

ELECTION BRIEFING No 68 EUROPE AND THE SWISS PARLIAMENTARY ELECTIONS OF 23 OCTOBER 2011

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Key points:

- The election campaign was deliberately low key and lacking in discussion of Europe because the mainstream parties tried to de-dramatize the campaign so as not to reward the populist and anti European Swiss People's Party (SVP).
- The National Council election did not produce a fifth successive victory for the Swiss People's Party which failed to make up the losses it had inflicted on itself by the expulsion of its moderate wing, which formed the Conservative Democratic Party (BDP) in 2008. It also failed to increase its influence in the upper house and in government. However, it remains a potent force.
- All the main parties - with the partial exception of the Social Democrats (SSP) and the Greens (GPS) - lost some ground in the National Council elections. However, the Radicals (FDP) lost fewer seats than anticipated and the Christian Democrats (CVP) more.
- These losses were balanced by gains made by new and moderate parties like the Conservative Democratic Party and the Green Liberal party (GLP). But talk of the 'centre' being strengthened is exaggerated.
- Consensus politics have been reinforced by this and especially by run off elections for the Ständerat and the 14 December governmental elections. The latter saw the Swiss People's Party fail to recapture its second seat or hold on to its allies, so a major shift to the right was delayed if not prevented.
- While entry to the EU remained off the agenda, the question of how to re-shape relations with Brussels remained un-answered. Indeed, finding a mutually agreed solution appeared as unlikely as ever.

The Swiss and European Background

After Christoph Blocher, the leader of the Swiss People's Party was ejected from government in 2007¹ the outraged party went into what it called 'opposition'. However, this proved more symbolic than real and won it few plaudits. And though it succeeded in expelling Mrs Widmer-Schlumpf, the person chosen by Parliament to replace him, this led to the foundation of the Conservative Democratic Party which prospered and deprived the People's Party of 4% of its electoral support. At the same time, the latter's record in direct democracy during 2008 was poor with three of its own proposals going down on 1 June.

The party also got itself into trouble over the extension of free movement of labour to Bulgaria and Romania because the grass roots rejected Blocher's advice to let it through and the leadership was forced to change track in February 2009 and campaign against the proposal, again unsuccessfully. Meanwhile, Europeanization continued, as with the Swiss adoption of the Cassis de Dijon principle. However, there was no movement on the vexed question of how to consolidate the country's vast range of deals with the EU in face of Brussels' increasingly firm stand against more bi-lateralism. In any case, the party gave up its opposition strategy and succeeded, in December 2008, in getting its President, Ueli Maurer, elected to the government; although only after a desperate fight with another People's Party MP championed by the other parties.

The government as a whole also endured a torrid time in 2008-09 because, on the one hand, of a long saga with Libya over two hostages seized as a reprisal for the arrest, in July 2008, of Hannibal Ghaddafi and his wife for maltreating their servants. The Libyan regime unleashed an unceasing series of hostile actions, including undermining agreements on a negotiated solution. At one stage, EU Ambassadors had to rescue the Swiss Embassy from siege while the Union was further involved when the Swiss tried to blacklist Libyan officials throughout the Schengen area. Berne had to step back from this and it was only in June 2010 that the final hostage was freed. Not surprisingly a Parliamentary Committee of Enquiry report in November 2010 was highly critical of the way the government handled the affair.

On the other, the credit crunch simultaneously hit Switzerland, and especially UBS. In the autumn of 2008 the Federal Council had to help the bank out by creating a 'bad bank' for its toxic assets. It also introduced measures to help re-launch the economy. The country also came under increasing pressure from the OECD and the USA because of its stances on bank secrecy and taxation. The government was forced to negotiate new dual tax treaties and accept deals with Washington which rather undermined bank secrecy, which was not popular. European relations also added to the government's travails as the EU was increasingly hostile to Swiss cantonal taxation practices. But though some critical voices doubted the feasibility of new bilateral deals, the People's Party intransigence made closer relations of any kind problematic. Despite these pressures there were no surprises in elections to the Federal Council in 2009 and 2010.

