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## **The Giant in the Alps**

**How has the Sino-Swiss Economic Relationship developed with the Free Trade Agreement and Chinese Foreign Direct Investment Activity?**

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## Introduction

Why is a world power putting its biggest Foreign Direct Investments in a small, central European, alpine country? Where does this Chinese appetite to invest in Swiss enterprises come from? China and Switzerland are two very distinct nations in terms of geography, political systems and currents, and social norms. This extraordinary relationship seems to be overlooked in political research and possibly underrated, especially considering the fact that China and Switzerland share extensive economic ties. The very fundament of this relationship is unique concerning Chinese collaboration with any other western country. Therefore, this thesis aims to develop an understanding of how these seemingly profoundly different, yet economically flourishing countries, have established their economies in times of neoliberal waves and growing internationality. By considering an important contractual factor, the Sino-Swiss Free Trade Agreement (FTA) and an economic-based one, Foreign Direct Investment (FDI), the scope of this thesis is to assess the development of the economic relationship between the People's Republic of China and Switzerland.

To come to a conclusion and obtain a full understanding of the circumstances revolving around the Sino-Swiss economic relationship, the first chapter touches on the rapprochement of the two nations and how the, at the time, mainly diplomatic relationship developed after the proclamation of the People's Republic in China (PRC). As well as how Switzerland's early recognition of the PRC paved the way for future collaboration. The following two chapters explain the institutional developments China and Switzerland experienced in times where economic liberal ideas were re-casted. In China, this concerns the period starting with the economic revolution after Mao Zedong's death. For Switzerland this chapter will be devoted to possible neoliberal influences on the economic development of the 1980s. After assessing the evolution of the formation of political ties over the course of history, the fourth chapter examines the two countries' economic relationship today. Specifically, it provides the key provisions of the Free Trade Agreement between China and Switzerland, explores its strategic identity, and finally discusses the challenges in the context of negotiation for the renewal of the FTA. The results show that the Sino-Swiss agreement on trade implications and cooperation has resulted in notable Foreign Direct Investments. Accordingly, Chinese transactional and acquisitional activity has experienced a rapid growth in recent years, which the fifth chapter analyzes in terms of Chinese Outward Foreign Direct Investment (OFDI). At the end of the chapter an outline of the biggest Chinese OFDI, in monetary terms, is provided. The acquisition

was finalized in 2017 when the state-owned enterprise ChemChina acquired the Geneva-based agrochemical company Syngenta.

The conclusion summarizes the focal points and main findings of the assessment and developmental analysis of the Sino-Swiss economic ties. Furthermore, it provides an outlook for the future of the relationship and possible challenges it may face in times of globalization and trade wars.

The methodology applied for this bachelor's thesis is predominantly the evaluation of relevant books and journals, online literature, scholarly contributions, but also newspaper articles, to be able to mention the most recent happenings. The literature is searched by using the Google search engine, Google Scholar, the online catalogue of the LUISS Library, jstor.com and University of Zurich Library. German and English literature sources are used during the research, while most of the literature related to Switzerland is written in German language. The thesis also provides a research outlook for the future and mentions the questions which remained unanswered in the course of this work. Currently, there is a lot of research regarding the US-Chinese relations and how the European Union handles this power-play. Since Switzerland is not part of the European Union, there is always a lack of consideration of the Swiss, and this has become evident during this research. This thesis aims to shed light on the matter and contribute to the debate, and thereby incentivize consideration and amplify interest for future research.

Since there is less specific literature on the Swiss perspective, there is a need for a more exploratory approach through research, which provides answers sought after for the scope of this work, which is to ultimately explore how the Sino-Swiss Economic relationship developed with the Free Trade Agreement and Chinese Foreign Direct Investment Activity.

## 1. Economic Policy Rapprochements between China and Switzerland

After the Second World War, China demanded the abolition of the extraterritoriality rights it had granted to Switzerland. Switzerland was one of the last countries to hold on to this imperialist concept and was claiming consular jurisdiction at the time. The Sino-Japanese War (1937 - 45) prevented Switzerland from renouncing its prerogatives, however, the great powers, the United States and England, had already done so to draw China to the Allies' side.

At that time, Switzerland had to operate in a consular manner in Shanghai under a Chinese puppet regime of the Japanese, so it was advantageous for the dispatched Confederates to be under Swiss jurisdiction. In this sense, Switzerland cannot be seen as a surrendering power. Still, with the most-favored-nation clause, it did in fact participate in the political, economic, and legal exploitation of China. The abolition of consular jurisdiction followed the realization by the federal political department that Switzerland could no longer afford to burden China, now recognized as a world power, with colonial prerogatives. The repeal ultimately led to Swiss citizens, companies and associations in China becoming subject to Chinese jurisdiction.<sup>1</sup>

As far as the bilateral and economic relations between Switzerland and China are concerned, there lies a certain difficulty in the fact that during the period under consideration, political and economic principles underwent a fundamental upheaval in China and, to a certain extent, in Switzerland as well. At the time of the proclamation of the People's Republic on October 1, 1949, China was mainly an agricultural country, with over 80% of the population working exclusively in the agricultural sector. Switzerland instead, was already pursuing an expansive trade policy with exports of goods and services to the world market.<sup>2</sup>

Nevertheless, Switzerland recognized the People's Republic of China on January 17, 1950. The prerequisites for recognition, within the scope of international law, were that, according to Swiss practice, the new state had people, a territory, a stable state order and a prospect of permanent existence, which China did not meet. The problem with Taiwan had not been solved and, in the spirit of international law, people could not be considered a unified state-building nation. No elections had been held and the prospect of permanent existence could not be held out either.<sup>3</sup>

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<sup>1</sup> Stämpfli, R. (1988). Die Schweiz und China 1945-1950. *Studien und Quellen*. (Vols. 13-14). Pp.174-75.

<sup>2</sup> Ibid., 176-79.

<sup>3</sup> Ibid., 189-90.

So how can this unusual step of the Confederates be explained? It must necessarily have been strong political and economic interests on the Swiss side that led Switzerland to an early recognition. This is confirmed by the fact that Switzerland was one of the first Western countries to recognize the People's Republic of China, and it points more strongly to a strong foreign policy linkage between the Swiss and Chinese economies.

Traditionally, in such complex cases, the Swiss government preferred to 'wait and watch' other governments, which is why the early recognition of Beijing's communist government was not a foregone conclusion. The Swiss recognition of the People's Republic of China, as one of the first Western countries to do so, suggests a special foreign policy in the situation and economic interdependence. Swiss politicians had possibly foreseen that China would develop into a world power. This Swiss solo effort is now more than 70 years old and is also considered a masterpiece of Swiss diplomacy: The credibility of Swiss neutrality was confirmed, and Switzerland's national interests were supported. This paved the way for years of economic ties and ultimately, the basis for the intensive cooperation between Switzerland and China in the following century.<sup>4</sup>

## 2. Chinese Economic Reform

Since the late 1970s and increasingly since 1989, China's party and state leadership has focused on market orientation and integration into the world economy. This experimental reform process enabled the country to become a member of the World Trade Organization (WTO) in 2001 and one of the leading economies of today. China is seen by many as a formerly socialist country on the periphery of the capitalist world system that has made a transition to the hegemony of neoliberalism. The following segment will introduce the part of Chinese history which led to this reformist integration in order to classify the timeline and understand what led to the major reforms in China. In this context it is indispensable to touch on the events of October 1, 1949, when Mao Zedong proclaimed the People's Republic of China which was followed by decades of political change, from the "Hundred Flowers Movement" to the "Great Leap Forward" to the Cultural Revolution of 1966. The socialist modernization that followed also prepared the ground for an unprecedented economic and social awakening in China. Its momentum continues to this day.

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<sup>4</sup> Ibid., 198-200.

Until the 1980s, there was great poverty in China and the economic sectors was rather undeveloped. However, the country had a large uneducated but cheap labor force. In 1978, the decision was made to open China to foreign investors, and in the years that followed, investments were made in the country's infrastructure to attract investors. At the same time, Chinese agriculture was improved enormously. Both Mao Zedong and Zhou Enlai died in 1976, which was supposed to be the first year of the Fifth Five-year plan, leaving China with a power vacuum and a suffering economy. The plan laid out by Premier Enlai, which ended with his death, foresaw the modernization of the agricultural, industrial, national defense and scientific and technological sectors, and was supposed to fully mechanize farming by 1980. During this time the power struggle and the rise of the radical power, there was little investment in economic sector.<sup>5</sup>

Deng Xiaoping managed to preserve the communist power apparatus built by Mao and at the same time find a modern form of government that has endured to this day despite the failure of real socialism in other parts of the world.

The takeover of power by Deng in 1978 laid the foundation for a turn toward a socialist modernization of the Chinese economy, shifting the focus from the Communist Party to building a strong economy. Deng's rulers allowed private enterprise, de-collectivized agriculture and opened China to foreign investors. These reforms led to the enormous economic growth that has made the People's Republic of China one of the most powerful players in today's world politics and economics. Mao had tried to make China completely independent of foreign countries, both politically and economically. The new rulers, among them sought ideas and money from abroad. Nevertheless, Mao's methods can still be recognized, for example the strict monitoring of religious practice.<sup>6, 7</sup>

For Deng, the Communist Party was never more than a means to dominate China. As long as Mao ruled, class struggle and collectivization were an inevitable accessory to which Deng had to submit. As soon as he himself held power, he watered down these concepts to such an extent that they no longer played a central role. This was followed by a growing sentiment of frustration among the new rulers regarding the slow pace in which the Chinese economy was progressing and soon they realized that the first necessary step was the liberalization of the

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<sup>5</sup> MacDougall, C. (1977). The Chinese Economy in 1976. *The China Quarterly*, no. 70, pp. 355–56. Retrieved from: <http://www.jstor.org/stable/652621>.

