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The evolution of the bilateral relations between Switzerland and the European Union (1992-2025): the role of the Swiss identity

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List of Abbreviation

- CHF: Swiss francs
- CJEU: Court of Justice of the European Union
- EC: European Community
- EEA: European Economic Area
- EEC: European Economic Community
- EFTA: European Free Trade Association
- EU: European Union
- FAO: Food and Agriculture Organization
- Fig: Figure
- GATT: General Agreement on Tariffs and Trade
- IAEA: International Atomic Energy Agency
- ILO: International Labour Organization
- InstA: Institutional Framework Agreement
- NATO: North Atlantic Treaty Organization
- OEEC: Organization for European Economic Co-operation
- SBA: Swiss Bankers Association
- SVP: Schweizerische Volkspartei
- UK: United Kingdom
- UN: United Nations
- UNESCO: United Nations Educational, Scientific and Cultural Organization
- US: United States
- WHO: World Health Organization
- WIPO: World Intellectual Property Organization

Introduction

«The Swiss Confederation shall protect the liberty and rights of the people and safeguard the independence and security of the country. It shall promote the common welfare, sustainable development, internal cohesion and cultural diversity of the country¹». The second article of the Swiss Federal Constitution expresses the peculiarity of the so-called *Sonderfall*², the Swiss «exceptional case» and the important role of its national identity in shaping its relations with the outside world. Since its mythical foundation in 1291, the Helvetic Confederation defined its political mission in terms of independence, security, and internal cohesion. It is in this context that we can understand the peculiar, often cautious and ambivalent attitude that Switzerland maintained toward European integration in the last thirty years.

Switzerland holds a unique position on the European region. It is located in the heart of Europe, surrounded on all sides by EU member states, with the exception of the principality of Liechtenstein, without being a member of the European Union (EU). Unlike many other non-EU European states such as Albania, Serbia and Moldova, Switzerland is not even a candidate state to join the EU. The Helvetic Confederation is part of the European Free Trade Association (EFTA), together with Norway, Liechtenstein and Iceland. For these wealthy non-EU European countries, a potential accession to the European Union would be relatively easy from a technical point.

What I aim to analyze in my master thesis are the main challenges that concern Switzerland in its bilateral relations with the supranational organization that surrounds it: the European Union. More specifically, I focused my analysis not only on some key moments and challenges in the last thirty years of Swiss-EU bilateral relations, but also on the role that the Swiss national identity played in this context. To do so, I started by posing my research question: «What have been the main stages and challenges that have articulated the Swiss-EU relations in the last thirty years?»

The central point that I support is how the Swiss national identity acted as a key and constant factor, capable of guiding the Swiss citizens' choices more than economic factors or even external political pressure. The rejection of the European Economic Area (EEA) in

¹ Swiss Federal Archives. (1999, April 18). *Federal Constitution of the Swiss Confederation*, Bern.

² My Eng. trans. «Exceptional case».

1992, the construction of the bilateral way, the crises and negotiations on the Institutional Framework Agreement, up to the recent developments, can only be properly understood by recognizing the fundamental role and influence of the Swiss «triangular» identity³.

The literature on Swiss-EU relations is extensive and varied. Scholars and politicians such as Gilles Grin, Alice Landau and Andreas Schwab have highlighted at different times the dilemmas of Switzerland's EU policy, which oscillates between economic pragmatism and cultural resistance. More specifically, the professor Landau deeply analyzed in her researches the role of the neutrality, one of the key elements of the Swiss identity, in shaping the Swiss foreign policy⁴. On one hand, professor Grin studies are significant to clearly see the Swiss point of view in the historical evolution of how Switzerland was relating with the former European Communities first and then the European Union, in particular taking into account the Swiss historic particularities in order to truly understand the uniqueness of these bilateral relations⁵.

On the other hand, the political analysis *Schweiz und Europa: Eine politische Analyse* of Andreas Schwab deals with the European point of view of this complex history of relations between Switzerland and the EU. It is also interesting to notice that Andreas Schwab is not only the author of this research, but also, as the chair of the EU Delegation for Northern cooperation and for relations with Switzerland and Norway, has been one of the protagonists of these bilateral relations. Starting from their studies, my analysis attempts to reconstruct the evolution and main phases of Swiss-EU bilateral relations in the last three decades, systematically stressing how Swiss identity has influenced the main turning points, from popular referendums to institutional negotiations⁶.

The relevance of my analysis lies on one hand, regarding the academic field, in dealing with the relationship between the Swiss national identity and European integration processes. On the other hand, regarding the political field, it helps to understand why Switzerland, despite being geographically and economically so deeply linked to the

³ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p.18.

⁴ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 60.

⁵ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 9.

⁶ Schwab, A., & Forster, N. (2022). *Schweiz und Europa: Eine politische Analyse*, Herder, cit., p. 7.

European Union, continues to pursue its *Sonderweg*⁷, with its advantages but also with its structural fragilities.

The thesis that is advocated is therefore that the evolution and main stages of bilateral relations between Switzerland and the European Union over the last thirty years have not been particularly characterized by technical issues but by a constant internal tension within Switzerland between openness to economic cooperation and preservation of national identity.

Before starting the proper historical and political analysis of the Swiss-EU relations in the last thirty years, it is necessary to first take a step backwards to deal with the relations between Switzerland and the first European communities, the ancestors of the EU, until the signing of a free trade agreement in 1972. I then analyzed the negotiations between the EFTA countries, including Switzerland, and the European Economic Community (EEC) for the creation of the EEA. These are the main premises for understanding the main stages of the Swiss-EU bilateral relations in the last thirty years.

This research started with the 1992-2004 phase which saw the turning moment from EEA membership rejection to the bilateral way, followed by the 2014-2016 years characterized by the crisis of the bilateral approach. The analysis then dealt with the 2014-2021 negotiations for an institutional framework agreement (InstA) and then it ended with the recent developments since 2023. These phases have been chosen in particular because they represent the most important moments in Switzerland's European policy.

At the end of the first chapter, the research dealt with the 1992 referendum. It represented a setback for further integration with the rejection of the possibility of joining the EEA to access the European internal market. Through a popular referendum, the Swiss rejected EEA membership by 50.3%. This event marked a turning point in relations between Switzerland and the future EU by opting for a bilateral cooperation model. In 1999, Switzerland and the EU signed a series of bilateral agreements governing seven areas, including the free movement of people, land and air transport, and access to public markets. A second set of bilateral agreements was signed in 2004, including new areas such as cooperation in justice, security, and adherence to the Schengen and Dublin agreements on

⁷ My Eng. trans. «exceptional way».

border control and management of asylum seekers. These agreements strengthened Switzerland's ties with the European Union⁸.

In the second chapter, I then proceed to deal with the stage of crisis of the bilateral way from 2014 when a referendum was voted in favor of greater immigration control and, together with the political elections in 2015, this questioned the whole bilateral way with the EU, particularly regarding the principle of free movement of persons. Similarly to many other European states, the migration crisis that Europe was facing in these years made the issue of immigration and sovereignty the center of the political debate in Switzerland raising consequently the tensions with the European Union. This crisis culminated with the Swiss withdrawal of the EU membership application in 2016.

In the third chapter, I analyzed the seven years' negotiations for the conclusion of an institutional framework agreement which lasted from 2014 to May 2021, when the Swiss government decided to unilaterally withdraw from the negotiations. I then concluded analyzing the recent developments since April 2023 that saw a reopening of closer cooperation between Switzerland and the EU that led to the conclusion of a new EU-Swiss deal in 2025⁹.

The evolution of relations between Switzerland and the European Union in the last three decades cannot be fully understood by considering only technical issues and the single agreements and treaties. It is the history of a country which, despite being in the heart of Europe, has continued to maintain a certain distance from European integration, defending its national identity as a priority. The analysis of the main phases of the last thirty years of the Swiss-EU bilateral relations showed that, more than the economic field, it has been this Swiss «triangular» identity that has dictated the red lines of Swiss European policy. On the one hand, Switzerland has never opted to join the EU, but on the other hand, it has not never wanted to remain outside economic advantages of the single market. It has consequently developed its *Sonderweg*, led by economic pragmatism and identity-driven resistance. This has inevitably generated tensions with the neighboring European Union, which has been with alternated phases more or less inclined to tolerate the Swiss *Sonderfall*¹⁰.

⁸ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, Bruxelles, pp. 1-3.

⁹ Spisak, A. (2025, March 17). The new EU-Swiss deal: What it means and the lessons it holds for the UK-EU 'reset'. *European Parliamentary Research Service*, Bruxelles, p. 1.

¹⁰ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, cit., p. 377.

1. Switzerland in Europe: The Swiss *Sonderfall*

In this chapter I aim to do a historical analysis of the roots and premises of the so-called *Sonderfall*, the exceptional case, that characterizes Switzerland in its relationship with the European Union. My approach in analyzing the Swiss-European relations is not so based on technical issues but it focuses under the lens and role of Swiss identity. It influenced profoundly and consistently the Swiss attitude for maintaining autonomy, shaping the country's cautious and often ambivalent position towards European integration. Starting from these historical premises is fundamental to my thesis, since it clarifies the lasting and profound impact of Swiss political culture on its interactions with the European Communities. In this chapter, on one hand, I referred to primary sources, mainly the reports of the Swiss politicians and diplomats of those years and the results of the popular referendums; on the other hand, I dealt, in particular, with the research of the Swiss professors Gilles Grin and Alice Landau and the political analysis of the EU politician Andreas Schwab. This is the starting point for analyzing why, despite geographical and economic interdependence, Switzerland continues to resist political integration with the European Union resulting in its *Sonderfall*.

1.1 History and premises of the Swiss-European relations

In order to understand the premises of the relations between Switzerland and the European Union, it is necessary to go back to the roots of Swiss foreign policy and the evolution of the role that this country, situated in the heart of Europe, played in this continent. Switzerland is famous world-wide to be basically a synonym for neutrality. Indeed, neutrality played a significant role in shaping the history of Switzerland, starting in particular in the era of the so-called «Commonwealth of Europe¹». Even before being codified by international law, neutrality represented for the Swiss a pragmatic policy that contributed both to maintain national unity from internal centrifugal pressures. It safeguarded the country's national

¹ Between 1815 and 1914, international relations were dominated by Metternich's «European concert» of great powers, also known-as the «Commonwealth of Europe» according to British Foreign Minister Lord Castlereagh, with moments of greater or lesser awareness of belonging to a common «European society» and, in the final phase, with increasing difficulty in containing rivalries and nationalisms. Treccani, [https://www.treccani.it/enciclopedia/le-relazioni-internazionali_\(Dizionario-di-Storia\)/](https://www.treccani.it/enciclopedia/le-relazioni-internazionali_(Dizionario-di-Storia)/).

sovereignty and independence from the neighboring European powers². After the Napoleonic Wars, the policy of the «Swiss perpetual neutrality» was recognized by European States as in the general interest for maintaining the balance of powers, as stated in the article XCII of Final Act of the Congress of Vienna in 1815, «the neutrality of Switzerland, as it is recognised and guaranteed by the Powers³».

It is interesting to note that the fate of Switzerland, and one of the most famous elements of the Swiss identity, was actually settled beyond its borders by the major powers⁴. With the Hague Peace Conference of 1907 the rights and duties of the neutral states were established. It was stated that in wartime neutral states must be absent from any form of participation in a conflict. Neutrality meant equal treatment of belligerents and the prevention of the use of neutral territories as a base for belligerent operations, recruitment of troops, stationing of foreign troops or movement across the territory. In peacetime, the neutral states were constrained not to conclude defensive alliances with other states. It is interesting to notice that, apart from those duties, the Law of Neutrality did not require any other obligations regarding foreign policy. «This aspect was particularly crucial for Switzerland; for whom the necessity of keeping its independent foreign trade policy marked Switzerland's attitude towards European integration⁵».

Another important milestone of the Swiss history was the Sonderbund War, a civil war that saw the secession and defeat of the conservatives-catholic cantons that were against centralization. This turning point led to the establishment of the Modern Switzerland, based on national political unification and federalization⁶. With the 1848 Federal Constitution, we can witness the birth and reaffirmation of the other two crucial elements of the Swiss identity: federalism (Article 3) and sovereignty, linked to direct democracy (Article 2). In the constitution it is stated:

Article 2: The purpose of the Federation shall be: to assert the independence of the fatherland against the outside world, to maintain

² Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, Vol. 46, No. 6, <http://www.jstor.org/stable/44839954>, pp. 63-64.

³ Ridgway J. and Sons. (1839). British and Foreign State Papers: 1814-1815, *Foreign Office*, London, vol. 2, p. 45.

⁴ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, Vol. 88, No.1 (349), <https://www.jstor.org/stable/27094430>, p. 12.

⁵ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 64.

⁶ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p.13.

peace and order within the country, to protect the freedom and rights of the Swiss confederates and to promote their common welfare.

Article 3: The cantons are sovereign insofar as their sovereignty is not limited by the Federal Constitution, and as such exercise all rights, which are not transferred to federal authority⁷.

The article 2 clearly states that the purpose of the Swiss Federation is to defend and maintain the independence of the State from foreign authorities. The defense of the Swiss sovereignty has its cultural and historical roots in the Federal Charter of 1291, that is considered the founding document of the Swiss Confederation. It aimed to reject any foreign authorities that wanted to dictate Switzerland. In addition to this, through the total revision of constitution in 1874, the Swiss direct democracy was strengthened by improving people's rights not only through the referendum, but later also through the right of initiative. This meant that the Swiss citizens are the supreme legislators. They not only democratically elect their representatives to Parliament, but they also determine the laws⁸. Through the direct democracy, for the Swiss the sovereignty belongs to the citizens.

Federalism and direct democracy remained relatively stable elements of the Swiss «triangular» identity. After the Sonderbund war, the Swiss confederation did not face significant change on the distribution of powers between the cantons and the central government. The direct democracy has been a constant of the Swiss history. Switzerland remains the country with the most referendums in the world with more than 670 federal votes since 1848⁹. The country's internal stability and the fact that it was not directly involved in the disruptions of the 20th century certainly contributed to this relative internal continuity. It is important to underline that the Swiss political system is based on consensus and compromise. This is a fundamental to balance the centrifugal forces represented by linguistic and cultural differences.

⁷ Swiss Federal Archives. (1848). *Bundesverfassung der Schweizerischen Eidgenossenschaft vom 12. September 1848*, Bern, my Eng. trans.: «*Artikel 2 Der Bund hat zum Zweck: Behauptung der Unabhängigkeit des Vaterlandes gegen Außen, Handhabung von Ruhe und Ordnung im Innern, Schutz der Freiheit und der Rechte der Eidgenossen und Beförderung ihrer gemeinsamen Wohlfahrt. Artikel 3 Die Kantone sind souverän, soweit ihre Souveränität nicht durch die Bundesverfassung beschränkt ist, und üben als solche alle Rechte aus, welche nicht der Bundesgewalt übertragen sind*».

⁸ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, Herder, Freiburg, pp. 19-20.

⁹ Cancelleria Federale CaF. *Compendio in cifre*, (2025, July 31). https://www.bk.admin.ch/ch/i/pore/va/vab_2_2_4_6.html.

On the other hand, the concept of neutrality evolved during the history of the Swiss foreign policy. It is, indeed, interesting how, even if it was already so deep in the Swiss culture, there was no explicit reference regarding neutrality in the Federal Constitution of 1848¹⁰. The «rigid» neutrality had a key role for the country during the World Wars. Switzerland, unlike all its neighbors with the exception of Liechtenstein, was not directly involved in either of the two world conflicts and did not experience foreign invasions and consequent significant destruction inside its borders. Its territory was spared, and with it all the country's economic, transport, and energy infrastructures. Additionally, it was not subjected to any form of dictatorship but remained democratic¹¹. After the First World War, the question of neutrality was raised regarding the membership of international organisations.

After this conflict, the League of Nations was established in order to promote cooperation among the States and prevent new wars. Becoming a member of this international organization would have also meant participating in economic sanctions. There was the fear that economic sanctions might result in a war, and this would significantly affect the impartiality of the neutral states. This represented for Switzerland a major change, which went against its identity based on neutrality. In 1920, according to the Swiss direct democratic system, it was held a referendum regarding the membership of the League of Nations. The Swiss voted in favour, but only by a tiny majority of 56.3%¹². This shows how dividing was the issue for the Swiss citizens. In particular, the membership was supported by an overwhelming majority in the French and Italian-speaking cantons with an average of yes-vote over 80% while in most of the German-speaking cantons the no-vote prevailed¹³. This internal division represented a recurring problem that the federal government will constantly had to face while trying to adopt more open and cooperative policies. The capacity of the Swiss government to deal with matters of foreign policy was very often constrained by the general lack of popular support¹⁴.

¹⁰ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 65.

¹¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p.16.

¹² Cancelleria Federale CaF, *Votazione popolare del 16.05.1920*, (2025, July 8). <https://www.bk.admin.ch/ch/i/pore/va/19200516/index.html>.

¹³ Cancelleria Federale CaF, *Oggetto no 83: Risultati nei Cantoni*, (2025, July 9). <https://www.bk.admin.ch/ch/i/pore/va/19200516/can83.html>.

¹⁴ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 66.

When the Swiss government decided to join the League of Nations, initially the United States (US) was reluctant to provide Switzerland with a special status of neutrality. It was obtained after Switzerland had offered its territory as headquarters of the League of Nations in Geneva. In 1920, as a result of the declaration of London, the Council of the League of Nations officially released Switzerland from the obligation to participate in military action on behalf of the League. The Council recognised again the perpetual neutrality of Switzerland, and the inviolability of its territory. On the other hand, Switzerland was obliged to participate in the commercial and financial measures against a state in violation of the Pact. Even if Switzerland managed to get a differential neutrality, maintaining the refuse to use military force, it had to abandon the traditional reserves regarding economic sanctions¹⁵. 1920 represented an initial change in the concept of neutrality, from rigidity to a more flexible approach based on the international context. It will not be surprising that the main field that will see the Swiss government opening for further cooperation at the European, and in general international, stage will be the economic one.

This initial opening actually did not last long with the incoming of the Second World War, when the system of the League of Nation demonstrated its failure in maintaining peace. Indeed, Switzerland tried to return to its traditional status after the major powers did not fulfill their obligations in the measures adopted by the League of Nations. After Italy and Germany left the League of Nations, the Swiss federal government soon came to the conclusion that differential neutrality could not provide security. In 1938, Switzerland returned to a so-called integral neutrality regime¹⁶. As mentioned before, there was also the fear that sanctions against Italy, after the Italian invasion of Ethiopia, would lead to war. Additionally, its geographical position and the volume of its trade with Italy made difficult for the Swiss government to apply the sanctions. It was compelled to return to the previous rigid neutrality. Consequently, for both internal and external reasons, Switzerland could not continue its policy of retrenchment towards the international community and stepped back to a more non-commitment attitude. Neutrality was incompatible with a collective security system that was not able to provide any efficient rules of arbitration¹⁷.

¹⁵ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 66.

¹⁶ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p.16.

¹⁷ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 67.

The Second World War represented a major test of Swiss cohesion. There was a great danger that the differing sympathies of the various language groups for each that a neighboring country could divide Switzerland. Despite the temporary complete encirclement by the Axis powers, the country was spared by any invasion, and its neutrality and sovereignty were maintained. Geography also contributed to shape the Swiss identity, the Alps represent not only a geographical feature for Switzerland, but a symbol of national identity that saw in the mountains a barrier and a refuge. Indeed, Switzerland's military strategy in World War II relied on deterrence, the Swiss General Guisan's plan to defend the country was based on the *Réduit*: in case of an attack, the army would withdraw from the flat *Mittelland* to the Alpine fortress. This has fueled the idea of Switzerland as a natural fortress reinforcing the myth of Swiss autonomy and neutrality. This combined the powerful narratives of the impregnable mountains with the heroic Swiss history and the love of freedom embodied by William Tell. In this historical phase characterized by strong Nationalism, the Federal Councilor Philipp Etter wrote in his cultural message to the Swiss population: «The Swiss notion of the state was not born of race, nor of flesh; it was born of the mind» to stress to the Swiss citizens a sense of an independent national identity¹⁸.