In July 2010, Doris Leuthard, the then President, agreed with Brussels that a joint expert group should be established to investigate the possibilities of a new structure for closer Swiss-EU relations. This was in line with the government's September 2010 Report which stressed that

¹ See: Clive Church 'Europe and The Swiss Parliamentary Elections of 21 October 2007', European Parties Elections and Referendums Network Election Briefing No 39, January 2008 at <http://www.sussex.ac.uk/sei/research/europeanpartieselectionsreferendumsnetwork/epernelectionbriefings>.

policy would have to remain bi-lateral. This was to ignore the hardening mood in Brussels which showed itself in the Council of Ministers' December resolution which spelled out how, in its view, the bi-lateral approach had out-lived its usefulness. The European Parliament, newly empowered by the Lisbon Treaty, also had reservations about relations with Switzerland. So although in early February 2011 some observers believed that a new deal had been struck over lunch in Brussels; this proved not to be so and relations sank back into the prevailing morass.

Such governmental difficulties seemed to have helped the People's Party re-gain its momentum. Its polling figures began to rise, to a peak of 29.9%, which meant that it had made up the losses inflicted by the expulsion of its moderates. The party was greatly helped by the success, first of the anti-minarets initiative in late November 2009 and then, a year later, of one ordering the expulsion of foreign criminals. So it followed this up by new initiatives on the direct election of the Federal Council and other sensitive subjects. The government thus remained under pressure on external matters as the election campaign got under way.

The Campaign

With the other main parties also doing poorly at votations and with their electoral support stable at best, the People's Party was able to capitalize on its gains from its stance on Europe and re-assert its control of the political agenda, launching its election campaign early in 2011. It emphasized its traditional themes like opposition to foreigners and the EU. However, events three times sent the campaign in different directions, something which was to make it hard for the party to keep its preferred issues in front of the electorate. Hence the campaign remained low key, partly because the other parties realized that any rise in the political temperature would only benefit the People's Party. This was nonetheless surprising because it seemed that, with the Radicals declining, the elections could lead to further People's Party gains and then to a move away from consensus politics and a co-operative foreign policy. In fact, habit, the generally favourable economic situation, the strategies of rival parties and outside events led the electorate to ignore questions about the Swiss future.

The first switch in priorities came in February 2011 with the Fukushima nuclear accident in Japan. As in Germany this had a dramatically mobilizing effect on Swiss voters and parties. Led by the Christian Democrats and the Greens they brought great pressure on the government which rapidly decided that no more nuclear power stations would be built and existing plants would be phased out. With no firm plans for filling the resulting energy gap emerging, energy became a major concern for a while, lifting the poll ratings of Green Liberals and the Green Party to nearly 6% and nearly 11% respectively. The People's Party had little answer to the problem and continued to push the foreigners issue, announcing a new initiative to impose steep curbs and caps on immigration, at the risk of breaking with human rights and EC rules. In fact almost thirty initiatives emerging as all parties tried to profile themselves and their issues ahead of the election.

The People's Party also scored points on the European front in spring 2011 when it led parliament to reject the idea of an agricultural free trade deal with the EU. This appeared to harden the government's attitudes since, during the summer, Foreign Minister Mivheline Calmy-Rey sounded off about Brussels 'bad faith' and passivity. By September she moderated her stance. Despite this Europe hardly figured in the campaign. This was partly because the crisis in international financial

markets led to an influx of money into Switzerland in search of a safe haven, and a second switch in campaign priorities. The consequent surge in the value of the franc caused major problems for exporters and the tourist industry. Hence, the National Bank succeeded in halting the franc's rise by imposing a peg of 1.20 CHF against the euro. The new focus helped the Social Democrats most. They rose consistently in the polls from June to August, reaching 20.5% while the People's Party fell back slightly. The Christian Democrats also gained somewhat while the Radicals did not, despite the introduction of measures to help the economy by the new Radical Minister of Economics.