<sup>6</sup> Naughton, B. (1993). Deng Xiaoping: The Economist. *The China Quarterly*, no. 135, pp. 500-501. Retrieved from: <http://www.jstor.org/stable/654099>.

<sup>7</sup> MacDougall, 1977, pp. 355.

agricultural sector. This reform established a free market for the sales of produced goods at certain prices, replacing the government agencies controlling the prices. The decollectivization was established first for secondary crops. Later it was expanded on to household products and grains.<sup>8</sup>

The Chinese economy has undergone drastic changes ever since, especially in the export sector. Realizing the untenability of China's permanent isolation, especially from the major powers, the United States and the Soviet Union, China began to reorient its foreign policy, which found its first spectacular expression in the visit of U.S. President Richard Nixon in 1972. These beginnings of reorientation were accompanied by a growing readiness among the population for more criticism and protest. The year 1976 can be considered a turning point in many respects. When a campaign to eliminate Deputy Premier Deng Xiaoping became palpable, there was a mass demonstration in the middle of Tiananmen Square on April 4. This internal willingness to protest has characterized China ever since, and some of the protests, such as those in 1986 and then especially in the spring of 1989, which temporarily even led to the imposition of martial law, were noticed internationally. The death of revolutionary hero Zhu De, the organizer of the Red Army, a catastrophic earthquake and finally the death of Mao on September 9, 1976, were interpreted as signals of transition. Even if the reformist forces did not immediately gain acceptance, the reforms that now began, combined with a further opening to the outside world, were on one hand a reaction to popular discontent, but they also served to secure the borders. Above all, however, the opening was expected to provide access to urgently needed Western technologies.<sup>9</sup>

The Four Modernizations of agriculture, industry, national defense, and science and technology not only was an ambitious ten-year plan drafted, but the socialist modernization, subsequently associated with Deng Xiaoping name also prepared the ground for an unprecedented economic and social awakening in China, the momentum of which continues to this day. In particular, the opening of private sectors, first in agriculture and then in almost all areas, and not least the introduction of new laws and administrative regulations contributed to China's modernization and rapid opening. In addition to the difficult planning targets for the ten-year period from 1976 to 85, the traditional Maoists had to adhere to heavy industrial modernization at the expense of

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<sup>8</sup> Ray, A. (2002). The Chinese Economic Miracle: Lessons to Be Learnt. *Economic and Political Weekly*, no. 37, pp. 3835–48.

Retrieved from: <http://www.jstor.org/stable/4412606>.

<sup>9</sup> Whiting, A. S. (1977). China after Mao. *Asian Survey*, 17(11), pp. 1028-30.

Retrieved from: <https://doi.org/10.2307/2643351>.



agriculture and the consumer interests of the broad population. As expected, the result was famine in the provinces and a lack of basic services in the cities. This misguided economic policy, combined with Hua Guofeng's rigid adherence to ultra-Maoist political doctrine, enabled Deng Xiaoping to undermine Hua's position of power, gradually marginalize him politically, and place himself at the head of the party and the state.

In the 1980s and 1990s, Deng Xiaoping became the leading politician in China. In 1980 and 1982, Hua Guofeng was replaced as prime minister and party leader.<sup>10</sup>

Instead of the class struggle and the personality cult around Mao, however, the focus was now on economic construction and modernization of the country. Moreover, the decisions of the central committee reflected the political and economic constraints to a fundamental political course correction. Agriculture was to be promoted as a priority, the worrying disproportionalities between the various economic sectors were to be eliminated, and "socialist democracy" and the "socialist legal system" were to be developed. Deng immediately began implementing his interpretation of the Four Modernizations and thus implementing, initially experimentally in agriculture. These initial reform steps, characterized by re-privatization, decollectivization and incentive creation, were so successful in terms of prosperity and standard of living of the rural population that, starting in 1980, the modernization concept could be tackled on a full scale for the entire economy. Large sections of the public demanded a reduction in state constraints, which was articulated from the end of 1978 in the Wall of Democracy, the large inscriptions on the south wall of the imperial palace calling for a Fifth Modernization.<sup>11</sup>

From 1980 onward, the communist party, which had been reorganized and consolidated, continued to push its policy of modernization, and opening. The primary goal was to increase economic efficiency of the system through market-economy reforms. Allowing foreign investment was the main interest of the economic opening policy. To support this, Deng called for the rehabilitation of intellectuals and so-called dissenters, who had been outlawed during the Cultural Revolution. The opening policy was heralded in 1979 by the resumption of full diplomatic relations with Japan and the United States, the enactment of a joint venture law, and the establishment of an increasing number of special economic zones with optimal, shielded development conditions beginning in 1980.<sup>12</sup>

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<sup>10</sup> Karl, R. E. (2010). *Mao Zedong and China in the Twentieth-Century World: A Concise History*. Durham Nc, Duke University Press. Pp. 162.

<sup>11</sup> *Ibid.*, 163-64.

<sup>12</sup> *Ibid.*, 174.

In 1987, waves of demonstrations by students caused an international sensation: more democracy and self-determination rights were demanded. The uprisings reach a sad climax on the night of 3 June 1989: some 3000 to 5000 demonstrators were killed in Tiananmen Square in Beijing after military units storm the square with tanks. Thoughts of the purges of the Cultural Revolution resurface but the CCP silenced the movement.<sup>13</sup>

## 2.1 China in the Age of Neoliberalism

By this time, China has a free market and is integrated into the world economy, yet it never pursued a flawless neoliberal program. Starting from the mid-1980s, China began a transition to post-communism. This is generally considered a success, especially in terms of strong growth rates and overwhelming social developments. To avoid revolts and revolutions, these reforms were carried out with extreme caution. In addition, the state apparatus and the monopolized communist party were preserved, suppressing centrifugal forces. Since the mid-1980s, the state, economy and society have been under the influence of the neoliberal Washington Consensus and its focus on freer markets and limiting state intervention.

The era of neoliberal thinking brought many benefits to China, including its integration into the liberal world economic system that led to phenomenal economic growth in China in the early 1980s.

As mentioned above, Deng Xiaoping announced the new reforms and the opening of the economy in 1978, which was followed by the spirit of the euphoric Western model for the next 20 years. This manifested itself especially in the notion of the market as the principle of resource allocation. The subsequent period of growth in China coincided with the collapse of the Soviet Union and the spread of neoliberal ideas in Europe and the USA. China introduced three decisive reform steps at that time, which included the freeing of all prices, consistent austerity policies and the recentralization of fiscal resources. The austerity and privatization policies were indeed in line with neoliberal ideas at that time, but at the same time, the renewed centralization of the tax system and a control authority for the financial sector were implemented, which in turn counteracted the central idea of neoliberalism.<sup>14</sup>

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<sup>13</sup> Ibid., 179.

<sup>14</sup> Zhang, X., and Pfeiffer, M. (2015). Nach dem Neoliberalismus: Staatskapitalismus in China und Russland. *Osteuropa*, 65(5/6). Pp. 21–22.  
Retrieved from <http://www.jstor.org/stable/44936812>.

### 3. Classification of Swiss History in Times of Growing Internationality

Was there a neoliberal turn in Switzerland? The Swiss economic-political concept is still a special case on the European continent. To this day, Switzerland refrains from joining international organizations such as the UN or Bretton Woods. Nevertheless, the Swiss enjoy intensive formal and informal relations with international organizations. Switzerland is known as the center of finances, which is surprising when considering the fact, that the small alpine country has not joined the Bretton Woods Institution.<sup>15</sup>

In order to provide a more detailed understanding of Switzerland's case, this chapter explains the particular features and historical processes of the past 40 years and should help to develop an understanding of historical events in connection with the spread of neoliberal ideas and the rise of international organizations.

In the 1970s and 80s, governmental and administrative reforms were repeatedly initiated at the federal level. Even if they were only partially implemented, they give expression to a subliminal transformation of the ideas of government and administration. Since the late 80s, this desire for reform has culminated in a multitude of new projects for the reorganization of administration and governance.<sup>16</sup>

The dynamics of Swiss statehood towards the end of the 20<sup>th</sup> century have not yet been explored too extensively in political and historical research. Nevertheless, existing historical research shows that fundamental changes in the confederates' political sector and especially in political behavior took place from the 1960s onward. This includes the pluralization of civil life and the beginning of social movements; the growth of global migration and the reinterpretation of previous asylum concepts; new right-wing populism; the end of the Cold War; the Single European Act and its dynamized integration; digitalized communication and its impact on social self-understanding and the financial sector; growing attention to knowledge and information in the field of economics; and the emergence of neoliberalist conceptions of public state administration and its political decision-making processes.<sup>17</sup>

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<sup>15</sup> Languetin, P. (1985). Die Beziehungen der Schweiz zu den Internationalen Währungsorganisationen Historische Übersicht. *Presentation given at the Swiss Institute for Foreign Research in Zurich*. Pp. 1-2.

Retrieved from:

[https://www.snb.ch/de/mmr/reference/quartbul\\_1985\\_3\\_b/source/quartbul\\_1985\\_3\\_b.de.pdf](https://www.snb.ch/de/mmr/reference/quartbul_1985_3_b/source/quartbul_1985_3_b.de.pdf).

<sup>16</sup> Rothen C., Criblez L. Ruoss, T (Ed.). (2016). *Staatlichkeit in Der Schweiz Regieren Und Verwalten Vor Der Neoliberalen Wende*. Zurich: Chronos. Pp.11.

<sup>17</sup> Ibid., 369-70.

