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country report

Multilateral Dialogue in Geneva

Clear majority against “Schweixit”

**SVP’s “limitation initiative” clearly fails –
future of the framework agreement between the EU and Switzerland still open**

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The EU, Germany and also the Swiss Federal Council can take a deep breath. As predicted in the polls, the Swiss electorate clearly rejected the “limitation initiative”, which would have meant an end to the free movement of persons, with 61.7% of the votes to 38.3%. A serious crisis in relations between the EU and Switzerland could thus be averted. Swiss citizens have thereby clearly expressed their support for a pragmatic partnership with the EU. However, difficult talks still lie ahead in terms of future relations, which are to be given a new legal basis with a framework agreement.

Background

On 27 September, Switzerland voted on a total of five initiatives at national level as well as several cantonal proposals. In particular focus: the initiative “For moderate immigration”, or in short the “limitation initiative”, submitted by the Eurosceptic / national conservative Swiss People’s Party (SVP). The aim of the motion: Switzerland should regulate the immigration of foreigners from the EU completely independently. De facto, this meant the abolition of the free movement of persons for EU and EFTA citizens, which has existed since 2007. Since the Agreement on the Free Movement of Persons is part of a bunch of bilateral agreements with the EU, numerous other agreements with the EU would then cease to apply due to the so-called “guillotine clause” and have to be renegotiated.

An adoption of the initiative would thus have led to strained relations between Switzerland and the EU, with considerable uncertainties for politics, the economy and society. Accordingly, opponents

(aside from the SVP, all major parties, employers’ associations, trade unions) warned against a move that had been repeatedly referred to as “Swiss Brexit”, “Schwexit” or “Schweixit”.

Adopting the initiative would also have made the four-year (2014–2018) negotiated – but not yet signed – framework agreement between the EU and Switzerland superfluous. This is intended to govern future cooperation between the EU and Switzerland and would replace the 20 bilateral core agreements currently, and well over 100 sectoral agreements. Most recently, in view of the draft agreement, Switzerland had demanded clarifications from the EU in the areas of wage protection, the EU Citizens’ Rights Directive and state aid¹.

The result of the vote in detail

By clearly rejecting the initiative with a total of 61.7%, the Swiss have sent a clear signal of continuity in EU-Swiss relations. The proposal also received a clear rejection from the cantons, with only four of the 26 cantons receiving a (very narrow) majority (Ticino, Schwyz, Glarus, Appenzell-Innerrhoden)². The rejection was particularly clear-cut in the cantons of western Switzerland: in Geneva, Jura, Vaud and Neuchâtel, the SVP initiative received less than a third of the votes, and in Basel-Stadt only around 25.4%. In some cantons of northern and eastern Switzerland (Schaffhausen, Thurgau), which are considered SVP strongholds in parliamentary elections, the initiative clearly failed as well. As expected, there are distinct differences between parts of the country: only in the

¹ A more detailed analysis of the background can be found in our [Preliminary Report](#)

² Graphic overview in the maps

Italian-speaking Ticino did the proposal receive a narrow majority of 53.1%. In German-speaking Switzerland and especially in French-speaking Switzerland, it was clearly rejected. The rejection is particularly clear-cut in the larger cities: in Berne the initiative received only 16%, in Lausanne and Zurich only about 21%, in Basel 24.9%, in Lucerne 26.2%, in Winterthur just under 28% and in Geneva 30.3%. Voter turnout was remarkably high, at 59.5% overall.

One of the reasons for the clear result: In contrast to 2014, when the SVP's mass immigration initiative was narrowly accepted with 50.3%, there was now more clarity about the vote's consequences. The initiative was unmistakably taking aim against the free movement of persons and, as a consequence, against the bilateral agreements with the EU. Even if many Swiss people are indeed in favour of restricting the immigration of EU citizens, the economic consequences of the abolition of the free movement of persons and the discontinuation of the bilateral agreements with the EU probably had a deterrent effect. Particularly in light of the uncertainties of the Corona crisis, the electorate decided against experimentation. In the end, the SVP was only able to mobilise support for the motion outside its own support base to a very limited extent.