Again, the People's Party preferred to hammer away at its traditional themes. It re-launched its 2007 Contract with the Swiss, replacing tax cuts with a commitment to deport foreign criminals, the party being very dis-satisfied with the proposed implementing legislation, even threatening a more constraining initiative. Resisting mass immigration was the theme of its last minute advertising blitz which went well beyond the municipal massed poster ghettos. At the same time it formally launched its anti-migration initiative and attacked the way the Conservative Democratic Party and Social Democrat ministers had mishandled the asylum question.

September saw a third switch in the campaign agenda when Mrs Calmy-Rey announced that she would not be standing for re-election in December. This led the parties to re-examine their alliances so as to maximise their chances. With the People's Party re-gaining popular support its claim to two seats strengthened. So, though Mrs Widmer Schlumpf was universally popular, her place seemed at real risk, and with it the future of the Conservative Democratic Party. The Radicals' position also came under threat and the Social Democrats were not without their fears.

Yet none of this really raised the electoral temperature. Thus, in contrast to events in 2007, the People's Party's final rally in Berne was totally peaceful. The fact that there were more candidates than ever - 3,620 in all - albeit with fewer women amongst them, did not reflect a wider public interest. Rather it showed the expansion of the political class. Equally, public opinion was unmoved by the constant questioning of the lack of transparency over party finance even though the People's Party spent 15 million francs, more than the other parties put together. The fact that so many people voted early, by correspondence, also helped to de-dramatize the campaign while social media played only a limited role.

Party Aims

This lack of aggression showed up in the aims the parties set themselves. Thus, while earlier in the year some People's Party thinkers argued that the party needed over 50% if the country was to be properly defended, the party settled on holding its 30% of the vote since, with the departure of moderates, its parliamentary strength had fallen to 59 seats. Its battle cry for the campaign was that 'The Swiss Vote SVP', thereby denigrating the patriotism of other parties' voters. Beyond this, it focused on societal and identitarian issues like mass immigration. It especially wanted to build up its strength in the Ständerat, using Blocher as its candidate in Zurich.

Some of its attitudes were shared by the Swiss Democrats, the Lega and the Movement for Genevan Citizens [MCG] but their national prospects were limited. As to the Conservative Democratic Party it aimed to double its seats and show not merely that it was going to last but that

it could also could help to de-venom Swiss politics. Its platform was full of careful compromises on aid, bilateralism, energy, migration and the army. The Radicals echoed the patriotic theme, claiming they were motivated 'By the love of Switzerland'. In reality, despite its merger with the Old Liberal Party, the party faced a major challenge to reverse its on-going decline. It stressed three main aims: more jobs; sustainable welfare, and less bureaucracy and red tape. Externally, it nailed its colours to the bi-lateral mast while denouncing the People's Party's migration initiative.

The Christian Democrats had enjoyed a much more successful legislature than the Radicals - thanks, in part, to having formed a joint parliamentary group with the Green Liberals and the Evangelical People's Party. In policy terms they focused on the family, while also stressing their environmental credentials. The Green Liberals had also had 'a good war'. Their claim was that they were a party of clear policies and environmental concerns though many were uncertain about the party's precise programme; indeed, it was regarded by many as not actually having a programme! The Greens remained committed to equality, Europe and the environment while also being doubtful about the army.

The Social Democrats would have liked to re-capture the patriotic tone of the 1980s but were not really able to do this. They accepted the country could not take in all the world's poor, in an attempt to address their perceived weakness on questions of internal security. They also queried the passive obedience being forced on Switzerland by Brussels. The party's 2011 slogan was 'For All, Not for the Few' or 'No privileges'. And it wanted to attack practical problems, like the financing of transport, over-looked in the campaign. The far left, in the form of Solidarités and the communist Labour Party seemed very exposed, with the latter having lost its charismatic leader. Many observers also felt that they and other small parties were at risk of losing their representation altogether. Electors could also vote for many new formations including an 'Anti-Party Party', a Pirate party, and an 'Anti-Power Point Party'.