Neutrality is achieved on one end by maintaining a military force to protect its sovereignty and territorial integrity. On the other hand, by an active and constant diplomatic dialogue with all political factions at war. During the Second World War, Switzerland was isolated from a territorial point of view, but it was also conciliatory and active on a diplomatic level, first with the Third Reich and then with the Allies. Permanent diplomatic negotiation represented a crucial element of neutralism, which is now reflected in Switzerland's relations with the EU and the role of «international Geneva¹⁹». Switzerland, since the 20th century, was actively supporting the efforts of diplomats and experts from all over the world to find peaceful solutions to conflicts, to establish shared rules and to manage collective threats²⁰. It is important to underline that Switzerland has not emerged *ex nihilo*, but in a particular environment, surrounded by neighbors. It is *Willensnation*: a nation based on willpower. It is

¹⁸ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., pp. 61-63.

¹⁹ Switzerland is home to more than 40 intergovernmental organizations and several hundred non-governmental organizations (NGOs), most of which are based in the Lake Geneva region. The Swiss tradition of hosting organizations charged with negotiating world affairs goes back more than a century, with the creation of the Red Cross in 1863. Today, Geneva is home to a wide range of diplomatic, scientific and technical organizations. Working side by side, these organizations interact on a daily basis.

²⁰ Federal Department of Foreign Affairs FDFA. *International Geneva*, (2025, July 31). <https://www.eda.admin.ch/eda/en/fdfa/foreign-policy/international-organizations/international-organizations-switzerland/international-geneva.html>.

home to several languages and cultures, cemented together by the joint will of the Swiss people²¹.

After the Second World War, neutrality provoked negative attitudes. Switzerland reacted to the situation by endeavoring to be more cooperative and more open to the outside world, returning to the conception of neutrality after the First World War. During the Cold War, Swiss neutrality remained the core principle of its foreign policy. Switzerland officially maintained an armed neutrality and strict non-alignment, avoiding any military alliance with both NATO and the Warsaw Pact. However, Switzerland showed a clear and pragmatic cultural and economic inclination towards the Western bloc, maintaining close trade relations with Western Europe and the US. Switzerland played a significant diplomatic role as a neutral mediator, hosting international negotiations. Geneva was, indeed, confirmed as the seat of major international organizations. In the second half of the 20th century, we can notice Switzerland joining various international organisations but remaining careful to strictly separate the technical organisations from the political ones²².

This historical overview reveals how Switzerland's political identity, shaped by years of neutrality, federalism, and direct democracy, has profoundly influenced its approach to international relations and, in particular, to the European integration. The Swiss *Sonderfall* is the historical product of internal balances and external pressures. The Swiss identity is not only a matter of national pride but a significant lens through which understand how Switzerland relates any form of supranational engagement. It is precisely this deeply rooted identity that continues to influence Swiss citizens' attitudes toward the EU. Understanding this is essential to explaining why Switzerland, despite being located in the heart of Europe, consistently pursued cooperation without integration.

1.2 The creation of EFTA and the role of the Swiss identity

After World War II, most of the international and European organisations that emerged were no longer limited to technical issues but also began to have a political character and role in order to promote supranational cooperation. Consequently, Switzerland had no interest to

²¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp.17-18.

²² Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 67-68.

join them to maintain its neutrality. It only participated in organizations with economic, technical, or humanitarian goals, such as the Organization for European Economic Cooperation (OEEC), founded in 1948 for the distribution of the American aid funds in Europe. Switzerland took the precaution of specifying the conditions of its participation: Switzerland would reserve the right to maintain trade relations with non-participating European states and conclude new agreements with them. Additionally, it would not automatically be bound by any resolution which might affect the Swiss economy and would not take part in any activity which might be incompatible with its traditional neutral status.

Switzerland requested, as a prerequisite for the accession to the OEEC, the inclusion of the possibility for the member states to reject individual OEEC decisions by stating that they had no interest in regulating a particular area under discussion without violating the principle of unanimity, as stated in the article 14 of the Convention for European Economic Cooperation²³. By referring to this exit clause, the Swiss government was able to declare to Parliament that the signing of the OEEC Treaty affected neither neutrality nor national economic interests²⁴. As reported by Gerd Wehner, Switzerland: «had thus become a full member of the OEEC and had retained its freedom of action in political and economic terms²⁵». Switzerland confirmed its neutrality principle without preclude the possibility of taking part in the economic recovery of Europe but, as a neutral state, it abstained from any kind of political alliance or organizations²⁶.

This skepticism was particularly evident regarding the founding of the European Coal and Steel Community, the nucleus of the European Union, and then regarding the creation of the Common Market, established with the Treaties of Rome. As reported also by the political analysis of the Swiss-European relations of Nicola Forster and Andreas Schwab:

During the Cold War, a large part of the population was convinced that Switzerland should stay out of world politics in order to preserve internal balance, economic prosperity, and external security while maintaining strict neutrality²⁷.

²³ Luxembourg Centre for Contemporary and Digital History. (1948, 16 April). *Convention for European Economic Cooperation*, Paris.

²⁴ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., p. 101.

²⁵ Wehner, G. (1992). Die Schweiz und der Marshallplan. *VSWG: Vierteljahrschrift Für Sozial- Und Wirtschaftsgeschichte*, 79 (3), pp. 341–356. <http://www.jstor.org/stable/20736269>.

²⁶ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 70.

²⁷ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., pp. 65-66, my trans. in Eng.: «Auch während des Kalten Krieges war ein großer Teil der Bevölkerung überzeugt, dass sich die

The Swiss government preferred therefore the British counter-project of the European Communities. After the United Kingdom had unsuccessfully sought a free trade area within all the OEEC states, it pushed for the creation of the European Free Trade Association²⁸.

Switzerland's history, political culture and identity resulted in a lack of enthusiasm in taking part to any model with a political dimension. However, as several other Western European countries, Switzerland had an interest in trade liberalization, to facilitate trade. This led to the creation of an organization that would gradually abolish customs duties and quotas restricting trade in industrial products but with no other accompanying policies, no common market, and no supranationalism. It was characterized more by partnership than by all-in economic integration. Those countries that were favorable to free trade but not to a political entity met in 1959 to sign the Stockholm Convention. This gave birth to the EFTA in 1960, with Switzerland as one of the founding members. At the start of the 1960s, Western Europe was therefore home to two different and indeed competing organisations, with two distinct models: one focused on partnership with an intergovernmental approach, the other on economic integration with a supranational approach. On one hand, there were the Outer Seven countries that founded EFTA: the UK, Denmark, Norway, Sweden, Switzerland, Austria, and Portugal, and on the other, the Inner Six: France, Germany, Italy, Belgium, the Netherlands and Luxemburg, forming the European Communities²⁹.

At first, the focus of Swiss foreign trade policy was on the negotiations on accession to GATT within the framework of the so-called Kennedy Round (1964-1967). During this round, Switzerland negotiated with both the US and the European Economic Community (EEC). Switzerland advocated similar interests to the EEC countries: liberalization of trade in industrial goods while maintaining protectionism in the agricultural sector. In order to understand the Swiss focus on free trade within the GATT negotiations, it is useful emphasize how the Switzerland's participation was also a way to counterbalance parallel European integration process, which was going far beyond free trade. Through the GATT's membership, Switzerland enjoyed trade advantages with the EEC countries since 1967,

Schweiz aus der Weltpolitik heraushalten solle, um unter Wahrung einer strikten Neutralität das innere Gleichgewicht, die wirtschaftliche Wohlfahrt und die äußere Sicherheit zu bewahren».

²⁸ Luxembourg Centre for Contemporary and Digital History. (1957, February). *Memorandum from the United Kingdom on the European Free Trade Area*, Paris.

²⁹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp.19-20.

managing to reduce the pressure to conclude a free trade agreement with the countries of the European Communities³⁰.

Even considering these important achievements of the Swiss government, it is important not to consider them as a change of mind of the Swiss citizens regarding their general attitude towards international cooperation. Rudolf Bindschedler, advisor to the Federal Political Department, highlighted this division in 1966 within a secret report. Although he advocated keeping the prospect of accession open, since it would bring «great advantage of equal rights with the other member states and participation in the decision-making process of the Community», he also expressed concerns referring to public opinion. Bindschedler's explains his negative stance regarding the influence and link between the Swiss identity and the Swiss-European relations: «The majority of the Swiss people display a conservative attitude, especially towards major and unusual foreign policy actions. They are averse to taking risks. This applies in particular to threats to permanent neutrality³¹».

There were attempts to establish connections between EFTA and EEC communities with the eventual final goal of creating the original idea of a vast free trade area including all of Western Europe. The discussions took place in the early 1960s, but the British, witnessing that the European Communities were functioning, expanding, and more dynamic than EFTA, decided to change sides and in 1961, applied for European Community membership. In January 1963, however, French president General de Gaulle unilaterally vetoed the British request to join the European Communities. The French veto of UK membership not only had as a consequence the end to the discussions aimed at creating links between the EEC and EFTA but could also be argued that prevented an eventual plan for the Swiss to conclude an association agreement with the European Communities³².

The fact that the EEC model was more attractive for many countries in the 1960s is demonstrated by the applications for membership submitted since 1961 by the United Kingdom, the Republic of Ireland, and Denmark. After delays, the De Gaulle's departure from power broke the stalemate in Europe, allowing EEC membership negotiations to begin

³⁰ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., pp. 104-105.

³¹ Hofstetter, P. (2017). Go West Markets: multi-und bilaterale Handelsdiplomatie der Schweiz in der Kennedy-Runde des GATT (1963-1967) und beim Freihandelsabkommen mit der EG (1969-1972), *Zurich Open Repository and Archive*, Zürich, p. 183, my Eng. trans. «Die Mehrheit des Schweizervolks zeigt eine konservative Haltung vor allem gegenüber grösseren und ungewöhnlichen aussenpolitischen Aktionen. Sie ist der Übernahme von Risiken abgeneigt. Das gilt insbesondere gegenüber den Gefährdungen der ständigen Neutralität».

³² Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 21.

with the UK, Ireland, Denmark. This proved and accelerated the diminishing importance of EFTA as a trade policy alternative within Europe³³. The three joined the European Communities in 1973. In these years, also thanks to the negotiations between the British and their membership in the EEC, there was a significant resumption of the discussions between EEC and EFTA, resulting in 1972 with the signing of free trade agreements between all the member states of both entities. These agreements led to the creation of a vast industrial free-trade area across Western Europe from 1973 onwards. This was the coronation of the Swiss foreign economic policy, and EFTA's core business, managing to extend the free trade area to all EEC countries without having to make any further commitment³⁴.

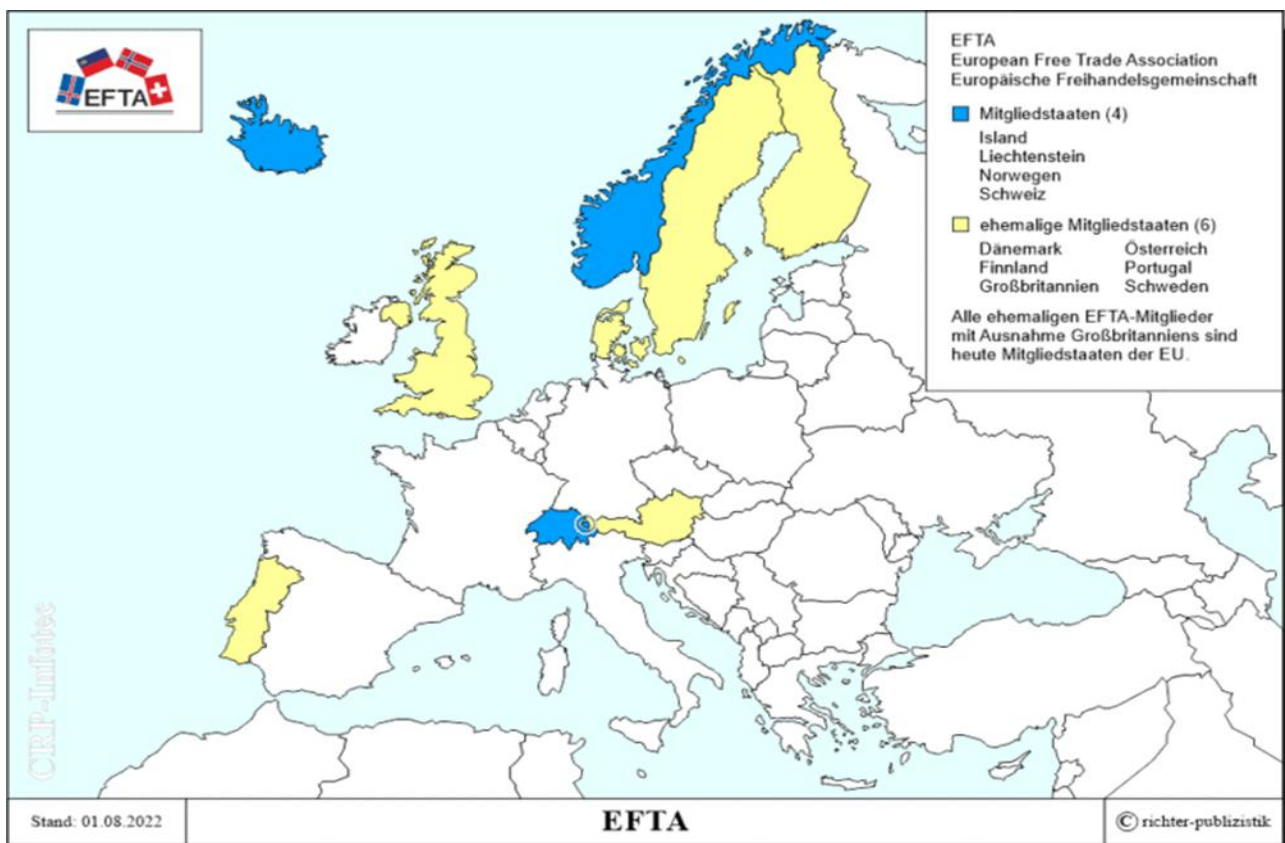


Fig. 1: The figure shows the initial importance of EFTA as a free trade organization competing with the EU. When it was founded in 1960, the seven EFTA states had a combined population of approximately 92 million, while the six EC states had a total population of approximately 190 million. Today's post-Brexit EU comprises approximately 447 million people, while the remaining four EFTA states today have a combined population of approximately 15 million³⁵.

³³ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., p. 104.

³⁴ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 24.

³⁵ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., p. 106.

The negotiations concerned market access, primarily the abolition of tariff barriers to trade such as customs duties and export subsidies. Since each EFTA country had different red lines in this area, negotiations took place bilaterally between the EEC and the respective countries. Here we can see the first step of what the bilateral approach of Switzerland towards the EU would be, after the rejection of European Economic Area membership in 1992 when the Swiss refused multilateralism³⁶. The negotiated Free Trade Agreement between Switzerland and the EEC was approved on December 3, 1972, with 72.5% of the votes in favor³⁷, it entered into force on January 1, 1973. This vote opened a phase could be initially seemed like an opening of the Swiss to «irreversible development toward Europe». This could be heard from contemporaries such as the Federal interior minister Hans Peter Tschudi, from the report of the morning Federal Council meeting of the 16th of August 1972:

Mr. Tschudi (...) is nevertheless in favor of the FDEA's proposal (vote), it is because the Federal Council has made promises that it cannot go back on without good reason. It should also be noted that the treaty with the EEC heralds a development of our country towards Europe that is largely irreversible. And this also justifies the unique nature of the decision, albeit with certain reservations.³⁸

Thanks to the 1972 Free Trade Agreement, Switzerland saw the removal of the restrictions in the form of customs duties and quotas, meaning as a positive development in its relations with the European Communities and its economy based on exports. Indeed, the Swiss would have been happy to continue indefinitely on this basis and not otherwise, as also stated by the former Federal Councilor Christop Blocher: «We don't fit together (with European Communities). (...) Connections with as many states as possible and openness was the motto. But at the same time the imperative: no concession of its own sovereignty³⁹».

³⁶ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., p. 107.

³⁷ Cancelleria Federale CaF. *Votazione popolare del 03.12.1972*, (2025, July 8). <https://www.bk.admin.ch/ch/i/pore/va/19721203/index.html>.

³⁸ Swiss Federal Archives. (1972, August 16). *Beschlussprotokoll II der 29. Sitzung des Bundesrates vom 16. August 1972 (Vormittag): Vertrag mit der EWG*, Bern, p. 3, my Eng. trans. «Herr Tschudi (...) sich trotzdem für den Antrag des EVD (Abstimmung) ausspricht, so deshalb, weil der Bundesrat Versprechen abgegeben hat, auf die er ohne triftigen Grund nicht zurückkommen kann. Ferner ist zu beachten, dass der Vertrag mit der EWG eine Entwicklung unseres Landes in Richtung Europa einleitet, die weitgehend irreversibel ist. Und damit lässt sich - wenn auch mit gewissen Vorbehalten - doch der einmalige Charakter des Entscheides begründen».

³⁹ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, cit., p. 19, my Eng. trans. «Wir passen nicht zusammen. (...) Verbindungen mit möglichst vielen Staaten und Offenheit, lautete die Devise. Aber ebenso zwingend: keine Preisgabe der eigenen Souveränität».

The *status quo* did not last long and, as has often been the case historically, it was the change to come to Switzerland from the outside.

The changes in the geographical and political composition of EFTA are highly informative, in these years the Switzerland witnesses the shrinking of their free trade organization with the parallel enlargement of the European Communities counterparts. In the 1980s, the Swiss had to face a new global state of affairs and would have to adjust accordingly. Among the seven founding countries, the UK and Denmark left EFTA to join the EEC in 1973. Then followed in 1986 by Portugal, while Sweden and Austria left in 1995, as well as Finland an EFTA-member since 1986, to join what had by that time become the European Union. Of the original EFTA members, only Norway and Switzerland remained. Norway had actually planned to join the European Communities at the same time as the UK, Ireland, and Denmark in 1973, but in 1972 through a referendum the Norwegian citizens decided not to join. In the meanwhile, EFTA was joined by two other states: Iceland in 1970 and Liechtenstein in 1991⁴⁰.

Before dealing with the important turning point that the 1992 Referendum regarding the EEA membership represented in the Swiss-European relations, it is important to analyze first another important referendum: the one regarding the UN membership. Unlike with the League of Nations, the Swiss approach towards the United Nations was shier. The Charter provides a mechanism of collective security, with the Security Council having the «primary responsibility for the maintenance of international peace and security» and with the «member states being bound through certain positive obligations». Additionally, the Charter does not mention neutrality and the member states are obliged to contribute to military sanctions, at the request of the Security Council. The UN expects the mutual support of member states, but the latter retain the right to determine if and when to apply sanctions⁴¹. With all of these considerations, we can notice how the space of maneuver of the Swiss neutrality policies was significantly shrinking at the international level.

In 1986, the Swiss government was in favour of membership in the United Nations. It came to the conclusion that Swiss neutrality would not be affected by participation in the

⁴⁰ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 21.

⁴¹ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 65.

UN. As reported by Alice Landau, we can notice this different attitude of the Federal Council with its message the regarding the entrance of Switzerland in the EFTA:

Neutrality does not signify that Switzerland should adopt a negative attitude towards the political objectives of other states in their efforts to promote integration. Ever since the existence of European conflicts has repeatedly tested Switzerland's powers of resistance, our country has, on the contrary, every reason to welcome a stronger association with old enemies.⁴²

This new position of the Swiss government was actually not followed by a new attitude or approach of the Swiss citizens who overwhelmingly voted against Switzerland's membership in the United Nations Organization, with 75.7% of the votes against⁴³. The impact of this vote must not be underestimated, as the similar outcome of the EEA referendum in 1992, it represented how strong the Swiss identity influenced the role and position of Switzerland at the international stage and with its European neighbors. Largely indifferent to foreign policy issues, the vast majority of the Swiss shared a rather rigid conception of neutrality and believed that UN membership would threaten Swiss policy by forcing the country to play a more active role on international stages⁴⁴.

According to the analysis of the popular vote regarding the UN membership conducted by the University of Bern⁴⁵, the controversial point of the referendum concerned the Swiss sovereign's attitude toward neutrality, where virtually no one called for a complete abandonment of this foreign policy principle. The issue was evaluating if the eventual Switzerland's full membership in the UN was compatible or not with its neutrality. The research got that 54% believe that Switzerland's full membership in the UN is ruled out because of neutrality while the 42% at least agree that since other neutral states are also members of the UN, Switzerland could also join without harm. It is important to note that the concept of neutrality was not much evaluated by the Swiss according to legal criteria, but more as a general attitude that had significance for both foreign and domestic policy. It

⁴² Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 68.

⁴³ Cancelleria Federale CaF. *Votazione popolare del 16.03.1986*, (2025, July 11). <https://www.bk.admin.ch/ch/i/pore/va/19860316/index.html>.