The main question to be answered is to what extent a neoliberal turn can be observed in Switzerland in the last 30 years of the 20<sup>th</sup> century. In terms of internationality, global trends and their impact on Swiss history must be examined, because these neoliberal ideas of order appeared worldwide between 1960 and 1990. The best-known and most clear definition of neoliberalism is probably the one defining it as a turn for the virtually worldwide victory of the market over the state after the end of the Cold War. It was agreed upon among a variety of political observers that the market and the state should both be integrated into the equation but had to be treated as opposites. This definition of neoliberalism is in line with a well-known the debate between the economist Friedrich von Hayek, who represents the market, and John Maynard Keynes, representing the state. Hayek is able to assert himself in this famous debate and is thus considered a key figure and the mastermind of this ideology. With his arguments he justified the concept of redistributing collective wealth from the bottom up.<sup>18</sup>

In general, the focus in Swiss history lays on material changes in economic development and the layers of social self-understanding that emerge from them. Nevertheless, it can be noted that since the 1970s, the programs of the bourgeois parties have undergone an ideological transformation. The FDP campaigned for “more freedom, less state”. With Christoph Blocher, the SVP also opened to international currents of neoliberalism. International organizations such as UNESCO and OECD (Organization for Economic Cooperation and Development) were of great importance in the Swiss transformation of statehood. In 1979, the resolution by the UN General Assembly concerning the right of peoples to self-determination was crucial to the creation of the canton of Jura. Similarly, the introduction of women’s suffrage in 1971 was triggered by the Council of Europe’s Human Rights Convention.<sup>19</sup>

Indeed, the norm-setting of the above-mentioned international organizations is of great importance for economic, social, and political change in the Swiss Confederation. With regards to Swiss companies, this is particularly evident, as they have been doing business in international markets since their inception, which has also allowed them to move closer together in terms of cultural overlap with other countries. In this case, therefore, the very particular and successful Swiss model can be attributed to a growing interconnectedness of political and socio-economic events, rather than an endogenous approach. Unlike in most other countries, even then Swiss citizens directly determined how relations with other countries would be conducted and managed. More broadly, Switzerland’s political system during the last

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<sup>18</sup> Ibid., 370.

<sup>19</sup> Ibid., 371.

third of the 19<sup>th</sup> century seems to have been characterized by a certain static or inertia. The total revision of the Federal Constitution, for example, was initiated in 1965, but completed only 34 years later, in 1999. A new article on economic growth, or rather whether Switzerland needed one at all, was also debated for ten years. This decade coincides with the period in which the ideas regarding economic policy changed from the Keynesian interventionist approach to the Hayekian individual policy order.

The Confederates eventually absorbed the international trends notable in their surroundings, but always with a certain delay. Considering this, Switzerland can somehow be considered an antithesis, especially in connection with the high degree of autonomy, which ultimately leads to the question of whether this period in Swiss history can be understood as a neoliberal turn, as it occurred in the rest of Europe? It should be noted, however, that there has never been a full expression of the Keynesian interventionist welfare state in Switzerland, unlike in Sweden, Germany, or Great Britain. To answer the question whether the concerned period in Swiss history can be considered to have experienced neoliberal influence, can be answered in so far as, based the examined literature, that the international trend of neoliberalism was expressed in Switzerland to the extent that it directly affected the Swiss political system, but its main characteristics were often already deeply anchored in federal values and seemed to have been in effect already.<sup>20</sup>

On the international level, the neoliberal turn generated a significant growth in the knowledge sector, which transformed itself from a bureaucratic form of state to a market and popular economic concept. This privatization is also evident in Switzerland, where consulting firms have been diving into new business areas, such as consulting, since the 1980s. The latter also ushers in the new notion of markets as policy-making systems in Switzerland, although Switzerland's relationship with the EU, UN, or OECD, can largely be described as discrepant. At the same time, the multi-level system of Swiss municipalities, cantons and the federal government is a distinctive feature of the political body in comparison with other European countries and manifests itself as a central element of this analysis, as the technocracy triggered by neoliberalism tends to lean toward centralism in the classic model.<sup>21</sup>

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<sup>20</sup> Ibid., 373.

<sup>21</sup> Ibid., 378.

### 3.1 Expansion of the Welfare State

Compared to other countries like Sweden and Germany, Switzerland can be considered a latecomer to social policy. This is mainly because certain social policy instruments were introduced late in Switzerland, and some of them have been of restrained nature.

One central factor is that of problem pressure. This concerns economic and social challenges with which Switzerland had less to contend than comparable countries. Fulltime employment was much lower in Switzerland than in other European countries, which is why the economic upheavals triggered by the crisis in the Western European heavy industry affected other European countries much earlier and more severely, which was ultimately reflected in higher unemployment figures for them. The Swiss commercial economy at that time was rather weakly industrialized and had a mainly rural social structure for a long time, which is why these issues were less prominent in Switzerland. Another factor is the weak Swiss trade union clout. This refers to the degree of organization of trade unions, which, in contrast to the established and powerful business associations, failed in exerting influence on political decision-making. In connection with Swiss policy, it is postulated that referendum democracy, or direct democracy, counteracts the extensive development of the welfare state. However, this also refers to other aspects of the referendum. Often, this means that more far-reaching reform steps are not even proposed to the critical Swiss electorate, but instead democratic approximations are reached through negotiations, and thus a policy of small steps is pursued. However, the federalist state structure is also said to have contributed to limiting welfare-state expansion. The reason for this may be the high hurdles for the introduction of new federal powers, i.e., the constitutional referendum with the double majority requirement, and competitive federalism. The cantons are in competition with each other, which avoids far-reaching social policy offerings that could possibly lead to the undesirable migration of important taxpayers and immigration of economically weaker groups.

In the mid-70s and early 90s, a growth trend becomes noticeable in Switzerland's economy. This growth is possibly related to the corresponding economic downturns. However, it is noticeable that only a partial correction was made after the recovery. Ultimately, this indicates that cyclical fluctuations have triggered sustained growth impulses for the welfare state, which can be linked to the problem pressure hypothesis. In addition, the growing need for state activities increased among the population, despite the growth in direct economic subsistence.

This need grew primarily in the education sector, but rather indirectly, as educational measures were instrumentalized as means to an end of addressing economic challenges.<sup>22</sup>

The literature confirms that in the concerned period, Switzerland is less understood as a party state, but mainly characterized by its strong associations and unions. At that time, political parties took on a rather subordinate role, although business within parliament is occasionally addressed in connection with personal offenses. Political parties, on the other hand, as a means of aggregating interests and as sources of political views and opinion-forming were hardly addressed at all. This confirms that Swiss political parties had little influence during this period. Switzerland's statehood also repeatedly referred to foreign countries. In fact, beyond the economic and social discourse, international networking was broad, especially in organizational and ideological exchanges. The essential further development of Swiss statehood is therefore also to be understood in connection with globalization and multilateralization through state treaties. In addition, the international character of national legislation represents a remarkable moment in Swiss history, counteracting the myth of sovereignty that was gaining strength at the time.<sup>23</sup>

To conclude the chapter, the question must be asked to what extent the postulated changes represent a disenchantment of Swiss democracy that seals the end of the special case or whether they are rather to be seen as a renewal of the special case, or whether the pendulum even swings back again. The question of whether the transformation of statehood in Switzerland is to be understood more as a gradual normalization or as a temporary rapprochement cannot be conclusively clarified at this point.<sup>24</sup>

#### 4. The Sino-Swiss Free Trade Agreement (FTA)

Having established some important events and developments regarding political and economic matters, but also ideological and institutional changes, this chapter will provide a thorough assessment of the contents of the Sino-Swiss Free Trade Agreement.

This specific FTA is considered to be among the most significant agreements for Switzerland. Apart from the FTA with the EU, which has been in place since 1972, the signing of the Sino-Swiss Free Trade Agreement on July 6, 2013, marks an important moment in the Swiss foreign economic policy. The Chinese Premier Li Keqiang describes one of the most ambitious free

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<sup>22</sup> Ibid., 407-8.

<sup>23</sup> Ibid., 412-13.

<sup>24</sup> Ibid., 414.

trade agreements as follows: “*The First between China and a continental European economy, and the first with one of the 20 leading economies of the globe*”. The agreement reinforces Beijing’s efforts to pursue a liberalized, bilateral trade policy in Western countries.<sup>25</sup>

Prior to the FTA between China and Switzerland, China pursued a reversal policy regarding bilateral FTA’s. When the Beijing Government joined the World Trade Organization (WTO) in 2001, it had been negotiating with the organization for 15 years already. The WTO membership helped China to elaborate trade relations with its partners and come up with an adequate trade policy for the globalized market. First attempts to establish trade agreements with the EU began in 2004 but proved to be very difficult because some of the European member states differed in their approach and univocal solutions could not be found within the European countries. The main point of debate was the issue with the status of Taiwan. Another issue included the European arms embargo on Beijing, which came into effect in 1989 and had not been lifted ever since.

Interestingly the Swiss government took a different stance on the previously mentioned discussion points in the free trade talks between EU and China. Accordingly, the confederates, unlike the EU member states, did think that China had met the minimum requirements to obtain the market economy status (MES), which resulted in the signing of an agreement for a memorandum of understanding, which ultimately expresses a shared interest by both parties to start the free trade negotiation process. Nonetheless, this did not happen without many years of bilateral diplomatic cooperation between the People’s Republic of China and Switzerland. As mentioned in the previous chapter, these were initiated with Switzerland’s early recognition of the Republic in 1949. For Swiss companies, this means easier access to China’s economic market and advantages over other European countries, which is of great importance for the non-EU and export-dependent state. Furthermore, the agreement includes legal security and protects intellectual property and investments. Switzerland is not an EU member state but acts within the European Free Trade Association (EFTA). The country has demonstrated a very distinct with economic performance over the years, which ultimately makes it an attractive place for China’s free trade ambitions.<sup>26</sup>

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<sup>25</sup> Lanteigne, M. (2018). The Sino-Swiss Free Trade Agreement. *Center for Security Studies (CSS), ETH Zurich. Analyses in Security Policy*, vol. 147. Pp. 1-2.

