society in question but also upon the institutional structure of the federation. The way those institutions have channeled the activities of the electorate, political parties, interest groups, and informal elites has contributed extensively to the moderation or accentuation

[28] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 143

of political conflict which in turn directly affects the negotiator's bargaining power. It must not be forgotten that the function of federations is not to eliminate internal differences but rather to preserve regional identities within a united framework. Therefore, political pressures ensure that domestic (sub-systemic) interests take precedence to the systemic level.

There are four institutional factors of particular significance in assessing the stability in federations, two of which seem most relevant to the Swiss case.[29] The first is extreme disparity in the population, size and wealth of the constituent units. Though Switzerland is arguably one of the wealthiest nations according to average income per capita statistics, the Swiss income gap is notably small; therefore, it cannot be currently argued that an income gap is the cause of federal instability. Second, in most multicultural federations, it has proved necessary to recognize as official the languages of major minority groups and to provide constitutional or political guarantees of individual and group rights against discrimination. Switzerland's record in terms of officially endorsing the linguistic groups has long been lauded as one of the classic models to emulate, recognizing four official languages and actively encouraging teaching of each in the cantons. Therefore, there does not seem to be a lack of cultural identity recognition via linguistic avenues.

What domestic factors then can account for the current stability crisis Switzerland is experiencing? The two factors that provide the most clarity to the current Swiss predicament are the distribution of power and the perception of the executive branch. Where the distribution of powers has failed to reflect accurately the aspirations for unity and regional autonomy in a given society, there have been pressures for a shift in the

[29] R. Watts, *Comparing Federal Systems in the 1990s*, p. 34

balance of powers. The disenchantment of the Swiss people regarding the "Magic Formula," in which the seat allocations on the Federal Council were no longer proportional to party distribution, was clearly expressed and subsequently altered in the October 2003 elections. Furthermore, as an analysis of the current domestic situation in Switzerland will attest, one of the most common arguments against innovations from Bern is a mistrust of the federal government and defense of the canton's autonomy. Anti-state, anti-centralist, as well as conservative and neo-liberal motives fit well into this pattern. Lastly, the ability of the federal institutions to generate some sense of positive consensus is vital to the continued operation of the government. Particularly critical is how the regional groups are represented in the federal legislature, executive, civil service, political parties and life of the capital city.

Because of the dynamism inherent to any institutional study of stability, there is no single condition, institutional arrangement or strategy that by itself generates stress in federations: it is the product of a cumulative combination of factors. What does appear to be common is the resulting development of processes of a polarizing character. Where different kinds of social cleavages have reinforced each other, federal institutions have been unable to moderate or have even exacerbated these cleavages, political strategies have involved an emphasis upon either federal unity at the expense of regional accommodation, and negotiations have repeatedly failed to produce fruitful results.

Pluralism and Switzerland: The Swiss Design

Switzerland is a pluralistic country with a political system that is not only strongly federalist in nature but also exhibits a number of special features, all of which have foreign policy and negotiation ramifications. Some scholars have argued that it is

difficult to comprehend how a country with a highly educated, multicultural population and an extremely interdependent economy should have such difficulty adjusting to changes in the political environment; it seems inexplicable.[30] Given that Europe and especially the Union have become the central focus of Swiss foreign politics, providing what is fast becoming its key issue of contention, these scholars encounter difficulties when attempting to understand why the country has failed to re-define its interests in view of its European connections.[31] However, these scholars seem to function from the premise that the Swiss Federal Council has the ability to act as a rational unitary player. It is my claim that from this perspective, Realist theory falls short in its explanatory value. In fact, it is simply an inappropriate paradigm given Switzerland's long tradition as a direct democracy.

I believe a study of Swiss federal institutions—both formal and informal—provides greater insight into Switzerland's seemingly anachronistic behavior than a mere analysis of Switzerland's power position in the international arena. The significance of direct democracy and federalism for the political system of Switzerland can hardly be over-estimated. It is the *raison d'être* of the state that which calls itself the Swiss Confederation, an official designation that hints at something in the nature of "a sworn fraternity of democrats."[32] This fraternity was directed from the very beginning in the 13th century against foreign enemies, and in certain parts of Switzerland, it is still upheld as an isolationist and conservative-nationalist attitude in complete disregard of the changed circumstances in the foreign, and thus European, environment.

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[30] M. Kahler, "Domestic Politics and Delegation to International Organizations," UCSD, *Conference on Delegation to International Organizations*, BYU, 3-4 May 2002, p. 1-11

[31] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*

[32] O. Sigg, *Political Switzerland*, (Zurich: Pro Helvetia, 1997) p. 24

It is often argued that the Swiss have developed a political culture that is fairly different from the rest of Europe, internally it exhibits a penchant for exclusivity and splendid isolation but externally it encourages and prides itself on the promotion of cooperation.[33] By highlighting the unusual domestic political structures with their stress on direct democracy, grass roots federalism and detached Swiss external policies, it becomes possible to construct an argument for Switzerland and the case of non-integration.

Enjoying 350 years of independence and unparalleled prosperity and stability since 1945, Switzerland does seem particularly blessed. The statistics speak clearly: there are high levels of wealth, vigorous competitiveness in Swiss business, and a visible absence of inflation, strikes and unemployment. Furthermore, these realities have been strengthened though a discourse which has always emphasized the ultra-democracy of the Swiss system with federalism, direct democracy and consultation, all cohesively bound by neutrality. Pride in Swiss institutions and a sense of visionary accomplishments are thus entrenched in the Swiss psyche. This sense of accomplishment is best summarized in Lord Bryce's observation written in 1921: "The most interesting lesson Switzerland teaches is how *tradition* and *institutions*, taken together, may develop in the average man, to an extent never reached before—the qualities that make a good citizen—shrewdness, moderation, common sense, and sense of duty to the community. It is because this has come to pass in Switzerland that democracy there is more truly democratic than in any other country.[34] It is also an essential ingredient of Swiss democracy that a considerable proportion of the people should have experience of active participation in the work of

[33] C. Schmid, *Conflict and Consensus in Switzerland*, (CA: University of California Press, 1981)
[34] Sir E. D. Simon, *The Smaller Democracies*, (Suffolk: Clay and Company Ltd., 1939) p. 46

small self-governing groups, whether in connection with local government, trade union, cooperatives or other forms of activity. A brief history of the creation of the Swiss federal state helps to explain the origins of the primacy given to the individual and local government that still permeates Swiss politics today.

Creation: A Bottom-up Approach to Federalism

Swiss political institutions are both ancient and modern. In part they date back to medieval times, and since Switzerland has never experienced absolutism or centralization—the cantons are the result of complex historical aggregation, with bits and pieces added and taken away over time—they have survived to this day. For the same reason, Swiss domestic politics are exceedingly local. Swiss political structures all strive to be *volksnah* and to respond to the wishes of the citizen. By dividing power equally among three levels of government, Swiss federalism spreads a denser net of political institutions over the body politic than any other system in Europe. The system operates as it does because higher authorities leave lower ones alone and vice versa. However, Switzerland is also a modern polity with constitutional institutions established in 1848. This turning point year also ushered in a modern constitution with a strong emphasis on the rule of law and the introduction of economic liberalism.

Switzerland is a model insofar as it has resolved the problem of integrating different cultures and of dealing with social inequalities. It combined democracy, federalism and proportional representation in a system of power sharing. "Power sharing," as opposed to competition for political power, is known to facilitate peaceful conflict resolution among culturally different groups. Doing so requires an adequate integration of two different, or even contradictory principles of decision-making:

democracy follows the idea of "one person, one vote" whereas federalism seeks to grant equal influence to the member of the federation, regardless of the size of its population.

The Swiss solution exhibits a marked preference for extensive cantonal autonomy, thus preventing any uncontrolled growth in the power of the federation. Switzerland shares a common institutional arrangement that characterizes federalism more as a system of non-centralization than one of decentralization. The Swiss federal state is an association of free republics; it does not swallow them, it federates them. The cantonal republics maintain their individuality, and thereby they are the sources and pillars of Swiss intellectual wealth, the strongest bulwark against intellectual uniformity.[35] Switzerland has thus been built up organically from the smaller units to the larger units, and it has altogether avoided institutionalized, authoritarian centralism. It should come as no surprise that a decentralized state possesses very little bargaining power for it remains the pure reflection of its citizenry.

As part of its largely evolutionary history, the Swiss, in 1848, were the first Europeans to set up a constitutional republic. With its strong dose of federalism and a legislature consisting of a Senate and a House, it was in part a copy of the American model. In order to accommodate the cantons, there is not merely a chamber representing the people numerically but also a "Council of States" in which each full canton has equal weight. Cantons were thereby admitted as mini-political systems in their own right, providing many of their own people's needs, as well as being the executants of most centrally devised laws and services. In fact, one commonly hears that the canton is the

[35] H. Kohn, *Nationalism and Liberty: The Swiss Example*, (London: Allen and Unwin Ltd., 1956) p. 129

salvation of Swiss democracy; that democracy lives and grows in the canton.[36] Based on this belief, Switzerland consciously designed a federalism in which the canton would be the inner structure of the entire system.

The Canton and the Executive: Everyone Wins

Swiss politics are first and foremost based on direct democracy—the value placed on this tradition is clearly visible in the design of the executive branch. Lacking a publicly elected president, the executive consists of seven members from the four major parties elected by the two chambers jointly. The shape of the Federal Council is truly unique: elected for four years and in fact for life, the seven members have equal rights. They are meant to speak with one voice and to practice collegiality. The historical allocation of positions has always been roughly proportional to the parties' share of the popular vote. Dominated by the Liberal party from 1848 to the beginning of the 20th century, the seven seats became more diversely occupied as the parties began to form. Recently, with two Liberals, two Christian Popular Party members, two Socialists, and one Swiss Popular Party member, the practice of having all major parties represented on the Council was secured. The seven seats were always shared with other parties proportional to their parliamentary strength until December 2003 when a shift in party proportions warranted an adjustment of seat allocation. Furthermore, the unwritten understanding governing the proportion of German, French, and Italian speakers, as well as the cantonal origins and religious affiliations were all considered thereby equating the collegial executive as an expression of the linguistic, religious, and regional differences within Swiss society. By considering the factors that often contributed to the sharpness

[36] Sir E. D. Simon, *The Smaller Democracies*, p. 40

of internal cleavages, the focus of the institutional structure of the federation in the executive branch actually sought to be a unifying one.

What is the effect of such a collegial executive system when confronted with a negotiation scenario? Who is the designated statesman and to whom is this individual held accountable? Unlike other variants of federated democratic systems, the Swiss design in essence precludes the emergence of a leading figure. It actually discourages prominence by any one leader. The oath of the first Confederates—"We want to be one single people of brother"—must not be forgotten.[37] They had allied themselves for the preservation of freedom. Freedom meant, however, to be able to live according to his own will. Each canton looked after, and preserved, its own individuality, and tolerated even within its own territory astonishing diversity. Because, in theory, there is no single foreign policy platform dictated by a publicly elected official, the government's main function is to *administer* the country and not to pull and haul it in one direction or the other. It is to seek its inspiration from its citizenry, not its own agenda. Therefore, the Foreign Policy Minister, who possesses this title on an alternating basis, is subject to the opinion of his electorate and retains little bargaining power unless broad popular consensus is secured. His role is strictly limited to that of an agent, communicating his people's interests, and he must often compromise the common good in the name of domestic interests. Traditionally, the executive has been extremely stable, but the stability has never been equated with strength. Rather the strength of Swiss political institutions remains in the hands of its citizens. Therefore, the stronger the domestic support for any one policy, the more stable the federation remains and the likelier the chances of success for that negotiated compromise at the international level.

[37] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 79

Parliament: The Forum for Vocalization

The Swiss Constitution gives Parliament many responsibilities but the Swiss Parliament's control over legislation is much less than that in other countries. Beneath parliament is a highly pluralistic party system, emerging from the cantons and reflecting local differences. In fact, cantonal voting has become a controversial issue of Swiss federalism, for whereas it was appropriate and important at the time that the Federal Constitution was first drawn up when its intention was to help the less privileged cantons to achieve their rights, nowadays it enables the small and less populated cantons to thwart the will of the majority in important electoral issues.[38] This conundrum, majority consensus being trumped by minority opinion, has contributed to the steady decline in political unity among both cantons and political parties.

Administration, parliament, parties and local government are all involved in a loose and disaggregated system of policy-making, along with many representatives of civil society. In fact, Switzerland is an early example of the rise of governance in Europe. The Constitution thus requires consultation of the social partners and government: its aim is not a minimum winning coalition but the *widest support* in order to prevent a referendum challenge. Federalism in Switzerland is thus the institutional arrangement that has enabled national unity while maintaining cantonal and regional autonomy. It is a political answer to provide a common biosphere for segmented parts of a larger population; yet, it is also an answer to territorial segmentation of a society, and it is responsive to the cultural autonomy of language, ethnicity and so on only to the degree that these cultures coincide with the geographical boundaries of the territorial

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[38] O. Sigg, *Political Switzerland*, p. 15

communities.[39] Coincidentally, it also often represents the thorn in the Federal Council's foreign policy side.

Concordance and Swiss Pride

Federalism and the dual legislature are formal institutions set out in the Constitution; however, informal arrangements, namely the system of concordance—the distribution of chairs among the seven members of the government—is quintessentially Swiss. It has also, until present day, been one of the most important moderating factors of the federation, emphasizing unity all-the-while stabilizing diversity. The idea of reaching consensus in the system of concordance is simple: no single winner takes all; everybody wins something from the negotiation. The Swiss have always preferred institutions that reflect their desire for concordance and their dislike of conflict. Where other systems strive to generate a powerful majority that can govern, the Swiss opt for complex formulae that produce coalitions. As one scholar has stated "All political machinery in Switzerland has a provisional quality because the Sovereign—the people—is really sovereign and may exercise its power to change this or that instrument of its will."[40]

The bicameral legislature and collegiality tied to concordance emphasize unity in diversity and were designed to integrate the country. Also termed a "consociational democracy," its essential characteristic is not so much any particular institutional arrangement as an overarching cooperation at the elite level with the deliberate aim of counteracting disintegrative tendencies in the system.[41] Traditionally, the Swiss disliked the idea of an organized opposition and of alternating governments; the brilliance of

[39] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 153
[40] J. Steinberg, *Why Switzerland?* p. 75
[41] C. Schmid, *Conflict and Consensus in Switzerland*, p. 13

confrontations did not accord with Swiss collegiality, concordance, and soberness. It is an idea that historically cannot be abandoned without changing the institutions: Swiss political parties and interest groups have always looked for compromises, even in cases of major conflict. Therefore, the term "system of concordance" describes pre-parliamentary, governmental and parliamentary cooperation, in which there is no fundamental opposition except from marginal parties. "Power-sharing" underlines the roles of institutional cooperation and institutional mechanisms; it prevents exclusive exercise of power and leads to a political culture of cooperation and a stable federation. Were this system still in place, it might seem plausible that the Federal Council possesses the leverage, in the form of a homogeneous elite, necessary to make successful policy reforms. However, many criticisms exist and analysts question the extent to which this fraternal atmosphere still exists.