⁴⁴ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 77-78.

⁴⁵ Forschungsinstitut Schweizerische 1 Gesellschaft für praktische Sozialforschung. (1990, June). *Analyse der eidgenössischen Abstimmung vom 16. März 1986*, Publikation n° 29, Bern.

certainly had a defensive orientation: wanting to remain uncommitted. This also corresponded to the fact that views on the effects of permanent neutrality were very positive: 75% of those eligible to vote supported the rule that Switzerland should always behave in such a way that Switzerland must not be drawn into any conflicts. The majority of supporters of UN membership also agreed with this principle. This was the political reason for the deep attachment to the policy of neutrality: to preserve national cohesion by avoiding any controversy on international issues⁴⁶.

It is important to note that even before this referendum, and then formal accession to the UN that will take place in 2002, Switzerland was already deeply integrated into the UN system in technical and operational terms. Although Switzerland was not a member of the General Assembly or the Security Council, it was actively participating in numerous specialized UN agencies such as WHO, UNESCO, FAO, ILO, IAEA and WIPO, as well as hosting several important UN offices in Geneva. This anticipated what would be Switzerland's approach to the European communities: pragmatic cooperation with the organization at the technical and sectoral level, while maintaining a distance from the decision-making and political spheres in order not to compromise traditional Swiss neutrality and sovereignty.

Considering what happened regarding the UN membership referendum, the Swiss government was keen to keep the issue of compatibility between neutrality and eventual membership of European Communities unclear, preferring to wait until urgency provided enough stimulus to force a decision. The Federal Council, fearing that any profound changes in its traditional position would be opposed by the people, avoided making any premature decisions; at the same time, the Swiss government was becoming aware that the *status quo* reached between EFTA and EEC countries was reaching its limits⁴⁷.

1.3 The 1992 EEA referendum, the Swiss *Sonderweg*

The Swiss neutrality was not only an instrument of foreign policy, but it was also a part of Swiss identity and constituted a point of reference through which the Swiss measured

⁴⁶ Forschungsinstitut Schweizerische 1 Gesellschaft für praktische Sozialforschung. (1990, June). *Analyse der eidgenössischen Abstimmung vom 16. März 1986*, Publikation n° 29, Bern, p.17.

⁴⁷ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 76-77.

foreign policy. As stated by Clive Church: «Neutrality has domestic dimensions, which are numerous, deeply rooted and (...) powerful. These roles came to have a somewhat limiting effect on the conduct of foreign policies». Neutrality, by protecting Switzerland from external influences, played a role in the state-building of the country. It evolved in ways different from those of the European norm. It became a value in itself, essential to national character and a mean for defending Swiss interests. In fact, neutrality became a synonym for independence and sovereignty. On the other hand, the Swiss government's freedom of decision-making has been restricted, turning the Swiss identity in a limit for international cooperation⁴⁸.

The five years between 1988 and 1992 were crucial in Swiss-European relations. Switzerland was perfectly satisfied with the *status quo*. The European Community, however, was again committed to broadening and deepening its structures, with the completion program for the internal market developed in 1985. Between 1985 and 1992, there was an ambitious project that aimed to abolish all internal European Community boundaries to enable the unrestricted circulation of people, capital, goods, and services. From the mid-80s Western Europe experienced extraordinary development and the return of significant growth.

The Single European Act (SEA), which came into force in 1987, was the first significant revision of the 1957 Treaty of Rome. It represented a decisive moment in the process of European integration. Its main target was the creation of the single market through the removal of physical, technical, and fiscal barriers between Member States and legislative harmonization, known as the legal «acquis». The SEA also strengthened the role of the European Parliament, introducing qualified majority voting in many areas to make decision-making more efficient. It represented the basis for the Maastricht Treaty and the birth of today's European Union⁴⁹.

Under the leadership of President Jacques Delors (1985–1995), the European Commission launched an ambitious project to relaunch European integration. Delors was the promoter of the creation of a European internal market. He published the White Paper, where he outlined the legislative and operational steps to complete the internal market, and the Delors Report, regarding the introduction of the single currency. He had a key role in

⁴⁸ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 77.

⁴⁹ EUR-LeX. *The Single European Act*, (2025, July 29). <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Axy0027>.

shaping the vision of a united Europe. Delors was a fervent supporter of post-war European integration and a builder of the European Union we know today⁵⁰.

The international stage changed completely with the fall of the Berlin Wall in November 1989, marking the symbolic end of the division between East and West. The German reunification in 1990 and the collapse of the Soviet Union in 1991 meant the end of the Cold War, forcing Western Europe to redefine its role. The wars in the former Yugoslavia marked an era of tumultuous changes. In this context, Delors' leadership stood out as an example of resilience. His decisive actions paved the way toward unity. This new scenario, thanks to the Commission Delors, furthered European integration, the debate on future enlargement to the East and the drafting of the Maastricht Treaty⁵¹.

This period of unprecedented dynamism, between 1985 and 1992, completely disrupted the *status quo* in Western Europe. The EFTA countries started worrying that they would remain left behind at the levels of the free trade agreements of the early 1970s, while the new European Community (EC) was turning from the common market to the internal market. An initiative to intensify cooperation with the EC, in order to secure free trade and improve the economic environment, came from EFTA at the Vienna Summit of 1977. In Luxembourg in April 1984, the EC/EFTA Ministers stressed the importance of further actions to consolidate and strengthen cooperation⁵². In a speech given by President Jacques Delors in January 1989 to the European Parliament, for the first time the EU Commission opened the door for deeper cooperation between EEC and EFTA: he suggested the creation of a European Economic Area (EEA)⁵³.

The EEC's own development did not motivate any change in Swiss policy towards the EC. Switzerland was even reluctant to develop a common EFTA strategy in its negotiations with the EC. It deliberately pursued bilateral negotiations, according to its national interests. The 1988 Report on the Position of Switzerland in the Process of European Integration shows us the position and the fear of the Swiss government first, and of the Swiss citizens second, regarding what an eventual Swiss membership would mean:

⁵⁰ European Commission. *Jacques Delors*, (2025, July 29). <https://ec.europa.eu/stories/Jacques-Delors/index.html>.

⁵¹ *Ibidem*.

⁵² Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 71.

⁵³ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 24-25.

In view of the fact that Switzerland and the Community attest to their willingness and ability to maintain conditions conducive to the continuation and deepening of such relations, in particular by concluding new agreements on the basis of the principle of equality of the Contracting Parties and with mutual respect for their identity and independence, the question of Swiss membership in the EC is not topical. Moreover, accession would also be problematic from the angle of Swiss policy of neutrality, the credibility of which could be undermined. Consequently, membership is not the purpose of deepening our relationship with the Community⁵⁴. (...) Membership would have important consequences for our state structure. The transfer of state sovereign rights to the supranational bodies of the EC- such as the Council, the Commission, and the Court of Justice (in which our country would be represented)-would not only limit the powers of the Federal Assembly and the Federal Supreme Court, but would also affect federalism and direct democracy, that is, the foundations of our identity⁵⁵. (...) Membership would disrupt our democratic mechanisms and foreign policy principles in a way that would profoundly transform our national identity. On the other hand, we are convinced that Switzerland can contribute a great deal to the construction of Europe while not joining the EC⁵⁶.

Switzerland maintained regular contacts with a view to reinforcing the political dialogue, while rejecting any institutionalized coordination. The prevalent decision of the Federal

⁵⁴ Swiss Federal Archives. (1988, 24 August). *Rapporto sulla posizione della Svizzera nel processo d'integrazione europea*, Bern, p. 296, my Eng. trans. «Tenuto conto che la Svizzera e la Comunità attestano la volontà e la capacità di mantenere le condizioni propizie alla prosecuzione e all'approfondimento di siffatti rapporti, in particolare con la conclusione di nuovi accordi in base al principio dell'eguaglianza delle Parti contraenti e nel rispetto reciproco della loro identità e della loro indipendenza, la questione di un'adesione della Svizzera alla CE non è attuale. L'adesione sarebbe d'altronde problematica anche dall'angolazione della politica svizzera di neutralità, di cui potrebbe comprometterne la credibilità. Conseguentemente l'adesione non è lo scopo dell'approfondimento dei nostri rapporti con la Comunità».

⁵⁵ Ivi, p. 325, my Eng. trans. «L'adesione avrebbe importanti conseguenze sul nostro assetto statale. Il trasferimento dei diritti sovrani dello Stato agli organismi sopranazionali della CE - come per esempio il Consiglio, la Commissione e la Corte di giustizia (nei quali il nostro Paese sarebbe rappresentato) - non limiterebbe unicamente i poteri dell'Assemblea federale e del Tribunale federale, ma avrebbe pure ripercussioni sul federalismo e sulla democrazia diretta, ossia sui fondamenti della nostra identità».

⁵⁶ Ivi, p. 328, my Eng. trans. «L'adesione sconvolgerebbe i nostri meccanismi democratici ed i nostri principi di politica estera in modo tale da trasformare profondamente la nostra identità nazionale. Siamo d'altra parte convinti che la Svizzera può contribuire in larga misura alla costruzione dell'Europa pur non aderendo alla CE».

Council was to intensify relations with the EC without sacrificing Swiss foreign policy and Swiss foreign trade policy. That meant meeting the EC's requirements in order to avoid the need for applying for membership. This scenario was constantly invoked during the campaign on EEA participation by those who believed that the preservation of Swiss identity and closer relations with the EC were mutually exclusive⁵⁷.

The Swiss Federal Council concluded that membership in the EEA was on the other hand the only alternative to the no longer sustainable existing policy of selective cooperation in order to avoid the marginalization of Switzerland in Europe. We can understand this new environment in Europe, the shrinking area of maneuver for Switzerland and this fear of marginalization in this letter sent by Benedict de Tschärner, head of the Swiss mission for the European Communities, to the head of the Federal Department of Public Economic Affairs Jean-Pascal Delamuraz and to the head of the Federal Department of Foreign Affairs René Felber:

A similarly perplexed reaction to the extent and number of exceptions to the *acquis communautaire* requested by the EFTA countries. At a time when the Community is seeking to make a qualitative shift towards economic and monetary union, as well as political union, the problem of "à la carte integration" appears particularly delicate⁵⁸. (...) The Austrians' minimalist interpretation of their neutrality no longer seems to shock anyone. In the new circumstances prevailing in Europe, their obstinacy may well pay off. The need for the EC to offer neutral countries something other than the choice between membership and the status quo has become less obvious; neutrality no longer justifies preferential treatment⁵⁹. (...) In my opinion, a very serious analysis should be devoted to the implications, for Switzerland, of becoming an island within a European political, economic and

⁵⁷ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 71-72.

⁵⁸ Swiss Federal Archives. (1989–1992). *Relations de la CE avec les pays de l'AELE*, 3 tomes, Bern. p. 2, my Eng. trans. «Réaction de perplexité similaire en ce qui concerne l'ampleur et le nombre des exceptions demandées par les pays de l'AELE par rapport à l'acquis communautaire. A un moment où la Communauté désire opérer sa mutation qualitative vers une union économique et monétaire ainsi que vers une union politique, le problème de l'"intégration à la carte" apparaît comme particulièrement délicat».

⁵⁹ Ivi, my Eng. trans. «L'interprétation minimaliste que font les Autrichiens de leur neutralité ne semble plus choquer personne. Leur obstination pourrait bien, dans les circonstances nouvelles régnant en Europe, s'avérer payante. Le besoin, pour la CE, d'offrir aux pays neutres autre chose que le choix entre l'adhésion et le statu quo est devenu moins évident; la neutralité ne justifie plus un traitement de faveur».

monetary union of some twenty member countries (economic aspects, credibility of a policy of neutrality, etc.)⁶⁰.

The Swiss government reached the conclusion to open for more international cooperation mostly by reacting to external pressures, the incentive for changing Swiss policy towards the EC came from the Commission itself. In January 1989, Jacques Delors invited the EFTA countries to consider a more structured partnership to make EC/EFTA activities more effective and to highlight the political dimension of cooperation⁶¹. All the EFTA countries accepted the invitation and began negotiations to gain access to the internal market. The negotiations lasted about three years and turned out to be very complex. At the very beginning of negotiations, Jacques Delors offered the EFTA countries the chance to take part in the decision-making process for the rules of the internal market. However, he later changed idea. As reported by the Swiss Secretary of State Franz Blankart, the new position of the EC commission was that if a country was not an EU Member State and did not form part of its common institutions, it had no place at the decision-making table, at most, the EU was willing to consult these countries informally, a process referred to as «decision-shaping⁶²».

The EEA offered them the prospect of automatic, constantly up-to-date access to the internal market but in exchange, they would have to agree to rules decided in Brussels by the Member States and Community institutions. This obligation to automatically accept the EEC *acquis* bothered many EFTA countries, but the fear of being left behind was strong, and the result was the EEA Agreement, signed in Porto in May 1992, that created the European Economic Area. However, some EFTA countries decided to go further applying for EC membership. The first to act was Austria, which applied to join the EEC in 1989, soon followed by Sweden and Finland. They did not want to be marginalized in economic terms, and so they wished to be part of the EEA but at the same time they also wanted to be involved in the decision-making process, something the EEA did not allow for: EU membership was therefore preferable.

⁶⁰ Swiss Federal Archives. (1989–1992). *Relations de la CE avec les pays de l'AELE*, 3 tomes, cit., p. 4, my Eng. trans. «Une analyse très sérieuse devrait à mon avis être consacrée aux implications, pour la Suisse, de devenir une île au sein d'une Union politique, économique et monétaire européenne comptant une vingtaine de pays membres (aspects économiques, crédibilité d'une politique de neutralité etc.)».

⁶¹ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 72-73.

⁶² Swiss Federal Archives. (1989–1990). *Telex hebdomadaires*, vol. 5, Bern, p. 11.

We must not forget that in these same years there was another important development on the international stage: the collapse of the Soviet Union and consequently the end of the Cold War. This opened the gates for an exodus of EFTA countries towards the EU. Historically neutral countries such as Austria, Sweden, and Finland, unlike Switzerland, did not join the European Communities in the Cold War era for political reasons, rather than cultural as in the Swiss case⁶³. In this new international order, the meaning of neutrality was drastically reduced. The real problem with the meaning of Swiss neutrality, went beyond the instrument of foreign policy. The continuing difficulty for Switzerland to formulate a clear policy on neutrality and on its role in international cooperation was due to the lack of unanimity among the political elite, in particular before and after the 1992 referendum regarding joining or not the EEA⁶⁴.

This strong internal political division was evident when, in May 1992, the Swiss authorities not only signed the EEA Agreement but also decided to request Switzerland's membership in the European Communities. The decision was adopted by a 4-3 majority in the Federal Council; both the government and the parties were divided. As stated by Professor Gilles Grin:

The Federal Council argued that while signing the EEA Agreement could prevent the country from becoming marginalized economically, Switzerland having only decision-shaping rather than decision-making powers would not be fitting for a sovereign state and would lead to it becoming marginalized politically⁶⁵.

The Federal Council therefore saw membership of the European Economic Area as an intermediate step to get first economic benefits, but with the intention of dealing with the political aspect by applying for EU membership at a later date. This would allow Switzerland to participate in the political decisions being taken in Brussels in order to avoid political subjugation⁶⁶. Here we can see one of the main turning points of the Swiss-Eu relations, the EEA/EC membership would have represented a similar path that other ex-EFTA countries

⁶³ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 25-26.

⁶⁴ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 74-76.

⁶⁵ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 26.

⁶⁶ *Ibidem*.

like Austria had taken. As the 1992 referendum result showed, this was not the case for Switzerland that instead voted for a *Sonderweg*.

While the Swiss government was feeling the deep changes in European environment and was affected by this external pressure, for the Swiss citizens there was no such pressure to break from the *status quo* of relations between Switzerland and the EC. As analyzed by Professor Landau, regarding the question: «was there a risk of isolation if Switzerland chose to remain outside the EEC, 67.5% answered that there was none». Her survey also revealed the nature of the internal division with the French part of Switzerland, the urban population and the most educated levels that were more in favor of EEA membership⁶⁷. Many found the idea of Switzerland joining the EU simply did not mirror Switzerland's deeply rooted particularities, many Swiss could not accept the idea of the country being diluted into a European entity⁶⁸. The Federal Council on the other hand, as strongly advocated by the Federal Councilor Felber, was committed to inform the Swiss citizens regarding what was the EEA, the EFTA-EEA relations, the nature of current discussions and the Switzerland's position in the European integration process⁶⁹. For the 1992 referendum regarding joining, or not, the EEA, the Swiss government spent over 4.2 million US dollars informing the population about the advantages of the eventual EEA membership⁷⁰.

The fact that the EEA Agreement involved a supranational dimension, it also required a mandatory referendum, comprising a vote by both the people and by the cantons. The vote was held on 6 December 1992, many Swiss were unsure whether they were voting on the issue of EEA membership, or *de facto* for or against membership within the European Community. In legal terms, there was no doubt that the referendum topic was the EEA, but things were far less clear in political terms. The Federal Council had the power to begin EU membership negotiations, but it was the Parliament, the people, and the cantons that would have to ratify any potential EU membership at a later stage. The European Economic Area referendum campaign took place in a highly tense atmosphere, and the vote was one of the most divisive in the Swiss history⁷¹.

⁶⁷ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 78-79.

⁶⁸ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 26-27.

⁶⁹ Swiss Federal Archives. (1989–1990). *Groupe de réflexion "La Suisse et l'Europe"*, vol. 5, Bern, p. 4.

⁷⁰ Pidot, W. D. (1994/1995, Winter). Stoic Resistance: Switzerland's Relations with the European Union. *Harvard International Review*, vol. 17, No. 1, <http://www.jstor.org/stable/43661405>, pp. 58-59.

⁷¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 27.

The referendum saw a very high turnout: almost 80%, a post-war record. Both the people and the cantons saw the win of the «no»: 50.3% of the voters and 16 out of 23 cantons⁷². According to the result of the referendum, the EEA membership was rejected. The Swiss had refused to join the EEA, which meant that technically speaking, they were still adopting an approach that dated back 20 years: the industrial free trade agreement of 1972. The Federal Council's idea of EEA membership as a step towards EU membership resulted to a failure, the Swiss refused this process from the very beginning with this vote. The main arguments against participation in the EEA revealed an idealistic approach more than a technical one. A large majority of the opponents of the EEA, 75% of them, shared the vision of a neutral Switzerland, closed in itself, with the capacity to conduct its own policy. The Swiss vote was depending around Swiss identity. This result was not far from the one regarding the UN membership of 1986. The key role of the identity can be clearly seen through an interview, conducted in Bern in 1993 by Professor Landau, to a high ranking official⁷³:

The rejection coming from those voting against the EEA was a quasi-patriotic resistance, and an expression of fear. They have an image of a mythical Switzerland which they wish to preserve, as they sustain their beliefs with the image of Swiss prosperity. In these circumstances, it is difficult to convince this fringe of the population that Switzerland must open her frontiers in the interests of the economy⁷⁴.

Already worried of their membership in the European Free Trade Area, most of the Swiss citizens probably feared that membership in the EEA was a hidden path leading to full membership in the European Union. The majority of the Swiss remained firmly opposed to any formal EU affiliation; many of the no-votes could be intended only as a rejection of EU membership, but they also ended up rejecting membership in the EEA⁷⁵.

The Swiss attitude in these five years of negotiations and with the result of 1992 referendum, showed the ambiguity of the Swiss policy, indicating that the trend towards increased cooperation was a mere adjustment to a new environment, and not a real

⁷² Cancelleria Federale CaF. *Votazione popolare del 06.12.1992*, (2025, July 14). <https://www.bk.admin.ch/ch/i/pore/va/19921206/index.html>.

⁷³ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., pp. 79-80.

⁷⁴ Ivi, p. 80.

⁷⁵ Pidot, W. D. (1994/1995, Winter). Stoic Resistance: Switzerland's Relations with the European Union. *Harvard International Review*, cit., p. 58.

movement towards integration in the international community. The dynamic of the government; avoiding the adoption of any drastic changes in its timid policy, and the people unable to face the end of the Swiss myth was perpetuated⁷⁶. The EEA, without Switzerland, was established in 1994, it consisted of an extension of the EU's internal market. EFTA and the EU evolved in the opposite direction. The number of European Community countries was rising, starting first from 6 to 28, then 27 with Brexit in 2020. On the other hand, the EFTA was shrinking from a total of 10, in different phases, to today's four. Of the today remaining EFTA only Switzerland rejected EEA membership, while Norway, Iceland and Liechtenstein are part of the European Economic Area. By the 1990s, it was clear that EFTA was not a competing model in comparison with the EU for the Eastern Europe countries emerged after the end of the Cold War⁷⁷.