Retrieved from:

<https://www.research-collection.ethz.ch/bitstream/handle/20.500.11850/81970/eth-8080-01.pdf?sequence=1&isAllowed=y>.

<sup>26</sup> Ibid., 2.



## 4.1 Key provisions

This chapter take a quick look at the contents of the Free Trade Agreement between China and Switzerland. The key provisions are:

- Trade in Goods
- Trade in Services
- Investment Promotion
- Protection of Intellectual Property Rights
- Dispute Settlements

The provisions for the trading of goods dismantles tariffs on the goods that are being traded between China and Switzerland. These goods are divided in industrial and agricultural goods. The tariffs for the former will be gradually dismantled over different transitions. The agricultural goods, especially basic and processed ones are subject to a mutual agreement between the two parties, in which they grant each other a price reduction. Furthermore, this section of the FTA provides the standards and rules for sanitary measures and provisions on the origin of the good, just to name a few.

The trade in services is regulated based on provisional standards of the WTO which cover mainly cross-border supply of services, but also temporary stays of citizens, commercial aspects and matters concerning consumption abroad.

The third point regards the promotion of investment, which, in addition to the provisions of the FTA, are regulated in the already existing bilateral trade agreement (BIT). Following this, the FTA established provisions to protect Intellectual Property Rights with adequate protection standards, with the aim to enforce these. Finally, the last provision concerns the regulations for settling possible disputes in the application of the trade agreement.

The agreement is based on an existing bilateral agreement and its main scope is to enhance compliance and the liberalization of trading goods and services. Additionally, the FTA aims at enhancing investment opportunities to further promote competition for both countries, by reducing trade barriers. Since Switzerland forms a Custom Union with the Principality of Liechtenstein, the Sino-Swiss FTA extends applies for Liechtenstein as well.<sup>27</sup>

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<sup>27</sup> Switzerland Global Enterprise. (n.d). *The Sino-Swiss FTA*, Pp. 14. Retrieved from: [https://www.swisscham.org/shanghai/wpcontent/uploads/2018/08/SBH%20The%20Sino-Swiss%20FTA\\_EN.pdf](https://www.swisscham.org/shanghai/wpcontent/uploads/2018/08/SBH%20The%20Sino-Swiss%20FTA_EN.pdf).

## 4.2 A Strategic Agreement

The Sino-Swiss FTA is a strategic agreement on multiple levels. For China, the agreement with Switzerland's shows Beijing's efforts to grow the economic presence on the European continent, and Switzerland being relatively independent from the EU is an excellent fit for Beijing's aims to expand their cross-regional diplomacy actions. Furthermore, Switzerland's foreign trade policy is well established, and the list of Free Trade Agreements Switzerland has with other countries is considerably long. Switzerland on the other hand, sees the attractiveness of a trade agreement with China in the fact that China is the second biggest economy in the world. Nevertheless, Switzerland has specific criteria that need to be met in order to even consider a trade partner and start the negotiation processes. Possible economic partners are chosen based on other FTA's the possible partner already has with other countries and how likely it is that both parties will be satisfied with a possible FTA, hence, how much the partner is willing to cooperate and its openness to negotiate.

By the time the Sino-Swiss FTA was signed, the two countries already had an extensive political and economic relationship for over 11 years. As soon as negotiations had begun, the agreement was extended in areas of bilateral trade liberalization and the provided standards by the WTO. Ultimately, this free trade agreement also aims at increasing investment action and opportunity for both parties, which will be at the core of the following chapter and the final discussion. Many EU member states had expressed human rights concerns when the possibility of an FTA with China was discussed. In Switzerland, however, the federal assembly was eventually able to seal the trade deal, even though the Swiss SP (Social Democratic Party) had previously expressed their concerns regarding the regulation of labor rights and environmental issues in China. This is an ongoing debate and NGOs like "China-Platform" have expressed their concerns and harshly criticized the absence of human rights regulations in the agreements.<sup>28, 29</sup>

The head of the federal department of finance and federal council Ueli Maurer famously counter argues that *"Switzerland is not the world's teacher. There are different stories, different cultures, and that is to be considered too."* In a newspaper interview of 2019 he also

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<sup>28</sup> *Freihandelsabkommen Schweiz-China ohne Menschenrechte.* (2014, June 20). [www.humanrights.ch](http://www.humanrights.ch).

Retrieved from: <https://www.humanrights.ch/de/ipf/menschenrechte/wirtschaft/fha-schweiz-china-menschenrechtlichen-kompass>.

<sup>29</sup> Lanteigne, 2018, 3-4.

pointed out, that outside the economic relationship Switzerland has with China, there has been an open dialogue about human rights issues since 2003 between Switzerland and China, but it is not the main subject for the Sino-Swiss Free Trade Agreement.<sup>30</sup>

China had faced some issues with other countries, such as New Zealand, regarding the protection of intellectual property. In this case, Chinese mussels had been branded to originate from New Zealand. This was also an important talking point in Bern, where some of the most prominent swiss industries, such as the pharma industry and the watchmaking industry, expressed their concerns. These were mainly directed at the protection of the swiss-made label, but china promised to adhere to the strict international standards to protect intellectual property “made in Switzerland”.<sup>31</sup>

### 4.3 Implications for the Future of the Sino-Swiss FTA

As mentioned in the previous chapter, since the FTA between China and Switzerland entered into force, various parties have increasingly spoken out and voiced criticism of the situation regarding human rights in China. In general, an intensive debate about the possibility of a renewal or upgraded version of the agreement has been taking place in Swiss politics for some time. The world power China is responding with its own conditions. According to Beijing’s current demands, the agreement can only be renewed if Bern holds back on its human rights demands, as it did in 2013. In principle, Switzerland wants to renew the agreement to further strengthen economic ties and drop the remaining tariff barriers for Swiss companies.

Ignazio Cassis, who has been head of the federal department of foreign affairs since 2017, stressed in a parliamentary session that human rights must be addressed in all bilateral and multilateral relations with China, which is also reflected in his China strategy: Switzerland should represent and enforce its own values more robustly to the outside world. In doing so, it must always remain politically neutral and will continue to focus traditionally on cooperation and dialogue. The prospect of renewing the agreement has been repeatedly limited in recent years and weighed down by various influences. Economically, there is always an interest from both sides to continue and even expand relations, but politically some changes have taken place over the years. For example, China accuses Switzerland of spreading untruths.

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<sup>30</sup> Burkhardt, P. (2019, April 26). Schweizer Radio SRF. *Wieso ist die Schweiz für China so wichtig, Herr Maurer?* SWI Swissinfo.ch.

Retrieved from: [https://www.swissinfo.ch/ger/beziehungen-schweiz-china\\_wieso-ist-die-schweiz-fuer-china-so-wichtig--herr-maurer-/44923356](https://www.swissinfo.ch/ger/beziehungen-schweiz-china_wieso-ist-die-schweiz-fuer-china-so-wichtig--herr-maurer-/44923356).

<sup>31</sup> Lanteigne, 2018, 3-4.

Accordingly, the Chinese ambassador to Switzerland claimed that the accusations from the Swiss about the political system and the human rights situation are unfounded and understood as an attack. Cassis addressed the human rights situation and the Chinese regime's treatment of minorities and had chosen unusually clear words and pointed to increasing authoritarian tendencies. Ambassador Wang Shiting's response publicly criticized and accused the Swiss of ideological confrontation and pointed out that this is not conducive to the future.

The Chinese displeasure and growing skepticism with the Swiss are starting to be more prominent, inconveniently in period when the renewal of the most important milestone in Swiss foreign economic policy is being discussed. An upgrade of the agreement, which entered into force in 2014, is expected to drop the remaining tariff barriers which will continue to bring significant benefits for export-dependent Switzerland.

The agreement is stalling: China is putting the brakes on talks, and Switzerland is constantly raising new demands for human and labor rights. As already mentioned, the Swiss economists are pursuing a path in which the FTA focuses on trade and human rights are to be regulated and demanded separately with dialogue and diplomatic exchanges, which, however, is causing a stir in the current China-critical Swiss parliament. The National Council adopted a motion on strengthening Swiss activities for human rights in China with a clear majority, although the Federal Council recommended to vote against it. In addition, deeper relations with Taiwan were demanded. It is thus evident that the situation regarding a renewal of the agreement is becoming increasingly tense. The Federal Council has repeatedly warned that the demands are not realistic, and that China is unlikely to accept them. The Federal Council also has repeatedly tried to draw attention to the fact that Switzerland has an additional agreement on labor and employment issues with China, which, according to the Federal Council, already allows for dialogue on compliance with labor standards and human rights, separate from the FTA.<sup>32,33</sup>

Nevertheless, trade volumes have grown strongly over the last 20 years. Swiss exports and Chinese imports, for example, have increased by 10% and 8% respectively in 2020. Thus, China is a pioneer in comparison with other trading partners of Switzerland, because with other countries no significant growth could be observed. In general, it can be assumed that the Swiss

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<sup>32</sup> Fischer, R., and Walder, N. (2021). *Modernisierung des Freihandelsabkommens mit China* [Report]. Retrieved from Swiss National Assembly website:

<https://www.parlament.ch/de/ratsbetrieb/suche-curia-vista/geschaefte?AffairId=20213966>.

<sup>33</sup> Vonplon, D., and Gafafer T. (2021). Erneuerung des Handelsabkommens mit China steht auf der Kippe. *Neue Zürcher Zeitung*.