Criticisms

The culture of direct democracy, its advocates say, leads to almost permanent discussion amongst and between the people and the authorities. It also leads to a learning process that changes minds, attitudes and preferences, albeit slowly. As one scholar noted, "There are in Switzerland a sufficiently large number of citizens who take an intelligent interest in public affairs, and who have sufficient sense of responsibility to vote whenever there is a referendum."[42] On the other hand, skeptics argue that voting campaigns lack the quality of deliberation and that the issues at stake are too complex to be understood by ordinary people.[43] However, Swiss political analyst Wolf Linder insists that the relative ignorance of citizens on some referendum issues is not cause for worry:

[42] Sir E. D. Simon, *The Smaller Democracies*, p. 36
[43] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 111

"He who drives an automobile needs signposts, not mechanical expertise, in order to reach his destination." In other words, the perspective of most legislators on any given question is only marginally more informed than that of the average citizen.[44] Furthermore, the time lag issue—that direct democracy requires inordinately long amounts of time for reform—is another concern of skeptics. Ultimately, the question can be reduced to the following form: how far has Switzerland been successful in combining the Swiss traditions of the responsibility of the individual citizen for the government of his town with efficient administration at the federal level in light of the citizen's immutable right to referendum and veto?

This question directs our attention to Putnam's ratification process requirement. As outlined in the discussion of two-level games, a negotiated compromise can only be deemed successful once it is ratified and accepted at home. In the discussion of credible threats, one must consider the referendum: the Swiss are notorious for vocalizing their objections through referendum voting. To prevent embarrassment at the regional and international level, the statesman must therefore consider the likelihood of acceptance by domestic factions before engaging in the deal. How entangled is the referendum in federal policy-making? Does it constitute a viable threat or is it simply in the spirit of the Swiss Constitution?

An Introduction to the Referendum

Swiss federalism is more than a formality: federal lawmaking is always accompanied by a kind of "hearing" before the cantons. If the populace's reaction to a proposed bill is negative, the federal authorities have no alternative than to drop the project or modify it until a satisfactory solution is found. Consequently, popular

[44] K. Kobach, *The Referendum: Direct Democracy in Switzerland*, p. 62

disapproval is more significant than it might be in other countries because it links directly to the size of the "win-set." This gives citizens the chance to express an opinion and multiple chances of making actual decisions on European policy through referenda. Many characteristics of modern Swiss politics can be attributed, directly or indirectly, to the influence of referendums whether they are obligatory votes on constitutional changes and binding treaties—which require a popular and a cantonal majority—or challenges to legislation. The use of the referendum in Switzerland goes far beyond territorial and constitutional matters or the isolated controversial policy. It has become a commonplace facet of the legislative process and the Swiss have applied it to virtually every sphere of government activity.

Despite the inefficiencies which seem to plague the referendum system and the rifts popular votes produce on foreign policy issues, the popularity of direct democracy in Switzerland is enormous: in a recent survey, only 14 percent of interviewees agreed with the idea of restricting the referendum in favor of more parliamentary power. The fear that something of the people's right to referendum or initiative may be lost is one of the most important obstacles for Swiss authorities advocating centralization and integration. A "democratic deficit" is unfathomable to the ordinary Swiss citizen who holds the right to direct democratic institutions in the highest esteem.

The scholar Marcus Horeth has examined the current limitations of the European multi-level system, framing it as the source of the democratic deficit, and like his colleagues, has attempted to formulate a process by which the autonomy of member states with a sense for European-level regulation can be institutionalized.[45] Horeth

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[45] M. Horeth, "The Trilemma of Legitimacy" in J. McCormick, *Understanding the European Union: a Concise Introduction* (NY: Palgrave Publishers, 1999)

opines that the EU has developed a new type of political system that lacks many of the features typically associated with democratic governance, and as such, it poses fundamental questions to the established principles and concepts of democratic theory. Much of this criticism stems from the fact that at the legislative level, "Parliament plays only a subordinate role in European policy-making." Questions vital to the health of the EU are not made in Parliament due to its weakness in the process of policy formation and democratic control. As Horeth states, "It simply does not possess the functions of a 'true' parliament':" it remains predominantly the result of net empowerment of the executives of the member states and is not constituted as a real representative body of the European citizen.

In addition the lack of intermediary structures, most notably, the lack of a European public and a European party-system render it nearly impossibly to organize wide, general discussion on European issues at the European level. Furthermore, the inability of many to participate in, or follow, public debates because of the language and cultural barrier directly impedes the decision-making processes so essential to democratic systems. As a result, European elections are transformed into second-order elections in which the outcomes are determined more by domestic political allegiances and less by attitudes towards European matters. Clearly, EU-governance is arguably "unlikely to develop into a federal state or disintegrate into a classic international organization," and therefore is antithetical to Swiss notions of direct democracies.

The Effect of the Referendum: Conservatism

An analysis of referendum voting patterns shows that there exists a gut-level Swiss skepticism toward change. Generally speaking, it seems that for many Swiss

citizens, the best policy is "When in doubt, stick with the status quo." This tendency must therefore be reflected at the federal level and "no-agreement" scenarios are the by-product. Still, trust in the officeholders of the day has been waning; yet, the confidence of Swiss citizens in their political system remains high. According to Kobach, data reveals a growing tendency among voters to consider long-term factors when making referendum decisions. Combined with the healthy skepticism regarding the capabilities of officeholders, this trend suggests that Swiss voters are becoming more competent and confident in the task of self-government.[46]

Over the last few years, the referenda has been used in an anti-European way and has exercised a major influence on governmental policy whether by deliberately blocking change or simply forcing caution on the Federal Council by threat of a referendum defeat. Because the referendum in Switzerland tends to reflect the conservatism and cautiousness of the Swiss electorate, one cannot generalize and assume that the referendum has an equally conservative impact in all other polities. Other than creating a slight bias in favor of the status quo, all that can be said for certain is that the device ultimately reflects the political leaning of the voting population.

Most successful initiatives tap broadly felt sources of discontent without demanding extremely radical changes in the political system. In terms of winning concessions, the government is almost always likely to respond favorably if it can meet demands by extending existing regulations or by using exiting mechanisms.[47] Sciarini & Marquis (2001) and others have shown that foreign policy *votations* have a different profile from strictly domestic ones. They are more intense and more conflictual than the

[46] K. Kobach, *The Referendum: Direct Democracy in Switzerland*, p. 90
[47] Ibid. p. 117

latter. This is partly because they can raise questions of identity. Equally they bring in a wider range of political actors than domestic *votations*. In other words, they are more likely to match up to the model of referenda as essentially polarizing votes. Clearly, an outraged public, eager to do something about an intractable problem, may use direct democracy to vent its emotions and jeopardize the government's overall stability. Of course, this does not necessarily imply that institutions of direct democracy must be condemned for creating instability. It may be that legislative assemblies are no more sober than the people they represent. Yet, power can always be abused, whether in the hands of elected leaders or the people.

Federalism is therefore more than a structure. The federal authorities often do not exercise all the powers they have, and when dealing with the cantons and the communes, they use their competences with caution. Instead of deciding unilaterally, federal authorities negotiate, and respect the cantons or communes as equivalent partners that must be cajoled into providing their support.

European Economic Area Referendum: The History Behind it

The most significant of the foreign policy *votation* was on the entry to the EEA Treaty on December 6th, 1992. While the idea of entering the EEA was endorsed by most of the establishment, it was defeated. The importance of the issue was reflected in the astonishing level of participation when the vote finally came—78 percent participation rate, the highest in 45 years. The EEA vote polarized the country since not only did a mere 23,195 votes separate the two sides, but there was also a clear division between country and town, between old and young, and particularly worryingly, between German and French speakers. The treaty was defeated narrowly missing a popular majority with

49.7 percent in favor. The most spectacular of the division ran along the language boundaries. All French speaking cantons voted for the EEA treaty, with majorities of up to 80 percent, whereas all but one German speaking cantons voted against it, with majorities of up to 74 percent.[48] Urban regions, and better-educated people were in favor of the treaty, rural areas and lesser-educated people rejected it. Whereas the treaty was of immediate economic importance, its significance for many people went far beyond economics. The referendum, therefore, was a vote on Switzerland's political culture and national identity, and this question now contributes to the growing instability of the federation.

The primary arguments made in favor of the EEA treaty were that Switzerland should not allow itself to be left behind in the process of Europe's economic integration: it would become an island of protectionism in a sea of prosperous free trade. Furthermore, many expressed fears that the danger that lurks for Switzerland is not one of becoming isolated, for despite the current European problems, its multinational economic networks are functioning smoothly, but rather one of becoming insignificant.[49] It was also argued that the treaty would allow it to enjoy the economic benefits of EU membership without losing its sovereignty or neutrality. However, these arguments seemed to fall upon deaf ears in non-French speaking cantons. People voted against it for multiple reasons: the first being that the EEA was seen as a bad deal—complicated, politically imbalanced and economically threatening—and one which was forced on them. Secondly, the EEA symbolized a loss of Swiss sovereignty and identity, thanks to increased immigration, rule from outside, and enforced entry into the EU. Opponents did

[48] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 175
[49] R. Kieser and K. Spillman, *The New Switzerland*, p. 80

not hesitate to point out that the arrangement would grant only a five-year grace period before Switzerland would have to accept the free inflow of workers from all other EEA countries. Furthermore, they argued, a highly un-Swiss "democratic deficit" would also result, under which Switzerland would be bound by EU economic laws but would have no say in the shaping of such laws and would have no opportunity to test them in the arena of direct democracy. There was thus a clash between two visions of Switzerland, one somewhat closed and satisfied with neutrality and other policies which had served so well in the post war years, the other more open and seeking a new role for the country rather than avoiding commitment.

The effect was dramatic: it humiliated, weakened the federal government, and eliminated all internal bargaining power it once possessed. Indeed, post-election analysis showed that lack of confidence in the government was the key deciding factor, followed by fears of the social dislocation that the EEA might bring. At the same time, the defeat shifted the political balance towards the leaders of the opposition and hardened their appeal and approach, thereby further aggravating the federation's internal cleavages. The "win-set" had expanded exponentially, and the Federal Council found itself at the mercy of a strong opposition party with strict anti-EU preferences and a growing following.

Bilateral Agreements: The Successful Bargain

Clearly an ideological perspective can attribute the lack of European integration to the influence of functionalist ideas, and this is nowhere more evident than in the 72 Swiss Bilateral Agreements. Closely associated with the writings of Ernst Hass, functionalism is the most important effort by political scientists to explain political

integration in general and European political integration in particular.[50] Haas' theory argues that economic, technological, and other developments drive peoples and nation-states toward peaceful economic and political integration at both the regional and global levels. Its essential *modus operandi* is simple: political integration of the world results from economic and other forms of international cooperation through a lengthy process of functional or technical coordination.[51] Haas, unlike his predecessors focused on domestic interest groups and political parties promoting their own economic self-interest while also stressing the unintended consequences or previous integration efforts known as "spillovers." He concluded that in time, the process of spillover would lead to a political community favoring more extensive and centralized regional governing mechanisms.[52]

Furthermore, Haas predicted that once an integration effort had been launched, social and economic groups would demand additional economic integration and these domestic interest groups would eventually pressure their home governments to create regional institutions to perform particular tasks that would promote their interests. The theory therefore assumes that the experience of integration leads to the redefinition of the national interest and the eventual transfer of loyalty from the nation-state to the merging regional entity. Is this theory appropriate for a democracy such as Switzerland's where loyalty remains staunchly in the canton and centralization remains its nemesis to many? Are Swiss policies truly subject to the same functionalist trends that have characterized other industrialized nations?

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[50] E. Haas, "The Challenge of Regionalism," *International Organization* Vol. 12, no. 3 (1958), p. 444-58.
[51] Ibid.
[52] R. Gilpin, *The Political Economy of Regionalism*, (Princeton: Princeton University Press, 2001) p. 351

While the challenge to the bilateral agreements could have shared the same fate as the entry into the EEA, they were approved by a two to one majority in May 2000. Many of the soft skeptics and the generally uncommitted chose to accept the agreements for they seemed to sensibly bring the country needed opportunities without tying it too closely to the EU's apron strings. Similar to its historical nation-building, Switzerland recognized that "any further delay of the economic system might have led to serious inconvenience, for the country would have run the risk of being cut off from the international traffic and losing her position as the country of transit.[53] The economic integration launched by the 72 bilateral agreements was intended from the outset to be functional, i.e. to remove barriers and thereby pursue material and economic interests. By encouraging trade, establishing a more competitive environment and stimulating participating economies to become more efficient, the agreements brought widespread, measurable benefits. Because these advantages were effectively transmitted to the populace and broad domestic support was garnered, the Federal Council could comfortably engage in two-level negotiations knowing that the referendum would not pose a threat. The government could thus "save face."

Given the Swiss's natural propensity toward "wait and see," they saw in the agreements an innocuous measure to indeed watch and evaluate. While approval of the bilaterals was seen as removing a blockage in the country's relations with Europe, efforts to pursue further political integration were precipitous. Launched by a group of enthusiasts for EU membership, a "Yes to Europe!" initiative was administered March 4th, 2001 but was disastrously defeated by an overwhelming 76.8 percent of the people

[53] E. Bonjour, H.S. Offler, and G. R. Potter, *A Short History of Switzerland*, (Oxford: Clarendon Press, 1952) p. 271

and an unusually high participation rate of 55.1 percent.[54] Direct democracy clearly showed the continuing force of popular doubts in Europe regarding non-economic policy objectives. Rather than permitting the organic processes of political integration via economic cooperation, Euro-optimists prematurely responded and were violently humiliated. The Federal Department clearly rejected this popular initiative, arguing that "[I]t is a matter for the Federal Council to decide on the timing of commencing negotiations with the EU. It will make this decision only with the benefit of hindsight of the implementation of the bilateral agreements, and when the preparatory work for a successful accession process has begun."[55] If functionalism holds, it seems likely that political integration may indeed occur if results from the agreements lead to a gradual erosion of Swiss sovereignty and a gradual sift of loyalties from the national to the European level. Therefore, the government insisted that "[a]ccession negotiations should not be conducted under time pressure. On the contrary, they should take place within the framework of the ongoing process by which Federal Council policy on the European Union develops."[56] By obliging the Federal Council to enter into negotiations immediately, the initiative did not take into consideration the current situation either with respect to domestic or to foreign policy. Ultimately, such a premature decision could have jeopardized the chances of success in the accession process.

The Swiss government may attempt to replicate Monnet's much lauded rationale behind the European Coal and Steel Community—creating a united Europe in a piecemeal, *ad hoc*, way of encouraging technical cooperation between European countries—in progressively specifying functional areas (known as the functionalist or

[54] http://www.europa.admin.ch/europapol/expl/etappen_lang/e/index.htm
[55] http://www.europa.admin.ch/europapol/ja_zu/abstimmung/e/index.htm
[56] Ibid.

sectoral integration approach) by tying scientific resources and innovations across borders.[57] The purpose of the bilateral agreements reflects such a desire for it is a system of joint regulation that abolishes cross-border trade barriers. While offering practical economic benefits for the participants by providing producers with a larger market for their goods, it remains at the basic level a functionalist solution and does not by definition produce political integration. In fact, its appeal lies specifically in its preclusion of deeper integration. Furthermore, it gave government the chance to gain experience with the bilateral agreements. Only two preconditions therefore remain to be met: central areas of Swiss statehood of joining the EU must be clarified with absolute certainty and open questions must be answered convincingly and broad domestic support for the objective of entry must be secured.[58]

Rational Choice Argument

In any study of political institutions, it is difficult to isolate specific causal relationships, however, the aim is to identify processes and tendencies that can be attributed to the presence of referendums. Even though momentous changes are evident and need to be studied and understood, there are also practical realities and broader patterns that are longstanding in international politics. It is thus essential to be able to comprehend both newer and more deep-seated dimensions at the same time. The only consistent tendency that can be identified with respect to the referendum is that it tends to favor the status quo. Every year a Swiss voter is supposed to give his or her preference on up to 20 or 30 issues a year. In none of these votes can the voter expect to have more than an infinitesimal chance of being the one who makes the outcome decisive. Rational

[57] R. Jones, *Origins and Development of the European Union*, p. 9
[58] http://www.europa.admin.ch/europapol/expl/etappen_lang/e/index.htm

choice—in terms of individual advantages—would indicate that they should stay at home. Yet, the Swiss return to the polls, more religiously than other democratic nations. States may have to reform their machinery of government in order to ensure coordination and effective representation.[59] Voting has become part of the national logic and self-perception. As such, the referendum checks government power in much the same way that a second legislative chamber does—proposals must win majorities in more than one arena.[60] Therefore, the referendum can be used to produce change but usually only in an incremental way.