Switzerland is a *Sonderfall*, an exceptional case. This particularity can only be understood considering its unique identity, based on the triangle of neutrality, federalism, direct democracy. Unlike many other non-Eu European states that are not able to join the EU for technical issues, in the Swiss case this is mainly due to cultural reasons. Switzerland fears that the necessary delegation of power to the EU's supranational institutions would imply a loss of sovereignty through losing its national identity triangle. This «triangle» has not only been the historical base of the Swiss national cohesion and identity but also the base to understand the evolution of the relations between Switzerland and the European Union⁷⁸. In 1992, Switzerland's road to EU integration hit a wall and this turning point did not lead on the way of EU integration but, as I analyze in the next chapter, on a *Sonderweg*: the bilateral way⁷⁹.

⁷⁶ Landau, A. (1993). SWISS NEUTRALITY: BURGEONING POLICY OR OBSTINATE CONTINUITY. *Studia Diplomatica*, cit., p. 81.

⁷⁷ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 22-23.

⁷⁸ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, Vol. 27, No. 3, <http://www.jstor.org/stable/23317239>, p. 372.

⁷⁹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 27-28.



EWR/EG NEIN

Die EWR/EG-Politik des Bundesrats (EWR = EG-Beitritt) hätte für unser Land katastrophale Folgen:

- Verschacherung des Vaterlandes an ausländische Politiker und Technokraten
- Lohnabbau für Arbeiter, Angestellte und Kaderleute
- Einkommenseinbußen für Gewerbe und freie Berufe
- Wegfall aller Schranken für die EWR-Ausländer
- Massive Bedrohung der Landwirtschaft
- Arbeitslosigkeit, weniger Arbeitsplätze für Schweizer
- Zinsanstieg, Mietzins erhöhungen, Wohnungsnot
- Jahreskosten EWR: 500 Mio, EG: 3600 Mio
- Steuererhöhungen, Teuerung
- 500 neue Bundesbeamte, übersteigerte Bürokratie
- Numerus clausus an Schweizer Universitäten
- Bevölkerungsvermehrung, Überfremdung
- Verzicht auf die Volksrechte und der Neutralität
- Abbau der Kantons- und Gemeindeautonomie
- Fremde Behörden und fremde Richter

Verzicht auf die freie und unabhängige Schweiz und schwere Wohstandseinbußen wären Folgen des EWR, der den Beitritt zur EG unvermeidlich machen würde.

Die Lösung: Weiterführen des bewährten Freihandelsystems mit der EG und der ganzen Welt sowie Bewahrung unserer Selbständigkeit

Fig. 2: The figure shows a visual material from the No campaign of the Euroskeptical and conservative right-party SVP (Schweizerische Volkspartei). The animated sun rises behind the mountains is a typical SVP symbol. The text says: «For a secure future in freedom, EEA NO».

Fig. 3: The figure shows a visual material from the No campaign. The text says: «EEA/EC NO, The Federal Council's EEA/EC policy (EEA = EC accession) would have catastrophic consequences for our country (...) Renunciation of people's rights and neutrality; Reduction of cantonal and communal autonomy; Foreign authorities and foreign judges. Renunciation of a free and independent Switzerland and severe loss of prosperity would be the consequences of the EEA, which would make accession to the EC unavoidable. The solution: Continuation of the proven free trade system with the EC and the whole world and preservation of our independence, EEA, EC NO».

2. Switzerland and the EU: The Swiss bilateral way

This chapter analyzes Switzerland's bilateral approach to the European Union as an alternative way after the country rejected joining the EEA in the 1992 referendum. Although initially intended as a temporary solution to ensure access to the EU internal market, this *Sonderweg* has de facto evolved into a distinct model of cooperation, prioritizing sectoral agreements over institutional integration. In this chapter, on the one hand, the analysis has relied on primary sources, mainly reports and publications from the Federal Department of Foreign Affairs and the European institutions; on the other hand, it has focused in particular on the research of Swiss professors Patrick Emmenegger, Lukas Lauener and Christa Tobler and the political analysis of EU politician Andreas Schwab.

In the second section, I analyzed a specific case, the 2014 referendum regarding immigration control, which allows to better understand the Swiss attitude towards the EU in the mid-2010s. The consequences of this popular initiative undermined the bilateral approach, exposing the tension between Swiss national sovereignty and identity on the one hand, and EU integration on the other hand. This chapter also analyzes the fundamental role played by the right-wing Euroskeptic party SVP, the most popular Swiss party since 1999. After reaching the peak of popular support in the 2015 political elections, it took the initiative in 2016 to officially withdraw Switzerland's application for EU membership. I focus on how Swiss identity transformed the bilateral approach from a transitional agreement to an alternative and a resistance to EU membership.

2.1. Swiss bilateral approach with the EU: the Bilateral agreements I and II

Located in the heart of the European Union, Switzerland is the fifth most important trading partner of the EU. On the other side, the EU is the first trading partner for the Swiss, accounting for almost 60% of total exports and 70% of imports¹. Although the Swiss rejected accession to the EEA with the 1992 referendum, the Swiss government officially maintained, until June 2016, the final goal of EU-accession. The Federal Council had to subsequently adapt and proceed through negotiating bilateral agreements with the European Union. This

¹ EEAS, *The European Union and Switzerland*, (2025, July 23), https://www.eeas.europa.eu/switzerland/european-union-and-switzerland_en?s=180#5056.

was supposed to be a temporary solution, both for the Federal Council and the EU, leading at the end to a Swiss full membership in the EU. The rejection of the '92 Referendum, for the Federal Council threatened the long-standing goal of Swiss foreign policy to stay politically out of European integration without being economically discriminated. Since Switzerland became the only EFTA country that neither joined the EU nor participated in the EEA, there was the risk at that time of economic discrimination not only by the EU but also by the EEA.

Therefore, the Federal Council, just a few weeks later, approached the EU with the desire to regulate their relationship through bilateral treaties. Even if on the evening of the EEA vote the EU Commissioner Frans Andriessen stated: «It is completely out of the question that we will do something bilateral with Switzerland», the negotiations began in 1994². The bilateral way actually did not represent steps towards membership but controversially as steps away from it³. Switzerland and the European Union developed a *Sonderweg* where relations are laid down in comprehensive sets of bilateral sectoral agreements.

Till today there is no other third country that has concluded or voted so many agreements with the EU as Switzerland⁴, but there is not even agreement on the number of agreements. The EU Commission counts more than 120⁵ while the Federal Department of Foreign Affairs lists only 20 main agreements and several hundred secondary agreements, which are mostly adaptation agreements to the main agreements⁶. This difference is probably also the result from different political positions and a communication strategy. Regarding the EU Commission, the high number highlights a fragmented mosaic: an argument in favor of an institutional framework agreement and/or a mechanism for dynamic updating and dispute resolution. The Swiss government, on the other hand, emphasizes the 20 main agreements, which, with their smaller number, emphasizes that the bilateral approach is manageable and it is able to preserve the Swiss sovereignty, and broadly the

² Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 170.

³ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, cit., p. 376.

⁴ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, <http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>. p. 10.

⁵ Europäischer Auswärtiger Dienst. (2020, September). *Grundlegende Fakten zum Rahmen der Beziehungen EU-Schweiz*, Bruxelles, p. 3.

⁶ Eidgenössisches Departement für auswärtige Angelegenheiten EDA. (2014). *Die Bilateralen Abkommen Schweiz – Europäische Union*, Bern, https://www.files.ethz.ch/isn/186732/FS-Bilaterale_de.pdf, p. 6.

Swiss identity. This other approach considers the rest of the agreements as just «technical adjustments», advocating the lack of necessity of «new political constraints».

The negotiations started in 1994 and lasted almost five years. After long and difficult discussions, an agreement was reached in 1998. The so-called «Bilateral I» package was signed in 1999. In 2000, according to the Swiss direct democracy, a referendum was held in order to ratify the bilateral agreements; the vote resulted with 67.2% yes-vote⁷. The package came into effect in 2002. The Bilateral I package was a set of sector-based agreements covering: the free movement of persons, the elimination of technical barriers to trade, public procurement, overland transport, air transport, agriculture and participation in EU research programs. The seven agreements were negotiated, signed and entered into force as a single package. They were linked in legal terms by a *guillotine clause*. If one of the agreements was terminated, the others would have also ceased to have effect⁸. This element created pressure for Switzerland to continuously implement and take over relevant Community legislation in the areas agreed upon.

The agreement regarding the free movement of persons was negotiated at the request of the EU, which insisted to abolish Switzerland's system of national preference and quotas regarding the employment of foreign labor. Switzerland had a seasonal worker scheme, the so called *Gastarbeiter*, that was extremely harsh in human terms. Additionally, the European Union insisted on the *guillotine clause* in order to avoid that in the future Switzerland might seek to withdraw from the free movement of persons, as indeed happened in the 2010s. The Swiss citizens got on the other hand the access to the EU job market despite not holding an EU passport. Securing this agreement was important for the EU, because the four freedoms represent the pillars of the internal market, and the free movement of persons forms is an integral part of the European project⁹. These agreements gradually opened up the Swiss labor market, both for cross-border commuters and for EU citizens living permanently in Switzerland. At the end of 2021, Italians formed the largest

⁷ Cancelleria Federale CaF, *Votazione popolare del 21.05.2000*, (2025, July 23). <https://www.bk.admin.ch/ch/i/pore/va/20000521/index.html>.

⁸ Federal Department of Foreign Affairs FDFA. (2025, January 31). *The main bilateral agreements between Switzerland and the EU*, (2025, July 23), Bern, <https://backend.europa.eda.admin.ch/fileservice/sdweb-docs-prod-europaedach-files/files/2025/05/30/abc5c3f7-173e-4eff-a099-55de8f150bf4.pdf>, p. 7.

⁹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 29-30.

foreign population group with around 330,000 people out of a total of 1.45 million EU/EFTA national¹⁰.

Following the Bilateral I agreement, Switzerland and the EU also agreed a supplementary raft of sector-based agreements, known as «Bilateral II» package. Between 2001 and 2004 the new package of sectoral bilateral agreements was discussed. They came into effect progressively between 2005 and 2008. This second round of agreements considered further economic interests, such as the food industry, tourism, and the financial center. It extended cooperation between Switzerland and the EU beyond economic affairs to important new political areas including internal security, asylum, the environment and cultural affairs¹¹.

The most important of the new agreements was the Schengen-Dublin Agreement, under which Switzerland joined the European Free Movement Area. It was approved with 54.6% of yes-votes in the referendum in 2005¹². The aim was to abolish internal border controls and create a Schengen Information System, centralizing security department data and facilitating cooperation between national enforcement agencies. At the same time, the EU's external borders would be strengthened, accompanied by the creation of a common visa, thus allowing citizens of third countries to travel throughout the Schengen area on a single visa. The asylum aspect, known as the Dublin Regulation, after the specific Convention establishing a common asylum system, meant that asylum-seekers' requests would be examined in the Schengen-Dublin area country in which they first arrived. Switzerland becoming a full member of Schengen-Dublin marked a key milestone in its relations with the EU on a pathway towards integration¹³.

Through the Bilateral I and II, Swiss citizens and Swiss companies became participants in the EU internal market in many areas¹⁴. Due to the bilateral nature of the relations between the European Union and Switzerland, the Swiss had no power in the decision-making process of the EU, they were only able to provide input in the decision shaping phase via some formal and informal channels. Through the Swiss bilateral

¹⁰ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 111.

¹¹ Federal Department of Foreign Affairs FDFA. (2025, January). *Bilateral agreements II (2004)*, (2025, July 23), Bern, <https://www.europa.eda.admin.ch/en/bilateral-agreements-2-2004>.

¹² Cancelleria Federale CaF. *Votazione popolare del 05.06.2005*, (2025, July 23). <https://www.bk.admin.ch/ch/i/pore/va/20050605/index.html>.

¹³ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 30-31.

¹⁴ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 109.

approach, we can see the difference with the EEA-EFTA Member States Iceland, Liechtenstein and Norway regarding the integration with the EU. The Swiss strategy was very careful not to lose control and sovereignty; an attitude deeply linked to their identity since the early days of European integration¹⁵. This would be the key issue of the development of the Swiss-EU relations after the two packages of bilateral agreements.

The prospect of EU membership was having less and less support among the Swiss, this was evident in 2001 when at the referendum regarding the popular initiative «Yes to Europe!», proposed by the New Swiss European Movement¹⁶, an overwhelming 76.8% of the voters and all the cantons rejected the proposal¹⁷. This outcome was confirmed in 2005 when the Federal Council downgraded its strategy of EU membership as just «one option among others».

As stated by Professor Gilles Grin, the further down the bilateral way Switzerland travels, the remoter its prospects of EU membership become; and indeed, this is no accident. The calibre of Switzerland's negotiators enabled it to establish good sector-based agreements with its EU partners and secure a highly positive impact on the economy – and in doing so, made the option of EU membership less pressing. The bilateral way was supposed to be a temporary solution. However, the more the bilateral approach was developing, the less EU membership seemed necessary. We can notice here a link between the successful launch of the bilateral way and the prospects of EU membership receding. With its *Sonderweg*, Switzerland was focusing and aiming above all to avoid economic marginalization, beyond the old free-trade agreements of 1972 and gaining significant access to the EU's internal market¹⁸.

As long as Switzerland only participates in the enlarged internal market on a transitional basis its *Sonderfall* was accepted. However, after it became more and more evident in 2005 that Switzerland wanted to make this transitional solution permanent, pressure grew on the EU Commission to deepen vertical integration. Since 2008, the EU

¹⁵ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., p. 32.

¹⁶ *Neue Europäische Bewegung Schweiz* (NEBS).

¹⁷ Cancellaria Federale CaF, *Votazione popolare del 04.03.2001*, (2025, July 23). <https://www.bk.admin.ch/ch/i/pore/va/20010304/index.html>.

¹⁸ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 28-33.

started demanding a change to a dynamic adoption of the EU-law and the need to establish an institutional framework regarding the bilateral agreements¹⁹.

As reported by Andreas Schwab, the chair of the EU Delegation for Northern cooperation and for relations with Switzerland and Norway: «the Swiss only know what they don't want—namely, political integration—and not what they do want²⁰». Although the Bilateral I and II did not correspond to the full and complete access to the internal market as the EU or EEA membership would provide, this allowed the Federal Council to hold an autonomous adoption of law and above all this allowed them to show to their citizens that the Swiss national sovereignty was being preserved²¹.



Fig. 4: The figure shows a visual material from the No campaign. Chicken with its beak tied and being plucked and the legs chained with the letters EU. The text says: «Increasingly impoverished. We are losing our freedom. No to EU membership».

¹⁹ Baudenbacher, C. (2021, June 8). Why did the EU-Switzerland Framework Agreement fail?, *Swiss Standpoint*, <https://swiss-standpoint.ch/news-detailansicht-en-schweiz/why-did-the-eu-switzerland-framework-agreement-fail.html>, p. 1.

²⁰ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 174.

²¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 33-34.

2.2. Limits and crisis of the bilateral way

The bilateral way after a few years started showing its weaknesses. Its greatest strength was that it provided a custom-made solution that allowed Switzerland to be «in but not of» the EU. The bilateral agreements enabled the country to have access to the internal EU market in the negotiated sectors. This system was possible only because Switzerland's main economic partner, the European Union, accepted this *Sonderweg*, granting its neighbor a treatment outside its usual models of external economic relations. For the EU drafters, indeed, the bilateral agreements represented only a temporary arrangement pending the Swiss full membership in the EU, with the related full access to the European internal market. Therefore, the bilateral agreements were static, they only provided to Switzerland the access to the market «at that specific time, with that related legal *acquis*».

Consequently, they soon showed their intrinsic weakness of not having, for example within the EEA, a legal mechanism to constantly adapt to the evolution of the internal market by implementing the new regulations²². It is important to underline that there was also no surveillance authority checking over the fair implementation of the agreements, nor a court guaranteeing a common interpretation of the agreements or acting as a last resort to settle disputes²³. Even if Switzerland had no part in the EU decision-making process and played no role in developing the EU *acquis*, on the other hand it did not have to automatically transpose EU law. Through the bilateral way it was autonomous. The fact that Switzerland's incorporation of European law was not automatic, for the Swiss citizens meant above all that the sovereignty and independence of the country was safeguarded.

On one hand this arrangement guaranteed that Switzerland would never find itself in a minority within EU institutions. The autonomous incorporation allowed Switzerland, to choose not to adopt a law or adapt it, allowing the country to *de jure* to remain sovereign. On the other hand, Switzerland was *de facto* often obliged to transpose EU laws in respect of which it had no decision-making or shaping power, just copying and pasting them into domestic law. Gaining economic concessions without risking any form of even only formal

²² Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 31-32.

²³ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., p. 11.

political subjugation²⁴ was the main priority for the Swiss citizens regarding Switzerland's relations with the EU after the '92 and 2001 popular referendums, and this was what they were expecting from the Federal Council.

To better understand the Swiss-EU relations it is important to maintain the focus more on the role of the Swiss identity, with its historical and political reasons and particularities, rather than on technical or practical issues. Joining a supranational institution entailed acceptance of the prospect of being in the minority, and of the fact that sovereignty could sometimes be delegated, being exercised jointly at the level of the federation²⁵. Switzerland itself was already a federation; it was already internally affected by this tension between the cantons and the central government. According to the Swiss history the country was born as a confederation of sovereign cantons against external powers and influences, the possibility of joining a supranational institution or being *de jure* under its law was intrinsically against the Swiss identity and tradition.

This idea was deeply rooted in the Swiss citizens minds and as main priority of the political debate. This was also the political position of the *Schweizerische Volkspartei* (SVP), the Euroskeptic and conservative Swiss right-party that since the '92 referendum campaign, on which it built its success, became the dominant party of the last 30 years²⁶. As the agreements were static in nature, this would allow the Swiss government to take over Community *acquis* only in the areas where Switzerland benefited. The Swiss *Sonderweg* was criticized by the European Commission for allowing this «cherry picking» in which Switzerland could partially, but nevertheless significantly, have access to the internal market and at the same time avoiding both economic isolation and any further integration options such as membership of the EU or the EEA²⁷. The common EU integration strategy of power pooling via supranational institutions was itself in antithesis with the Swiss identity and tradition. Additionally, the Swiss citizens were in general satisfied with their high standards of living and they fear that the EU membership would impoverish the country²⁸.

²⁴ Hunt, J. (2024, January 23). Switzerland and the EU: close, but not too close. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/foreign-affairs/switzerland-and-the-eu-close-but-not-too-close/47331174>

²⁵ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 32-33.

²⁶ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 170.

²⁷ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 34.

²⁸ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., p. 35.

The Swiss strategy was aiming at grasping as much as possible the benefits of the Internal Market while resisting to take on board other policies that complete the market, in particular EU company law, state aid and competition policy²⁹. This analysis is not focused on the technical or specific sectors of the Swiss-EU relations but on the general approach of Switzerland towards the European Union. The two fundamental issues that must be taken into consideration are the negotiation regarding an institutional framework agreement and the issue of immigration control, since these are the two structural issues where tensions between Switzerland and the EU are concentrated.

In 2005 according to a survey the «European Barometer» conducted by from the gfs.bern Institute³⁰ regarding how to develop the Swiss-EU relations after the Bilateral I and II. The poll reported:

7% of respondents are in favor of unconditional EU membership. 48% want to continue on the bilateral path. 25% are in favor of membership but with the possibility of distancing themselves from EU decisions in certain cases. 18% are opposed to going beyond Bilateral Agreements I and II. 13% would prefer to join the European Economic Area (EEA)³¹.

This survey showed how the Swiss were satisfied with this *Sonderfall* of the Swiss-EU relations that was mainly limited to economic cooperation without political implications³². This initial success of Switzerland's European policy opened the hope for the Swiss citizens and the Federal Council to maintain the *status quo*. However, in the following years the Swiss *Sonderweg* started showing signs of its crisis.

The limits of the bilateral path became clear when in 2007 the Swiss desire to participate in the electricity market was opposed by significant reservations from the European Union. The EU Commission never stopped advocating Switzerland's accession to the EEA since the current *status quo*, which was meant to be temporary, couldn't be considered sustainable due to the inherent disruption of the internal market³³. The Swiss

²⁹ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., 32.