Reactions from the EU and Switzerland

Both EU Commission President Ursula von der Leyen and European Council President Charles Michel welcomed the vote. At the same time, von der Leyen expressed the hope that the signing and ratification of the framework agreement could now swiftly proceed. Andreas Schwab, CDU Member of the European Parliament and Chairman of the European Parliament delegation responsible for Switzerland, also welcomed the result and interpreted it as proof that Swiss citizens want to maintain a close association with the EU. At the same time, Schwab expressed the desire for a more courageous defence and declaration of the framework agreement with the EU by the Swiss Federal Council.

The result was also greeted with relief by the opponents of the initiative in Switzerland: they saw the vote as a clear confirmation of the bilateral path with the EU. On behalf of the Federal Council, which had also called for a rejection of the SVP motion, Justice Minister Karin Keller-Sutter (FDP) welcomed the decision, saying that the poll was a vote for stability and the importance of a good relationship with the EU, especially in the Corona crisis.

In contrast, the SVP's reaction was characterised by a mixture of disillusionment and militant defiance. The new party leader, Marco Chiesa, who comes from Ticino, issued a gloomy warning that Switzerland would lose its sovereignty. At the same time, SVP representatives announced that they would campaign against the framework agreement with the EU.

Consequences for EU-Swiss relations

The free movement of persons will be maintained, as will the current bilateral agreements. The clear "No" to the limitation initiative, whose acceptance would have been tantamount to a "Schweixit", is a clear signal from the population for a pragmatic working relationship with the EU.

At the same time, the rejection of the SVP motion should not be confused with approval for the framework agreement with the EU. More and more actors are voicing criticism of the agreement, which has been finalised for two years now. As recently as Friday, both trade unions and the trade association declared that they could not agree to the framework agreement in its current form – i.e. without amendments. Regardless of the unfortunate timing of the announcement (two days before the referendum on the limitation initiative!), this is a serious setback for the prospects of success of the text of the agreement in its current form. The SVP rejects the framework agreement anyway, and the Socialists and Christian Democrats (CVP) are calling for amendments in terms of content. The Christian Democrats have long been critical of the "dynamic" adoption of the law and the envisaged role of the European Court of Justice (ECJ) in the settlement of disputes in the framework agreement. In its current version, the ECJ "has a direct and excessive influence" on legislation and case law, said CVP Councillor of State Pirmin Bischof. It is precisely this question that

cannot be resolved with the clarifications from Brussels alone, as demanded by the Federal Council; this is about a fundamental unravelling of the negotiating package. Even the FDP came out with an – at best lukewarm – defence of the agreement on election night. Accordingly, one commentator judged that the agreement in its current version was “in a coma”³.

The EU, on the other hand, after two years of waiting, is pushing for a speedy signing of the text. It is prepared to provide clarifications, but renegotiation is not (yet) an option. However, the Swiss government – the Federal Council – wants to discuss its own position first, in view of the growing resistance to the agreement’s text. Considering the increasingly broad front of parties and associations, some experts expect the Federal Council to insist on renegotiations. Other observers, on the other hand, expect the Federal Council to try to play for time first.

Further referendums: a close yes to fighter jets, a no for children’s deductions

The other nationwide referendums were quite surprising

1. The vote on the procurement of new fighter aircraft was unexpectedly close: overall, however, the vote of 50.1% was just enough for acceptance. The last survey (56% in favour, 40% against) had predicted a significantly clearer victory.
2. The new hunting law narrowly failed (48.1% : 51.9%): this would have relaxed the protection of wolves and allowed for preventative shooting. Here, supporters and opponents had engaged in a close neck-and-neck race in the polls.
3. As expected, the green light was given for the introduction of two-week-long paternity leave, an initiative of the CVP. Support was within the expected range, with 60.3% to 39.7%.

4. Surprisingly clearly (36.8% : 63.2%), the possibility of tax deductions for general expenses and childcare costs failed to materialise. Opponents of the proposal had argued that the arrangement would mainly benefit wealthy families. After the supporters had initially been in the lead, a majority had recently emerged against the proposal, which had also been submitted by the CVP.