Whichever way we look at it, the integration of Switzerland into a supranational community is far from easy, largely because the very idea resurrects ancient fears about loss of sovereignty; and in Switzerland's case these are not just the fears of diplomats and politicians but of a whole nation, of each and every citizen who is jointly responsible for deciding for or against this loss of self-determination.[61] Clearly, minimizing the "win-set," reducing the likelihood of a referendum threat, and rallying up the necessary broad domestic policy support for the goal of ascension will be a difficult feat for any federal statesman. Unfortunately, only once these conditions are met, will he possess some semblance of policy-making power and be able to assert it in the name of deeper political integration.

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[59] C. Church, "Switzerland: an Overlooked case of Europeanization?" *Queen's Papers on Europeanization*, No. 3/2000, p.4
[60] K. Kobach, *The Referendum: Direct Democracy in Switzerland*, p. 246
[61] O. Sigg, *Political Switzerland*, p. 58

CHAPTER TWO

A Theoretical Imperative

The nation-as-actor approach demands that we investigate the processes by which national goals are selected, the internal and external factors that impinge on those processes, and the institutional framework from which they emerge. Consequently, it is of quintessential importance to understand the repercussions and interlinking of Switzerland's domestic design on its foreign policy objectives. The previous chapter examined the processes by which national goals are selected in federalism and the institutional framework from which domestic policies arise. Because of the stronghold of domestic political institutions in Switzerland and the strict adherence to direct democracy, the two-level metaphor appropriately recognized the inevitability of domestic conflict about what the "national interest" requires.

Unlike many theories of integration, the two-level approach recognizes that central decision-makers must strive to reconcile domestic and international imperatives simultaneously.[62] This chapter will take an in-depth look at "the valley community's" behavior when circumstances force it to look beyond its own boundaries, i.e. the effect of domestic behavior in the realm of international power considerations. Furthermore, it will examine how the rigidity of Switzerland's domestic institutions and tradition as a political value manifest themselves in the international arena. It will also seek to answer the following question: Does Switzerland strive for an end in neutrality or is it impelled by the past and present characteristics of its domestic, social and physical milieu? In other words, is it motivated by an altruist desire to maintain peace in accordance with

[62] R. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," p. 460

international law as prescribed by the Vienna Conventions or is motivated by more Realist objectives of power dynamics?

I will argue, as the government has in its official documentation, that "If one looks at the history of the country, it is evident that neutrality has never been a rigid institution, but that Switzerland has instead adjusted and adapted this instrument to serve its interests."[63] Granted, in a nation linguistically segmented and divided by confessional and cultural differences, neutrality has served as an important agent of national cohesion. To this extent, neutrality fulfills a functionalist purpose. However, as one scholar noted, "Self-righteousness and absence can endanger the country's major interests."[64] In other words, neutrality should be pursued only when it is aligned with Swiss interests. This chapter will argue that neutrality is fundamentally a security institution in Switzerland that is, as elsewhere, closely linked to the development of the national threat and the country's international position. Furthermore, the close link between neutrality and national identity perpetuates the complex political culture confronting the policymakers at the international level and encumbers the likelihood of viable negotiations.

According to two-level methodology, it is generally accepted that he who acts on behalf of the nation—the statesmen—in formulating and executing foreign policy consciously pursues rather concrete goals. It would be difficult to deny that these role-fulfilling individuals envisage certain specific outcomes that they hope to realize by pursuing a particular strategy. Of paramount importance to understanding Switzerland's foreign policy objectives is the notion that any political entrepreneur has a fixed investment in a particular pattern of policy positions and a particular supporting

[63] http://www.eda.admin.ch/eda/e/home/recent/rep/neutral/neut93.html
[64] *National Foreign Policy Report 2000*, p. 4

coalition.[65] Given the position of Switzerland's Federal Council and this particular prioritization scheme, if a proposed international deal threatens that investment, or if ratification would require the executive to construct a different coalition, the executive branch will be reluctant to endorse it, even if it could be ratified. In simple profit-maximizing terms, politicians may be willing to risk a few of their normal supporters in the cause of ratifying an international agreement, but the greater the potential loss, the greater their reluctance.[66] How does this level of abstraction translate into the current proposal for integration? In its simplest forms, Swiss foreign policy must simultaneously take into account its domestic constituents and the trade-offs it incurs with each change in its foreign policy.

This chapter will identify the processes by which Realist concerns, hinged on power relations, have led to the re-emergence of neutrality as the bedrock of foreign policy in popular consensus. In addition, it will highlight the dichotomies between federal government objectives and popular opinion regarding Switzerland's future in the international arena. Therefore, it will present foreign policy objectives as advocated at the federal level and examine the obstacles posed by cantonal level priorities. While the reactions of the political parties to the government plans to redefine Swiss foreign and security policy are ambiguous at best[67], survey trends reveal that public opinion remains critical and vigilant towards the government's cautious attempts at opening up the country's security policies.

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[65] R. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," p. 457
[66] Ibid, p. 458
[67] While right-wing organizations demand strict observation of neutrality and the upholding of a classic mass army solely serving the purpose of defending the country's territory according to the "nation-at-arms" principle, the political left wants to join the EU and calls for the abolition of universal conscription in favor of a small all-volunteer force that would mainly serve to take part in peace support.

Clearly, at the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. However, at the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments.[68] This difficult task of satisfying both levels is significantly more pronounced in Switzerland, where the voice of direct democracy and extremely decentralized governmental authority still rings all too loudly. How has Switzerland chosen to cope with this familiar predicament? To avoid destabilizing this delicate balance, Switzerland, in a historical moment, devised an alternative policy that could satisfy both autonomy demands and international requirements: neutrality. However, with the passage of time, it is no longer accurate to state that the "nature of Switzerland's community with the rest of the world is comparable to the direction of Swiss rivers: westwards" as proclaimed in 1945.[69]

In order to assess whether Swiss foreign policy may be compatible with EU doctrine, which it must satisfy if it is to join the Union, one must first ask whether the tradition of neutrality and the militia is too deeply embedded and too much a pillar of Swiss political culture to permit a true evolution in security policy reform at the popular level. While neutrality for many represents the panacea to the conflict between the international and the local level, it is also, however, very much part of a broader Swiss resistance to outside entanglements. Swiss relations with the outside world have long been based on neutrality, as have those of many other smaller European states; however, Switzerland differs from the latter in the motivations for its neutrality, the way it

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[68] R. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," p. 462
[69] F. Ernst, *European Switzerland: Historically Considered*, (Zurich: Fretz and Wasmuth Limited, 1951) p. 68

combines good offices with real militarization and the strictness with which its neutrality is applied. Therefore, it can be argued that current skepticism surrounding EU membership is not simply a product of neutrality but rather a function of a historical belief in traditional detachment from power-threats.

To what is this detachment owed? Has it truly proven advantageous both geo-strategically and politically in the past? Is its current practice falsely aligned with its theoretical design? Is it as strict as is often construed or might it be a dynamic concept that could actually liberate Switzerland from its isolationist position? It has long been assumed that the myth of neutrality was immutable; however, a school of thought has arisen recently which actually argues that Swiss public opinion, despite being entrenched in a peculiar political culture and security mindset, and despite its tendency to cling to the status quo, actually takes on European trends of public opinion and reform of the security sector albeit with a considerable time-lag.[70] To what extent is this following true? If public opinion can indeed slowly reflect the European trend of coordination and interdependence, then the impertinence of neutrality may gradually fade, increasing the likelihood of Swiss membership. However, if, as the pessimists argue, armed neutrality remains a pillar of Swiss identity and political culture, concessions will continue to be unlikely, as the perceived costs to policy makers will be too high and domestic support too low. What are the roots of neutrality and in which direction is it heading as the international community gradually vocalizes its condemnation of it? To answer these questions and elaborate on their relevance to Switzerland as the case for non-integration,

[70] K. Haltiner, "Tradition as a Political Value—the Public Image of Security, Defense and the Military in Switzerland," p. 12

I will first examine the origins of Switzerland's historical belief in the value of detachment.

Historical and Societal Framework of Swiss Security Policy

Because modern Switzerland—unlike most European states characterized by feudalism—grew together gradually through a bottom-up process that took hundreds of years and a high degree of local autonomy and sovereignty for communities and cantons, the state structure is characterized by an unusually strong decentralization of political power with much authority and autonomy remaining within the cantons. As historian Fritz Ernst noted in 1951, "Though continually changing its forms, the presence of the people was at all times a given factor in our history, and it was evidently this principle, aided by the dramatic and impressive surrounding, which especially qualified us for the achievement in peace."[71]

The previous chapter presented the Swiss's staunch conviction in the value of local autonomy and its immediate impact on the integration "win-set," whereas this chapter will posit that local autonomy, when translated at the national level creates a state history of defense, reaction, and fencing itself off—that is, of positioning itself as an antithesis to what was and is occurring in the rest of Europe.[72] The combination of a strict adherence to sovereignty in addition to a legacy of being an outsider is nowhere more self-evident than in the Swiss principle of neutrality. Its consequences cannot be overestimated. In order to understand its primacy, one must first examine the original motivations underlying Switzerland's move to a neutral state.

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[71] F. Ernst, *European Switzerland: Historically Considered*, p. 45
[72] R. Kieser and K. Spillman, *The New Switzerland*, p. 42

Neutrality as a Power Mechanism for Small States

A considerable amount of pride and sentimentality is attached to the age-old creed of Swiss neutrality. The tradition dates back to the Swiss defeat by the French forces at the battle of Marignano in 1515 and the subsequent withdrawal of Switzerland from European skirmishes. The decision to embrace neutrality stemmed from the realization that if Switzerland chose instead to remain a competitive, aggressive military power, it would have to centralize its political order and thereby sacrifice the cantonal autonomy and personal liberties it had so cherished. This strategic decision is traditionally described by scholars as emblematic of "small states" since small states are typically less burdened by foreign policy and power considerations than larger nations.[73] However, it is not the mere quality of being small or decentralized that constrains power considerations. Clearly, there are small centralized states and large decentralized nations which yield considerable power. However, the combination of the two—small *and* decentralized—accorded the Swiss more leverage to confront domestic considerations. Some may argue that power concerns were so low on the priority agenda that Switzerland's domestic policy *was* its foreign policy. In other words, the argument goes that Switzerland, as a small nation, was rarely preoccupied with the balance of power in the international arena, and as such, needed not concern itself with securing a position through an aggressive foreign policy.[74]

One can believe that none of the small states has cherished illusions about its international role.[75] "Kleinstaatlichkeit," or the fact of a being a small state is an important characteristic of any study of political dynamics; however, it is my contention

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[73] Sir E. D. Simon, *The Smaller Democracies*
[74] Ibid.
[75] C. Schmid, *Conflict and Consensus in Switzerland*, p. 8

that smallness does not necessarily eliminate power considerations from the political agenda. In fact, it is precisely the fact of being small which necessitates innovative strategies for the maintenance of power—be it limited power or not. To make this argument, I must adopt a larger perspective of system-level dynamics and elaborate on the Realist nature behind the principle of neutrality. Because Realism concerns the balance of power and the distribution of capabilities among states within the international system, it is a useful mechanism through which to view neutrality as a power-securing tool. Realists believe that there is a need to maintain a balance of power in order to prevent one state or group of states from gathering a disproportionate amount of power. In studying the structure of state power, analysts are able to draw conclusions about strong and weak states.

For example, Theda Skocpol in *States and Social Revolutions* defines state strength via two conditions. First, through autonomy, by which she meant that the state in and of itself has a certain independence, and second, through capacity, which draws on the political instruments available to the state.[76] It would appear at first glance that Switzerland is a weak state because the executive branch is constrained to a large extent by public opinion. In fact, public opinion seems often times contradictory to federal policy, this observation was discussed in the first chapter. However, as the discussion of Switzerland's army will reveal, the political instruments available to the Swiss cannot be overlooked. An armed militia, consisting of every male citizen, actively prepared to engage in defensive battle, is clearly a strong asset of any state. While I claimed that Realist presumptions are inadequate when explaining the effect of domestic politics in

[76] T. Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (NY: Cambridge University Press, 1979)

Swiss international affairs, they do shed light on the Swiss objectives underlying neutrality.

Smallness has a domestic and a foreign dimension: inside the country it is rooted in political localism: there is a strong tradition of local identity and autonomy. [77] On the other hand, the foreign dimension has to do with the country's power and vulnerabilities in the international arena. What circumstances led to Switzerland's positioning in the emerging continental Europe? Was it self-motivated or the product of a defensive mindset? Additionally, is it accurate to equate an isolationist stance with a powerless one? The Swiss cantons ceased to be expansionist with the Reformation: the existence of religious differences was accepted and inter-cantonal tensions were pacified.[78] In 1648, its position of perpetual neutrality was recognized internationally and codified in the Treaty of Westphalia. It was to remain unchallenged for 300 years and in so doing gradually become ingrained in Swiss identity as a status symbol. Yet, do these milestones really connote an abandonment of power considerations?

The fact that non-interference in other countries' affairs has been the practical foreign and security policy position that has enabled to Confederation to survive as an independent nation amidst the warring European superpowers continues enjoy prominence in the popular conscience.[79] Some claim there is a tendency in Switzerland to identify impotence with peace and to regard it as a virtue. These scholars point to Fritz Ernst's booklet, written during the Second World War, entitled "Die Sendung des Kleinstaats" or the "mission" of being small in which he posited that "without striving for the power and the importance of a great state, without trying to impose its own stamp on

[77] C. Schmid, *Conflict and Consensus in Switzerland*, p. 9
[78] Ibid., p. 9
[79] *New Security Policy Report 2000*, p. 1

anyone except itself, the small state lives only from being loyal to itself." However, the environment in which these words calling for the abandonment of power considerations were recorded was fundamentally altered from contemporary systemic-level dynamics governing foreign relations. Admittedly, the virtues of smallness and detachment have developed deep roots in the Swiss public consciousness; however, whenever the Swiss feel threatened by nations exhibiting greater power, the primacy of power considerations and understated greatness re-emerge brightly.

This pride in its success as a small state, capable of maintaining its power despite its size and geographical limitations, provides much insight into Swiss tendency to remain isolated from larger entities. Because Switzerland has achieved its status by maximizing its isolation from the discrepancies which plague larger regional groups, its citizens tend to assume independence as the most strategic foreign policy objective rather than coordination. Do the Swiss have a fierce aversion to power politics because of their physical milieu or is the political culture more representative of a uniquely nuanced approach to the age-old game of power politics? Has the brotherhood of Swiss Confederates been conspiring to retain its power in the most surreptitious mode available to them, namely claiming not to be a part of it at all? In other words, have the Swiss truly divorced themselves from the games of power politics or have they simply found a more efficient mechanism to secure their power while refraining from being perceived as a threat?