³⁰ gfs.bern Institute. <https://www.gfsbern.ch/en/studies/#europe-and-switzerland>

³¹ Swissinfo.Ch. (2005, December 9). Gli svizzeri non vogliono aderire all'UE. SWI swissinfo.ch. <https://www.swissinfo.ch/ita/politica-svizzera/gli-svizzeri-non-vogliono-aderire-all-ue/4896780>.

³² Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., p. 38.

³³ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 122.

parliament in order to maintain its *Sonderweg*, opened for the first time to the creation of a framework agreement which was welcomed by the Council as reported in the Council conclusions on relations between the EU and the EFTA countries:

The Council welcomes the announced deliberations in the Swiss Parliament, which are expected to advocate a framework agreement. Such an agreement should also include the adoption of the *acquis communautaire* in all agreements, as well as a mechanism to ensure the regular updating and uniform interpretation of these agreements³⁴.

Without a framework agreement the EU was no longer available to conclude new market access agreements, and this also negated the possibility of automatically updating the existing bilateral agreements³⁵.

2008 was a significant year not only for the Swiss-EU relations, but also for the wider international context. In this year, the outbreak of the global financial crisis had severe consequences in Europe, exposing the structural weaknesses of the EU internal market. Europe witnessed a period of serious economic uncertainty. While Switzerland, with its strong financial sector and tradition of stability, had to deal directly with the repercussions of the crisis, the EU member states of southern Europe suffered an even greater shock, facing banking instability, rising unemployment, and the risk of sovereign debt crises³⁶.

On one hand, this context influenced the internal cohesion of the EU, but on the other hand it also influenced its external relations. The 2008 crisis made the European Union less willing to tolerate exceptions and distortions to the internal market legal *acquis*. Consequently, pressure grew on Switzerland to move from the bilateral way, already considered only as a temporary measure, to a more institutionalized framework. The global crisis highlighted the fragility of the Swiss *Sonderfall* and increased the EU's determination to preserve the uniformity of the internal market³⁷.

³⁴ Rat der Europäischen Union. (2008, 5 December). *Entwurf von Schlussfolgerungen des Rates zu den Beziehungen zwischen der EU und den EFTA-Ländern*, Bruxelles, p. 8, my Eng. trans.: «Der Rat begrüßt die angekündigten Beratungen im Schweizer Parlament, in denen für ein Rahmenabkommen plädiert werden soll. Ein solches Abkommen sollte auch die Übernahme des gemeinschaftlichen Besitzstands bei allen Abkommen sowie einen Mechanismus beinhalten, mit dem die regelmäßige Aktualisierung und einheitliche Auslegung dieser Abkommen gewährleistet wird».

³⁵ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 122.

³⁶ Szczepanski, M. (2019, October). A decade on from the crisis: Main responses and remaining challenges. *European Parliamentary Research Service*, Bruxelles, pp. 1-3.

³⁷ European Council. Council of the European Union. (2019, February 19). *Council conclusions on EU relations with the Swiss Confederation*, Bruxelles. <https://www.consilium.europa.eu/en/press/press-releases/2019/02/19/council-conclusions-on-eu-relations-with-the-swiss-confederation/>

Since 2008, the EU highlighted the limits of the bilateral way for its static nature. If the Swiss *Sonderweg* was supposed to be turned from a temporary to a permanent model to regulate the Swiss-EU relation, it needed to deal with this lack of dynamism. As pointed out by the EU, to avoid the erosion and paralysis of the bilateral way there was the need for an institutional agreement to consolidate the bilateral agreements and create a set of rules, to make them function properly. This modification was in order to automatically transpose the changes in EU law into the Swiss domestic level. This would provide a solid basis to enable Switzerland and the European Union to negotiate new sector-based agreements. Indeed, in these years the EU made clear that it would not discuss any new sector-based market access agreements in the absence of any institutional framework deal. This decision was in order to preserve the uniform nature of the internal market avoiding risks of distortion³⁸.

An institutional framework agreement would allow rules for mediation and dispute resolution to be agreed upon, and this would be beneficial to both parties. According to the bilateral agreements model of these years the legal disputes were settled by joint committees consisting of Swiss and European civil servants who gathered together in an attempt to find possible solutions in the form of an intergovernmental negotiation³⁹. What is interesting here to underline is not the technical procedures in themselves but how this model reflected the Swiss identity and tradition.

From the Swiss point of view, this mechanism avoided «suffocating» foreign institutionalized procedures that would significantly limit the room of maneuver, representing a possible threat for the Swiss concept of independence and sovereignty. The EU was not allowed to send a group of investigators to Switzerland to check the correct implementation of internal market rules. Switzerland on its side stressed its status of sovereign country and defending any interference outside the bilateral agreements in line with all its efforts to maintain as intact as possible its concept of identity from any form of EU integration.

The enforcement of the sectoral bilateral agreements consequently represented a not insignificant challenge due to the fact that no court could guarantee a unified interpretation of the existing rule creating legal uncertainty⁴⁰. Moreover, there were no guidelines regarding

³⁸ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 34.

³⁹ Ivi, p. 35.

⁴⁰ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., pp. 34-35.

the intergovernmental negotiation for settling the disputes. In case of failure to reach an agreement, there was the risk of the parties taking unilateral or disproportionate measures.

Switzerland secured not to be brought before «foreign courts» able to issue legally binding decisions. Instead of the Court of Justice of the European Union (CJEU) being binding on Switzerland, the bilateral agreement created an arbitration tribunal with one judge appointed by Switzerland and one by the EU and these two judges would agree on the appointment of a third, neutral judge. Adopting the option of an arbitration tribunal offered a way for Switzerland to be involved in traditional dispute settlement mechanisms. The EU wanted its own CJEU to be the supreme authority for the law applicable to these agreements, the arbitration tribunal was a major victory for the Swiss negotiators in line with their political tradition and culture confirming the Swiss *Sonderfall* in Europe⁴¹.

The Swiss Federal government stated that it was not willing to accept a dynamic system, in particular automatic adaptation of the EU law. The 2009 Foreign Policy Report underlined that the bilateral way proved its worth and resulted in a dense network of international agreements to improve the mutual Swiss-EU interests. Additionally, it stated:

However, since there is no guarantee that the bilateral approach will remain valid over the long term, policy with regard to the EU must be reviewed on a periodic basis. One of the main criteria is to ensure sufficient room for autonomous maneuver in decision-making. (...) In areas that are not regulated by bilateral agreements, Switzerland must remain free to implement and if necessary to further develop its own regulations. The bilateral approach must not lead to *de facto* membership without any voting rights⁴².

In this context, Switzerland continued its internal debate if it could better safeguard its interests inside or outside the EU.

Overall, the impression that emerged from the Swiss bilateral way was that it was very fragmented and cautious. It partially reflected the Swiss federalism with its relationship, and relative tensions, between the Swiss cantons and the Federal government. Switzerland was hesitant as it did not want to give up its national sovereignty, firmly

⁴¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 35.

⁴² Federal Department of Foreign Affairs FDFA, (2009, September 23). *The 2009 Foreign Policy Report*, Bern, pp. 2-3.

defending its full control regarding the applying of new EU Internal Market rules and regulations⁴³. In 2010, a report of the Federal Council stated, regarding the European policy, that the bilateral approach was the most suitable system to safeguard the Swiss interests in Europe. Any automatic adoption of legal developments was to be rejected, even though the EU was increasingly demanding that the agreements should be based on the unconditional adoption of the relevant legal substantive law⁴⁴.

2.3. The role of the SVP and the withdrawal of the EU membership application

In the mid-2010s the bilateral way reached its limits showing its crisis. Among the reasons for this crisis, I focus on the issue of immigration control, not only because it represented the main political topic in these years of the so-called «migration crisis⁴⁵» in Europe, but also because it better shows how even here the Swiss-EU relations are influenced significantly by identity-related issues and not technical ones. This became evident in 2014 with the success of the popular initiative, launched by the SVP against «mass immigration», which threatened the whole bilateral agreement approach⁴⁶ and resulted in one of the main moments of attrition between Switzerland and the European Union.

During the 2010s, the right-wing SVP launched several popular initiatives directed against the Free Movement Agreement, above all the Against Mass Immigration initiative. On 9 February 2014, the referendum resulted with 50.3% of the votes in favour⁴⁷. The principle of this initiative was that Switzerland should return to a system of quotas and national preferences to regulate immigration and to reintroduce priority for Swiss nationals for jobs. The SVP advocated for the return of treating immigration from the EU only on the

⁴³ Tobler, C., Hardenbol, J., Mellár, B. (2010). Internal Market beyond the EU: EEA and Switzerland, *Directorate-General for Internal Policies: Policy Department A: Economic and Scientific Policy*, cit., p. 41.

⁴⁴ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 119.

⁴⁵ For «migration crisis» it is intended the phenomenon that has characterized Europe in particular since 2015. In this year, hundreds of thousands of people have crossed the Mediterranean to escape war and persecution. The flow of refugees and migrants to Europe has reached dramatic levels, dominating newspaper headlines and sparking heated political debate. The drama of the phenomenon has brought it to the forefront of the European political agenda with the weight of its numbers. UNHCR Italia, (2025, July 25) <https://www.unhcr.org/it/notizie/storie/2015-l-anno-della-crisi-dei-rifugiati-europa>.

⁴⁶ Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, No. 2, pp. 159-176, p. 161.

⁴⁷ Cancelleria Federale CaF. *Votazione popolare del 14.02.2014*, (2025, July 29). <https://www.bk.admin.ch/ch/i/pore/va/20140209/index.html>.

same basis as from any other third country⁴⁸. The consequences of the 2014 referendum soon emerged when Croatia joined the EU in 2013. Switzerland refused to sign the already negotiated protocol extending the Free Movement of Persons Agreement to the new EU member state. As a consequence, Switzerland was excluded from the EU research programs between 2014 and 2016, this was very harmful to Swiss research, preventing to Swiss scientists to be take part in major transnational research projects⁴⁹.

The initiative thus fundamentally questioned the Free Movement Agreement and, according to the *guillotine clause*, the other six agreements of the Bilateral I. The result of the vote on the mass immigration initiative led to a deadlock between the EU and Switzerland. The EU Council stated in response that it fully respected Switzerland's internal democratic decisions, but the internal market was based on all its four fundamental freedoms, and these were indivisible. The EU stressed that the outcome of the popular initiative could not have negative consequences for EU citizens in Switzerland in respect to the obligations under the Agreement on the Free Movement of Persons⁵⁰. The aim of the Swiss «Against Mass Immigration» initiative was incompatible with the principle of the free movement of persons. In the worst-case scenario the full implementation of it would have led to the collapse of the whole bilateral way. The EU's reaction to the outcome of the referendum made clear that it was not possible for Switzerland to have both access to the benefits of the EU internal market and maintain an autonomous immigration policy⁵¹.

According to the Swiss direct-democratic system, the Federal Council had to implement the approved popular initiative in a new constitutional clause. This created a contradiction because a literal implementation would have entailed the termination of the agreement on the free movement of persons and consequently of the whole Bilateral I package⁵². Indeed, on one hand, Switzerland could not impose quotas on immigrants and a national preference rule on nationals of EU countries since the bilateral treaties formally prohibit this. However, on the other hand, the initiative, which was implemented in the

⁴⁸ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 39.

⁴⁹ Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., p. 168.

⁵⁰ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., pp. 140-143.

⁵¹ Emmenegger, P., Häusermann, S., Walter, S. (2018). National Sovereignty vs. International Cooperation: Policy Choices in Trade-Off Situations. *Swiss Political Science Review*, Vol. 24, No. 4, pp. 400–422, <https://doi.org/10.1111/spsr.12331>, p. 401.

⁵² Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 39.

Federal Constitution with the new Article 121a⁵³, had to be applied to impose quotas on immigrants and a national preference rule on nationals of EU countries. The Federal Council faced a hard choice, as opting to limit immigration would have come at the price of losing access to the EU's Single Market. Swiss government's first attempts to implement the 2014 referendum vote in favour of immigration controls were vetoed by the EU⁵⁴. It was clear that it was not possible both to secure the benefits of economic cooperation and to extend national autonomy⁵⁵.

The Federal Council and Parliament resolved the crisis with a compromise solution. In 2016, a midway legislation was adopted implementing this new Article 121a of the Federal Constitution. However, this legislation was nothing more than a facade, as the initiative was not actually enforced. The introduced measures neither set any immigration quotas nor did they adopt the principle of national preference. They just stipulated that employers looking for employees were required to look first at the profiles of job seekers residing in Switzerland but without being forced to hire them. Moreover, this was only applied in the event of high unemployment in specific sectors or regions⁵⁶.

The compromise implementation of the initiative did not satisfy the SVP. The critics underlined that this did not mirror the will of the people and of the Swiss cantons, not implementing national preferences and quotas. Those in favour of a more flexible application emphasized how the Swiss Parliament managed to apply a pragmatic compromise: encourage local labor without damaging the bilateral way⁵⁷. While the issue regarding immigration control was *de facto* solved, avoiding a head-on collision with the EU, domestically the SVP tried to reopen the issue in September 2020. The Swiss voted on the popular initiative «For moderate immigration». The SVP considered the outcome of its 2014 popular initiative not really been implemented, so, unlike the previous text, the party explicitly called for the termination of the agreement of the free movement of persons with the EU⁵⁸.

⁵³ Cancelleria Federale CaF. *Iniziativa popolare federale 'Contro l'immigrazione di massa'*, (2025, July 29). <https://www.bk.admin.ch/ch/i/pore/vi/vis413t.html>.

⁵⁴ Emmenegger, P., Häusermann, S., Walter, S. (2018). National Sovereignty vs. International Cooperation: Policy Choices in Trade-Off Situations. *Swiss Political Science Review*, cit., pp. 401-402.

⁵⁵ Ivi, p. 419.

⁵⁶ Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., pp. 168-169.

⁵⁷ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 40.

⁵⁸ Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., pp. 167-169.

The referendum resulted in the rejection of the initiative with 61.7% of the votes⁵⁹, concluding also internally the issue and the doubts regarding Switzerland's adherence to the free movement of persons principle with the EU. The 2015 referendum showed that ending the Free Movement of Persons would mean terminating the Swiss-EU bilateral treaties. It also revealed the EU's growing unwillingness to grant individual countries exceptions from its overall rules.

Since the 2010s the trade-off between national sovereignty and international cooperation became increasingly politicized in Europe, not only in Switzerland, as the events regarding Brexit⁶⁰ demonstrated. In the Swiss *Sonderfall*, economic integration within the EU internal market was the key form of international cooperation, while the emphasis on the national sovereignty was particularly pronounced regarding immigration control, as the 2015 referendum clearly showed. The Swiss politics towards the EU were complicated by a general unwillingness to abandon sovereignty in Swiss-EU relations. In Switzerland, the SVP was in the front line against giving up sovereignty to international or supranational organizations⁶¹.

Surveys and analysis of professors Patrick Emmenegger and Lukas Launer allow us to have a valuable overview of the preferences of the Swiss citizens regarding the Swiss-EU relations in the second half of the 2010s, in particular regarding international cooperation and national sovereignty. The Swiss are generally well-informed on issues and votes regarding national sovereignty and immigration⁶².

According to the survey that analyzed the attitude of the Swiss citizens regarding the Swiss-EU relations in the mid-2010s, five main categories of voters have been identified: *potentially cross-pressured*, who view both the bilateral treaties and immigration control positively; *nationalists*, who favour immigration control and oppose the bilateral treaties; *internationalists*, who support both immigration and the bilateral treaties; *alternative*

⁵⁹ Cancelleria Federale CaF. *Votazione popolare del 27.09.2020*, (2025, July 29). <https://www.bk.admin.ch/ch/i/pore/va/20200927/index.html>.

⁶⁰ The trade-off between the economic benefits of EU integration versus the loss of sovereignty regarding immigration control was at the center of the UK's Brexit debate. Owen, E., & Walter, S. (2017). Open economy politics and Brexit: insights, puzzles, and ways forward. *Review of International Political Economy*, Vol. 24, No. 2, pp. 179–202. <https://doi.org/10.1080/09692290.2017.1307245>, p. 185.

⁶¹ Lauener, L., Emmenegger, P., Häusermann, S., & Walter, S. (2021). Torn between international cooperation and national sovereignty: voter attitudes in trade-off situations in Switzerland. *Swiss Political Science Review*, Vol. 28, No. 2, pp. 277–295. <https://doi.org/10.1111/spsr.12484>, pp. 279-280.

⁶² Emmenegger, P., Häusermann, S., Walter, S. (2018). National Sovereignty vs. International Cooperation: Policy Choices in Trade-Off Situations. *Swiss Political Science Review*, cit., pp. 414-415.

potentially cross-pressured voters, who oppose both immigration control and the bilateral treaties; and *neutrals*⁶³.

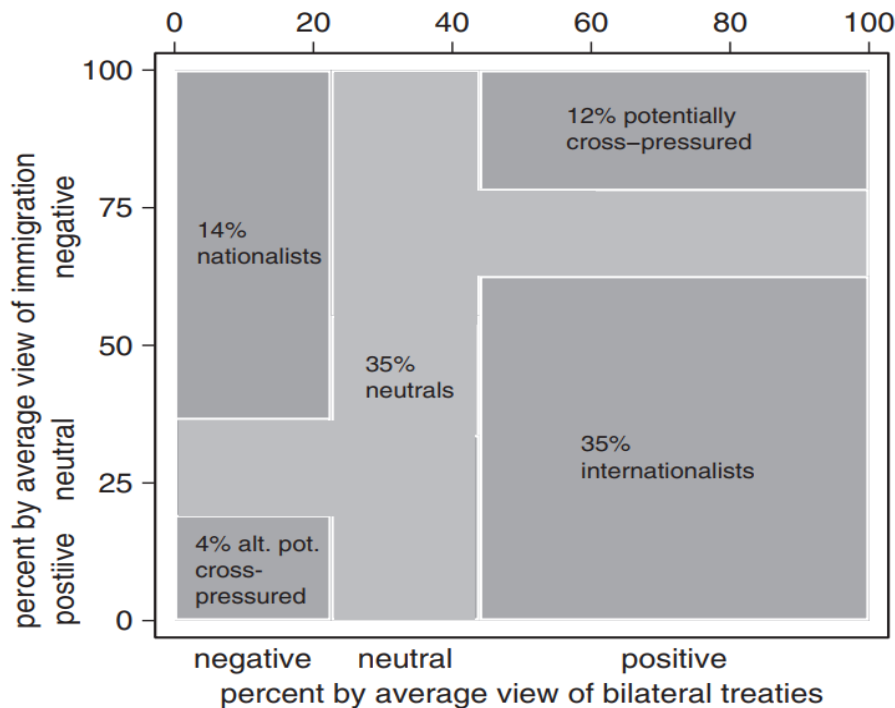


Fig. 5: The table represents the positions of the Swiss citizens regarding the maintenance of the bilateral treaties with the EU and immigration control. The survey was conducted in 2015 by Patrick Emmenegger.

Figure 5 shows that the relative size of these groups differs significantly. The biggest group, about 35%, are the *internationalists*, revealing the popular support of the bilateral way and the Swiss *Sonderweg*. 14% are *nationalists*, who worry about immigration and view the bilateral treaties negatively, mainly supporters of the SVP. 12% are *potentially cross-pressured* voters, even if the EU excluded this possibility. 4% are *alternative potentially cross-pressured* voters. About 35% are *neutral* and this significant share shows how Swiss citizens are uncertain about the costs and benefits of this trade-off between sovereignty and cooperation with the EU. This is even more significant considering that in the Swiss direct democratic context the decisions of the popular referendum, as in 1992 and 2014, have often been taken by a small margin⁶⁴.

The evolution of Swiss identity between 1992 and 2015 revealed a process of polarization. Since the rejection of the EEA in 1992, two opposing views regarding Swiss identity emerged. On the one hand, there was a Switzerland with closer ties to Europe and in favor for greater integration. On the other, there was the strengthening of the concept of

⁶³ Emmenegger, P., Häusermann, S., Walter, S. (2018). National Sovereignty vs. International Cooperation: Policy Choices in Trade-Off Situations. *Swiss Political Science Review*, cit., p. 406.

⁶⁴ Ivi, pp. 406-407.

a sovereign Switzerland, as actively supported by the SVP, clearly distinct from the EU and determined to protect national sovereignty. During the 2000s, the bilateral way was seen as the solution for maintaining cooperation without giving up sovereignty. However, in the 2010s, polarization increased consequently the 2008 financial crisis and the 2014 referendum. This context undermined confidence in the stability of the European Union and accentuated an identity-driven resistance to EU integration.