Referendum Sunday from the perspective of the CVP

For the Swiss Christian Democrats of the CVP (Associate Member Party of the EPP), the Referendum Sunday was at least a partial success. It had clearly positioned itself against the limitation initiative; its proposal on paternity leave received broad support. The fact that the Swiss voted – albeit wafer-thinly – in favour of the procurement of new fighter planes was also attributed in a decisive fashion to the commitment and campaign of CVP Federal Councillor Viola Amherd. Disappointment, however, was caused by the surprisingly clear rejection of the CVP’s motion for so-called “child deductions”. At least the CVP was able to enhance its family policy profile with this proposal. The CVP had campaigned for acceptance of the hunting law that was narrowly rejected.

Referendum Sunday for the other Swiss parties

The Green Liberals could be particularly satisfied, with all five results matching their recommendations. This was the case in four out of five votes for the Greens, Socialists and Evangelical People’s Party (EVP), three times at least for the middle-class BDP, and only twice for the FDP and SVP. All in all, the SVP in particular can be described as the loser of Referendum Sunday.

For the SVP, not only the defeat in the referendum on the limitation initiative itself, but also the bluntness of the vote is a major setback. After the 2019 parliamentary elections, which were sobering

³ The SRF programme “Echo der Zeit” offers a good insight

from the SVP's point of view, an atmosphere of optimism was supposed to have been created under new chairman Marco Chiesa. Chiesa was narrowly spared a particularly bitter setback – a rejection of the initiative in his home canton of Ticino. Nevertheless, the clear-cut result clearly shows that the SVP was hardly able to mobilise beyond its own support base on two key issues (migration and criticism of the EU). Accordingly, criticism of the party leadership was already being voiced within the SVP on election evening. Some observers see the vote – not the SVP's only recent referendum defeat – as a sign of the party's weakened ability to mobilise and thus its "ability to scare" in Swiss politics. Informed observers also note that the SVP is already visibly more weakly positioned in terms of personnel and strategy than 5–10 years ago.

Comment & outlook

The Swiss electorate has clearly voted for a pragmatic partnership with the EU and a major crisis in Switzerland-EU relations has been avoided. Nevertheless, a new test of endurance will soon have to be faced (though not of the same gravity as the Sunday referendum). The result strengthens the Swiss Federal Council and gives both sides the opportunity to continue the discussion on the framework agreement without the sword of Damocles of the limitation initiative. However, in view of the ever louder calls for amendments (and not just clarifications), the Federal Council is coming under increasing pressure to take a position on the agreement.

If the Swiss side were to call for amendments, it would also have to plausibly explain what corrections would be necessary to ensure broad agreement and to avoid the text being talked to death once again. The demands of various party representatives and associations are still going in different directions. The Swiss government will have to show that it's prepared to defend an agreement with arguments, even in the face of resistance in Switzerland. A tangible example or two that Switzerland has a real interest in long-term close relations with the EU would also be helpful to dispel the suspicion of cherry-picking.

A framework agreement is necessary: maintaining the status quo would lead to a slow divergence between the two legal spheres and thus make cooperation more difficult. In the long term, the current legal basis for relations, the so-called bilateral agreements, is not a truly satisfactory solution for Switzerland either.

If the Federal Council were to demand a renegotiation, the annoyance on the EU side at the unravelling of a text that had been painstakingly negotiated for four years would be completely understandable – especially after the EU had recently held back on demands for a quick signing, specifically with a view to yesterday's referendum. Close(r) relations, however, would be in the political and financial interests of both sides. In the Corona crisis, the EU side proved that it can be a very pragmatic partner for Switzerland in a positive sense. In the coming weeks and months in particular, patience will be needed until the Swiss side has "sorted itself out". The EU should handle bargaining chips and pinpricks (e.g. participation in the research framework programme, stock market equivalence) very carefully and in a measured manner. Sunday's clear-cut vote against the abolition of the free movement of persons and in favour of a partnership with the EU suggests that the cases of Switzerland and the UK are different – and require a differing strategy accordingly.

Essentially, however, both in Switzerland and in the parties that are moderate in terms of European policy, there's a need for an honest discussion of fundamentals and on the direction relations with the EU should take, not only in the next few years, but in the decades to come. Switzerland's security and prosperity will remain closely linked to the fate of the EU in the future as well.

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