Neutrality as a Geo-Strategic Move

As previously mentioned, apart from war-like skirmishes at the time of the creation of the modern federation in 1848, the Swiss record remains untarnished, having

fought its last war during the Napoleonic era. The Federal Government readily acknowledges that "permanent neutrality was the main factor that allowed the Swiss ship of state to weather all the fierce storms of the 19th and 20th centuries, and in particular, to emerge unscathed from the tempests of the two world wars."[80] However, the great European wars did force the small nation in the heart of the continent to considerable defensive efforts, and the deeply felt threat during World War II left its mark on the national defense identity and on the public image of the defense institutions. As Bonjour explained, "Switzerland's exposed situation as a small nation lying surrounded by major political units, with all of which it had linguistic and cultural as well as economic ties, gave the Swiss a vested interest in the maintenance of international order and bred a conviction of the rightness of neutrality which was something more than a merely prudential philosophy."[81] Yet this spirit of "moral rectitude," as many claim, remains difficult to reconcile with the notion of an armed neutrality, which means that Switzerland is determined to avail itself of every means at its disposal to defend itself militarily against any aggressor and prevent any act incompatible with its neutrality that belligerents may seek to perpetrate on its territory. Despite what idealists may argue, historically and constitutionally, neutrality has never been a goal as such, but rather one instrument among many that enables Switzerland to attain its true objectives, chief among which is to maintain the maximum possible degree of independence.[82]

Neutrality after World War II: A Strict Definition

The impact of neutrality and its direct effect on Switzerland's position after the Second World War cannot be overestimated. Bombarded with pointed criticism from

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[80] *White Paper on Neutrality*, p. 6
[81] E. Bonjour, H.S. Offler, and G. R. Potter, *A Short History of Switzerland*, p. 21
[82] *White Paper on Neutrality*, p. 6

abroad, the Swiss were in a precarious position where its foreign policy objectives could shift dramatically in line with international consensus. Alternatively, it was equally posed to reassert its propensity for neutrality, sticking to the status quo and clinging to its traditional belief in detachment. Ultimately, Swiss practice in areas pertinent to neutrality changed according to the needs and interests of the time.[83]

While the Swiss do argue that "Neutrality must have a function not only for the neutral country itself, but serve other countries' interests as well,"[84] the rigidity of Swiss neutrality and its true intentions are evident in a 1954 policy document from the Swiss Foreign Ministry known as the "Bindschedler Doctrine." Named after the chief legal counsel, the document contained three major points: (1) it distinguished between multilateral organizations of a "political" and a "non-political" nature and declared the former to be incompatible with neutrality; (2) it explicitly excluded accession to "customs and economic union," and (3) it did not allow participation in economic sanctions. All three points indicated a tightening of neutrality, which was particularly true with regard to economic sanctions, where the Swiss had been, by all accounts, relatively flexible in the past. As a member of the League of Nations, Switzerland had been willing to participate in economic sanctions and to practice what was called "differential neutrality" since at that time, economic sanctions were considered compatible with neutrality, but 1954 marked the divorce of a circumstance-dependent approach to neutrality. Consequently, the Doctrine permitted neutrality to serve as a shield for the Confederation, enabling it to take a reserved stance in foreign policy matters and concentrate almost exclusively on domestic policy and to build a uniquely structured

[83] Ibid. p. 7
[84] Ibid. p. 7

state, retaining its power and guarded safely by its armed militia. Since then, compatibility and incompatibility with neutrality became key concepts in Swiss foreign policy. This equation was visible in the EEA referendum as well as the fierce rejection of UN and EU membership in the early 1990s.

It is often argued that Bindschedler's "super-neutrality" principle was never actually practiced as it was formulated; yet, it remained a clear expression of ambivalence. On the one hand, it bent to the reality of economic interest and went against its most entrusted proposition of non-affiliation with enemy countries. The predicament Switzerland faced then, and remains of notable importance today is the feat of satisfying both political and economic motives. At the political level, there was an attempt to be independent and to act unilaterally; yet, at the economic level, there was a need to opt for interdependence and for multilateralism. This goal—preserving sovereignty while maximizing economic benefits—has singularly characterized Swiss foreign policy and is particularly evident with respect to European integration. But it is often the former that incites popular involvement and is constrained by the formalized institutions of direct democracy. Still, the role of power considerations is intricately woven in this complex fabric for failed negotiations and a hegemonic display of power on the European part trigger deeply rooted anti-hegemonic reflexes.

How has Switzerland's neutrality stance changed, if at all, since the introduction of the Bindschedler Doctrine? During the Cold War, foreign policy and the modernization of the armed forces were central issues to the Swiss public. This focus is reflected in the outcomes of the most significant votes on security and military politics after 1945. Nearly all the initiatives proposed were met with opposition, regardless of the

substance of the initiative. The Swiss were adamantly opposed to any changes from the status quo and resoundingly expressed this opposition, refusing to alter the principles of neutrality or the format of the militia. Furthermore, each decade saw a higher number of rejection votes than the previous one. The largest concentration of votes so far was seen in the year 1990-2000.[85] For the first time, the results indicated an increase in political pressure for reforms in the security sector since the end of the Cold War. Also, the list of referenda in the field of national security revealed that public opinion, as a rule, was more status quo-oriented than the parliament and the government. In other words, the mass was the most conservative element in the process of decision-making concerning issues of national security and the militia. Clearly then, the statesman was left with little confidence in the ratification procedures to follow

The list of rejections makes clear how skeptical the Swiss public is towards radical steps. Larger military assignments abroad are consistently turned down as incompatible with neutrality, and all attempts to limit autonomous defense endeavors have been faced with opposition. This sentiment of detachment permeates all ranks of society despite the clear change in international power politics. As Etzioni once remarked, "The threat of a common enemy is probably the condition most often credited with initiating the union of countries."[86] Similarly, realists such as Henry Kissinger argued that military alliances were an effective way of binding nations together and served as an effective take-off base for unification of member countries. However, Switzerland chose another route by outright rejecting compromising its independence in the name of greater coordination. Despite the clear threat of an "enemy" as manifested in

[85] K. Haltiner, "Tradition as a Political value—the Public Image of Security, Defense and the Military in Switzerland," p. 73
[86] A. Etzioni, *Political Unification: A Comparative Study of Leaders and Forces*, p. 12

the Cold War, Switzerland clung dearly to its tradition of detachment. As such, it comfortably avoided the threats of the enemy.

The Dual Functions of Neutrality

Some scholars maintain that neutrality prior to 1945 has been less a foreign policy than a domestic one, responding to internal conditions of strife. Swiss neutrality comes from a past when religious differences threatened to tear the early Confederacy apart, and only detachment from active, national involvement in European politics could prevent the country from falling apart—it was a way of preventing Swiss mercenaries from fighting each other.[87] Internally, these dangers of ethnic fragmentation have additionally strengthened neutrality. It prevented linguistic groups from turning away from the domestic focus towards their cultural super-communities. Clinging to a policy of "splendid isolation" in matters of foreign and security policy seems to have guaranteed security on a foreign as well as on a domestic level. It is only by grasping this double function of neutrality that the high esteem, still held among the Swiss public, can be understood.

Ironically, neutrality is no longer perceived by certain official circles as an instrument making it possible for heterogeneous peoples to integrate, but on the contrary, as a dangerous myth that helps to aggravate the tensions between the German-speaking and Italian-speaking communities, who have reservations about European integration, and the French-speaking population, which is resolutely determined to play an active role in the political construction of the continent.[88] From the point of view of interior politics, this neutrality-induced isolation has the effect of undermining rather than protecting

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[87] C. Church, "Switzerland: an Overlooked Case of Europeanization?" p. 8
[88] R. Kieser and K. Spillman, *The New Switzerland*, p. 78

Switzerland's identity, for there can be no doubt that the rift is growing deeper all the time, owing to the different attitudes towards Europe.[89] Thus it seems its external policy has become a source of division rather than defense.

Furthermore, the implication seems to be that Switzerland, notwithstanding the attempted new paradigm, is actually limiting European solidarity and stability, rather than contributing to them with its theory of neutrality.[90] Whereas neutrality was once conceived as the total absence of threats to surrounding powers, the refusal of such a geographically central state to take part in the process of European integration might be actually seen as a kind of threat. If so, then the Swiss would be failing in one of the duties of a neutral state, which is to ensure that it does not create a vacuum which could create dangers.[91] How does one reconcile the internal turmoil resulting from the rift between those individuals who view neutrality not only as an essential pillar of foreign policy but also as one of Swiss identity and the perceived threat neutrality poses to the Union? It is argued that the Swiss have thought of themselves as more neutral than any other state and have been described as being "neutral for neutrality's sake." Because the public esteem for neutrality has become something of a taboo, "mystically untouchable," the reactions are all the more violent and palpable when government attempts to shift away from its historical precedent.

Neutrality as National Identity: The Popular Position

If we are to consider Karl Deutsch's belief in the importance of the existence of a "community of consent" in the first stage for unification, it is essential, as I argued in the

[89] O. Sigg, *Political Switzerland*, p. 59
[90] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture* (VT: Dartmouth Publishers, 1994) p. 174
[91] Ibid. p. 165

first chapter, to develop a Swiss community that accepts the merits of coordination and gradually divorces itself from the rigidities of its strict neutrality before integration can be initiated at the federal level. Thus it remains extremely delicate, and the automatic Swiss response is one of conservatism and adherence to the familiar. Why toy with an institution that seems to have single-handedly permitted Switzerland to thrive while all its neighbors were shred apart? Despite having avoided the ruptures caused by the two World Wars, Switzerland does feel the imprints in the country's national identity. The casualties and damage done reassured the Swiss of their opinion that the existence of their small Alpine republic could be guaranteed only if they were able to avoid areas of tension in regard to changing European interests. Neutrality thus became the pillar of Swiss foreign and security policy and Swiss identity.

Apart from judicial, geo-strategic, military, or integrative considerations, neutrality has, in a rather vague and ill-defined way, become an element of the Swiss nationalism when it comes to dealing with foreigners. For many Swiss people today, the term neutrality means that they simply do not want to get too involved with nations surrounding them.[92] Whether this reaction is due to a dislike of foreigners or a dislike of confrontations, the truism persists that, up to now, the Swiss have thrived by all standards, basking in the peaceful glory of their Alpine valleys.

Neutrality as a Source of Political Disagreement

Survey trends show that public opinion remains critical and vigilant towards the government's cautious attempts at opening up the country's security policies.[93] According to surveys taken since 1993, accession to NATO would have no chance of

[92] R. Kieser and K. Spillman, *The New Switzerland*, p. 80

[93] K. Haltiner, "Tradition as a Political value—the Public Image of Security, Defense and the Military in Switzerland," p. 77

being approved by the public. Even small steps in that direction do not win the support of a majority of the people. Joining NATO was never favored by more than 30 percent of persons surveyed since 1993. "Intensified cooperation" with NATO is slightly more popular, but the acceptance rate has always been less than 50 percent.[94] The Swiss have at times been praised for basing their nationality on an invisible idea alive in the air of their mountains—"With them it was not a community of blood or language which produced a national idea or a national character, it was on the contrary an idea which created the nationality as its embodiment."[95] It seems, neutrality, now more than ever, poses a great challenge to this notion of a national idea as the principle aggravates the rift in foreign policy objectives.

Deeply rooted ambiguities regarding the question of whether the country should be further opened up or maintain its high degree of autonomy make it difficult to predict how the Swiss public will respond to specific events relevant to foreign and security policy in the near future. Public opinion keeps changing, seemingly without clear direction, according to international events. Undoubtedly, this has to do with the fact that neutrality and national autonomy are principles still regarded as highly legitimate. In the long-term trend, neutrality is supported by a remarkably stable 80 percent of the Swiss people.[96] Clearly, an allegedly successful policy principle, which has become settled in people's minds over more than 350 years, cannot be erased in a decade. It has, over time, gained the status of a symbol of national identification. Notwithstanding the changed political situation in Europe and the rest of the world, with regard to the position of the

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[94] Ibid. p. 78
[95] C. Hughes, *Switzerland*, p. 95
[96] K. Haltiner, "Tradition as a Political value—the Public Image of Security, Defense and the Military in Switzerland," p. 79

country in the world, the myth of neutrality still seems to determine Swiss public opinion more than anything else. The strong general support for the principle of neutrality should not, however, be confused with an indifferent approval of all its functions. Yet, neutrality remains the bottleneck as far as the country's international cooperation is concerned.

Contemporary Interpretations of Neutrality

Yet one must ask, what does Swiss neutrality signify today? Is it still, as Ernst claimed right after the Second World War, "[t]he inviolable rule not to intervene in others' disputes, particularly those of our immediate neighbors, whose language and culture form a close bond with our country, or more strictly, with one section of it?"[97] For a long time admittedly, Switzerland had one of the most coherent and effective approaches to security of any country in Western Europe. Yet, the lack of assurance now plaguing it about the way ahead stands in stark contrast to the certainties of the past. It has been claimed, "Swiss neutrality is not just a matter of law but a freely chosen policy which is permanent, integral and armed. It is a key means of ensuring that Switzerland can avoid being dragged into confrontation while also ensuring that any such confrontation can be resisted if the worst came to the worst."[98] How has the modern concept of neutrality, as officially expressed and endorsed by the Federal Government altered, if at all, popular sentiment, and more importantly, how has this shift ushered in the development of a new foreign policy which could be congruent with the European Union?

As the Government proclaimed in its most rigorous examination of Swiss institutions, "Foreign Policy is a policy of interests. Tensions can emerge between the

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[97] F. Ernst, *European Switzerland: Historically Considered*, p. 69

[98] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture*, p. 165

safeguarding of interests and ethical principles, especially when economic interest have to be brought in line with the objective of playing a part in shaping a more just and peaceful world."[99] Yet, its "supreme objective" remains "the preservation of Switzerland's independence and welfare." With the end of the Cold War and intensified European integration, key values of Swiss foreign and security policy that had been maintained for centuries became obsolete within a few years within the executive branch. Prior to the 1980s, Switzerland saw herself as making a contribution to European stability and, at the same time, serving her own interests by maintaining her own independence, territory, sovereignty, and economic power. This policy was never challenged and did nothing to disturb the country's growing prosperity.[100] Switzerland's neutrality during the Cold War seemed sensible, especially with regard to its traditional role as an international third party-mediator. Today, however, it finds itself in the midst of a new Europe—a Europe whose old patterns of conflict have completely dissolved; a Europe in which the nations are forming a federation. What direction is Switzerland to take in a situation in which the surrounding environment becomes more federated?

Neutrality and the Revisionists

As far as such a new orientation is concerned, Switzerland is currently experiencing a crisis. Revisionist thought seems to be dictating governmental ideology while populist sentiment still centers on nostalgic days of bliss while the rest of the Continent was ravaged. Contrary to the official traditional ideology, which presents the "permanent" neutrality as an ahistorical and inviolable dogma, the revisionists dwell on

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[99] *New Foreign Policy Report of the Federal Council*, p. 5

[100] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture*, p. 160

the circumstances that led the Swiss to adopt their neutrality.[101] The underlying idea behind this sort of presentation is to show that with a changed situation in the neighboring countries, the factors determining neutrality have disappeared. Therefore, goes the argument, neutrality has lost much of its *raison d'être* since credible threats from the East are no longer present.