Cooperation with the EU through the bilateral treaties created substantial gains for Switzerland, but these gains came at a cost: agreement to common rules from which a unilateral deviation was not permitted. For the *internationalists*, this was a small price to pay. The economic implications of the bilateral treaties have been consistently underlined as the key benefit of the Swiss-EU relations. Regarding the large percentage of *neutrals*, large parts of the population did not have clear positions when it came to assess the merits of immigration control and the economic effects of bilateral treaties. This suggested that many citizens had unclear and ambivalent opinions on European integration. Indeed, was not surprising the strong party polarization on this issue in Switzerland⁶⁵.

The 2014 referendum clearly demonstrated the key role of the Swiss direct democracy in its relations with the EU. Many popular votes took place regarding European issues, most of which could potentially compromise the Swiss bilateral way. This meant that the Swiss-EU relations, were continuously under valuation in the Swiss politics. This put Switzerland in a fragile position: Maintaining and consolidating the bilateral approach required consistent vote outcomes over the long term, where even a single result in the opposite direction, as in 2014, sufficed to compromise the whole bilateral way⁶⁶. Here we can see how relevant the role of the direct democracy was, a key element of the Swiss identity, in the Swiss-EU relations.

Similarly to other European parties of the same political spectrum, the SVP managed to capture the *Zeitgeist* and the mood of the Swiss citizens in these years, in particular through its Euroskeptic and anti-immigration positions. At the 2015 political elections the SVP, the most popular Swiss party since 1999, got its peak of popular support with 29.4% of the votes. It was only in July 2016 that the government officially withdrew its application

⁶⁵ Lauener, L., Emmenegger, P., Häusermann, S., & Walter, S. (2021). Torn between international cooperation and national sovereignty: voter attitudes in trade-off situations in Switzerland. *Swiss Political Science Review*, cit., pp. 280-283.

⁶⁶ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 40.

for membership following a parliamentary initiative by the SVP. This came as no surprise to Bruxelles since Switzerland's EU membership request was *de facto* never activated and so it was basically forgotten. Nevertheless, it was a significant symbolic gesture, closing a period of almost 25 years, since 1992, during which Switzerland was *de jure* a candidate for EU membership⁶⁷.

Initially, the Federal Council opposed the withdrawal of the application for EU membership due to the tensions that this decision would create. However, tensions had already clearly emerged after the vote on the «Initiative Against Mass Immigration». Luxembourg MEP Fränk Engel declared to the newspaper *Das Wort* that the Swiss people's vote was already equivalent to Switzerland *de facto* leaving the EU. The motion No. 14.3219, to withdraw Switzerland's application to start negotiations on joining the European Union, was submitted by the SVP National Councilor Lukas Reimann⁶⁸. The reasons for this motion clarified the role of Swiss identity and, specifically, the position and role of the SVP party:

Switzerland's application is still officially pending in Brussels, and new negotiations are being conducted on this basis, such as those concerning the framework agreement. In the negotiations, the EU treats Switzerland as a country that officially wishes to join the Union, not as an independent and sovereign nation. For example, the EU demands that Switzerland adopt EU law in almost all areas. Consequently, if we want to have a say in future negotiations and be considered a free and sovereign state, we must withdraw our application for membership immediately⁶⁹.

In 2016 the European order and context was shaken. It is also important to consider the impact that Brexit had on Swiss-EU relations. In a referendum in June 2016, the UK voted to leave the European Union. With the Brexit vote, it became clear to everyone that a change to the Free Movement Agreement could only take place within an institutional framework for monitoring proportionality. Especially with regard to the free movement of persons, the EU could not make concessions to any third country. In that case, the British would then have claimed the same in the Brexit negotiations. At the same time even other EU states would also have tried to demand the same restrictions on the freedom movement.

⁶⁷ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 119.

⁶⁸ Consiglio degli Stati. (2016, May 12). *14.3219 n Mo. Consiglio nazionale (Reimann Lukas). Ritirare la domanda di adesione all'UE e fare chiarezza*, Bern, pp. 1-2.

⁶⁹ Ivi, p. 2.

The parallel negotiations with both Switzerland and the UK forced the EU to act with extreme caution, even suspicion, since granting too many concessions to either party, would create a precedent that could be invoked by the other party. The situation made the EU less flexible, further reducing the room of maneuver to the Swiss *Sonderfall*⁷⁰.

Another important element to take into consideration is the EU enlargement. The European Union was increasingly less willing to grant exceptions to third countries since creating European law with 27 different national regulations was difficult enough. The EU had to look for long-term solutions and it came to the conclusion that the bilateral treaties without a framework agreement were unsuitable because they did not guarantee the uniformity of legal developments⁷¹.

The Commission also subsequently advocated continuous adaptation to further developments in EU law, the establishment of a monitoring mechanism, and an efficient dispute settlement mechanism. In order to avoid distortions in the internal market and competitive disadvantages for EU market member states. The EU was against opening more access to the internal market for Switzerland as long as these institutional issues were not resolved⁷². The Council stated:

While fully respecting Switzerland's sovereignty and its decisions, the Council has concluded that, although the current system of bilateral agreements has worked well in the past, the challenge worked well in the past, the challenge in the coming years will be to move beyond this complex system, which creates legal uncertainty, is difficult to manage, and is clearly reaching its limits⁷³.

The evolution of relations between Switzerland and the EU through the bilateral way showed both the strengths and limits of Switzerland's *Sonderweg*. Conceived as a temporary solution waiting for full EU membership after the failed 1992 referendum, bilateralism gradually turned into an alternative model. This allowed Switzerland to enjoy many of the benefits of EU integration without formally joining. However, it was indeed this initial success that fueled an illusion of maintaining this *status quo*. This illusion collapsed

⁷⁰ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 41-43.

⁷¹ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 119.

⁷² Ivi, p. 123.

⁷³ Rat der Europäischen Union. (2010, December 14). *Schlussfolgerungen des Rates zu den Beziehungen zwischen der EU und den EFTA-Ländern*, Bruxelles, p.2.

once the EU itself entered a phase of crisis and consolidation and became unwilling to tolerate this unsustainable *Sonderweg* to Switzerland. The 2008 financial crisis and the 2014 referendum on immigration evidenced the structural limits of the bilateral way, both from a technical point of view to avoid distortions of the EU internal market and for Switzerland's declining willingness to join the EU. So, the bilateral way *de facto* represented actually not much a move closer to the EU but, on the contrary, steps away from it⁷⁴.

⁷⁴ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, cit., p. 376.

3. Switzerland and the EU: From rupture to rapprochement

In this chapter, I analyze the evolution of the Swiss-EU relations in the years 2014-2025. In the first two sections, I deal with the negotiations on the institutional framework agreement (InstA) until the Switzerland's unilateral withdrawal in May 2021. In the third section, I analyze the recent developments that have seen a gradual rapprochement between Switzerland and the EU, leading to a new deal in 2025. On one hand, the failure of the institutional framework agreement showed the structural limits of Switzerland's *Sonderweg* and the central role of the Swiss national identity in its resistance to EU integration. On the other hand, the following diplomatic efforts demonstrated the determination of both sides to preserve and develop cooperation. My analysis is based primarily on official documents from the Swiss Federal Council and European institutions, newspaper articles and interviews, and academic contributions from scholars such as Issam Hallak, Anton Spisak, René Schwok and Carl Baudenbacher.

3.1. The Institutional Framework Agreement negotiations

Since 2008, the EU was already complaining regarding the lack of potential for change in the existing bilateral agreements, when Switzerland was still aiming to become a member of the EU¹. The Parliament, Commission, and Council of the EU declared that an institutional framework agreement was a necessary prerequisite for further market access. The common position was that the framework conditions had to be clarified before further sectoral agreements could be negotiated or existing agreements updated to adapt them to developments in EU legal *acquis*².

In 2012, the former SVP Federal Councilor Christoph Blocher released an interview with the *Neue Zürcher Zeitung*³, where it is possible to clearly see the role of the Swiss identity regarding the institutional framework agreement:

¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 35.

² Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 149.

³ <https://www.nzz.ch/>.

Switzerland is under international pressure. Shouldn't it seek a compromise?

C. Blocher: In minor matters, yes, but not when it comes to the pillars of the state. The pressure must be resisted because freedom and independence are at stake: Switzerland needs more self-determination, not more integration into the EU, particularly with regard to the free movement of persons, Schengen, the preservation of banking secrecy, and tax sovereignty. (...) We do not need any new agreements with the EU at present. (...)

Functioning agreements with the EU are crucial for the economy.

C. Blocher: Insofar as they are crucial, we have them. They are also in the EU's best interests. (...)

So, the SVP also rejects the so-called framework agreement?

C. Blocher: The framework agreements that are based on the automatic adoption of laws and foreign judges are to be rejected. Because de facto, they turn Switzerland into a colony of the EU, i.e., Switzerland would abolish itself⁴.

In 2013, in another interview his position was even stronger, considering the Swiss identity itself in antithesis towards EU integration: «We have been working together at all levels and doing business with each other for centuries. You don't give up the foundations of the country—our independence, direct democracy, and armed neutrality. You can't give up the entire Confederation because of a few business simplifications⁵». The rejection of any form

⁴ Schoenenberger, M. (2012, May 7). Die Schweiz als Kolonie der EU. *Christoph Blocher – Offizielle Website*. <https://www.blocher.ch/it/2012/05/07/die-schweiz-als-kolonie-der-eu/>, my Eng. trans. «Die Schweiz ist international unter Druck. Müsste sie nicht den Ausgleich suchen? In untergeordneten Dingen ja, bei den Staatssäulen nein. Dem Druck ist zu widerstehen, denn es geht um Freiheit und Unabhängigkeit: Die Schweiz braucht mehr Selbstbestimmung, und nicht mehr Integration in die EU, so insbesondere bei der Personenfreizügigkeit, Schengen, der Wahrung des Bankgeheimnisses und der Steuersouveränität. (...) Wir brauchen zur Zeit keine neuen Abkommen mit der EU. (...) Für die Wirtschaft sind funktionierende Verträge mit der EU zentral. Soweit sie zentral sind, haben wir sie. Sie sind auch in höchstem Interesse für die EU. (...) Dann lehnt die SVP auch den sogenannten Mustervertrag ab? Musterverträge, die auf die automatische Rechtsübernahme und fremde Richter fixiert sind, sind abzulehnen. Denn de facto machen sie die Schweiz zur Kolonie der EU, d.h. die Schweiz würde sich selbst abschaffen».

⁵ Städler, I. (2013, June 28). Schlussendlich sind wir automatisch in der EU, *Tages-Anzeiger*, https://www.blocher.ch/wp-content/uploads/pdf_assorted/pdf_tagesanzeigerEU.pdf, my Eng. trans. «Wir arbeiten seit Jahrhunderten auf allen Ebenen zusammen und geschäften miteinander. Aber man gibt die Grundlagen des Landes – unsere Unabhängigkeit, die direkte Demokratie und die bewaffnete Neutralität –

of EU integration was strong among SVP voters, regardless of any domestic policy concerned. The SVP, led by Christoph Blocher, opposed the agreement even before the negotiations began and without knowledge of the details of the topics under discussion⁶.

Additionally, in 2013 the Federal Department of Foreign Affairs, led by Foreign Minister Didier Burkhalter, rejected any model which included the ECJ, or any special supervisory body, that in the event of a conflict would allow the EU Commission to bring Switzerland unilaterally to the court. This would have given to the EU *de facto* surveillance authority over Switzerland. The intention behind this plan was seen as to set a «point of no return» towards EU membership⁷.

After the Swiss Parliament in December 2016 implemented the mass immigration initiative compatible with the Free Movement Agreement, the Swiss President Doris Leuthard and the Commission President Jean-Claude Juncker agreed in 2017 to re-open the negotiations regarding the ongoing dossiers⁸: The negotiation for an institutional agreement began in 2014 and lasted until the end of 2018. In the spring of 2017, after the Swiss withdrawal of the EU membership application, it became clear that the non-party-neutral CJEU would not be accepted by the majority of the Swiss. In this context, the new Swiss Foreign Minister Ignazio Cassis promised to reset the EU negotiations⁹.

In this context it is important to take into consideration the influence of Brexit. The EU was concerning that the UK could take the Swiss *Sonderweg* as an opportunity to «cherry pick». These concerns deeply impacted EU-Switzerland negotiations. The EU took consequently a tougher stance with Switzerland to avoid similar demands from the UK government¹⁰. As stated by Georg Riekeles of the European Policy Centre in Brussels: «Many in Switzerland have failed to recognize that after Brexit their exorbitant privileges could no longer be¹¹».

nicht aus den Händen. Man kann doch nicht die ganze Eidgenossenschaft aufgeben wegen einiger Geschäftserleichterungen».

⁶ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 153.

⁷ Baudenbacher, C. (2021, June 8). Why did the EU-Switzerland Framework Agreement fail?, *Swiss Standpoint*, cit., pp. 2-3.

⁸ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 144.

⁹ Baudenbacher, C. (2021, June 8). Why did the EU-Switzerland Framework Agreement fail?, *Swiss Standpoint*, cit., pp. 2-3.

¹⁰ Overtone, S. (2021, June 7). EU-Switzerland Negotiations on a Framework Agreement. *UK In a Changing Europe*. <https://ukandeu.ac.uk/explainers/eu-switzerland-negotiations-agreement/>

¹¹ Rollins, K. (2021, June). Switzerland and the European Union: Balancing sovereignty and close economic ties. *American Swiss Foundation*. <https://www.americanswiss.org/switzerland-and-the-european-union-balancing-sovereignty-and-close-economic-ties/>

2016 represented an *annus horribilis* for the European integration. Additionally to Brexit, this year was characterized by not only widespread economic difficulties and growing mistrust of European integration but also by crisis of the international order. In the west, Donald Trump's election in the United States called into question transatlantic relations and traditional support for multilateralism. In the east, the crisis in Ukraine with Putin's invasion and annexation of Crimea after Euromaidan brought geopolitical tensions with Russia back to the forefront. In this general context, the Swiss dossier was not a top priority for the EU, but rather one of many critical issues on the table to be dealt with at a time of systemic vulnerability.

It is important to underline, in order to understand the Swiss position on this issue, that the bilateral and sectoral agreements governing relations between Bern and Brussels were not burdensome. Except for the Schengen and air transport agreements, Switzerland was not required to adopt the developments of the EU *acquis* relevant to those bilateral agreements. Additionally, it did not confer upon a supranational institution such as the European Commission, the power to verify that Switzerland was applying European law correctly. Switzerland was not obliged to follow the jurisprudence of CJEU, although, *de facto*, it was increasingly referring to it. Finally, there was no mechanism for a judicial dispute settlement; there were only political mechanisms which involved senior officials of both parties in joint committees¹².

The Institutional Framework Agreement (InstA) was intended to provide a governance framework both to regulate the existing agreements and to expand them in other fields of the internal market¹³. Its aim was to guarantee greater legal certainty and fair treatment in the fields of the EU market in which Switzerland participates. The InstA also included provisions for parliamentary cooperation and dialogue. Above all, it would establish a dispute settlement mechanism to avoid standard state-to-state arbitral tribunal rules. The interpretation and application of EU law would fall under the jurisdiction of the CJEU, and the tribunal may consult the CJEU for an interpretation of EU law. The objective was, indeed, to safeguard the principle of uniform interpretation¹⁴.

¹² Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., p. 162.

¹³ European Commission, Secretariat-General. (2025, April 9). *Commission Recommendation - EU-Switzerland agreement on Switzerland's participation in Union programmes*, Bruxelles, p. 1.

¹⁴ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, Bruxelles, p. 5.

The SVP, continuing in its strategy of shaping European political discourse through popular referendums, submitted the initiative «Swiss Law Instead of Foreign Judges» in 2016. It aimed to establish a fundamental primacy of the Federal Constitution over international law. If an initiative incompatible with an international treaty were adopted, the Swiss government would have been prevented from applying the corresponding treaty unless the treaty was confirmed in a referendum. The initiative was rejected in 2018 by 66.3%¹⁵. It did not win a majority in a single canton. The vote not only confirmed the Swiss citizens' support for the bilateral way but also that the Swiss did not want to turn away from the EU¹⁶.

In November 2017, the Federal Councilor Ignazio Cassis announced that he wanted both to reset the ongoing negotiations regarding the framework agreement and at the same time to preserve the bilateral treaties. He even avoided the term «framework agreement» preferring «market access agreement» to underline that his target of negotiations was limited to economic cooperation in line with the Swiss foreign policy of the previous decades. However, he soon realized that a complete reorientation simply came too late. At the end of 2017, the EU Commission tried, under personal pressure from the Commission President, to get the negotiations moving again and to ease Swiss concerns about foreign judges¹⁷.

These negotiations were not easy, in particular in the final phase. Indeed, at the end of 2017 near the end of negotiations, the EU increased the pressure on Switzerland by threatening to cease to recognize what was known as stock exchange equivalence. This would have prevented Swiss stock markets from trading in EU securities. Despite these persistent differences, the EU declared the negotiations terminated in November and the draft was published in December 2018¹⁸, before the EU and Swiss political elections of 2019.

The Federal Council acknowledged the framework agreement but referred to the fact that the EU had declared the negotiations terminated and it published the negotiated text without taking any official position on its content. The Federal Council declared the agreement was 80% satisfactory, but several of the red lines were crossed. Therefore, the Swiss government decided not to sign the agreement and not to submit it for ratification. The problem was that there was no political consensus to make the InstA ratified by the Swiss

¹⁵ Cancelleria Federale CaF. *Votazione popolare del 25.11.2018*, (2025, August 5). <https://www.bk.admin.ch/ch/i/pore/va/20181125/index.html>.

¹⁶ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., pp. 146-148.

¹⁷ Ivi, p. 155.

¹⁸ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 35.

Parliament or by popular referendum. In early 2019, the Federal Council launched consultations with Swiss stakeholders to assess whether the InstA could receive sufficient political support in the Swiss Parliament and from the Swiss people¹⁹.

The Federal Council would have preferred to maintain the existing mechanism. Any shift towards a more supranational solution, which would give more powers to European institutions, would meet serious resistance within the country. As a result, the Swiss government pursued a policy of procrastination in an attempt to buy as much time as possible. On one hand, with undertaking this broad consultation with political parties, governments of the twenty-six cantons and interest groups. On the other hand, the Federal Council asked the EU for concessions²⁰.

On the Swiss side, three main problems were identified. The first was related to some of the measures attached to the free movement of persons. The second topic was regarding the Citizenship Directive: this was designed to grant more rights to EU citizens in Switzerland. As a consequence of InstA, they would no longer be seen merely as economic stakeholders, but also as political stakeholders, with a right to be involved in political development. Actually, there was no mention of the Citizenship Directive in force in the EU in the institutional agreement, but the fear in Switzerland was that ultimately the EU could in a later moment require this directive to form part of the EU *acquis*. The third problem was the issue of state aid. For the EU, it was important to ensure that within the internal market, competition remained unbiased²¹.

The President of the European Commission, Jean-Claude Juncker, clearly indicated that he was not available for concession. He could just provide some additional clarifications, but he said that «the agreement will not be renegotiated», reflecting a certain exasperation with the Federal Council's procrastination²².

In March 2019, the EU Parliament reiterated that relations were based on a too complex system of 120 sector-specific agreements, therefore an agreement on an institutional framework was necessary. It stated that additional coherence and legal certainty

¹⁹ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, cit., p. 5.

²⁰ Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., p. 162.

²¹ Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., pp. 36-37.

²² Schwok, R. (2020). Switzerland-EU Relations: The Bilateral Way in a Fragilized Position. *European Foreign Affairs Review* 25, cit., p. 163.

would bring benefits to all parties involved²³. The Recommendation of the European Parliament on the 26th of March 2019 to the Council and the Commission clearly showed its impatience:

Points out that the creation of a common institutional framework for existing and future agreements enabling Switzerland to participate in the EU internal market remains a prerequisite for the further development of a sector-specific approach (...) emphasizes that, after four years of negotiations, it is now time to conclude the agreement on an institutional framework²⁴.

The Swiss *Sonderfall* was subject to strong criticism since it created additional complexity for a European Union in which 27 member states already struggled to reach agreements. The EU was therefore advocating for a similar mechanism that regulated the EEA also for third countries such as Switzerland to avoid that the decision-making process and the homogeneity of the internal market could be further complicated.