Retrieved from: <https://www.nzz.ch/schweiz/erneuerung-des-handelsabkommens-mit-china-steht-auf-der-kippe-ld.1646010>.

economy will continue to seek improvements in economic relations with China, especially because of the promising numbers since 2014. Apart from an extension of the Free Trade Agreement, the Swiss economy is looking for an increased involvement of SMEs in the Belt & Road Initiative. Another point concerns the heavy regulations on the banking and insurance sector. The Chinese economy has continuously opened up to the global market in recent years, but market entry in China for Swiss companies still remains heavily regulated and controlled. This could be achieved by pushing the desired market access liberalization ahead, and accordingly complete the convertibility of the Renminbi currency.

It becomes clear that Switzerland and China must be coherent in their relationship vis-à-vis each other's foreign policies and must exhibit a certain consistency in keeping the relationship alive. As far as the human rights situation is concerned, it is to be expected that the Swiss side will traditionally try to maintain the dialogue with China. Many international organizations are headquartered in Switzerland, so the neutral country will most likely continue to play a mediating role instead of trying to impose sanctions and boycotts. Switzerland's threat potential is quite limited and repressive reactions are generally in contrast with the concept of Switzerland's traditionally assumed role of mediating.<sup>34</sup>

## 5. Chinese Foreign Direct Investment (FDI) in Switzerland

After having carefully evaluated the historical and institutional context with the rise of neoliberal ideas and changes in economic policies, having illustrated the beginnings of the Sino-Swiss relationship and how it has developed throughout different agreements, the ultimate assessment is conducted with regards to foreign direct investments and the very recent cases of ChemChina/Syngenta and litigations about this topic. This part of the thesis will look at the outward Chinese FDI, in order to ultimately come the conclusion of this work.

In the course of globalizing processes, foreign direct investment (FDI) is becoming increasingly important: For companies, it is a core element of their internationalization strategy, and for national economies it is an important factor in terms of growth, employment, balance of payments and technology transfer. Furthermore, economic policy is also becoming increasingly concerned with direct investments, especially as both liberalizing and increasingly

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<sup>34</sup> Economiesuisse. (2021). Die Schweiz Und China. *Dossier Politik: Internationaler Marktzugang*.

Retrieved from: [www.economiesuisse.ch/de/dossier-politik/die-schweiz-und-china](http://www.economiesuisse.ch/de/dossier-politik/die-schweiz-und-china).

regulating tendencies are becoming more apparent. The scientific approaches to explaining this phenomenon are also diverse. According to a report published in by the OECD (Organization for Economic Cooperation and Development), foreign direct investment is an important component for an international, open and efficient economic system, while also being an integral part to development. However, the effects are not necessarily automatic or spread evenly across countries. In fact, the effects also vary by sector and the impact on certain groups of the population or community can be very different. Overall, FDIs are considered to support developing countries regarding gaining easier access to international markets and innovative technologies.<sup>35</sup>

As mentioned before, there have been controversial discussions on the scientific definition of foreign direct investment over the years and there is still no consensus on how to characterize or how to distinguish it from alternative forms of investment. Most commonly Foreign Direct Investment is considered an international movement of capita, which is undertaken with the intention of obtaining direct, lasting influence on business activities of the company receiving the capital or of providing new funds to a company in which the investor has a substantial economic interest. Accordingly, a direct investment must meet some specific criteria. First, it must be a cross-border transaction between two related enterprises. Secondly, it must be based on a movement of capital, and finally, the capital transfer must be based on the intention of a lasting and direct influence.<sup>36</sup>

There are two types of Foreign Direct Investments, which can flow in two directions: those generating net inflows and those generating net outflows. More commonly they are known as Inward Foreign Direct Investment (IFDI) Outward Foreign Direct Investment (OFDI). According to the World Bank's definition, Inward Direct investments are all liabilities and assets that have been transferred between the direct investment enterprise and their direct non-resident investors. Outwards direct investments are considered those assets and liabilities that have been transferred between resident investors and their direct investment enterprises and define the value of an investment made to an external economy.<sup>37</sup>

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<sup>35</sup> OECD. (2002) *Foreign Direct Investment for Development Maximising Benefits, Minimising Costs*. [Report]. Pp. 3.

Retrieved from: <https://www.oecd.org/investment/investmentfordevelopment/1959815.pdf>.

<sup>36</sup> Weerth, C. and Klein M. (n.d.). *Direktinvestition*. *Gabler Wirtschaftslexikon*.

Retrieved from:

<https://wirtschaftslexikon.gabler.de/definition/direktinvestition-28357/version-251989>.

<sup>37</sup> *What Is the Difference between Foreign Direct Investment (FDI) Net Inflows and Net Outflows?* (n.d.). World Bank.

The increasing importance of foreign direct investment has also revived political interest in investment issues. In recent decades, investment policy has been dominated by a tendency toward opening and liberalization. In an effort to create the best possible locational conditions, numerous countries have opened their markets to foreign investors. Convertibility and capital movement restrictions fell. Restrictions, such as nationality requirements for capital owners, sectoral restrictions, or blockades on foreign equity investments, have also been removed. This liberalization occurred without a unified legal framework for international investment at the multilateral level.<sup>38</sup>

The Organization for Economic Cooperation and Development's (OECD) attempt to create the Multilateral Agreement on Investment (MAI), revolving around the idea of the creation of a multilateral framework and certain standards to protect investments and liberalize investment regimes, failed in 1998.<sup>39</sup> Nonetheless, various multilateral bodies are now addressing selected investment policy issues, including the OECD with their Guiding Principles for MNEs. Policy interest in direct investment is also likely to remain unabated, although the liberalization trend of recent decades could gradually give way to, or at least be flanked by, the revival of certain regulations. Ultimately, the absence of a comprehensive multilateral framework for direct investment has hardly had a negative impact on cross-border investment activity in times of investment policy liberalism. If the trend toward re-regulation continues, calls for a multilateral framework for direct investment could also increase again. Direct investment thus remains an interesting topic, for businesses as well as for politicians and scientists.<sup>40</sup>

So why do powerful economies like to invest abroad? Some of the possible gains are growth through increasing macroeconomic investment, contribution to diversify production structures, positive employment effects, technology transfers and possibly the induction of investment or production activities during the upstream, as well as during the downstream production stage. In terms of risks, the recipient country, especially developing ones, could suffer displacement of domestic produces and possibly even welfare losses or investors being favored through government benefits in their income transfers.

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Retrieved from: <https://datahelpdesk.worldbank.org/knowledgebase/articles/114954-what-is-the-difference-between-foreign-direct-inve>.

<sup>38</sup> Nicoletti, G., et al. (2003). Policies and International Integration: Influences on Trade and Foreign Direct Investment. *OECD Economics Department Working Papers*, No. 359, OECD Publishing, Paris. Pp. 9-11. Retrieved from: <https://doi.org/10.1787/062321126487>.

<sup>39</sup> OECD. (n.d.). *Multilateral Agreement on Investment*. Retrieved from: <https://www.oecd.org/investment/internationalinvestmentagreements/multilateralagreementoninvestment.htm>.

<sup>40</sup> Nicoletti, et al., (2003). Pp. 64-66.

## 5.1 Chinese Foreign Direct Investment since 2012

Since the last third of the 19<sup>th</sup> century, the Chinese economy has gone through considerable reforms and transformations, taking on the role of a powerful and competitive player in the world economy. With regards to inward FDI, China has attracted many foreign direct investors and as the largest recipient of FDI's in the world, has become a hub for such transactions.

In the international ranking in the category of outward FDI, China ranks third, right after the United States and Japan. Chinese GDP has been growing since the economic reform and one of the main factors for the strong Chinese OFDI activity is the strong export sector. In the context of this thesis, Chinese investments in Switzerland will be examined. Culturally, historically, and politically, there are great differences between the world power and the tranquil Alpine republic. However, on the economic level, the two countries seem to understand and meet each other's needs repeatedly, which can be seen with the free trade agreement and more recently in the significant growth of direct investments flows between the two. Switzerland is economically, socially, and politically very stable, which makes it an attractive place for direct foreign investment. Moreover, the swiss-made label enjoys a prestigious reputation all over the world, especially in the luxury goods sector. At the same time, 23% of Switzerland's GDP is made up of foreign investments, which inversely makes them one of the key factors in the development of Switzerland's strong economy.<sup>41</sup>

In 2017, Switzerland stood out in the country statistics for Chinese investments, and the development in Switzerland also ran counter to the trend in 2018. While the Chinese tended to generally pull back their economic and investment activity in Europe, the number of acquisitions of local companies, with seven in the first half of the year, was even higher than in 2017, where five acquisitions were completed from January to June. In terms of volume, however, the deals in Switzerland in 2018 were relatively small. Tighter investment controls as a shield against Chinese takeovers are put into place in France, Germany, Italy, the US, and UK. They have tightened their policies or are in the political process to regulate the screening of foreign interests more closely. Until now, this is not the case in Switzerland, although, as

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<sup>41</sup> Rios-Morales, R., Brennan, L., and Schweizer, M. (2016). An Assessment of Chinese Foreign Direct Investment in Switzerland. *Uluslararası İlişkiler / International Relations*, 13(49). Pp. 86-87, 93-94. Retrieved from: <http://www.jstor.org/stable/43926364>.



mentioned before, the critical voices are increasing after the mixed experiences with China and the Chinese involvement in the watch industry.<sup>42</sup>

## 5.2 Chinese OFDI in Switzerland

In recent years, discussions in the EU have been concerned with the notable recess of outbound FDI in Europe and the United States. Surprisingly, this is not the case for Chinese investments in Switzerland. In fact, they have shown to increase in recent years, with around 60 Chinese companies operating in Switzerland in 2012 already. Some well-known companies which were fully or partly acquired by the Chinese or are simply operating in Switzerland are Lenovo, Huawei and Bally. Among these 60 companies, there are state-owned enterprises as well as private companies. As of 2012, the largest investors originated in the technology sector and accounted for around 38% of total investments. In second place, with 11% each, were investments in the watchmaking industry and the energy sector.