The new thinking on neutrality does not deny that neutrality has been part and parcel of the whole history of Switzerland and has stamped its international personality accordingly. It concedes that non-interference in the affairs of others has been the basic principle of foreign policy of the Confederation. However, it argues that Europe has not only become absolutely central to Swiss thinking on security and power but has brought them into a closer relationship than is often realized. In particular, the Union has been reassessed as not merely an economic agency but as a potential political partner. This reflects a new official vision of attaining European cooperation.[102]

The point is that the geo-strategic circumstances have changed tremendously since the days when the Confederation was at the meeting points of the main lines of conflict between the European powers as a result of its position on the strategic communication routes connection of the regions north and south of the Alps.[103] As a consequence of the emergence of revisionist thought, the government has changed security and defense policies, most recently in its 1993 *White Paper on Neutrality* and *New Foreign and Security Policy Report 2000*. A first step was taken in 1993 when the government's white papers on defense policy downsized the militia from 600,000 to

[101] R. Kieser and K. Spillman, *The New Switzerland*, p. 74
[102] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture*, p. 159
[103] R. Kieser and K. Spillman, *The New Switzerland*, p. 75

350,000 persons. However, it must be noted that a reform of doctrine and of the conception of the armed forces did not occur. In particular, the concept of an autonomous national defense based on a large mass army remained untouched, in accordance with popular preferences.[104]

Furthermore, the government's recent report on security policy marked a second, if only gradual, departure from the traditional status quo of a purely autonomous defense and military policy. The report endorsed the government's intention to finally open Switzerland's security and defense policies, an objective that was already displayed in a moderate fashion when the country joined the "Partnership for Peace" in 1995 and founded the three internationally oriented institutes working on security policy in Geneva. It also included steps towards much smaller armed forces based on standby elements and a partial professionalization. For the Federal Council, there are thus three main fields where some form of adaptation should be carried out which reflects this new revisionist line of thinking. First, it is proposed that Switzerland should embark on cooperative measures with her neighbors in the event of an international threat. Then, Switzerland should show a more favorable attitude to multilateral sanctions, mainly with regard to those decided by the UN against a country that has blatantly defied international law or has threatened peace. Finally, the public needs to be made aware that there is no incompatibility between Swiss neutrality and full and complete participation in the EU. The reasoning is as follows: from the point of view of the law of neutrality, Swiss membership of the EU is no obstacle to the maintenance of its neutrality as long as the current members have not concluded a military alliance.

[104] K. Haltiner, "Tradition as a Political Value—the Public Image of Security, Defense and the Military in Switzerland," p.76

Furthermore, the recent federal report on integration stated, "Swiss security policy remains directed first and foremost toward prevention of and defense against political power threats." This signified that Switzerland needed to redirect its security policy toward partnership cooperation with other states, as this mechanism has become the primary tool for guarding against power usurpation in the new Europe. Its military was indeed a modern army, but the next foreseeable step that must lead Switzerland out of security policy isolation calls for still more far-reaching adaptations and modernization in the sense of inevitable cooperation.[105] The federal government report also implied three changes in foreign policy thinking. Firstly, it assumed a new wider view of what security is and where it is to be found. Secondly, it elevated the role of Europe and of the Union in Swiss policy, moving from seeing it as an essentially economic forum to accepting it as a pre-eminent actor in most dimensions, including security. Entry was also seen as compensating for isolation from the UN prior to 2002. Thirdly, it insisted on pragmatism and flexibility, calling not just for periodic reevaluations of Swiss neutrality but canvassing the possibility of its eventual disappearance. In other words, the Swiss government embarked on a deconstruction of neutrality, stripping away the myths to reveal the reality beneath.[106] Skeptics will argue that none of these initiatives fundamentally altered the position of neutrality in the minds of the voters; however, reform of the militia should be seen as a gradual step in that direction.

Still, pessimists admittedly maintain their strength. Despite this move towards increased international cooperation in security policy, in the near future both the government and the parliament, anticipating the rather conservative public opinion, will

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[105] R. Kieser and K. Spillman, *The New Switzerland*, p. 71

[106] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture*, p. 168

stick to traditional principles in the security policy it has recently outlined. The country's neutrality is continued through binding international law; the constitution will not be revised as far as the reorganization of the armed forces is concerned; the country will only take part in military peace support and humanitarian operations when there is a UN mandate to do so.

Ultimately, theses limitations leave little room for fundamentally redefining Swiss security policy in the years to come. The idea of neutrality, the advantageous experience of non-engagement during the 20th century, the maintenance of power positioning and the common sense of the small which leads them not to speak out too loudly have made the Swiss somewhat distrustful of international politics.[107] According to the government, larger steps, such as far-reaching peace support engagements or the abolition of universal conscription will not be issues on the political agenda. The army's three assignments, namely defense, subsidiary support in domestic issues, such as police operations or rescue missions, and the support of peace operations abroad, remain unaltered. Though the idea of living in a neutral democracy helped to develop a common identity of all Swiss and was important for Switzerland to survive as a nation, it now represents for many government official an anachronistic remnant rather than the progressive attitude the government seeks to achieve.

Criticisms

The behavior of the Swiss occasionally gives the impression that the country's historically tried and tested principle of neutrality has become transformed into a global political abstentionism. Many Swiss expect to get the good life and a clear conscience from a strict interpretation of neutrality, rather than a too direct political participation in

[107] W. Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, p. 79

the problems of the world. Indeed, some argue that Switzerland today is testing a policy of selective participation in dealing with its European neighbors.[108] As far as foreign policy is concerned, the Swiss find it difficult to accept any form of political authority located outside their own country. Furthermore, it has been argued, "They feel they belong to the world because it is far away. The deeper reason is psychological: many Swiss do not want their neighbors to come too close."[109] Everything considered there is clearly some self-righteousness in Switzerland's present attitude toward Europe and the EU. Bad memories of the last sixty years linger and all too seriously dampen Swiss self-confidence when it comes to participating in the institutional structure of European policy. Switzerland wants to participate in situations where it pays to do so and refuses to participate where political and financial risks are hard to calculate. It is not just Swiss self-satisfaction and narrow-mindedness that lie behind this practice. It is a pragmatic exploitation of the advantages of its geographical location without wanting to obligate itself to help bear burdens that are too heavy. It is a desire to exploit its power and incrementally secure it. It is Realism at its finest.

Joining the EU is thus a debate conducted in public in terms of neutrality. When the enquirer presses, he is reminded there is a unique Swiss form of neutrality, unlike, and better than, all others.[110] The metaphysics of this approach sometimes are dubious: a genus is posited that is inherently incapable of having more than one species, while denying that there is also only of any other sort of neutrality. However, it is convenient to be able to invent rules as one goes along in the international game, and the Swiss approach sometimes verges on the assertion "Whatever *we* do, is neutral." At the end of

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[108] R. Kieser and K. Spillman, *The New Switzerland*, p. 296
[109] Ibid. p. 47
[110] C. Hughes, *Switzerland*, p. 153

the 20th century, Switzerland found itself in the aforementioned dilemma: take the offensive or retreat. In terms of the international arena, it indisputably makes a big difference whether one is the driving force or simply, the prisoner of one's dilemma. To the majority of the Swiss, it chose wisely. To outsiders, it lost one of its greatest opportunities.

International Pressure: Reform from Abroad

For the revisionists, loosening interpretations of neutrality does not mean giving up Switzerland's own tradition of national defense, but rather, establishing security policy contact with neighbors from whom Switzerland not only need not fear any military attack, but with whom Switzerland—as a democratic, market-economy state under the rule of law—also corresponds in all relevant basic values.[111] To a certain extent, in the post-Cold War period, public opinion has changed with regard to the army: the focus has moved away from the defense institutions to the remodeling of Swiss foreign and security policy. The military underwent an intense decade where it became the target of internal political criticism. However, its acceptance rate oscillated at around 70 percent, although the social and political valuation of the role of the military has changed. Today's attitude is characterized by a kind of apathy. Individualization and the pluralization of life-styles are eroding the prerequisites of the communitarian militia culture. Although most people realize the necessity for national defense, they wish to have nothing to do with it personally. This "without-me" attitude manifests itself in the increasing attempts to avoid individual conscription. Since the mid 1980s, the number of supporters of an all-volunteer force has been increasing almost continuously, whereas the acceptance of the

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[111] R. Kieser and K. Spillman, *The New Switzerland*, p. 71

conscription-based militia has been decreasing. In 2002, 4 out of 10 of the persons surveyed favored a professional army; in the 1970s, only about 15 percent did.[112]

Thus, Switzerland, a classic example of the nation-at-arms principle, shows the same tendencies as the rest of Europe, where conscription is in decline. It cannot be ruled out that maintaining conscription and the militia system will increasingly become an object of public debate and even referenda over the coming years. The political left has already made clear its sympathy for a volunteer force. Moreover, the future of the militia system is not only dependent on public opinion, but will also be determined by its efficiency with regard to new military assignments. Domestic factors in Swiss foreign policy have always been strong, to the point that some authorities have doubted whether the country really has a true external policy in peacetime. Foreign policy is thus positioned to become much more salient as it is now unlikely that any policy initiatives surrounding the militia or neutrality will go unnoticed.

Because closeness to the Union is so central to the whole process of rethinking Swiss foreign policy, there clearly could be consequential effects. After all, as already suggested, neutrality can no longer preserve the Swiss from corrosive arguments over foreign policy and is itself bound to be re-examined. The failure of neutrality may be because Switzerland is no longer really neutral, however the term is defined. It may also be because the conflicts from which neutrality is supposed to save the Swiss are no longer external but rather internal. The institution is threatened and the Swiss response is to recoil rather than to innovate. The process of changing minds is an altogether slow one and has only just begun.

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[112] K. Haltiner, "Tradition as a Political Value—the Public Image of Security, Defense and the Military in Switzerland," p. 86

A Realistic Time Frame

The ongoing public debate on a new foreign and security policy mirrors Switzerland's search for a new position in Europe and in the world. In a direct democracy, decisions require a broad consensus within the population. Achieving that kind of consensus will take time. Since Switzerland is a plebiscitary democracy granting its people regular participation in political matters, this political culture is different from parliamentary and presidential democracies on the continent. Manifestations of public opinion play an unusually important role in the political process. The far-reaching plebiscitary rights put the electorate into a position where—in theory—it could permanently veto decisions made by the government and its parliament. These rights include security and military issues, and consequently, all major revisions of the so-called "military organization" have had to pass a public vote. Therefore, plebiscitary manifestations must be taken into account if the role of public opinion on security and foreign policies and the image of their institutions are to be studied.

Due to its political culture of direct democracy and its national defense based on the "nation-at-arms" principle, Switzerland undoubtedly belongs to the group of European countries, in which the institutions of national security have long been held in unusually high social estimation. But it is also an impressive example of how thoroughly within the last 20 years the process of modernization has changed the socio-economic prerequisites for an exclusively national, autonomous defense and a pure militia force. The disenchantment with the military as a stronghold of national identification, and its new image as a mere instrument of foreign and security policy needing to be optimized, is a process which began long before the end of the Cold War, but it gained momentum in

the 1990s. The end of the Cold War has, however, not resulted in a change of paradigm as in some other countries. Whereas public opinion on national security and the armed forces has made a complete turnaround within a short period of time in some countries, in Switzerland, the public assessment of the institutions of security is much more influenced by domestic, primarily socio-political aspects than by strategic and international ones.

However, there are indications that the country is adapting to European trends of new security and defense structures, albeit slowly and cautiously. While the country's political elite fears international isolation and is ready to gradually give up neutrality, the doctrine "never change a winning horse" is still very popular with the people, despite the fundamentally changed post-Cold War situation. Therefore, European integration and transnational cooperation in the security sector pose a greater challenge to Switzerland than to most other European countries, including post-communist ones. Switzerland's search for a new national identity, as well as new international orientation has only just begun. As direct democracy works slowly, this process may take some time but will possibly be characterized by the proverbial Swiss solidity.

As a general rule, it is insufficiently realized that Switzerland cannot lay aside or alter her inherited principle of foreign policy without profoundly affecting the structure of the federal state. Switzerland's neutrality is not only the logical consequence of her geographical situation and small size. From time immemorial, she has been in the fortunate position of being able to subordinate her foreign to her home policy, while the great powers have had to adapt their home to the requirements of their foreign policy. A surrender of absolute neutrality would also jeopardize this position.[113] Yet, if Switzerland should ever see herself obliged by the course of worldwide events to give up

[113] E. Bonjour, H.S. Offler, and G. R. Potter, *A Short History of Switzerland*, p. 374

her neutrality, a conscientious retrospect would enable her to do so without regretting her past.[114]

Thus, 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 and power. 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. As stated at the beginning, these objectives are clearly aligned with Realist tendencies. Put in modern terms, the Swiss are excellent globalizers and free traders in some areas but perfect isolationists and protectionists in others. Up to a point, contradictions like these are part of any country's foreign policy, but in the case of Switzerland, they are extreme. Swiss domestic institutions dominate the decision-making process, and power considerations dominate public opinion.

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[114] F. Ernst, *European Switzerland: Historically Considered*, p. 73

CHAPTER THREE

A Review of Putnam's Model

Thus far I have sought to build on studies that explain internal dynamics as a factor affecting international outcomes while also adding material that refutes the conventional assumption that international relations remain strictly within the purview of the state acting as a unitary actor. In this regard, the influence of domestic dynamics on issues of integration, neutrality, and national identity provides a definitive account of how domestic actors, within a direct democracy, may alter the nature of an acceptable "win-set." In seeking to integrate domestic and international politics, most systemic theorists, concede the influence of domestic factors, and they retreat to the metaphor of domestic politics as "an imperfect transmission belt that introduces deviations from rational response to external imperatives."[115] Yet, I submit that the sub-systemic level overall produces richer detail, greater depth, and a more intensive portrayal than the systemic level. The actor orientation is considerably more fruitful, permitting as it does a more thorough investigation of the processes by which foreign policies are made. As a result we are enabled to go beyond the limitations imposed by the systemic level and replace mere correlation with the more significant causation.

While the first two chapters centered more pointedly on the domestic dynamics of the populace, this chapter focuses on the agent assigned with the duty of transmission, namely, the statesman. I have argued that the "win-set" is constantly susceptible to myriad variances and the public consensus; however, the role of the statesman retains a certain degree of autonomy. In Putnam's model, the emphasis of two-level games theory

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[115] A. Moravcsik, "Integrating International and Domestic Theories of International Bargaining," p. 9

is on the statesman as the central strategic actor. The statesman's choice of strategy is assumed to be an important element in international negotiations. Informed by rational-choice theory, the two-level-game approach offers the agent guidance as to which domestic "factors" are likely to be most crucial, and thus seeks to move the discussion of the domestic determinants of foreign policy beyond the stage of ad hoc checklists. Accordingly, many assume that the national political elite will be opportunistic. Therefore, they will opt for regional integration when the domestic and international conditions in which they find themselves maximize economic gains for their supportive coalition.