Party Performance in Elections to the National Council

In the event, such formations did not help to increase turnout which only inched forward to a little over 49%, although this was above the 42% of the 1990s. Again turnout amongst the young remained low. Nonetheless, those electors who did vote managed to change things for the parties. Most notably, as Table 1 shows, they inflicted the first check on the Swiss People's Party in several years. This party lost 2.3% of its 2007 electorate, which meant that it had not in fact wholly made up its losses to the Conservative Democratic Party. The latter had already cost it three seats through secession but it lost a further five, bringing it down to 54. It gained one new seat in Nidwald but lost in eight others including Berne, Jura, Lucerne, Obwald and Zurich. Overall, it lost votes to the new parties rather than to the older mainstream forces. One of its spokesmen also claimed that there was actually no loss because the Conservative Democrats votes ought to be counted as its own, an inventive spin.

In any case the Conservative Democrats did surprisingly well, especially given their low campaign expenditure. In Graubünden, where the party had its roots in the pre 1970 Democratic Party, it claimed 20.5% of the vote, only 4% behind the reformed People's Party, while in Berne, the other heartland of the party's old moderate agrarian wing, it racked up 14.8%. This brought it four seats in Berne together with two in Zurich and one each in Aargau, Glarus and Graubünden. The Green

Liberals won 9 new seats including four in Zurich and two in Berne. They even won one in Vaud, with more than the party's average score whereas the Conservative Democrats had no success in the Suisse Romande.

Table 1: Elections to the two Swiss Chambers, 23 October 2011

	Nationalrat				Ständerat	
	2007 Seats	2011 %	2007 Seats	2011 %	2007 Seats Only	2011 Seats Only
Alternative Left (AVF)	0	0.5				
Solidarites	0	0.4	0	0.9 *		
Communists (PDT)	1	0.7				
Social Democrats (SPS)	43	19.5	46	18.7	9	11
Greens (GPS)	20	9.6	15	8.4	2	2
Christian Socials (CSP)	1	0.6	1	0.6		
Christian Democrats (CVP)	31	14.6	28	12.3	15	13
Evangelicals (EVP)	2	2.4	2	2.0		
Liberal Greens (GL)	3	1.4	12	5.4	1	2
Old Liberals (LPS)	4	n/a	**	n/a	0	n/a
Conservative Democrats	n/a	1.8	9	5.4		1
Radicals (FDP)	31	15.6	30	15.1	14	11
People=s Party (SVP)	62	29	54	26.6	8	5
Confederates (EDU)	1	1.3	0	1.3		
MCG	0	*	1			
Lega dei Ticinesi (LT)	1	0.5	2	0.8		
Swiss Democrats (SD)	0	0.5	0	0.2		
Freedom Party	0	0.1	-	-		
Others	0	1.8	0	2.3		1
	200	100%	200	100%	46	46

* Not given separately: included in >Others= ; ** Merged with Radicals by 2010

Pundits had expected much this but had also over-estimated the potential losses of the Radicals while under-estimating those of the Christian Democrats. The former won new seats in Schwyz and Zug, held on to some of the Old Liberals' seats in the Suisse Romande but lost two in Berne and one each in Graubünden, Nidwalden, Thurgau and Ticino. So though it finished only one seat down on 2007, the party's electoral base clearly shrank. The Christian Democrats, conversely, suffered a double defeat. On the one hand they lost seats in Zurich, Valais, Berne and most notably Aargau while ceasing to be the dominant party in Catholic Fribourg and Valais. However, the party did win seats in Basle City and, most spectacularly, in Jura where it defeated one of the People's Party's most extreme French speaking MPs. On the other hand, much of their parliamentary success since 2007 had come from the fact that they had an enlarged group with the Evangelicals and Green Liberals. The latter's success meant that it would have its own group, suggesting that the Christian Democrats would find it harder to win parliamentary votes in the future although it still had the Evangelicals and the Christian Socials in its group.