From the Swiss consultations between January and April 2019, the Federal Council concluded that political support for the agreement could only be built with further clarifications. Instead of sorting out the confusion on the Swiss side domestically, and in order to gain more time and space for maneuver, the Federal Council simply tried to «pass the ball» back to Brussels. On the 7th of June 2019, the President of the Federal Council Ueli Maurer addressed a letter to the Commission President Jean-Claude Juncker, that the Swiss government would only sign the framework agreement and submit it to Parliament after that three main issues, state aid, wage protection, and the Free Movement Directive, were clarified. The letter concludes by stating that the Federal Council was ready to engage in dialogue with the Commission with the aim of arriving at a mutually satisfactory solution²⁵. On the 11th of June 2019, Juncker replied declaring that the EU could work together to provide the necessary clarifications, but negotiations could not be re-opened. Any

²³ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, Herder, cit., p. 126.

²⁴ Europäische Parlament. (2019, March 26). *Empfehlung des Europäischen Parlaments vom 26. März 2019 an den Rat, die Kommission und die Vizepräsidentin der Kommission und Hohe Vertreterin der Union für Außen- und Sicherheitspolitik zum Abkommen über einen institutionellen Rahmen zwischen der Europäischen Union und der Schweizerischen Eidgenossenschaft*, Straßburg, my Eng. trans. «weist darauf hin, dass die Schaffung eines gemeinsamen institutionellen Rahmens für bestehende und künftige Abkommen, die die Teilnahme der Schweiz am Binnenmarkt der EU ermöglichen (...) betont, dass es nach vier Verhandlungsjahren nun an der Zeit ist, das Abkommen über einen institutionellen Rahmen abzuschließen».

²⁵ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, Herder, cit., p. 158.

substantive change to the treaty was excluded²⁶. This offer was not accepted by the Swiss government.



Fig. 6: The figure shows a small Swiss man standing with a money bag in front of an oversized civil servant's face, through whose glasses the European flag shines. The text says: «Dictates from Brussels – EEA/EC NO». Fig. 7: The figure shows a boot in the colors of the European Union crushing a Swiss ballot paper. The text says: «Left-wing and other parties tired of their homeland want to lead Switzerland into the EU, thereby abandoning neutrality, sacrificing independence, and selling off the rights of the people. If you don't want that, vote for the SVP!».

The SVP got about 25.6%²⁷ of the seats at the 2019 political elections and, even if it saw a decrease of popular support from its peak in 2015, it confirmed its position of Swiss most popular party. The President of the SVP demanded that the Federal Council should abandon the framework agreement and focus on a modern free trade agreement. The SVP was opposing the prospect of a framework agreement. It was against the deal on principle, while the rest of the major Swiss political parties were almost all split on the InstA issue²⁸. Through this significant popular support to the right-wing, conservative and above all Euroskeptic party, we could also understand more about the position of a significant part of the Swiss citizens regarding the Swiss-EU relations. In this direction, the SVP's election

²⁶ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, cit., p. 6.

²⁷ Ufficio federale di Statistica. (2019, November). *Elezioni federali*, <https://www.elections.admin.ch/it/ch/>.

²⁸ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 161.

posters (fig. 6 and fig. 7) help us to understand the influence of Swiss identity among this group of Swiss citizens regarding the EU integration.

The EU ambassador in Switzerland, Michael Matthiessen, declared in July 2019 that «Those who are not seated at the table will be included on the menu²⁹». Matthiessen warned Switzerland against delaying or indecision on the institutional package with the EU. He said that if Switzerland did not actively participate in the negotiations, it would be marginalized or excluded. The EU was putting pressure arguing that by remaining outside the negotiations, Switzerland would expose itself to consequences determined by the EU without being able to intervene.

In reaction to the procrastination of the Federal Council, the EU started adopting measures to exclude Switzerland from the programs outside what was provided by the Bilateral I and II packages. The EU Commission responded by suspending around 15 negotiation areas, including the denial of stock market equivalence, the exclusion of Switzerland from the European System of COVID apps, the Swiss participation in the Horizon 2020 research framework program and the education program Erasmus+. The EU also threatened to no longer update the existing bilateral agreements, in particular the agreement on technical barriers to trade, without the conclusion of the InstA. The former President of the EFTA court Carl Baudenbacher criticized the Federal Department of Foreign Affairs for their «attempt to smuggle the country into the EU through the back door, so to speak, failed». According to him, the government neglected that the separation of economic cooperation and political integration was deeply rooted in Swiss civil society³⁰.

In October 2020, Switzerland surprisingly replaced its chief negotiator. Livia Leu became the fifth Swiss diplomat to be entrusted with the negotiations for the framework agreement. This change naturally meant further delays for the progress in clarifying the implementation of the framework agreement. In November 2020, the Federal Council then declared again that it needed substantive changes to the three core concerns, no longer just clarifications, as a prerequisite for the signing of the framework agreement³¹. The EU politician Michel Barnier declared, during a visit to Belfast in December 2020, that the EU would «never, never, never» sacrifice the unity of its internal market for making

²⁹ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 159, my Eng. trans. «*Wer nicht am Tisch sitzt, kommt auf die Speisekarte*».

³⁰ Baudenbacher, C. (2021, June 8). Why did the EU-Switzerland Framework Agreement fail?, *Swiss Standpoint*, cit., p.4.

³¹ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 160.

compromises. The *Neue Zürcher Zeitung* compared the situation to a football match in which, in the long run, two referees cannot officiate just because each wants to keep their own rules³².

Considering the dynamics of the negotiations, it was clear that the difficulties for the conclusion of the InstA were also the reflection of a broader historical, political and cultural context. On one hand, the European Union, marked by the crises of 2016, particularly Brexit, and by the need to preserve the uniformity of the internal market, could no longer tolerate exceptions such as the Swiss *Sonderfall*. On the other hand, Switzerland continued to perceive any step towards EU integration, such as an institutional framework agreement, as a threat to its national identity and sovereignty. This showed how Swiss-EU bilateral relations were not much shaped by economic issues but by a structural tension between two opposing approaches: the supranational integration of the EU and Switzerland's identity-driven resistance to it. This tension explains not only the failure of the InstA negotiations, but also the recurrent rise of conflicts in the Swiss-EU bilateral relations.

3.2. The Swiss unilateral withdrawal from the negotiations

On the 23rd of April 2021, at a meeting between the President of the Swiss Confederation, Guy Parmelin, and the President of the Commission, Ursula von der Leyen, it was concluded that a shared solution was not possible to be found regarding the three issues: wage protection, Citizenship Directive and state aid³³.

On the 26th of May 2021, despite further attempts to find solutions, the Swiss Federal Council decided to unilaterally terminate the seven-year negotiations between the EU and Switzerland on the conclusion of an Institutional Framework Agreement. The Swiss government announced that it would formally refuse to sign the InstA, which was agreed at political level with the European Union in 2018. This marked the ending of the negotiation process. The EU argued that Switzerland was not respecting all of its commitments in the

³² Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 121.

³³ Baudenbacher, C. (2021, June 8). Why did the EU-Switzerland Framework Agreement fail?, *Swiss Standpoint*, cit., p. 3.

existing agreements, which were giving the country access to parts of the EU's internal market. The current situation was considered unbalanced, against the EU interests³⁴.

Reacting to the news, the European Commission, which led the negotiations on behalf of all member states, announced that it regrets the decision, given the progress that has been made over the last years to make the Institutional Framework Agreement a reality. According to the European Commission and European Parliament, new agreements are unlikely to be signed without a framework agreement, its absence prevents the modernization of the Swiss-EU relationship with the consequent aging of the existing bilateral agreements. The Commission underlined that fifty years have passed since the entry into force of the Free Trade Agreement and twenty years since the Bilateral I and II agreements. An EU official said that the breakdown of the talks was «not really a huge surprise» and nobody had «high hopes» for their success given the inconsistent pace of negotiations. Despite this, the European Commission and European Parliament declared that «the door is still open» for Switzerland for future new negotiations³⁵.

In Switzerland, there was a mixed reaction from political parties and organisations. On one hand, most of the other main parties lamented the failure to reach a compromise with the EU. On the other hand, the SVP welcomed the government decision as a «victory for Swiss sovereignty and direct democracy³⁶». In an interview with the *Handelszeitung*³⁷, the Swiss federal president Ignazio Cassis acknowledged that the EU was trying to exert pressure on Switzerland by creating political ties. He declared that Switzerland must resist this pressure and that «We cannot simply abandon our principles, take wage protection and immigration lightly and put social harmony at risk³⁸».

On the other hand, there were also important statements in favor of the InstA in the Swiss political arena. The Swiss foreign minister Didier Burkhalter, despite being aware of the limited domestic support for the approval of the InstA, declared himself in favor of the

³⁴ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, cit., p. 1.

³⁵ Euronews. (2021, May 27). Switzerland pulls out of negotiations to redefine relationship with EU over free movement directive. *Euronews*. <https://www.euronews.com/my-europe/2021/05/26/switzerland-pulls-out-of-negotiations-to-redefine-relationship-with-eu-over-free-movement>

³⁶ O'Sullivan, D. (2024, February 9). Swiss reject framework agreement deal with EU. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/swiss-reject-framework-agreement-deal-with-eu/46651454>

³⁷ <https://www.handelszeitung.ch/>.

³⁸ Handelszeitung. (2022, February 7). Ignazio Cassis: Schweiz muss Druck der EU aushalten. *Handelszeitung*. <https://www.handelszeitung.ch/specials/impulse-fur-eine-starke-schweiz-und-ein-starkes-europa/ignazio-cassis-schweiz-muss-druck>, my Eng. trans. «Wir können nicht einfach unsere Prinzipien aufgeben, den Lohnschutz und die Zuwanderung auf die leichte Schulter nehmen und so den sozialen Frieden aufs Spiel setzen».

agreement with the EU. Didier Burkhalter, a member of the center-right Radical Party, stated that this framework agreement was necessary to preserve Swiss-EU bilateral agreements and the consequent access to the internal market. He recognized the EU position of maintaining the homogeneity of the EU legal *acquis* declaring: «If we have access to the EU market, we cannot apply our laws; there need to be rules for everyone». Didier Burkhalter also criticized the SVP campaign against the Insta stating that Christoph Blocher, fighting this agreement, he threatened the whole bilateral way³⁹.

Among the financial actors, the banking sector was significant in favor of the Insta since it was considered the solution for continuing the successful bilateral way with the EU. As a major export industry, the banks were reliant on internal market access, however the Bilateral I and II granted the banks only limited access to the EU market. The Swiss Bankers Association (SBA) was therefore supporting the conclusion of the InstA for consolidating and furthering Switzerland's access to the EU internal market. The Board of Directors of the SBA declared its clear support of the agreement emphasizing the fear that «without this agreement it will be difficult for Switzerland to maintain and expand market access⁴⁰».

At the press conference to explain the reasoning behind the Federal Council's decision on the institutional agreement, Ignazio Cassis reiterated that there were potential drawbacks for Switzerland in not signing the agreement. The Swiss government indicated that the EU would be unwilling to enter into new market access agreements or update existing agreements in the absence of an institutional agreement. Negotiations on electricity, public health and food safety, for example, have already become deadlocked. The EU also ceased to update some key agreements currently in effect. The Federal Council declared therefore that it initiated a range of measures to mitigate adverse consequences⁴¹. According to the Federal Council: «it is in the shared interest of Switzerland and the EU to continue with their proven bilateral approach even in the absence of the institutional agreement⁴²».

³⁹ Swissinfo.Ch. (2016, August 7). Swiss foreign minister defends EU treaty idea. *SWI swissinfo.ch*. https://www.swissinfo.ch/eng/politics/eu-relations_swiss-foreign-minister-defends-eu-treaty-idea/42357430

⁴⁰ Swiss Bankers Association. (2019, March 28). Shaping the future with sovereignty: Swiss Bankers Association supports the institutional agreement with the EU, *Swiss Banking*, Basel.

⁴¹ Federal Department of Foreign Affairs FDFA. (2021, May 26). *Switzerland remains a committed partner to the EU even without the institutional agreement*. <https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2021/05/schweiz-eu-engagierte-partnerschaft.html>

⁴² Federal Council. (2021, May 26). *No signing of Swiss–EU institutional agreement*. <https://www.news.admin.ch/en/nsb?id=83705>

If ratified, the institutional framework agreement would have needed to be approved also by referendum, according to the Swiss direct-democratic system. The issue was very divisive. Even if according to the latest polls, published in May before the Swiss unilateral decision, the public opinion was 64% in favour of the InstA and 32% against it⁴³; a poll published in June showed that actually 51% of Swiss supported the Federal Council decision while only 35% were still in favour of the InstA⁴⁴.

According to Gilbert Casarus, professor of European Studies and Director of the Center for European Studies at the University of Freiburg, Switzerland declined to sign the agreement for ideological reasons. Among these, the strong Swiss unwillingness to abandon their system of direct democracy, which allows them to have a say on a variety of domains. Professor Casarus emphasized the gap between the Swiss multilateral diplomacy and the shy approach of the Swiss government regarding the European policy. For him, the decision represented a rejection of «belonging to Europe⁴⁵».

The framework agreement was rejected by the Swiss Federal Council without a Plan B and in full awareness of the negative consequences regarding the erosion of existing agreements and on the ongoing negotiations for new agreements. Observers on the European Union side also pointed out that Switzerland's new negotiator, Livia Leu, was unable to outline the Swiss position clearly⁴⁶.

The European Commission representative, Michael Karnitschnig, declared that the InstA was aimed at preserving fairness, non-discrimination and a level playing field for EU citizens and companies. In his speech at the European Parliament on the 16th of June 2021, he denounced the full responsibility for the unilateral withdrawal to the Federal Council, deploring its decision. He argued that, even though the Commission had no intention of engaging in any kind of retaliatory attitude and the EU would remain fully committed to its legal obligations, the *status quo* could not be an option. This was because it would only worsen the problem since the European Union could not ignore the structural problems that the InstA was supposed to solve. This meant no more agreements proposal and

⁴³ Swissinfo.Ch. (2021, May 9). Poll finds most Swiss back framework deal with EU. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/business/poll-finds-most-swiss-back-framework-deal-with-eu/46602662>

⁴⁴ Swissinfo.Ch. (2021, June 18). Poll suggests voters would have rejected EU framework deal. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/poll-suggests-voters-would-have-rejected-eu-framework-agreement/46716316>

⁴⁵ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, cit., p. 9.

⁴⁶ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 162.

negotiations regarding further market access and case-by-case basis for updating or not the existing agreements with the eventual exclusion of the Swiss companies from the EU market in the long term. He added that the seven years negotiations were «not about an academic issue but practical» and the InstA was a precondition for granting Switzerland access to the EU internal market. Moreover, according to Karnitschnig, the EU offered a very generous offer that was the result of very investing negotiations that counted about twenty-five meetings between first Jean-Claude Juncker and then Ursula von der Leyen with six Swiss presidents⁴⁷.

Similarly, the EU Commissioner for Budget and Administration Johannes Hahn, after underlining that the EU was Switzerland's largest trading partner while Switzerland was the EU's fourth largest, he stated:

The door of the European Union remains as open as our position is clear. (...) The rules of the EU internal market remain unambiguous: the same privileges and obligations apply to everyone. There can be no cherry-picking, because we cannot make exceptions that our member states do not have⁴⁸.

He also made clear that there was the need of a systematic solution to give the bilateral way a solid and sustainable structure.

According to Andreas Schwab, Chair of Parliament's Delegation for relations with Switzerland, Norway, Iceland, the EEA and the North, the Swiss negotiating team «will now have to pick up the pieces» and the issues would remain unresolved. This would make more difficult for Switzerland to retain access to the EU single market, from which it benefited. Bernd Lange, Chair of the European Parliament Committee on International Trade, stated that there could not be «half-measures in agreements» with the EU. Similarly, David McAllister, Chair of the Committee on Foreign Affairs, declared that there could not be exceptions regarding the access to the EU internal market, and the EU was now much stricter. These positions were reiterated during Parliament's debate on future EU-Swiss relations with Commission Vice-President Maroš Šefčovič, at the European Parliament

⁴⁷ European Parliament. Committee on International Trade. (2021, June 16). *Multimedia Centre*. https://multimedia.europarl.europa.eu/en/webstreaming/committee-on-international-trade_20210616-1345-COMMITTEE-INTA, 13:47:45-13:58:55.

⁴⁸ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 17, my Eng. trans. «Die Tür der Europäischen Union bleibt so offen wie unsere Position klar ist. (...) sind die Regeln unseres Binnenmarktes eindeutig: Für alle gelten die gleichen Privilegien und Pflichten. Die berühmten Rosinen kann es schon allein deshalb nicht zu picken geben, weil wir keine Ausnahmen machen können, die unsere Mitgliedstaaten nicht haben».

plenary session on the 24th of June 2021. Nevertheless, the EU reaffirmed that the door for negotiations was always open⁴⁹.

The former president of the EU Commission Jean-Claude Juncker commented, already in 2019, that one of the three «biggest regrets» of his mandate was his inability to finalize the deal with Switzerland⁵⁰. Switzerland has always been at the heart of the European Union and has therefore benefited greatly from the order and prosperity of European integration. He stressed that this was also due to the fact that the EU enabled Switzerland to participate in the prosperity machine of the European internal market through bilateral agreements. In 2021, after the Swiss unilateral decision not to ratify the InstA, he added:

The further the integration of the single market progressed, the clearer the need for an institutional framework for EU-Swiss relations became. (...) To this day, however, I respect the Federal Council's decision. In my view, there are unfortunately still no sensible alternatives to the framework agreement. (...) As a sovereign country, Switzerland must also find its own place in Europe⁵¹.

3.3. The rapprochement and recent developments of the Swiss-EU relations

The Swiss unilateral withdrawal from the Institutional framework agreement represented a significant crisis of the Swiss-EU relation. However, already at the end of the year it was possible to notice the first signs of rapprochement. On the 30th of September 2021, the Swiss parliament approved to unconditionally release the second cohesion contribution unblocking 1.3 billion Swiss francs (CHF) in payments to poorer EU member states. The cohesion payment was frozen in 2019, under the SVP's pressure, after the EU's suspension of the

⁴⁹ Hallak, I. (2021, July). EU-Swiss trade relations and the institutional framework agreement. *European Parliamentary Research Service*, cit., p. 8.

⁵⁰ Von Der Burchard, H. (2021, May 26). EU-Switzerland relations head for trouble as partnership deal unravels. *POLITICO*. <https://www.politico.eu/article/eu-switzerland-relations-head-for-trouble-as-partnership-deal-unravel>

⁵¹ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., pp. 11-12, my Eng. trans. «Je weiter die Integration des Binnenmarktes voranschritt, umso klarer zeichnete sich die Notwendigkeit eines institutionellen Rahmens der EU-Schweiz- Beziehungen ab. (...) Bis heute respektiere ich jedoch die Entscheidung des Bundesrates. In meinen Augen gibt es leider noch keine sinnvollen Alternativen zum Rahmenabkommen. (...) Als souveränes Land muss die Schweiz eben auch ihren eigenen Platz in Europa finden».

mutual recognition of stock market rules. This decision was taken in order to ease the tensions with the European Union and as a sign of goodwill after the rupture on May 26⁵². The Federal Council also decided to begin negotiations with individual EU member states on the implementation agreements of the Memorandum of Understanding concerning the cohesion contribution. With this, the Swiss government wanted to send a positive signal to the EU regarding the intended continuation of the bilateral way⁵³.

Maroš Šefčovič, the European Commission Vice-President responsible for Swiss relations and for Brexit, welcomed the decision regarding the release of the cohesion fund payment. However, according to the EU this contribution was a «natural, logical return service for Swiss participation in the world's most important single market». In November, Šefčovič adopted a more conciliatory tone in his meeting with Swiss Foreign Minister Ignazio Cassis in Brussels. The two sides agreed to establish a structured political dialogue at ministerial level and that they would intensify their efforts to get back around the negotiating table to work out a common agenda. The European Union announced that it was willing to establish a concrete plan to re-open bilateral talks with Switzerland in 2022⁵⁴.

This episode illustrated the Swiss *Sonderfall* and unique approach, determined by the Swiss identity. Switzerland did not particularly hesitate in terms of economic contribution and concessions while firmly opposing political ones, that culminated with the unilateral withdrawal in 2021. Cohesion payments are seen as the entry fee for non-EU members like Switzerland or EEA states to take part in the EU Single Market. This clearly showed the deep influence of the Swiss national identity in Switzerland's relations with the European Union, while the technical issues remained secondary. As stated by the economist Guillaume Vallet, Switzerland privileged a «non-adhesive» relation with the EU to pursue its interests while resisting integration⁵⁵.