To complete this study of two-level games and its application in terms of the case for Swiss non-integration, it is necessary to investigate the nature of the statesman, his preferences, and his constituencies. Furthermore, it is beneficial to examine Putnam's concept of "side-payments" and the statesman's ability to deliver them. While I will begin with the theoretical relevance of the statesman, I will follow with an in-depth examination of one particular political figure, Christopher Blocher. It is my aim to show that the transition of Blocher's extreme right political party, once viewed as the "outsider", into mainstream power politics has fundamentally altered the political landscape and irrevocably placed an "Anti-EU" statesman among the political elite. In addition, his ability to deliver "side-payments" in the form of a guarantee to "shield the Swiss from an unwanted foreign infiltration" has contrasted markedly to the Federal Council's inability to make concessions to its domestic constituents. Consequently, in addition to the "win-set" being exceedingly large from popular Swiss Euro-skepticism,

the Swiss have succeeded in placing a statesman with isolationist preferences among the political elite, thereby reducing the likelihood of integration.

The Preferences of the Statesman

How do the preferences of the statesman influence the choice of strategies and the outcome of negotiations? Since the two-level games approach posits the partial autonomy of the statesman, a two-level analysis requires a specification of the statesman's preferences. A rational statesman will employ available "double-edged" strategies only if they further his own aims. The set of agreements preferred by the statesman to the status quo may be termed the statesman's "acceptability-set."[116] According to one author, these preferences may reflect:

> *(1) The statesman's interest in enhancing his domestic position, perhaps by pursuing the median domestic interest; (2) an effort to mobilize an optimal response to international imperatives, regardless of domestic factors; or (3) individual policy preferences about the issues in question, perhaps stemming from idiosyncratic "first image" factors like past political history or personal idealism.*[117]

The focus of this analysis is on the strategic incentives created by certain configurations of the "acceptability-set" relative to the domestic "win-set." Admittedly, the strongest incentive for initiating regional agreements would be a statesman's perception that resources available domestically were insufficient to resolve a politically untenable situation, and that synergistic linkages at the regional level might provide additional leverage.

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[116] A. Moravcsik, "Integrating International and Domestic Theories of International Bargaining," p. 31

[117] Ibid. p. 30

Furthermore, Putnam's notion of side-payments is of particular relevance to the scenario in which the statesman is willing to make concessions to successfully close a negotiation. Side-payments are significant in that they can increase internal support and therefore make an important difference to the ratifiability of an agreement. If the chief executor can broker an international deal that delivers more jobs (say, in export industries), he can, in effect overturn the initial outcome at the domestic table. Frederick Mayer explored the relationship between domestic political and international negotiation by focusing on the capacity of domestic factions to make side-payments to one another in the currency of issues linked to the bargain in question in order to demonstrate that there is a strategic dimension to the use of linkages.[118] However, he emphasized that this strategy works not by changing the actual preferences of any domestic constituents, but rather by creating a policy option that was previously beyond domestic control.

Unlike the Federal Council, who has admittedly been unable to find an appropriate currency with which to please and compensate its domestic constituencies, Blocher has tapped into the very hearts and identity of his believers by delivering a promise in the form of a Switzerland free of unwanted foreigners. With this policy, he has assuaged the fears of his constituents thereby making him a potent political presence. In effect, he has increased his own internal support by ossifying xenophobic beliefs while the Federal Council has advocated further asylum laws. The lack of side-payments of the Federal Council should not be viewed as a lack of genuine interest in pacifying its citizens; rather, it reflects the very immobility the Council now faces with pleasing domestic parties and the difficulties it will face in successfully negotiating an agreement.

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[118] F. W. Mayer, "Managing Domestic Differences in International Negotiations: The Strategic Use of Internal Side-Payments," p. 795

Given the Federal Council's publicized support for integration as a long-term goal, observers may argue that statesmen's preferences suggest the inevitability of integration. In fact, some scholars readily take this argument as a given maintaining that once democracy does its job of "communicating the merits of deeper integration and transferring the relevant information" to its citizens, those advocates will succeed in securing the necessary broad support.[119] While it is not my aim to wager on the time frame of this argument, this chapter will clearly show that the collegial spirit of the Federal Council, unanimously advocating the cause of integration, has been ended with the election of Christopher Blocher as one of its seven members. Statesman preferences have thus become more influential than ever, and Blocher's interest in enhancing his domestic position—both as a member of Council and as the head figure for the SVP—while reinforcing his individual policy preferences at the issue in question will taken an unprecedented front place.

The Current State of Swiss Politics

Once portrayed as a neo-liberal apolitical nirvana, Switzerland has been accused of being a plethoric country, redolent of bad old ways of introverted social consensus and desperately needing an injection of competitive politics. By the same token, ironically, it is the very institutions of direct democracy, concordance, and the referendum which have been accredited with providing stability, some would say predictability, to the outwardly utopian Swiss Confederation[120] As the previous chapter established, Swiss federal institutions with their complex interdependencies give a very different shape to the organization of Swiss opposition to the European Union and the

[119] J. Steinberg, *Why Switzerland*, p. 172
[120] *The Euro-skeptic Times*, 1999

formation of an appropriate "win-set." Since Swiss federal architecture has previously gone beyond party politics—party competition was less prominent than in other countries—some scholars have been reluctant to view domestic politics or institutional arrangements as key factors to the growing sentiment of Euro-skepticism in Switzerland.[121] Rather, they propose, that in international relations, there seems to be such a phenomenon as "fashion." This argument, once used to explain the transfer of the institutions of one region to another, is now being used to explain the exact opposite, i.e. the reluctance to partake in integration efforts.[122] In other words, many scholars now argue that Euro-skepticism has become fashionable in its own right, and this sentiment's popularity has fueled existing Swiss hesitation. While I will concede that diffusion or imitation by member units may influence the decisions of states, in this chapter, I plan to redirect the discussion toward contemporary domestic Swiss politics in the hope of providing compelling arguments for the strength of domestic factors in the shaping of larger foreign policy decision-making in Switzerland.

It would be absurd to deny claims that Euro-skepticism in neighboring European countries has contributed to the strengthening of doubts in Switzerland; however, ultimately, Swiss skepticism is not as much a result of a systemic level trend so much as a reflection of internal political instabilities and power concerns. In this chapter, I will analyze the effects of a growing linguistic rift among cantons and the role of Euro-skeptic political parties. I will discuss the impact of the rise of the extreme right parties, and I will conclude that the growing tensions along political, cantonal, and linguistic lines have led to a crisis of instability and hinder all new foreign policy decision-making. Lastly, I

[121] C. Church, "Switzerland: an Overlooked Case of Europeanization?" p. 5
[122] A. Etzioni, *Political Unification: A Comparative Study of Leaders and Forces*, p. 31

will examine reactions of EU members to the recent debacle in Swiss politics in order to assess likelihood of membership from the EU perspective.

Current Public Opinion in Light of United Nations Membership

As previously mentioned, the rejection of the EEA Treaty in 1992 and all subsequent initiatives tied to political integration efforts clearly attested to Swiss conservatism and the Swiss penchant for the status quo. However, it has been argued that Switzerland's entry into the United Nations represented a dramatic change in its overall approach to supranational political organizations. Given that the UN is clearly a political organization, many optimists stipulated that membership in the UN could signify eventual reversal of hard opposition to EU membership. It is my contention that this rationale was erroneous and misleading. First of all, Swiss polling evidence indicates that at the popular level, uncertainties about relations with Europe remain. Opinion polls have consistently shown a low level of support for EU entry since the early 1980s. In the fall of 1991, support for entry reached its apex, topping just under 50 percent; yet it proved transitory for opposition rose to 55 percent by 1993. Opposition rates fluctuated until mid-1995 before they stabilized again in the mid 30s until late 2000. Thereafter, they rose again to virtually 50 percent. In October 2002, 45 percent were strictly against entry into the EU, and in October 2002, only 42 percent even considered EU membership as a long-term possibility. These data yield two important observations. The first is the current strength of the opposition: the opposition is more hardened in its views than integration supporters. The second point to note is the volatility of approval rates: they appear to be cyclical and dependent on a multitude of factors, hinging mostly on the domestic political situation. While there is a general trend to preserve the status quo in

Switzerland, opposition clearly lessened during Switzerland's early 1990s boom whereas it hardened once again as the weakening global outlook was expected to hold GDP growth to under two percent in 2001-2003.

The Rise of Party Politics: The Dissolution of a Consociational Haven

Chapter One explored the role of institutional factors inside federal states like Switzerland and the effect they can have in shaping popular opinion. In the Swiss case, mobilization of popular opinion by aggressive political rightist parties represents a resistance to Europeanization. While formal institutions have typically acted as moderating and unifying factors for the Swiss populace, this chapter extrapolates on the rise of party politics and its impact on the overall domestic climate. It stipulates that the emergence of competitive politics in Switzerland has led to domestic instabilities, accounting for the hardening of the opposition movement, and thus jeopardizing pro-integration efforts. [123] In order to comprehend the magnitude of the rise in party polarization, it was essential to acknowledge the previously uncompetitive system of concordance within Swiss government and the overall philosophy of negotiated compromises in which there is no loser. The argument in its simplest form is that dividing factors have taken the lead in Switzerland in the form of polarized party politics and moderating factors—consociational democracy and Swiss unity—have become secondary.

Switzerland is no longer a consociational haven: it now displays severe political divisions and is home to "real politics." In fact, some scholars have argued that the country has never been political since it had no real pillars: "People are not at each

[123] C. Church, "Switzerland: an Overlooked Case of Europeanization?" p. 6

other's throat nor are they excluded from decision making." [124] While the Swiss have a real desire for understated power and isolationism, as evidenced by their history and policy of neutrality, Swiss politics are no longer as calm as once imagined. In other words, if Switzerland ever was a *Sonderfall,* it cannot really be said to be one today. Its institutions are increasingly subject to more severe scrutiny, particularly as its external policy becomes a source of division rather than defense. As some analysts note, "There seems to be a growing taste for confrontational politics instead of the normal Swiss consensus."[125]

What has led to this recent embracement of aggressive politicking? Is it due to a crisis in the definition of a Swiss identity? Or is it a fear of perpetual isolation, so emblematically concretized in Switzerland's policy of neutrality? A redefinition of priorities is clearly occurring in Switzerland, both institutionally and in terms of process. The goal is a reaffirmation of Swiss identity, the galvanizing agent is ruthless party politics, and the result is a divided Switzerland, abandoning greater European trends of integration.

Confrontational Politics: a More Pronounced Right-Left Axis

A cursory glance at the state of Swiss domestic politics reveals that the country is no longer completely detached from European trends. The country suffers from popular alienation, a more combative tone and increasingly vociferous demagogic politics. Living in peaceful unity, harnessed by the strength of a neutral foreign policy, Swiss politics harbored four major political parties with a penchant for the left side of the political spectrum. While the Social Democrats were periodically a radical-left

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[124] Ibid. p. 6
[125] J. Steinberg, *Why Switzerland?* p. 171

movement, today, it is a moderate party standing for social, ecological and economic reform. It enjoys close relations with trade unions and most of its supporters are in urban, industrialized regions. The Christian Democrats were the successors to the Catholic conservative movement, and it remains the preferred party of the Catholics. With a bourgeois and trade-union wing, it tries to integrate the opposing interests of entrepreneurs and employees. The moderate right party, known as the Radical party regards itself as the heir to 19th century liberal ideas; it enjoys close relations with business and industry and is highly influential in economic matters. It is the political representative of independent professionals, entrepreneurs and the middle class. Finally, the Swiss People's Party inhabits the right-most end of the spectrum and presents the main destabilizing factor in domestic politics. The SVP has, since 1929, been a member of the national government and was a cooperative part of the consensual agreements during the postwar period. In the 1990s, however, this position of support towards the governing coalition came under increasing pressure within the SVP and became, to a certain degree fractionated.

Throughout much of the post-World War II period, the Swiss governing coalition had resembled close to an all party cabinet controlling well over 80 percent of legislative seats and included social democrats, Christian democrats, liberals and the SVP. This fact points toward extraordinary convergence of the conventional moderately left and right parties and thus incentives for disaffected right-wingers to support a new challenger. However, the importance of the plebiscitarian channel of interest aggregation permits parties to engage in rather credible programmatic product differentiation both in terms of

appeals as well as practical political strategy, and thus counteracts the image of a monolithic governing bloc.[126]

The mantra of the SVP has been and remains simple: it vows to fight for a government foreign policy that respects integral and traditional neutrality and thereby guarantees the independence and security of Switzerland.[127] Furthermore, it seeks to prevent activism in foreign politics and unnecessary involvement in international affairs. It is important to note that those who subscribe to anti-European sentiments do not think of themselves as Euro-skeptics per se: rather, they are essentially Swiss patriots resistant not just to the EU but to wider international entanglements beyond the traditional terms. The Blocherites' call for putting the Swiss first may not be deliberately xenophobic but the logical implications of its defense of a strict view of Swiss identity and a penchant towards exclusion rather than inclusion. The Blocherite phenomenon has been able to eclipse other far right parties and the emergence of new and damaging issues [that] which strain the whole process of consensus. The new opposition also draws on another common trend—the growing distrust of established elites and institutions. The impression has grown that mainstream parties were more concerned with their own interests than with the general good. Such disenchantment with the current status of Swiss politics and specifically the political elite has thus escalated into a full-blown opposition movement to the old congenial Federal Council and its agenda.

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[126] A. McGann and H. Kitschelt, "The Dynamics of Electoral Support and Strategic Party Interaction in Switzerland and Austria," Paper prepared for the *Council of European Studies,* 2002 Conference of Europeanists, Chicago, The Palmer House, March 2002, p. 5
[127] CINS Document, "Ten Years After the Rejection of the EEA Treaty," 29 November 2002

Euro-skeptic Parties: Out of Many, One

While significant, the rise of the SVP should not be constructed as an isolated event, divorced from greater Swiss displeasure with federal politics. In fact, there are a large number of small, mainly right wing parties that are very hostile to Swiss involvement in Europe and retain positions in the Parliament. Prominent among these are the Schweizer Democraten, the remaining descendants of the xenophobic movements of the 1970s. Although they only have one seat in the Lower House, representing 1.8 percent of the electorate, they are still very active in resistance to entry of the EU. In Italian speaking Switzerland, the SD finds its populist counterpart known as the Lega dei Ticinesia: a powerful force led by Biagnasca. With two MPs in Bern and a strong foothold in cantonal government, its members are acutely aware of the costs of Ticino's peripheral geographical position in the country. Along this trend is the Freiheits Partei Schweiz, which has recently lost its national parliamentary representation through defections but still maintains a strong holding in German speaking cantons.

Furthermore, hard Euro-skepticism has also found a home among religiously affiliated organizations. The fundamentalist Protestant Eidgenossish Democratisichen Union is strongly anti-European because of its general defense of Swiss independence and sovereignty. It emerges out of free churches and informal congregations and not the established cantonal churches. Traditionalist Catholic movements, the Katholischen Volksparei in Luzern and Thurgau and the Mouvement Chrétien Conservateur in the Valais also actively oppose EU links and helped in the collection of signatures for the challenge to the bilateral agreements of 2000, opposing them on the view that they ushered in a loss of Swiss autonomy and jeopardized a neutral trade policy. Therefore,

the SVP should not be viewed as the only divisive factor in current Swiss politics. Rather, it has successfully aggregated the objectives of many smaller anti-EU parties and channeled their efforts into a substantial powerhouse against the EU.