Despite the fears that smaller parties would suffer, only the fundamentalist Confederate Democratic Union and the Labour Party actually failed to maintain their place in parliament. For the rest, the Evangelicals' vote remained stable while the Lega doubled its representation. The Genevan MCG succeeded in winning a seat, something it had failed to do in 2007. Its representative remained unattached whereas the two Lega MPs pledged to join the Swiss People's Party Group. As a result, while there were six parliamentary groups, there were still 11 parties in the National Council, one down on 2007.

On the left it seemed that the Social Democrats had improved their position, finishing with three extra seats. But this concealed losses in Glarus and Ticino even though the party racked up five gains, two in Vaud and one each in Valais, Solothurn and Fribourg. Moreover, the party also lost a further 0.8% of the popular vote because there was a clear trend away from the left, as was shown by the fact that the Greens also lost ground even though they were fiercely anti-nuclear. The party's strong social leanings cost it seats in Basle City, Berne, Vaud and Zug. Moreover, it failed to win any new seats. Hence the moderate left emerged somewhat weakened.

Elections to the Council of States

It was immediately clear on 23 October that the Ständerat was not, as the People's Party had hoped, going to be dominated by its leaders. When the first results were declared the Social Democrats led the field, leaving the People's Party with only four seats. And its star candidates – Christoph Blocher, Toni Brunner and Caspar Mr Baader - were not well placed to win the second time round. Then, in Valais, Lucerne and elsewhere, poorly placed candidates stood down, allowing better placed rivals a walk-over, and saving tax payers the cost of a new election.

When second round elections were held, things went badly for the right. In Schaffhausen, Thomas Minder, the campaigner against high executive salaries, won a seat as an independent at the expense of the Radicals while in Berne not merely did the Conservative Democratic Party hold its seat but the Social Democrats won a notable victory in defeating Adrian Amstutz, a feat they repeated in St Gallen where party President Brunner was defeated by a leading leftist trade unionist. In Zurich Blocher managed only 10,000 votes fewer than in the first round despite an aggressive and personal attack - delivered to all households in the canton - on his Green Liberal rival. The latter not only held the Zurich seat but was also able to seize a seat from the Christian Democrats in Uri. Only in Schwyz, where a long standing Christian Democrat candidate insisted on staying on beyond his sell by date, did the People's Party pick up a new seat.

In the end the Christian Democrats emerged with 13 seats (two down on 2007). The Radicals were three down at 11, the same as the Social Democrats. So, with an independent, a Conservative Democrat and two from each of the Green formations, along with the Swiss People's Party rump of 5 (three down on 2007), the Upper House was more pluralist and representative than before. The results offered the Christian Democrats some consolation but also exposed the underlying weakness of the Radicals. For the People's Party, which had started with high ambitions, it was a debacle, even though talk of the 'end of the Blocher era' was clearly exaggerated. Nonetheless, it did seem that the party had lost its aura of invincibility so that its opponents were no longer so

afraid of it. This was doubly significant because the changing balance brought about by these elections were rightly seen as having real implications for the choice of the new Federal Council.

Analysis and Implications

Some very exaggerated assessments were made as initial exit polls came out on 23 October, claiming that the People's Party had come to the end of the road. In reality its onward march had been only partly halted. It remained by far the biggest party and pre-election polls suggested that it had not yet quite reached its full electoral potential. It remained as aggressive and ambitious as ever. The reasons for its losses seemed to lie partly in a general public backlash against the main parties, partly because the People's Party did not offer convincing solutions to the prevailing economic crisis and partly because of resistance to the party's extremism. In 2011, it could no longer rely on the alliances with other parties which had helped it in 2007 as few parties were now willing to cooperate with it. The reasons also lay in the failure of its advertising campaign. This seems to have been too aggressive for some un-committed voters and not venomous enough to satisfy some of its hard-line support. Events and the declining appeal and effectiveness of Mr Blocher also played a part. It was no longer possible to focus the campaign on him as it had been in 2007. Such factors may not last for ever and a new surge by the party could be ruled out, especially given the structural weaknesses of the other mainstream parties.