With regards to initiating cross-border investments, investors choose among different entry modes to conduct their foreign direct investments: Greenfield, Acquisition and Joint Venture. Greenfield entry mode describes a type of investment where a representation of the parent company is established abroad, which is mostly the case with multinational corporations. It is also well-known to generate new employment opportunities, but at the same time requires a higher degree of commitment in terms of time and is therefore considered to be bringing increased risk in comparison with the other modes. Nevertheless, 71% of Chinese Investors chose greenfield for their investments in Switzerland, most likely because it allows for full control of the venture. Acquisition is considered the most accessible way to enter a foreign market. In this case a foreign company expands its activities to an already existing corporation by acquiring a share of an already established company abroad. In 2012, around 27% of the investments coming from China has been Acquisitions of Swiss firms. The last, and most insignificant entry mode in terms of percentage of Chinese outward investment in Switzerland, making up 3%, is joint venture. The joint venture entry mode is chosen by investors who wish to expand their distribution channels on foreign markets. Companies choosing this mode

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<sup>42</sup> Chassot, S. (2019). China Und FDI: Direktinvestitionen in Europa Und USA Rückläufig. *Neue Zürcher Zeitung*. Retrieved from: [www.nzz.ch/wirtschaft/warum-sich-chinesische-investoren-aus-europa-und-den-usa-zurueckziehen-ld.1451197](http://www.nzz.ch/wirtschaft/warum-sich-chinesische-investoren-aus-europa-und-den-usa-zurueckziehen-ld.1451197).

usually want to profit from already existing networks and supply smaller businesses with their goods and services and consequently benefit from already existing distributive structures.<sup>43</sup>

This was also the entry mode that the Swiss elevator and escalator manufacturer Schindler chose in the early 1980s, in line with Deng's opening reforms, making them one of the first Western countries to establish a joint venture in China.

How can this interest for Chinese outbound direct investments be evaluated? In the case of China, the cause is likely to be related to the People's Republic's strong commitment to internationalization and openness. When the market economy model was introduced in the late 1970s and later in 1999 the "Going Global" initiative launched, Chinese companies made it their business to invest in and drive their competitiveness to Western standards. However, this incentive mainly comes from the Chinese government. The support for companies and individual citizens is visible financially, through training in international business practices and generally through research and information flow. On the political level, the Chinese government is making increasingly strong efforts in the area of international cooperation, including in the form of bilateral trade agreements, or free trade agreements, as in the case of Switzerland, which in turn are directly linked to FDI and influence economic activity and performance on the world market.

To be more specific, we should ask the question again and assess where the strong growth of Chinese OFDI originates and take a closer look at the political players and its development. The Chinese outbound FDI model is quite different from that of other countries. Chinese Multinational Enterprises (MNEs) are still heavily dependent on a kind of capitalism, which is related to the centralized nature and hierarchical dynamics of the ruling party. At the beginning of this chapter, it was briefly mentioned that Chinese outward investment comes from private and state-owned enterprises. However, a clear dominance of state-owned enterprises is noticeable here as well. Indeed, they account for the majority of OFDI, and again, this is where China ultimately differs from its Western trading partners. The latter show a clear trend in the private sector with regards to the actual investment power. To this end, the question just posed can thus be answered as follows: China's strategy for direct foreign investment and political economic activity is still mainly driven by political factors. The government still assumes a central role by trying to incentivize entrepreneurship and international business activity, taking

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<sup>43</sup> Rios-Morales., Brennan, and Schweizer, 2016, pp. 95.

on merely a supporting role. At the same time, it uses this exact incentive of companies as an instrument to execute the goals on the political agenda.<sup>44</sup>

### 5.3 Chem China acquires Syngenta

A recent example, which coincidentally is also the largest acquisition of a foreign company by a Chinese firm happened in 2017 when ChemChina's took over Syngenta for 43 billion USD. Syngenta had received an offer from the US-based agrochemical corporation Monsanto, two years prior to the conclusion of the ChemChina deal, which they rejected because they feared possible regulatory issues and differences in company culture.<sup>45</sup>

In the past years the Chinese chemical company China National Chemical Corporation, commonly known as ChemChina, has shown a distinct expansionist drive by investing in foreign companies and acquiring stakes or even entire enterprises. The recent appetite for investment of Chinese firms in Switzerland had begun in January 2016, when the Chinese enterprise Chem China announced the acquisition of Mercuria, a commodities trading company based in Geneva of which the Chinese acquired a 12% stake. The acquisition of the stake also marks an important step in strengthening the company's position in the energy sector, according to ChemChina executives. China has recently opened its market to more oil imports and is therefore showing a strong interest in increased cooperation with commodity traders. The acquisition of the minority stake in Mercuria confirms the reputation of ChemChina and can therefore be seen as a Chinese company with expansionist features. Since the mid-1990s, the Chinese state-owned group has made numerous acquisitions in a wide variety of sectors and areas of the world, like in 2015, when ChemChina had bought the Italian tire manufacturer Pirelli. ChemChina has also been interested in the Basel-based agrochemicals group Syngenta for some time. In addition to specialty, basic and petrochemicals, ChemChina's business areas include the manufacture of rubber products, the production of equipment for chemical manufacturing, agrochemicals, and the energy sector.<sup>46</sup>

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<sup>44</sup> Ibid. 99-101.

<sup>45</sup> Bray, C. (2021, August 20). What is Syngenta and why is it set to be this year's biggest IPO? *South China Morning Post*. Retrieved from: <https://www.scmp.com/business/banking-finance/article/3145745/explainer-what-syngenta-and-why-it-set-be-years-biggest>.

<sup>46</sup> Kapp, J.-P. (2016, January 18). Chinas Appetit auf Schweizer Firmen. *Neue Zürcher Zeitung*. Retrieved from: <https://www.nzz.ch/wirtschaft/unternehmen/chemchina-weiter-auf-expansionskurs-ld.95473>.

The merger of ChemChina and Syngenta was approved by the European Commission on April 5 in 2017. According to their press release, their main concern initially was to guarantee effective competition on the pesticide market, even with the acquisition of Syngenta. They also stated that the remedies proposed by ChemChina were satisfactory and addressed these exact concerns, what ultimately lead to the decision of the Commission to approve the proposal, finalize the merger, and execute the transaction.

ChemChina is a state-owned company from China. It operates in the agrochemical sector and owns the subsidiary company ADAMA Agricultural Solutions Ltd., which mainly produces and distributed pesticides and plant growth regulators. Syngenta operates in the same sector, and is a global business from Switzerland, Basel. In addition to producing pesticides, plant growth regulators and seeds, they also sell them. Furthermore, the business is actively participating in development and research projects to improve their manufacturing for the pesticides and seeds.<sup>47</sup>

The reactions from Switzerland and China could not have been more different. In Chinese media the merger was presented as the government's new investment strategy, which means they are now no longer limiting themselves to investing in emerging markets. Another source pointed out the fact, that this would put ChemChina in direct competition in the agrochemical sector with the American enterprise Monsanto, which had previously attempted to acquire Syngenta. The reaction from Basel was quite different: the cantonal government would have preferred the swiss enterprises' independence and expressed its regret over the deal. They were mainly concerned with the risks regarding possible job losses and wanting to keep the headquarters in Basel, as it has been since it's foundation. In addition to the expressed concerns from the local government, the UNIA trade union demanded ChemChina to keep the current employees and eventually even suggested a collective work agreement for the time after the merger.<sup>48</sup>

The media has repeatedly criticized the merger and has used it as an example of Chinese encroachment of the Swiss' interest. As mentioned in a previous chapter, critical voices surrounding Chinese involvement in business activity and the FTA in general have recently become louder. This paper mainly explored Chinese investment activity in Switzerland, as it is

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<sup>47</sup> European Commission. (2017, April 5). *Mergers: Commission clears ChemChina acquisition of Syngenta, subject to conditions*. [Press release].

Retrieved from: [ec.europa.eu/commission/presscorner/detail/da/IP\\_17\\_882](https://ec.europa.eu/commission/presscorner/detail/da/IP_17_882).

<sup>48</sup> Swissinfo. (2016, February 4). ChemChina buys Syngenta in record Chinese deal. *SWI Swissinfo.ch*. Retrieved from: [https://www.swissinfo.ch/eng/takeover\\_chemchina-buys-syngenta-in-record-chinese-deal/41936208](https://www.swissinfo.ch/eng/takeover_chemchina-buys-syngenta-in-record-chinese-deal/41936208).

significantly larger. China criticism arises mainly because, examples from swiss companies and trade associations in key industries shows that investors, banks, and exporters still need considerable patience to gain a foothold in China, despite the linkage between Switzerland and China through the FTA 2013, which doesn't seem to be something the Chinese are struggling with. Frustration is spreading among the swiss financial and export sector, which ultimately explains the skeptical attitude as to what China really wants with Switzerland.

## 6. Conclusion

The research conducted for the scope of this bachelor thesis aimed to identify the key elements of the economic relationship between China and Switzerland and how they have developed with the establishment of the Free Trade Agreement.