On the other hand, there exist many mainstream parties who can counteract these parties and are in favor of closer links with the EU. However, most exhibit many soft doubts about the timetable and the conditions, while some elements take a more strongly critical line. The Freisinning-Demokratische Partie for instance wishes to see how the bilateral agreements work first while the Christlichdemokratische Volkspartei is schizophrenic on the issue, having expressed great enthusiasm for entry in 2000 and cooling off as its core German speaking support showed it was much more doubtful. One estimate made during debates on the "Yes" initiative was that the Radicals were split almost equally between opponents of rapid movement and those who were either neutral or supportive. The Christian Democrats leant somewhat the other way, as did the Liberal Party, despite doubts in both. Even the Communist Party is in favor of entering the EU. However, stances tend to be somewhat changeable and it would be wrong to think of clear and continuing factions. Equally, what is found is more a matter of *doubts* than of root and branch opposition in mainstream parties.

A Theoretical Understanding of Right-Wing Parties

In order to assess the true impact of the rise of the SVP, as the thorn in the Federal Council's side and as an impossible constituency to please in an integration-"win-set," one must understand the defining elements of extreme right political groups as well as their mode of organization and strategic mechanisms. The specificity of right wing political trajectories can only be understood in terms of a variety of variables that

characterize popular demand for specific policies and supply-side opportunities for politicians to build partisan vehicle that bundle such popular dispositions around distinctive political parties.[128] On the society demand side, the story is all too familiar: the increasing role of human capital in economy and culture affects the extent and nature of right-wing popular preferences. Technological rationalization of unskilled, semi-skilled and craft jobs, as well as increasing international trade and capital market exposure put downward pressure on incomes and job security of market participants with little human capital endowments. Economic-distributive as well as cultural changes promote grievances among low-skilled citizens, and particularly males, that lead them to call for the economic and cultural closure of opportunities they perceive as threatening their societal well being.[129]

The SVP assembles all the classic themes one would associate with right-wing market-liberal and authoritarian-traditional politics but does so in a rhetorically measured way. Its multi-prong approach criticizes the Swiss government for "meddling" too actively in international and economic affairs and calls for a more independent state focused on domestic priorities. With regard to Switzerland's international situation, the party views itself as a "political counterweight to globalization"[130] and opposes Swiss membership in the EU. The SVP also draws on resistance to globalization amongst the inward looking elements of Swiss society that remain unaffected by the country's links with economic internationalism. With regard to economic governance, the SVP's manifesto declares that the state has taken on too many tasks and that it is especially the

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[128] A. McGann and H. Ktischelt, "The Dynamics of Electoral Support and Strategic Party Interaction in Switzerland and Austria," p. 1
[129] Ibid. p. 1
[130] Ibid. p. 2

middle class who suffers under the burden.[131] The manifesto also finds that international solidarity has been over-stretched and must be reduced to "true solidarity."[132]

The Trajectory and the Enlargement

Starting in 1986, the Zurich section of the SVP around Christopher Blocher began to militate against prospective Swiss international commitments, such as joining the European Union and the United Nations. Meanwhile, the economy displayed early signs of change, and jobs in farms, construction, and engineering declined while the service sector grew. Relying on the instrument of plebiscitarian politics, Blocher and his followers gained an increasingly high profile due to their activities. Hard skepticism found an impressive and unusually well organized foundation in Switzerland and Blocher. As a means of monitoring Federal Council policy and preserving Swiss sovereignty, Blocher and other conservative leaders established the Campaign for an Independent and Neutral Switzerland—the largest of a number of campaigning pressure groups with an anti-European bias. This group started out in 1986 with some 2,000 members and grew relatively slowly until 1991. Exploiting public anxieties about the EEA solution—"an undignified colonial Treaty"[133]—it then grew dramatically from 8,000 to 18,000 members in 1992. Following its success in the EEA campaign, it continued to grow at a rate of about 5,000 members per year in the 1990s and now holds just over 80,000 members. Given that it also had some 4 million francs in capital and the fourth richest Swiss as its leader, its vigor is hardly surprising.

Although clearly dominated by Blocher, CINS was formally run by a committee that includes Euro-skeptic MPs. Its membership crosses party lines and, in line with most

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[131] CINS Document, Dr. C. Mörgel, "The Essence of Swiss Neutrality," 8 May 1999
[132] Ibid.
[133] CINS Document. "Ten Years After the Rejection of the EEA Treaty," 29 November 2002

radical right parties, is composed of "true believers." It was designed with three basic tasks: to work to safeguard national independence, neutrality and security; to campaign for a federal foreign policy respectful of traditional neutrality; and to stop external activism and unnecessary international engagements.[134] This meant monitoring and criticizing government policy in case it created new complications rather than ensuring national security. It warned of "the detrimental and naive bowing down to the political UN, the inglorious end to the army, the weakening of direct democracy and efforts to create a professional parliament" and advocated renewed efforts in the anti-integration movement.[135] There are other smaller anti-European bodies which are often active in referenda campaign and function similarly, however, CINS presents the largest thorn in the Swiss Federal government's side for it firmly maintains that "A liberal conservative society with the will to self-determination is able to pursue policies particularly suited to Switzerland and thereby achieve greater economic success than inside a massive, through and through regulated structure with its pressure of downward harmonization."[136]

These organizations show that there is considerable support for strongly anti-European stances in Swiss society. In the run-up to the 1995 parliamentary elections, the old, moderate governmental wing of the SVP still counterbalanced the radical Blocher wing; however, by 1999, the latter had established it supremacy, enveloping the more moderate and traditional party elements into a revitalized party make-up with a belief that "Foreign policy activism is always a sign of domestic political failure."[137]

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[134] www.auns.ch
[135] CINS Document, "To the Polls, for a Parliament that backs Switzerland," 19 October 2003
[136] CINS Document, "Ten Years after the Rejection of the EEA Treaty," 29 November 2002
[137] Ibid.

The SVP is a party of the old right whose new leadership happened to discover that the established, though sometimes tacit, themes and preferences of its core supporters have become congruent with broader contemporary ideological currents, and thereby allowed the party to assimilate elements of a new radical right constituency.[138] Blocher, in an ingeniously savvy political move, managed to simultaneously seize on the SVP's ideological resources to rally its core electorate and attract new constituencies with the same appeal. Until 1995, the party exploited its potential constituency in a suboptimal fashion based on moderate, muffled market liberalism, socio-cultural conservatism, and nationalist values. The emerging leadership around Blocher spotted this weakness and enabled the party to reach out to new voters by a more rigorous programmatic appeal that was popular also with its former core voters. While the party's old core electorate had always been wedded to economic liberalism combined with socio-cultural traditionalism, authoritarianism and special-interest defense of agrarian protection, he reorganized the party's motto so as to accommodate those orientations that also translated into a growing distaste for immigration and European integration.[139] Thus, the success of the SVP was due to "market deepening" or an exploitation of existing constituencies more efficiently rather than winning new groups of supporters.

To what extent is the new more extreme right authoritarian wing typical of socio-demographic radical right voters in other countries? And to what degree is their presence a destabilizing factor in domestic politics? These questions will best be answered if we divide the SVP's supporters into old and new partisans and explore whether the new voters were attracted by its more extreme right-authoritarian strategic appeal in the 1999

[138] A. McGann and H. Ktischelt, "The Dynamics of Electoral Support and Strategic Party Interaction in Switzerland and Austria," p.11
[139] Ibid. p. 11

election manifesto approach. It was stated in 1999 that if "the election represents only a snapshot in a gradual reconfiguration of SVP support, we would predict that the party's blue collar and low-skilled white collar support is destined to rise in the future, if it can consolidate its right-wing market-liberal and traditionalist-authoritarian external image."[140] Four years later, it has become blatantly clear that Blocher's party has become a behemoth, having consolidated all facets of the right and appealed to every part of its constituencies.

Classic Radical Right Designs

Outside Switzerland, "old right" constituencies are typically tied to broad, moderately conservative parties. There, new rightist challenger parties need to persuade such voters to abandon their old affiliations and replace them with allegiance to a new party. By contrast, in the Swiss case, an insider party with right-authoritarian potential had the advantage of already having captured a large share of the economic and cultural right in the socio-demographic sector of self-employed voters in a particular niche of the bourgeois electoral market segment.[141] Furthermore, the four ideological dimensions of the party: economic market liberalism, socio-cultural conservatism, national closure (preference for Swiss over foreigners), and opposition to European integration were already formally in place since 1986. However, the SVP is distinctly more market liberal, socio-culturally conservative, averse to foreign immigrants and opposed to international organizations than any other party.

In Switzerland, opposition to the EU is by far the strongest predictor of SVP support, followed by right-wing market-liberal and authoritarian sentiments. It should

[140] C. Church, "Switzerland: an Overlooked Case of Europeanization?" p. 12
[141] A. McGann and H. Ktischelt, "The Dynamics of Electoral Support and Strategic Party Interaction in Switzerland and Austria," p. 15

not be a surprise that the EU issue is a vital catalyst for the right in the Alps. When one considers the social bases of opposition and support for EU integration, we find that white-collar and skilled blue-collar constituents support greater integration, while opposition is greatest amongst farmers, independents, unskilled workers and retirees. Furthermore, support is strongly related to education. Thus the issue of EU integration allows the SVP to rally its core constituencies and distinguish itself from the conventional right with very slight trade-offs. All these factors help explain the rise from 15 percent (1995) to 22.5 percent (1999) to 27.5 percent (2003) of the popular vote in the parliamentary elections.

Surprisingly, the SVP has a higher level of electoral support than any right-authoritarian party in other postindustrial polities. This is due to the unique Swiss conditions that (1) an established party had a muted, but sharply accentuated right-authoritarian electorate even at a time when the party emphasized its moderation and participation in an inclusive oversized coalition government and (2) that such a party could play both "insider" and "challenger" roles in the polity due to the unique participatory levers of plebiscitarian politics.[142] The new voters of the SVP in 1999 came primarily from the ranks of older labor-unioned followed by the supporters of the other bourgeois parties, the liberals and the Christian democrats. In almost all occupational groups, the long-term SVP voters were more market liberal, socio-culturally traditionalist, and opposed to the EU than the party's new voters in 1999: the exception being opposition to immigration, an issue on which the new recruits from the ranks of retirees and blue collar workers were substantially more xenophobic than conventional SVP voters.

[142] Ibid. p. 17

For the SVP, it was key that its followers perceive it as an outside challenger of the establishment parties due to the strategic advantage of the opposition role. The institutional conditions of Swiss politics permit a party to maintain a partial outsider status even if it participates in government cabinets. The constitutional provision of referenda, as discussed in the first chapter, opens plebiscitarian channels through which a party can oppose the decisions of a coalition cabinet in which it holds portfolios. Second, because of the programmatic and socio-demographic diffuseness of their electorate, anti-statist populist parties may experience more volatility of electoral support than right-wing parties with a broader ideological generalization of programmatic appeals.[143] Both conditions—credible demonstration of opposition status and ideological coherence of appeal and electoral constituency—are of paramount importance to the explanation of the SVP's success in the last 4 years.

Ideologies of Exclusion as the Doctrinal Core of the Radical Right

The consociational argument has begun to lose its persuasiveness in recent years as the Swiss political system has become increasingly more polarized, and long-standing notions of concordance and consensus continue to fade. In addition, the high degree of mistrust and skepticism towards the political elite and its institutions among large sections of the voters represent another challenge to the Swiss consociational system, and may also be seen as providing considerable electoral potential for right-wing populist parties.[144]

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[143] Ibid. p. 19

[144] D. Skenderovic, "The Swiss Radical Right in Perspective: a Reevaluation of Success Conditions in Switzerland," *Center for European Studies*, Paper for the Workshop on "Democracy and the New Extremist Challenge in Europe ECPR Joint Sessions" (Grenoble, April 2001), p. 5

Furthermore, the direct democracy argument, which stresses the importance of direct democracy as a political safety valve, has also been reconsidered because it ignores the considerable impact of campaigning and public pressure on political institutions that evolve out of the use of direct democracy. This approach neglects the fact that direct democracy allows the radical right to lead large public campaigns to promote their popular initiatives, with the result that far-reaching sections of the voting public are becoming even more familiar with radical-right goals and ideology. Thus, the debates and politics of radical right actors have contributed, by repeatedly problematizing domestic issues, to the construction of a national identity relying on exclusive nationhood and mistrustful views of Non-Swiss individuals.[145]

This tendency is nowhere more prevalent than in the arena of migration issues and asylum policy. The radical right has become successful by mobilizing within an ethnic-cultural framing of national identity and national ideology, using it as a counter concept to the idea of the nation as a political or civic community. By examining the debates on Swiss national identity, we notice that the radical right, in its conception of national identity, employs exclusionist cultural and ethnic notions of the Swiss nation.[146] The rise of exclusionary ideologies should not be considered novel or even "fashionable." The new nationalism in today's Europe is directed against non-members of the nation inside the country, and thus constructs divisions within the population by stressing interior exclusion and discrimination. Moreover, the radical right's nationalism is frequently expressed in its opposition the European integration process, and here the radical right regularly succeeds in strengthening the national identity.

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[145] Ibid. p. 6
[146] Ibid. p. 8

The SVP has also suggested that the social fabric of the homeland would be under threat by joining the EU. Switzerland's agricultural base is seen as particularly at risk from the Common Agricultural Policy, threatening the extinction of the peasants who play such a large role in the Swiss psyche and the SVP. Closer links with Europe also mean more transit traffic and more environmental damage. There is also a perceived threat of increased migration if there are closer relations with the internal market: given that Switzerland already has one of the highest levels of foreigners of any western country, this is seen as a threat to both wages and socio-cultural integrity.

For many Swiss, the EU involves an authoritarian conception of state that has sold out either to world free markets or to lobbies who would restrict development. As such, there is doubt about how committed to opening borders the Union actually is. For others, the Union is dominated by the big states and there are fears that the Swiss would get sucked into their quarrels. Thus, for the Swiss, right-wing populist parties, issues of international integration traditionally represent the main field of action in which they mobilize support through their nationalist and isolationist discourse.[147] The underlying divisions between the Blocherites and their opponents is the extent to which communities, in this case essentially German speaking Swiss, can and should remain separate entities and come to terms with multiculturalism and interdependence. Given the SVP's goals of preserving Swiss independence, neutrality and the security of the Swiss, it is of no surprise that consensus with the three moderate parties has been difficult to obtain.

By focusing on the recent emergence of the radical right in Switzerland in terms of electoral success, structural resources, and ideological transformation, one may

[147] Ibid. p. 13

properly note a process of normalization of the radical right. It appears that the Swiss radical right has developed distinct political and ideological features, expressed in its exclusionary nationalist, anti-foreigner resentments, mistrust messages, and neoliberal policies.[148] From the SVP's motto, it can be concluded that there is today in Switzerland a growing issue-based polarization within two distinct policy areas, and here the SVP has managed to optimize its electoral advantage. With regard to foreign policy and in particular Switzerland's international integration, we witness a considerable antagonism between the government and large sections of the political elite on one side, and the right-wing populist parties on the other. As a result, the latter uses this antagonism to propagate the belief in a divergence between the political elite and a majority of the voters.[149]

Traditionally, outsider parties are notorious for being markedly more raucous in their demands than their counterparts. Furthermore, successful anti-system parties are office-holding parties, especially at the local and regional levels. But their holding office does not mean that they are "integrated" into the system: it may equally testify to the system's "disintegration."[150] This quality is typical of multiparty systems in which polities display a strong ideological focus, low consensus, and high polarization. Giovanni Sartori, in a seminal piece on elections and multi-party politics, examined the direction of competition and the role of extremist parties. He argued that in extreme and polarized pluralism, the leverage acquired by a center pole discourages and actually impedes centrality. Consequently, the extreme parties of such systems prosper on more,

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[148] Ibid. p. 16
[149] Ibid. p. 18
[150] G. Sartori, *Parties and Party System: A Framework for Analysis*, (Cambridge: Cambridge University Press, 1976), p. 350

not on less, polarization. Therefore, a general radicalization of politics occurs as the center shifts, favoring one side to the other.