Equally misplaced was the media's talk of the victory of the 'Neue Mitte' the new centre. Certainly the two new parties made considerable progress but they were by no means strong enough to dominate policy and government making. And they represented different and un-clear options, not a single 'centre'. Talk of mergers with either the Christian Democrats or a post-Blocherian People's Party also raised questions about their long term viability. In fact, in 2011 both parties seemed to have attracted votes because they were new and moderate and not because of their actual programmes. However, the fact that none of the mainstream parties, while weakened, suffered dramatic losses, even though the Conservative Democrats and Green Liberals strengthened their positions, meant that concordance had been reinforced and polarization reduced, as opposition to what was seen as a 'Goliath' party grew. Arithmetically, the centre-left gained and the right lost which may could have made for more stability as policy would have to evolve through parliamentary debate, which could have reduced People's Party's clout.

The elections also pointed out the differences between the French and German speaking parts of the country. Without the Suisse Romande, the Social Democrats and Greens would have been weaker. German speaking regions would also have been left with even more conservative representations. There was also a trend to a marked over-representation amongst MPs of residents of the capital cities and their suburbs, at the expense of the rest of the cantons. This pointed to the fact that Swiss elections remained a cantonal mosaic not always subject to the broader national trends common in Britain and the USA.

Government Formation

Manoeuvring over the formation of the new Federal Council started early but it was not until all the Ständerat elections were over that negotiations started in earnest. By then the poor performance of

both the Christian Democrats and Greens had written *finis* to their hopes of new government seats. However, the success of the Conservative Democrats and the sympathetic Green Liberals strengthened the position of Mrs Widmer-Schlumpf. In any case the People's Party could not now hope to impose its will as it had in the past. It dropped hints that, if Mrs Widmer-Schlumpf were ejected and replaced by one of its own, then it would adopt a more conciliatory line but these were poorly received and soon dropped.

The party generally found it hard to devise an effective strategy for three reasons. Firstly, it had great difficulty in finding experienced and moderate candidates who might appeal to the other parties. This, secondly, forced it to be anything but transparent which annoyed other parties. Consequently, this made it, thirdly, un-willing to respond to Social Democratic probings. Party President Christian Levrat believed that the party deserved a second seat. But there was no parliamentary justification for the combined right, made up of People's Party and Radicals, to have a four to three majority in government. So, if the former wanted a second seat it would have to come from the Radicals. But with the latter being the only party to support them, the former refused to come out and accept this.

In the end, the People's Party chose a dual ticket of two relatively moderate MPs: Bruno Zuppiger from Zurich and Jean-François Rime from Fribourg. While the first was seen as an excellent candidate, his position was rapidly undermined when the weekly *Weltwoche*, which was close to the party's hardline tendency, revealed that he was suspected of having appropriated for himself a legacy left to the arts and crafts organization of which he was Director. He immediately stepped down as a penal enquiry was launched, leaving the leadership with much egg on its face. It then hastily chose HansJurg Walter, the Head of the Peasants' Union, who had been run against Mr Maurer by the centre-left in 2007. But he too posed problems for the other parties because he had just been elected President of the National Council and so might have had to preside over his own election. Given these doubts, the People's Party assembly was then reduced to demanding that concordance be maintained and warning that, if it did not get its second seat, it might leave the government altogether. Meanwhile the Social Democrats had chosen a well received French speaking dual ticket for the replacement of Mrs Calmy-Rey, consisting of a Senator and a more left-wing member of the Vaudois government.