The European Commission and Switzerland initiated exploratory talks in March 2022 to discuss the future of their relations. This led to a common understanding that clarified the political positions of the two parts in order to initiate future negotiations and to identify the

⁵² Swissinfo.Ch. (2021, October 1). Brussels welcomes release of Swiss 'cohesion payment.' *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/brussels-welcomes-release-of-swiss-cohesion-payment/46994144>

⁵³ Handelszeitung. (2022, February 2). EU-Kommission heisst Abkommen zur Schweizer Kohäsionsmilliarde gut, *Handelszeitung*. <https://www.handelszeitung.ch/newsticker/eu-kommission-heisst-abkommen-zur-schweizer-kohasionsmilliarde-gut-360129>

⁵⁴ Swissinfo.Ch. (2021, November 15). EU wants Swiss roadmap in place early next year. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/eu-wants-swiss-roadmap-in-place-early-next-year/47112536>

⁵⁵ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, cit., p. 383.

main fields of discussion. The common understanding was endorsed by both the Swiss Federal Council and the European Commission in November 2023⁵⁶.

The Swiss State Secretary Livia Leu announced in April that, after a ninth round of talks in Brussels, the exploratory talks were «moving forwards but they have not yet reached the point where they can be used for actual negotiations». She declared that there were still unanswered questions, for example regarding the free movement of persons, wage protection and the issue of immigration were still at stake. The EU Commission declared that the goal should be to «conclude the exploratory talks as quickly as possible and to conclude the subsequent negotiations by summer 2024». Switzerland responded that it was also in their interest to make rapid progress with this EU Commission. However, according to Livia Leu this would depend on Brussels' flexibility to address the Swiss concerns. This marked how the critical issues of the 2021 rupture were still affecting the Swiss-EU relations and the efforts to break the diplomatic deadlock were still unsuccessful⁵⁷.

In December 2023, the Commission adopted a recommendation for a Council decision to authorize negotiations with Switzerland. The negotiations would not only deal with the conclusion of new agreements or update existing ones, but also with institutional issues such as the dynamic adoption of laws and the involvement of the ECJ for dispute resolution. «This would allow citizens, businesses, and researchers on both sides to fully benefit from the geographical proximity, shared values, and economic links between the EU and Switzerland⁵⁸».

Starting from the common understanding reached in 2023, the Federal Council and the EU Commission began in March 2024 the negotiations for a new bilateral agreement. For the occasion, Swiss President Viola Amherd travelled to Brussels to meet EU Commission President Ursula von der Leyen. Ursula von der Leyen declared that the meeting represented was an important step for relations between Europe and Switzerland. Viola Amherd added that the two sides could now continue their work with «vigour and

⁵⁶ European Commission, Secretariat-General. (2025, April 9). *Commission Recommendation - EU-Switzerland agreement on Switzerland's participation in Union programmes*, Bruxelles, p. 2.

⁵⁷ Swissinfo.Ch. (2023, April 21). *Swiss negotiator sees progress in exploratory talks with EU*. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/swiss-negotiator-sees-progress-in-exploratory-talks-with-eu/48452614>

⁵⁸ European Commission, Secretariat-General. (2025, April 9). *Commission Recommendation - EU-Switzerland agreement on Switzerland's participation in Union programmes*, Bruxelles, p. 2.

commitment». Both negotiating parties agreed the goal of concluding the negotiations by the end of 2024⁵⁹.

After nine months of intense negotiations with about two hundred meetings, Presidents von der Leyen and Amherd announced the successful completion of discussions on all elements of the broad package on the 20th of December 2024⁶⁰. The Federal Council took note of the material conclusion of negotiations, in which the Swiss delegation positively reached the main goals of the negotiating mandate. In accordance with the Swiss federalism, the cantons were included in the negotiations, and their concerns were addressed⁶¹.

The Agreement set out the legal framework for the participation of Switzerland in Union programmes, ensuring a fair balance as regards the contributions and benefits. On the EU side, it ensured that no decision-making power is conferred on Switzerland in respect of the programmes in which Switzerland participates⁶². The material completion of talks represented a major step towards the formal conclusion of negotiations and the final text of the agreements. The government's aim was to consolidate and further develop the bilateral way with the EU. In the face of geopolitical instability and global crises, according to the Swiss government, it was a strategic necessity for Switzerland to build stable, predictable relations with the EU⁶³.

The Russian war of aggression against Ukraine highlighted the wide range of common interests between the EU and Switzerland, including in the political and security fields. This was evident in Switzerland's response to the EU sanctions against Russia. The Swiss government decided on the 28th of February 2022, to adopt and follow the EU sanctions. It was a crucial signal of cooperation with the European Union, a political act that signaled the willingness to stand alongside the EU in the common defense of the international order based on international law, sovereignty, and democratic values. The Swiss foreign minister Cassis stated that Switzerland did not want to remain neutral and

⁵⁹ Swissinfo.Ch. (2024, March 18). Switzerland renegotiates with the EU after almost three years. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/foreign-affairs/switzerland-renegotiates-with-the-eu-after-almost-three-years/73861305>

⁶⁰ European Commission, Secretariat-General. (2025, April 9). *Commission Recommendation - EU-Switzerland agreement on Switzerland's participation in Union programmes*, Bruxelles, p. 3.

⁶¹ Federal Council. (2024, December 20). *Federal Council takes note of substantive conclusion of Swiss–EU negotiations*. <https://www.news.admin.ch/en/nsb?id=103692>

⁶² European Commission, Secretariat-General. (2025, April 9). *Commission Recommendation - EU-Switzerland agreement on Switzerland's participation in Union programmes*, Bruxelles, p. 5.

⁶³ Federal Council. (2024, December 20). *Federal Council takes note of substantive conclusion of Swiss–EU negotiations*. <https://www.news.admin.ch/en/nsb?id=103692>

indirectly support the aggressor, but rather to preserve its credibility and alignment with its European partners⁶⁴.

In this sense, the anti-Russian agreement showed that, in the face of systemic threats, Swiss and EU interests coincide to a much greater extent than is apparent in the mainly economic debate on bilateral relations. This represented an important turning point for Switzerland regarding its neutrality policy. The mutating international system resulted in a decreasing domestic influence of the principle of neutrality among the «Swiss identity triangle» and in its relations with the EU⁶⁵.

The new deal took a different approach from the InstA. A Key element of the new EU-Switzerland deal was that, rather than establishing a single institutional framework agreement, negotiators adopted an agreement-by-agreement approach, each with built-in institutional provisions. Switzerland would dynamically align with most of EU legal *acquis* in many significant fields, such as food and product safety, and electricity trade. The free movement of persons agreement, one of the most controversial parts of the negotiations, was also updated. It included a redrawn safeguard clause – which can be used to suspend free movement in cases of «serious economic or social problems⁶⁶».

This new deal included also a mechanism for Switzerland to dynamically align with EU *acquis* through decisions of the Joint Committee, a body responsible for overseeing relevant agreements; a dispute resolution mechanism that uses an independent arbitration panel, with the ECJ only involved in questions concerning EU law; and a commitment by Switzerland to interpret agreements consistently with ECJ case-law. In order to solve Swiss concerns about applying EU rules without representation, Switzerland would be granted a consultative role in the EU's pre-legislative processes, similarly to the «decision-shaping» rights of EEA members⁶⁷.

In April 2025, the Federal Council voted in favor of an optional referendum on international treaties for the Switzerland-EU package, in line of what happen also for the Bilateral I and II packages and in line of the Swiss direct democracy⁶⁸. In May 2025, negotiators initialed the agreements of the Swiss–EU deal, formally concluding the

⁶⁴ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 210.

⁶⁵ *Ibidem*.

⁶⁶ Spisak, A. (2025, March 17). The new EU-Swiss deal: What it means and the lessons it holds for the UK-EU 'reset'. *European Parliamentary Research Service*, Bruxelles, p. 2.

⁶⁷ *Ibidem*.

⁶⁸ Federal Council. (2025, April 30). *Swiss–EU package: Federal Council calls for optional referendum*. <https://www.news.admin.ch/en/newnsb/nZPui4ybDJRNFN-qkQtS5>

negotiation process with the EU. On the 13th of June 2025, the Federal Council approved the new package in order to stabilize and develop Switzerland's bilateral way with the EU. The Swiss government opened the consultation process, which would run until the 31st of October 2025. Ultimately, it would be up to the Swiss Parliament to approve the deal⁶⁹.

In June 24 2025, Federal Councilor Ignazio Cassis and European Commissioner Maroš Šefčovič signed a joint declaration in Brussels governing the terms of cooperation between Switzerland and the EU for the period from the end of 2024 until the Switzerland-EU package comes into force⁷⁰. With the exception of the Agreement on EU Programs, including Horizon Europe, the other agreements and protocols as well as the remaining declarations between Switzerland and the EU are expected to be signed in the first quarter of 2026, when the Federal Council will also be expected to adopt the dispatch on the Switzerland-EU package for submission to Parliament⁷¹.

The outcome of the negotiations may not be as neat as the EU initially sought, as it was in the case of the failed InstA, however, the key aspect is that now the bilateral way will be more structured and formalized, which was ultimately the EU's primary goal. The Swiss relationship will still be governed by a vast patchwork of treaties but most of them will contain dynamic adoption of the EU legal *acquis*. On the Swiss side, Switzerland will get a more stable market access and less political tension with the EU. As also argued by Anton Spisak, one possible obstacle is that the deal could become a focal point of Swiss federal elections in 2027. The traditional Eurosceptics, above all the SVP, may oppose the deal on sovereignty grounds. Moreover, even if approved, the deal will almost certainly face a national referendum, and it could not come into force for several years⁷².

The deal is significant since the EU Commission has established the conditions for granting an accepted Swiss *Sonderweg* that allows a privileged single-market access to

⁶⁹ Federal Department of Foreign Affairs FDFA. (2025, June 13). *Switzerland remains a committed partner to the EU even without the institutional agreement*.

<https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2021/05/schweiz-eu-engagierte-partnerschaft.html>

⁷⁰ Dipartimento federale degli affari esteri DFAE. (2025, June 26). *La Svizzera e l'UE regolano la cooperazione durante la fase di ratifica del pacchetto*.

<https://www.eda.admin.ch/eda/it/dfae/dfae/aktuell/newsuebersicht/2023/europa.html>

⁷¹ Federal Department of Foreign Affairs FDFA. (2025, June 23). *La Svizzera e l'UE regolano la cooperazione durante la fase di ratifica del pacchetto*.

https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/news.html/content/eda/it/meta/news/2025/6/23/615ilS8NG_Ew5dGO58YPCm#

⁷² Spisak, A. (2025, March 17). The new EU-Swiss deal: What it means and the lessons it holds for the UK-EU 'reset'. *European Parliamentary Research Service*, Bruxelles, p. 3.

Switzerland outside the EEA and EU⁷³. This could represent a new model for partial integration into the single market as a compromise solution to avoid distortions in the internal market but at the same time accepting and taking into account the role of the Swiss identity. In particular its resistance regarding EU integration.

The negotiations regarding the Institutional Framework Agreement and their failure, followed by the gradual rapprochement that is leading to the new Swiss-EU deal in 2025, showed the significant influence that Swiss identity had in the Swiss-EU relations. On the one hand, Switzerland continues to preserve its national sovereignty, resisting making supranational political concessions. On the other hand, its economy and society remain deeply interdependent with the EU and its internal market. In recent years, what has emerged is the resilience of the bilateral approach. Despite repeated criticism from the EU of Switzerland's «cherry-picking» attitude, the recent agreement aims to reshape and revitalize the bilateral way. This enduring *Sonderweg* shows that Switzerland's relationship with the EU is not a path towards European integration, but a continuous resistance, in which the Swiss identity plays a key role.

⁷³ Spisak, A. (2025, March 17). The new EU-Swiss deal: What it means and the lessons it holds for the UK-EU 'reset'. *European Parliamentary Research Service*, Bruxelles, p. 1.

Conclusion

The topic analyzed in the master thesis deals with the evolution of the inconstant relations between the European Union and Switzerland in the recent thirty years. In particular, I focused my historical and political analysis on the role that the Swiss national identity played regarding the Swiss-EU bilateral relations. In the first section I started, first of all, defining what constitutes the Swiss identity: the «triangle» of federalism, neutrality and direct democracy. After describing the necessary historic premises of the relations between Switzerland and the first European communities, I proceeded with my analysis of the research question «What have been the main stages and challenges that have articulated the Swiss-EU relations in the last 30 years?»

Switzerland is located at the heart of Europe, and it is a profoundly European country economically and in terms of shared values. Just by looking at most political maps of Europe where Switzerland is usually represented as an «empty dot¹», it is possible to notice the Swiss *Sonderfall*, its unique approach in dealing with its neighbor the European Union that reflects its national identity. Switzerland always refused to play a role in the EU integration, or to belong to the European Communities, limiting itself to economic cooperation while resisting any form political concession².

In the last section of the first chapter, I dealt with the first important political moment between Switzerland and the European Communities. In 1992 the Swiss citizens voted a popular referendum regarding possibility of joining the European Economic Area (EEA). The EEA membership was rejected with a small margin. This represented not only a setback for further integration and for access to the European single market, but it also marked a significant turning point in the Swiss-EU relations. Even if not formally withdrawing the EU membership application, Switzerland took a *Sonderweg* and opted for the bilateral cooperation model.

In the second chapter I analyzed a second stage represented by the Swiss bilateral approach towards the EU. More specifically, I started by dealing with the Bilateral I and II packages, respectively in 1999 and 2004. These were static in nature since they were

¹ Since Switzerland is not an EU/EEA member state and also not an EU candidate state, unlike all the rest of states in the European Continent (with the exception of most of the microstates, Russia, and Belarus).

² Grin, G. (2021). Switzerland and Europe: the history and the prospects. *Rivista Di Studi Politici Internazionali*, cit., p. 18.

considered as only a temporary solution to grant Switzerland access to the EU internal market access while waiting for its full EU membership. This phase of the Swiss-EU relations showed the deep role of the Swiss identity. The bilateral way was a tailor-made solution for Switzerland, which for the Swiss side represented the ideal solution to avoid political integration into the EU while still profiting from the single market³.

Secondly, the mid-2010s saw a new stage with on one hand the consolidation of the bilateral model, but on the other hand the emergence of its structural limits. Initial economic success further reduced the Swiss willingness of full EU membership. However, the absence of mechanisms for dynamic adaptation of the agreements with the EU legal *acquis* raised tensions with the EU and revealed the fragility of the entire system. The 2014 referendum, in which the Swiss voted in favor of greater immigration control, represented a significant crisis of the Swiss-EU relations and bilateral way as a whole, particularly regarding the free movement of persons.

Particularly significant in this context were the political elections in 2015, when the Euroskeptic party SVP got the peak of its popularity with 29,4% of the votes. The SVP clearly showed, above all in their electoral campaign manifestos, its idea of Swiss identity and sovereignty at risk in opposition to EU integration. Unlike in many other countries, the Swiss political debate is not focused on technical issues or for example on financial contributions but rather on cultural and identity grounds. The significant popularity of the SVP party highlighted how its Euroscepticism on identity grounds was deeply shared among the Swiss citizens. This context and phase of Swiss-EU relations culminated with the Swiss official withdrawal of EU membership application in 2016.

Thirdly, in the last chapter It has been examined the seven-year negotiations between the EU and Switzerland on the conclusion of an Institutional Framework Agreement and the unilateral withdrawal decided in May 2021 by the Swiss government. This represented a turning point in the relations between Switzerland and the EU, as it became clear that the *status quo* had reached its structural limits, also considering that the bilateral way itself was implemented from the very beginning as a temporary solution. This phase of the Swiss-EU relations has shown the tension between two opposing positions. On one hand, Switzerland was aiming to maintain and normalize its *Sonderweg*. On the other hand, the European Union was no longer willing to continue concluding individual agreements that allowed

³ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 205.

Switzerland access to the internal market without any political concessions. One of the key issues was particularly regarding the dynamic adaptation to EU law, considered as precondition for maintaining the internal market access in order to avoid unfair distortions⁴.

The seven years of negotiations on the institutional framework agreement did not simply represent a failed attempt to update the bilateral way and to find a compromise between these two opposing positions. They also revealed a profound internal ambivalence of Switzerland's European policy. On one hand, the Swiss government was open to negotiate with the EU in order to make political concessions to maintain the internal market access. On the other hand, the political culture rooted in this identity-driven resistance to any form of European integration, represented primarily by the SVP, reacted with a clear rejection of the InstA. It was considered contrary to Switzerland's founding principles. What seemed like a pragmatic solution to secure economic advantages became an issue of national identity, with identity-driven considerations ultimately prevailing over economic rationality.

The EU was requesting a legal framework agreement and a regular update of existing agreements, but after seven years of negotiations and a draft agreement on the table, the Swiss government withdrew from the negotiations in May 2021 without a plan B⁵. Among the main arguments of this decision, there were not only the diverging positions regarding key fields like state aid, wage protection and the Free Movement Directive, but indeed also the pressure of the SVP on the Federal Council for the fear that the country was losing its sovereignty and giving up its founding principles. The unilateral withdrawal was then cheered by most of the Swiss citizens⁶ as a «victory for Swiss sovereignty and direct democracy⁷».

The last section ends with the recent developments, in particular the reopening of closer negotiations with exploratory talks between Switzerland and the EU, started in April 2023 and concluded in December 2024. These were followed by a new deal in 2025 and opened for future developments. This shows how, even with all these difficulties, the Swiss

⁴ Rat der Europäischen Union. (2010, December 14). *Schlussfolgerungen des Rates zu den Beziehungen zwischen der EU und den EFTA-Ländern*, Bruxelles, p.2.

⁵ Schwab, A., & Forster, N. (2022). Schweiz und Europa: Eine politische Analyse, *Herder*, cit., p. 205.

⁶ Swissinfo.Ch. (2021, June 18). Poll suggests voters would have rejected EU framework deal. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/poll-suggests-voters-would-have-rejected-eu-framework-agreement/46716316>

⁷ O'Sullivan, D. (2024, February 9). Swiss reject framework agreement deal with EU. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/politics/swiss-reject-framework-agreement-deal-with-eu/46651454>

and EU economies and societies remain deeply interdependent. Their bilateral relations continue to evolve, emphasizing the resilience of their unique approach.

The Swiss-EU bilateral relations in the last thirty years have revealed to be inconstant and *sui generis*. Particularly representative crisis and turning points were the 1992 rejection to the European Economic Area, the 2016 official withdrawal of EU membership application and the 2021 unilateral withdrawal from the negotiations regarding the institutional framework agreement. The EU has long lamented the Swiss *Sonderfall*, outside the EU and EEA framework, that in the last thirty years was based on a complex system of several sectoral and static agreements. Switzerland always said «Yes, gladly!» to economic cooperation, but «No, thanks!» to more political integration or membership. This earned the country the reputation of «cherry-picker⁸» according to the EU.

If Switzerland is often described as a particular country, it also likes to present itself as such as well. Starting from the historical premises of the Swiss-EU relations, Switzerland, as *Willensnation*, was also built on a dialectic of opposition with the «outside». The Swiss «triangle», based on neutrality, federalism, direct democracy, has historically been at the base of Swiss national cohesion and identity. That is also why Switzerland fears that deep institutionalized integration with the EU would imply a substantial loss of sovereignty, since it would undermine the pillars of the Swiss national identity, due to the necessary delegation of sovereignty to the EU's supranational institutions⁹.

Switzerland opted for a «non-adhesive» integration to avoid any loss of political sovereignty while taking into account its economic interests which strongly depend on the EU internal market. Switzerland has been trying to establish strong commercial and financial links with the EU while maintaining economic and political particularities, which are considered essential. The evolution of the Swiss-EU relations in the last thirty years should be consequently seen not as steps towards integration but conversely as an identity-driven resistance to it¹⁰.

⁸ Hunt, J. (2024b, January 23). Switzerland and the EU: close, but not too close. *SWI swissinfo.ch*. <https://www.swissinfo.ch/eng/foreign-affairs/switzerland-and-the-eu-close-but-not-too-close/47331174>

⁹ Vallet, G. (2012). Should I Stay or Should I Go? Switzerland and the European Economic and Monetary Integration Process. *Journal of Economic Integration*, cit., p. 372.

¹⁰ Ivi, p. 376.

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