In a four-party system, the space of party competition is large permitting the blackmail parties to materialize as additional parties while extreme opinions acquire leverage.[151] Sartori further maintains the counterpulls acquiring greater force does not limit the four parties' ability to interact centripetally with parties converging against one, or in a two-against-two contest.[152] Over time, the counter-trends may well prevail since the space of competition cannot be extended indefinitely. Therefore, Sartori's model, as a predictive tool, is beneficial for understanding the strategies of the SVP and its trajectory as an extreme party in a multi-party system. While the SVP has capitalized on polarization and its role as outsider, Sartori would predict that inevitably, Blocher's inclusion in the Federal Council and "centrifugal competition" will force him to moderate his party's platform, converging on a less-extremist but still rightist position.

Is it Cause for Concern or Instability?

It has been argued that stable political factions imply a certain degree of political immobility. Consequently, parties that are rooted in the traditional electorate milieus find it increasingly difficult to create openings in Swiss politics—in the direction of Europe or in terms of international solidarity or humanitarian tolerance towards foreigners—which extend beyond the limits of traditional Helvetian egoism.[153] If this paradigm is indeed true, then the instability recently havocked by Blocherites could usher in a whole new political mobility in which foreign policy will regress to its strictly isolationist nature. The reservoir of opposition to entry and the way that Blocher and others have mobilized

[151] Ibid. p. 348
[152] Ibid.
[153] O. Sigg, *Political Switzerland*, p. 38

it has undeniably had an effect on government policy. It has forced the government to moderate and curb any enthusiasm for entry, at least in the short term and it has also weakened governmental campaign initiatives. Furthermore, it has ushered in the entry of a staunch anti-EU campaigner among the elite policy-making body.

The Domestic Response

Just as internal factions have become more prominent among the political parties, media response has been equally dynamic. There seems to be two emergent schools of thought, accordingly aligned with the political spectrum. The media has either interpreted the new governmental make-up as an Armageddon of sorts, ushering in the dawn of Switzerland's demise, or it has construed it as a logical reflection of the newly politicized country. However, these interpretations reach the same inevitable conclusion: the presence of the SVP is undeniable and the "win-set" for the previous Federal Council has expanded tremendously and left the dominant statesman at a loss in terms of integration efforts.

The leftist parties are in a waiting period: they fear "a harsher, colder, and more brutal Switzerland."[154] According to Socialist party president, Christiane Brunner, "We will have to be more aggressive, especially in regard to financial questions and welfare politics. The entry of Blocherian politics in the government, if it holds true to its tenets, will force us to practice opposition politics more firmly and initiate referendums more frequently."[155] These anxieties are firmly grounded. In an advertisement, Blocher stated the following: "The search for compromises, eternal debates, and bureaucracy—it's not

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[154] E. Buschor, "Et maintenant au travail," *Le Temps*, 12/12/2003
[155] B. Wuthrich, "Rester au gouvernement? Les doutes socialistes," *Le Temps*, 11/12/2003

my thing. I am more accustomed to acting without always consulting a law."[156] Admittedly, Blocher has not tried to conceal his dislike of numerous actors within government: many feel his arrogance, his indignation, and his refusal to cooperate have become more and more evident and unpleasant.[157] For Switzerland, a country who has lived in peace for years with her "Magic Formula", this is an historical overthrow. The strategy of the SVP, which consisted of imposing from the night of the elections the strict candidacy of Christoph Blocher while threatening to withdraw into an opposition party, has thereby paid off. They succeeded in forcing the election of Christopher Blocher, who embodies the extreme and conservative right. Many admonished the SVP, claiming that it succeeded in its mission by appearing as the necessary and only motor for change—leading Switzerland out of its situation which had been inaccurately portrayed as singularly catastrophic.[158] As one paper put it, "It is revenge.[159] Furthermore, many question Blocher's agenda given his open denouncement of the very institution he has just joined: can he continue to pedagogically criticize the bureaucracy now that he is an insider?

On the other hand, some political commentators argue that the SVP's real entry into government, after having long participated only halfway corresponds rather precisely to the political forces visible from the October elections. From this point of view, faith in democracy is satisfied and the link of solidarity among citizens and the system is reinforced.[160] The following posits that even though the SVP overturned an equilibrium, which until recently, seemed fixed for eternity, the composition of the government now

[156] T. Plattner, "Le Sacre de Christoph Blocher," *Le Temps*, 11/12/2003
[157] Ibid.
[158] S. Besson, "L'UDC au défi de concretiser ses promesses," *Le Temps*, 11/12/2003
[159] Y. Petignat, "La vague de droite submerge le Conseil," *Le Temps*, 11/12/2003
[160] J.J. Roth, "La révolution conservatrice," *Le Temps*, 11/12/2003

reflects the electoral reality of the country by taking into account the 27.5 percent of the vote obtained by the SVP on October 19, 2003. Gravitated by a rightist momentum without precedent, these periodicals suggest that Switzerland has simply changed its magic formula in accordance to its new distribution.[161] It is no cause for concern.

Given the tactics of ruthless politics, it seems logical that the media response would be equally polarizing with the French periodicals citing all the possible sources of fears while German-speaking newspapers praise the inclusion of Blocher as an appropriate and much deserved political move. Perhaps the more appropriate media response to dissect rather than the internal one is that of the international community. Given that ascension to the EU will mandate member approval—the "win-set" must be accepted at the foreign level as well—Switzerland must evaluate whether it has actually jeopardized its membership if the international response is determined to be virulent.

Europeanization suggests that there is a growing uniformity process in European society and economy paralleling. It must thus be seen as a broad social and economic process within civil society, affecting everyday life in which institutional actors and forces play a minor role. Since mainstream opinion contends that Europeanization is a process limited to the European Union, it is defined as a matter of changes in the relationships of the Union and its member states. Policy making is seen as a converging and joint enterprise in which there is an innovative fusion into a new style of policy making within an international system, it thus follows that EU countries will analyze current Swiss politics to determine its long-run compatibility with EU goals. European considerations therefore have to become part of the organizational logic of national politics and policy making while the EU becomes an increasingly more relevant point of

[161] Ibid.

reference for actors in member states. How then was the election of Blocher interpreted abroad? And, more importantly, what are the long-term ramifications of the shift in political power for Switzerland's potential application to the EU?

As can be expected, the responses of the major European players spanned a wide spectrum with the French and German responding in line with the Swiss linguistic groups. Displaying "Neither loud cries, nor shock," the German press, both conservative and leftist alike, deemed the election of Blocher as logical and normal. Some papers (*Frankfurter Rundschau, Suddeutsche Zeitung*) announced their skepticism for the political platform of the populist leader. However, they maintain that since "the SVP is the strongest party, it is normal that it be more integrated in government." Swiss correspondents in Germany did not anticipate any radical changes to the Confederation nor a Blocher-instigated revolution "Once in function, he will likely lose some of his charisma like other populist leaders who have participated in government." [162] According to *Handelsblatt*, the game is even a bit risky for Blocher, who from here on out is forced to convince and forbidden to polarize.[163] Meanwhile the *Suddeutsche Zeitug* bets that Switzerland will remain the most stable democracy in the world.

France on the other hand proved to be more judgmental having recently experienced a similar situation with the rise of the French extreme right wing. *The Figaro* announced more soberly that "the populist Blocher shook up the Swiss consensus." While *The Rightist Daily* questioned the future of the Swiss "formula" in a government that is "extremely to the right, and almost exclusively male and composed of sexagenarians." *Le Monde* presented a more refined analysis claiming that the "election

[162] F. Modoux, "Les confédérés se sont definitivement décidés pour la voie solitaire en Europe," *Le Temps*, 12/12/2003
[163] Ibid.

symbolized a political disequilibrium," adding "Blocher systematically refuses to have interviews with the foreign press."[164]

The English shared French concerns regarding the entry of Blocher's party: *The Guardian* claimed, in rather apocalyptic terms that Blocher's election represented "the most serious political crisis in forty years, the fall of consociational democracy, and the end of the Swiss magic formula." The sensational coverage of the entry of Blocher and others highlights the headway made by populist and xenophobic movement. *The Independent* also spoke of an "extreme right" and describes the SVP as "one of the most xenophobic parties in Europe." Such concerns resonated equally in Italy where the political parties oscillated between prudence and anxiety: prudence for those of the center who view Blocher as the "enfant terrible" of the party now in power. Meanwhile, in the heart of the EU, namely Belgium, the news of Blocher's election went unnoticed. The government simply stated, "We hope we will be able to work with the new government so as to resolve any bilateral questions remaining."

While the elections have elicited varied responses, it is undeniable that Blocher's ascendancy and Swiss domestic politics have revived the question of how this old continent will come to terms with a demographic modernity that denies traditional frontiers, Alpine or otherwise. The American press noted, in an appropriately detached manner, "As the continent around it advances ever more toward integration and expansion, Switzerland — like a tiny, missing piece of a great European jigsaw — has come to resemble a lacuna in the great design, stubbornly resisting all appeals to be

[164] B. Favre, "Ultranationaliste, Blocher inquiete la presse mondiale," *Le Temps* 12/12/2003

woven into the European fabric and clinging to an avowed neutrality that helped shield it during the Second World War.[165]

Has the reconciliation of opposites through the "Magic Formula" of coalition government uniting parliamentary opponents in a single cabinet run by consensus truly ended? It is too early to tell. However, Swiss domestic politics have experienced a tumultuous ride in the last few months and its new helmsman is quickly directing it toward a less-integrated Switzerland, desperately clinging to its traditional, and isolationist identity. As one scholar claimed, in a statement reflective of Putnam's two-level games metaphor, "The Federal Council now has to steer between the Scylla of a greatly strengthened and well led hard right, which believes in the status quo, and the Charybdis of a renewed pro-Europe lobby, with very strong roots in the Suisse Romande."[166] As it attempts to strategically maneuver between the domestic constituencies and international pressures to play game, its statesmen must engage in tactics that will be both challenging and creative.

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[165] A. Cowell, "Switzerland Is Odd Piece in the Continent's New Mosaic," *New York Times*, 10/12/2003

[166] A. Williams, *Reorganizing Eastern Europe: European Institutions and the Refashioning of Europe's Security Architecture*, p. 170

CONCLUSION

Some scholars argue that in recent years, Swiss uniqueness has faded and the country has been subject to the effects of trans-European political trends. They take the position that "Swiss domestic politics are now more like that in other countries and this is even true of the style of the main anti-European forces."[167] Meanwhile, its foreign policy, dominated by European questions, increasingly provides perhaps the crucial cleavage line among the Swiss and their Federal Council. Clearly, the future of Swiss congeniality will be subject to major new challenges as the executive attempts to cope with the new dynamic turn domestic actors have taken. In understanding the predicament of integration for Swiss statesmen, one must ask whether and how to preserve the substance of autonomy for the states of the Confederation if Switzerland. Furthermore, it is fathomable that in order to solve its own political problems, Switzerland may wish and be obliged to engage itself more and more in bilateral or multilateral treaties and international organizations without its own powers of decision.[168] The democratic deficit permeating the supranational European Union poses an imminent threat to Swiss historical attachment to direct democracy. It seems likely that the reduction of cantonal sovereignty because of a transfer to the federal or international arena will therefore have to be compensated by more effective opportunities for collaboration at higher levels, perhaps also by selectively delegating other tasks back to the cantons.

In this analysis, I have set up as the null hypothesis the Realist presumption that domestic politics would have no effect on the relationship between Switzerland and the European Union. As an alternative, I have presented the hypothesis that public opinion

[167] C. Church, "Switzerland: an Overlooked Case of Europeanization?" p. 22
[168] R. Kieser and K. Spillman, *The New Switzerland*, p. 31

does have a tremendous impact because it can shift foreign policy outcomes towards its own preferences via the institutions of direct democracy and referendum voting. I chose to focus on the dynamics originating with the Campaign for an Independent and Neutral Switzerland in the mid-1980s and then set out to demonstrate the broad preferences that were held over the years by members of the citizenry particularly regarding the traditional belief in the value of neutrality as a foreign policy objective. Finally, I demonstrated how the Federal Council within Switzerland reacted to a new public consensus of isolationism and the rise of antagonistic and aggressive party politics.

From the beginning, I purported that the Realist theory of political integration was insufficient in terms of providing an explanatory model for the Swiss case. Realism regards regional integration as a political phenomenon pursued by states for national political and economic motives, thus assigning the state the ability to act as a unitary rational actor. It also assumes that a successful process of economic and political integration must be championed by one or more core political entities that are willing to use their power and influence to promote the integration process.[169] Beyond the observation that Switzerland is intensely different due to its cherished federalist institutions, the realist approach has other serious limitations. There are far too many different factors involved in regional movements around the world, the differences among various regional efforts are too great, and too many assumptions that cannot be tested are necessarily involved in analysis of regional efforts.[170]

The argument within the realist, or neorealist, school posits that nation states are bound by the structure of the international system, and like billiard balls, they react

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[169] R. Gilpin, *The Political Economy of Regionalism*, p. 357
[170] Ibid. p. 359

exclusively through the impact of each unit on the others as they collide in an endless action-reaction sequence of events. As the units of analysis, nation states are considered rational, unitary actor while domestic politics and the political disputes they engender have no effect on foreign behavior. As Robert Gilpin noted in his in-depth work of European economic integration, "A universal theory or explanation of such a diverse and wide-ranging phenomenon is undoubtedly difficult to formulate." However, it has been my contention that a two-level games analysis successfully provides insight into the dynamics of Swiss integration efforts.

In contrast to the Realist school, Putnam's model demonstrates that the interest and pressure of powerful domestic groups shape regional arrangements. In other words, those arrangements are not produced primarily by national interests as defined by the ruling elites of the states involved but rather by intricacies governing the domestic agents and their respective institutions. Moreover, while Realism may explain the broad preferences that were sustained in relationship to neutrality, it does not explain the sometimes contradictory nature of public referendums and federal initiatives. It would be absurd to deny that power considerations were and still are central to Switzerland's neutral foreign policy. Neutrality positioned Switzerland in a geo-strategically advantageous status for several decades and permitted it to prosper peacefully while others perished precipitously. Therefore, to the extent that Swiss neutral foreign policy alleviated Switzerland's power concerns, Realism does prove beneficial.

The Bilateral Agreements are also a manifestation of Swiss power concerns within the economic realm and can therefore be interpreted both as a pragmatic solution to growing reservations of economic isolation and conservative efforts to view the results

of economic integration. In this instance, the "win-set" at the domestic level was conducive to an acceptable deal at the regional level, and the Swiss statesmen could accordingly secure the deal and please all the relevant players. However, to extrapolate popular support for the Bilateral Agreements into an approval of deeper political integration is fundamentally erroneous reasoning.

Swiss federal institutions are truly unique; to threaten the foundations which have established this direct democracy would be sacrilegious indeed. The veneration with which the Swiss regard their right to hold referenda and influence policy-making cannot be overestimated. As the Federal Council faces the challenges of an increasingly antagonistic domestic playground and a precariously distributed executive, it must adjust its negotiation strategies in accordance to its most feasible "win-set." Perhaps European integration does remain in its future; however, the polarized environment in which the statesman will have to perform this task leaves the definition of "long-term" to be answered.

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