Switzerland and China have maintained bilateral relations since 1950. But the relationship between the small democratic state and the communist superpower has repeatedly encountered complicated burdens. In the wake of global hardening, the pressure on Switzerland to take a clearer stance with the Chinese is increasing. Based on the analysis of the relevant literature, it can be concluded that the relationship has changed fundamentally over time and is now facing issues, unheard of before. Furthermore, the results indicate that potential future cooperation will continue to be tested, amid the most recent issues in global politics, but also structural changes of attitude in the respective countries have contributed to the matter. Nevertheless, the analysis of the Sino-Swiss relationship has shown that two countries, both exemplary cases of uniqueness, share interests, which ultimately enables their cooperation. This was especially evident in the assessment of the second chapter, where possible streams of neoliberal ideas and their impacts were explored. Surprisingly, China, which at the time faced tremendous ideological, institutional, and economic challenges, did not necessarily oppose the neoliberal trend, which originated in the west. Instead, with Deng, the previously closed off economy was able to seize the momentum and open markets, hence rebuild the Chinese economy and pave the way to emerge as the world's leading economy of today.

On the contrary, Switzerland has not had such impactful instabilities, hence it is less surprising, that the confederates have stucked to their traditional values. To answer the question whether a neoliberal trend in Switzerland is observable in the last two decades of the 20<sup>th</sup> century, it can be said that the swiss economy was rather unaffected by neoliberal ideas, especially in comparison with other European countries. This also reflects on the relevant literature: there

are only few scholars that have explored neoliberal streams in Switzerland and consequently research results and publications are very limited. A possible and subtle expression of neoliberal ideas in the alpine republic can be seen in connection with the growth of internationality and the establishment of many international organization headquarters in Geneva. IO's can therefore be considered to have served as a tool of norm-setting for economic, social and political developments in the Confederation. This period also paved the way for social movements and dynamized integration processes. The one clearly noticeable neoliberal attribute was expressed in the new conceptions of public state administration and the connected political decision-making process. Still, neoliberal ideas did find sporadic expression in Switzerland, but seemed so subtle because the main characteristics of neoliberalism were already deeply rooted in the federation's values.

Nevertheless, the bilateral exchange between China and Switzerland has always been a balancing act, even though the Confederates seem to have followed a pragmatic path in a relationship that is supposedly based on mutual opportunism. Accordingly, the issues regarding the renewal negotiations for the FTA have become more pressing and are slowing down the process. China is becoming increasingly hesitant in the negotiation process, while Switzerland is being more concise with their demands for issues regarding human and labor rights. China warned Switzerland about including these issues in negotiations and consequently accused them of having provoked ideological confrontation and spread untruths. The swiss economic sector is pushing for a trade-focused FTA and wants the issues about human rights handled separately. The majority in the National Council, against the recommendation of the Federal Council, instead, voted for a motion regarding the addition of a chapter to protect human rights, which further intensifies the situation. General discontent regarding the FTA has been voiced, since equal access has not been established and swiss economic activity is still being held in check by the Chinese with barricades for free investment, extensive regulations, and a large bureaucracy. Hence, the choice to focus on outward Chinese direct investment in Switzerland and not the other way around. In this context, the dominance of state-owned enterprises comes in proximity with the results of future outbound direct investment activity. It has been made clear in the course of this work, that China's strategy for direct foreign investments is still mainly driven by political factors since the Chinese government continues to play a central role. Ultimately it is the Chinese government that incentivizes entrepreneurship and international business activity, possibly as an institutional instrument to execute the goals on its political agenda. For this reason, the developments in the near future will show to what extent these investments actually depend on the diplomatic and political relationship,

especially in connection with the pending renewal of the Sino-Swiss Trade Agreement. Making a realistic forecast for these outcomes is especially challenging because Switzerland traditionally wants to build bridges, seize opportunities, and address problems in open dialogues. In doing so, it wants to give the diverse relations it maintains a comprehensible framework. It is most likely to continue to back an independent China policy and emphasize its neutral stance repeatedly in this matter. However, the real difficulty for Switzerland will be to remain true to its values while trading with an authoritarian regime. This situation points to interesting developments, but it remains to be seen how the relationship will evolve, especially with regards to direct investments and the renewal of the free trade agreement. Within the scope of this thesis these results have become evident, and the main aim, to shed light on a contemporary issue, and to contribute to the debate, has optimistically been fulfilled.

Further research could verify whether a framework for the equal treatment for investors and companies, regarding economic activities with the free trade partner, will be established. Hopefully an incentive for further research of how the Sino-Swiss Economic relationship will develop with the Free Trade Agreement and Chinese Foreign Direct Investment Activity has been established and will lead to more discoveries in this field.

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## Riassunto in lingua italiana

Perché una potenza mondiale fa i suoi investimenti diretti in un piccolo Paese situato al centro dell'Europa? Cosa porta la Cina a investire nelle imprese svizzere?

La Cina e la Svizzera sono due nazioni molto diverse in termini di geografia, norme sociali, correnti e sistemi politici. Questa straordinaria relazione sembra essere trascurata dalla ricerca politica, soprattutto se si considera che Cina e Svizzera condividono ampi legami economici. La base stessa di questa relazione è unica rispetto alla collaborazione cinese con qualsiasi altro Stato dell'Occidente. L'obiettivo di questa tesi è di comprendere come questi due Paesi diversi tra loro abbiano stabilito le loro fiorenti economie in tempi di ondate neoliberiste e di crescente internazionalità. Nello specifico, lo scopo di questa tesi è di valutare lo sviluppo delle relazioni economiche tra la Repubblica Popolare Cinese e la Svizzera, prendendo in considerazione due importanti fattori, uno contrattuale, l'Accordo di libero scambio (ALS), e uno economico, gli Investimenti Diretti Esteri (IDE).

Per comprendere meglio le circostanze che ruotano attorno ai rapporti economici sino-svizzeri, il primo capitolo si sofferma sul riavvicinamento delle due nazioni e su come le relazioni si siano sviluppate dopo la proclamazione della Repubblica Popolare in Cina e su come il precoce riconoscimento della RPC da parte della Svizzera abbia aperto la strada alla futura collaborazione. I due capitoli successivi illustrano gli sviluppi istituzionali che la Cina e la Svizzera hanno vissuto in un periodo in cui le idee economiche liberali sono state riformulate. Per la Cina si tratta del periodo che inizia con la rivoluzione economica dopo la morte di Mao. Per la Svizzera questo capitolo sarà dedicato alle influenze neoliberali sullo sviluppo economico degli anni Ottanta. Dopo aver valutato l'evoluzione della formazione dei legami politici nel corso della storia, il quarto capitolo esamina le attuali relazioni economiche dei due Paesi. In particolare, vengono esposte le disposizioni chiave dell'Accordo di libero scambio tra Cina e Svizzera, ne esplora l'identità strategica e discute le sfide nel contesto dei negoziati per il rinnovo. I risultati mostrano che l'accordo sino-svizzero sulle implicazioni commerciali e sulla cooperazione ha portato a notevoli investimenti diretti esteri. Di conseguenza, l'attività transazionale e di acquisizione cinese ha registrato una rapida crescita negli ultimi anni, che il quinto capitolo analizza in termini di investimenti diretti esteri cinesi in uscita. Alla fine del capitolo viene menzionato in termini monetari uno dei maggiori investimenti diretti cinesi. L'acquisizione si è conclusa nel 2017, quando l'impresa statale ChemChina ha acquisito l'azienda agrochimica Syngenta, con sede a Ginevra.

Da un punto di vista metodologico, sono stati consultati libri e riviste, articoli di giornale, contributi accademici cartacei e online. Durante la ricerca sono state utilizzate fonti letterarie scritte in lingua inglese e tedesca. Attualmente ci sono molte ricerche sulle relazioni tra Stati Uniti e Cina e su come l'Unione Europea gestisce questo gioco di potere. Dal momento che la Svizzera non fa parte dell'UE è interessante capire quale sia la considerazione degli Svizzeri e quali siano i rapporti economici che intercorrono tra una nazione extraeuropea con una forza mondiale. Questa tesi si propone di fare luce sulla questione e di contribuire al dibattito, incentivando così la considerazione e amplificando l'interesse per la ricerca futura.

Poiché gli studi sulla prospettiva della Svizzera non sono molti, al fine di ottenere dei validi risultati è necessario adottare un approccio di ricerca approfondito e puntuale.

Per quanto riguarda le relazioni bilaterali ed economiche tra la Svizzera e la Cina, ci sono state nel corso della storia alcune difficoltà e per questo i principi politici ed economici hanno subito uno sconvolgimento sia in Cina che in Svizzera. Ciononostante, la Svizzera ha riconosciuto la Repubblica Popolare Cinese il 17 gennaio 1950. Diversi erano i requisiti per il riconoscimento di un nuovo Stato nell'ambito del diritto internazionale e nello specifico, secondo la prassi svizzera, il nuovo Stato doveva avere un popolo, un territorio, un ordinamento statale stabile e una prospettiva di esistenza permanente, alcuni dei quali la Cina non soddisfaceva.

Come spiegare dunque questo passo insolito dei Confederati? Ciò che molto probabilmente ha indotto la Svizzera a un riconoscimento anticipato della Repubblica Popolare Cinese sono stati i forti interessi economici e politici, motivi per i quali le due nazioni hanno un legame ancora oggi. Il riconoscimento anticipato del governo comunista di Pechino non era una scelta scontata, poiché tradizionalmente, e in particolar modo in casi così complessi, il governo svizzero preferiva di aspettare e guardare le decisioni prese dagli altri governi. Il riconoscimento della Cina da parte della Svizzera, uno dei primi Paesi occidentali a farlo, suggerisce una politica estera particolare per quanto riguarda la situazione e l'interdipendenza economica. I politici svizzeri avevano forse previsto che la Cina sarebbe diventata una potenza mondiale. Questa scelta, considerata in passato azzardata, attuata da parte della Svizzera ha ormai più di 70 anni ed è considerato un capolavoro della diplomazia svizzera: la credibilità della neutralità svizzera fu confermata e gli interessi nazionali della Confederazione elvetica furono sostenuti. Ciò aprì la strada a lunghi anni di legami economici e, in ultima analisi, alla base dell'intensa cooperazione tra Svizzera e Cina nel XXI secolo.

Infine, per quanto riguarda l'accordo di libero scambio sino-svizzero, si può affermare che esso sia un accordo strategico a più livelli. Per quanto riguarda la Cina, l'accordo sancisce l'impegno di Pechino di accrescere la propria presenza economica nel continente europeo, mentre dal

punto di vista della Svizzera, nonostante sia indipendente dall'UE, questo prevede un ampliamento delle proprie azioni di diplomazia interregionale. Inoltre, la politica commerciale estera della Svizzera è ben consolidata e l'elenco degli accordi di libero scambio stipulati dalla Svizzera con altri Paesi è lungo. La Svizzera vede l'attrattiva di un accordo commerciale con la Cina nel fatto che quest'ultima è la seconda economia mondiale.

Dall'ultimo terzo del XIX secolo sia l'economia cinese che il Paese stesso hanno subito notevoli riforme e trasformazioni, assumendo quest'ultimo il ruolo di attore potente e competitivo nell'economia mondiale. Per quanto riguarda gli IDE in entrata, la Cina ha attirato molti investitori diretti esteri e, in quanto maggior destinatario di IDE al mondo, è diventata un centro di smistamento di tali transazioni. Nella tesi sono stati esaminati gli investimenti cinesi in Svizzera. Dal punto di vista culturale, storico e politico, esistono grandi differenze tra la potenza mondiale e il Paese alpino. Tuttavia, a livello economico, i due Paesi sembrano comprendere e soddisfare ripetutamente le reciproche esigenze come si evince dall'accordo di libero scambio e, più recentemente, dalla crescita significativa dei flussi di investimenti diretti tra i due Paesi. La Svizzera è economicamente, socialmente e politicamente molto stabile, il che la rende un luogo attraente per gli investimenti diretti esteri. Inoltre, il marchio *swiss-made* gode di una reputazione prestigiosa in tutto il mondo, soprattutto nel settore dei beni di lusso. Un esempio recente riguarda la più grande acquisizione di un'azienda svizzera da parte di un'impresa cinese. Nel 2017 ChemChina ha infatti rilevato Syngenta per 43 miliardi di dollari. I media hanno ripetutamente criticato la fusione e l'hanno usata come esempio di invasione cinese negli interessi della Svizzera.

Come precedentemente accennato, le voci critiche nei confronti del coinvolgimento cinese nell'attività economica, e dell'ALS in generale, si sono recentemente intensificate. Nel presente documento è stata analizzata principalmente l'attività di investimento cinese in Svizzera, in quanto importante a livello economico. Le critiche alla Cina nascono principalmente dal fatto che, come dimostrano gli esempi delle aziende svizzere e delle associazioni di categoria nei settori chiave, gli investitori, le banche e gli esportatori hanno ancora bisogno di molta pazienza per affermarsi in Cina, nonostante il legame tra Svizzera e Cina attraverso l'ALS del 2013. La frustrazione si sta diffondendo nel settore finanziario e dell'export svizzero, il che spiega in ultima analisi l'atteggiamento scettico su ciò che la Cina vuole davvero dalla Svizzera.

La ricerca condotta nell'ambito di questa tesi di laurea triennale mira a identificare gli elementi chiave delle relazioni economiche tra la Cina e la Svizzera e il loro sviluppo con l'istituzione dell'accordo di libero scambio.

La Svizzera e la Cina intrattengono relazioni bilaterali dal 1950. Ma la relazione si è ripetutamente scontrata con vincoli complicati. Sulla scia dell'inasprimento globale, la pressione sulla Svizzera affinché assuma una posizione più chiara nei confronti dei cinesi è in costante aumento. Sulla base dell'analisi del materiale di studio preso in considerazione si può concludere che la relazione è cambiata radicalmente nel corso del tempo e la Svizzera si trova ora ad affrontare problemi mai visti prima. Inoltre, i risultati indicano che la potenziale cooperazione futura continuerà a essere messa alla prova da più fattori, come ad esempio questioni di politica globale o cambiamenti strutturali di atteggiamento nei rispettivi Paesi. Tuttavia, l'analisi delle relazioni economiche e politiche sino-svizzere ha dimostrato che due Paesi, entrambi casi esemplari di unicità, condividono interessi che rendono possibile la loro cooperazione. Ciò è stato particolarmente evidente nella valutazione del secondo capitolo, nel quale sono stati esplorati i possibili flussi di idee neoliberali e il loro impatto. Sorprendentemente la Cina, che negli anni 70 si trovava ad affrontare enormi sfide ideologiche, istituzionali ed economiche, non si oppose necessariamente alla tendenza neoliberista, nata in Occidente. Con Deng, invece, da un'economia chiusa, come lo era in precedenza, si è stati in grado di cogliere lo slancio e aprirsi ai mercati, ricostruendo così l'economia cinese e rendendola attualmente l'economia leader nel mondo.

Al contrario, la Svizzera non ha avuto instabilità di tale portata, per cui è meno sorprendente che i confederati si siano attenuti ai loro valori tradizionali. Per rispondere alla domanda se sia possibile osservare una tendenza neoliberista in Svizzera negli ultimi due decenni del XX secolo, si può affermare che l'economia svizzera non è stata influenzata dalle idee neoliberaliste, soprattutto rispetto ad altri Paesi europei ed extraeuropei. Ciò si riflette anche nella quantità di saggi e testi critici: sono pochi gli studiosi che hanno analizzato le correnti neoliberali in Svizzera. Per questo motivo le pubblicazioni scientifiche e di conseguenza i risultati della ricerca sono limitati. Una possibile e sottile espressione delle idee neoliberali nella repubblica alpina può essere vista in relazione alla crescita dell'internazionalità e all'insediamento di molte sedi di organizzazioni internazionali a Ginevra. Si può quindi ritenere che le OI siano servite come strumento di definizione delle norme per gli sviluppi economici, sociali e politici della Confederazione elvetica. Questo periodo ha anche aperto la strada ai movimenti sociali e ha dinamizzato i processi di integrazione. L'unico attributo neoliberale chiaramente percepibile si è espresso nelle nuove concezioni dell'amministrazione pubblica dello Stato e del connesso processo decisionale politico. In generale, le idee neoliberali hanno trovato un'espressione sporadica in Svizzera, ma sono apparse così sottili perché le caratteristiche principali del neoliberalismo erano già profondamente radicate nei valori della federazione.

Tuttavia, lo scambio bilaterale tra Cina e Svizzera è sempre stato un gioco di equilibri, anche se i Confederati sembrano aver seguito un percorso pragmatico in una relazione che si suppone sia basata sul reciproco opportunismo. Di conseguenza, le questioni relative ai negoziati per il rinnovo dell'accordo di libero scambio sono diventate più pressanti e stanno rallentando i negoziati. La Cina sta diventando sempre più esitante nel processo negoziale, mentre la Svizzera è più concisa nelle sue richieste su questioni riguardanti i diritti umani e del lavoro. La Cina ha messo in guardia la Svizzera dall'includere questi temi nei negoziati e l'ha quindi accusata di aver provocato uno scontro ideologico e di aver diffuso falsità. È stato espresso un generale malcontento nei confronti dell'accordo di libero scambio, poiché non è stata stabilita la parità di accesso e l'attività economica svizzera è ancora regolamentata dai cinesi con barriere per i liberi investimenti, ampie regolamentazioni e una vasta burocrazia. Da qui la scelta di concentrarsi sugli investimenti diretti cinesi in Svizzera e non viceversa. In questo contesto, la predominanza delle imprese statali si avvicina ai risultati delle future attività di investimento diretto in uscita.

Nel corso di questo lavoro è emerso chiaramente che la strategia cinese per gli investimenti diretti all'estero è ancora guidata principalmente da fattori politici, poiché il governo cinese continua a svolgere un ruolo centrale. È infatti il governo cinese che incentiva l'imprenditorialità e l'attività commerciale internazionale, forse come strumento istituzionale per realizzare gli obiettivi della sua agenda politica. Per questo motivo, gli sviluppi del futuro più prossimo mostreranno fino a che punto questi investimenti dipendono effettivamente dalle relazioni diplomatiche e politiche, soprattutto in relazione all'imminente rinnovo dell'accordo commerciale sino-svizzero.

Fare una previsione realistica di questi risultati è particolarmente impegnativo, perché la Svizzera vuole tradizionalmente costruire ponti, cogliere opportunità e affrontare i problemi con un dialogo aperto. In questo modo, vuole dare alle diverse relazioni che intrattiene un quadro comprensibile e trasparente. È molto probabile che continui a sostenere una politica cinese indipendente e a sottolineare più volte la sua posizione neutrale in materia. Tuttavia, la vera difficoltà per la Svizzera sarà quella di rimanere fedele ai propri valori pur commerciando con un regime autoritario. Questa situazione lascia presagire sviluppi interessanti, ma resta da vedere come si evolveranno le relazioni, soprattutto per quanto riguarda gli investimenti diretti e il rinnovo dell'accordo di libero scambio. Nell'ambito di questa tesi questi risultati sono diventati evidenti e l'obiettivo principale, quello di far luce su una questione contemporanea e di contribuire al dibattito, è stato raggiunto.



Ulteriori ricerche potrebbero verificare se verrà stabilito un quadro di riferimento per la parità di trattamento degli investitori e delle imprese, in merito alle attività economiche con il partner di libero scambio. L'auspicio è che con questa tesi l'interesse per le relazioni economiche sino-svizzere possa aumentare e che in futuro possano venir fatte maggiori ricerche anche in merito all'accordo di libero scambio e all'attività di investimento diretto estero cinese.