Come December 14 more traditional approaches won out, the reinforced alliance of 2007 being revived and holding firm. As a result, there was no change in the order of election and no allowance was made for the People's Party to call a halt to discuss its options. In fact, all the sitting candidates were re-elected on the first ballot, beginning with Mrs Widmer-Schlumpf. Although she obtained the lowest vote of all the existing ministers, because both the People's Party and Radicals voted against her, virtually nobody else did and the two People's party candidates were left trailing. The Social Democrats also held on to the remaining seat, with Alain Berset from Fribourg being chosen, probably because he was more moderate and better known in Berne than his Vaudois rival Pierre-Yves Maillard.

The People's Party suffered a double defeat as a result of all this. Not only was its *bête noire* re-elected (and chosen as President for 2012) but it lost the support of the Radicals when it suddenly announced that, because it believed that not all of its MPs had supported it in early ballots, it would challenge for both Radical seats. However, it was crushed when it did so and, by the end, even some of its own MPS appeared to have deserted it. By then it had also forfeited the possible

support of the Social Democrats. It was left threatening to pull out of government altogether although the early signs were that it would not do so, preferring to let Maurer conduct a kind of guerilla war against what it liked to see as a 'coalition government'. In the end the decision to remain in government was confirmed by the party assembly in late January. This reflected a realization that opposition was a doubtful prospect in the Swiss context especially given the party's recent losses.

The elections had also broken the cycle started in 2003 when sitting ministers were ejected for party reasons. They may also have gone some way to restoring the convention that sitting ministers decided for themselves the time and manner of their departure. The later elections were clearly a victory for parliament as a whole over the divine right of party. They also saw the rejection of the People's Party's voter arithmetic view of concordance, preferring an approach based on parliamentary balance and an acceptance of a willingness to play the collegial game and accept a majority view on policy. It remained to be seen whether the success of Eveline Widmer-Schlumpf in winning election despite belonging to a party which only had ten seats would create a precedent for other smaller formations.

None of this meant that the next four years would be plain sailing. The People's Party was wounded not dead. It remained active in pushing its ideas through direct democracy. And, if it was unable to move Maurer into the Foreign Ministry, it retained much popular support and much energy, even if its leadership was now being questioned. Depending on what the other parties did - and they all had problems of their own - it may still be able to affect government and drive the political agenda. After all 75% of the public apparently believed it had a right to two seats. It would certainly continue to influence European policy.

The Future of Swiss European Policy

If most parties had tried to avoid the question of Europe during the campaign, it soon presented itself within days of the election. This happened when it became known that the Federal Council was not going to release the legal opinion it had commissioned on the practicalities of accepting the evolving *acquis*. And, even though a visit by Mr Van Rompuy in early November led nowhere, the outgoing EU Ambassador expressed the hope that new proposals might emerge in 2012 even though some un-shakeable Swiss myths about Brussels made this difficult.

At the same time, the European Parliament brought pressure on the Commission to query the new bi-lateral dual tax treaties with Britain and America. In fact, the Commission talked of taking the UK to the European Court of Justice if it did not re-negotiate its deal with Switzerland which it felt was out-with its competence and too lax on tax evasion. EU Finance Ministers then ratcheted up the pressure on 30 November by demanding negotiations on Swiss acceptance of the Union's 'Code of Good Conduct' in fiscal matters, threatening bank secrecy and cantonal tax policies. Brussels spokesmen also re-stated the view that bi-lateralism had had its day and that the EU was not prepared to create special institutions for Switzerland, leading some to think that entry to the European Economic Area (EEA) was the only option open.

At the same time domestic pressure was building up on the Federal Council because unions and the right felt that the accompanying measures on free movement were in-sufficient. Hence there were

threats to block any new extensions to Schengen or to the application of the free movement rules, for instance to new EU members. And the Federal Council appeared to be considering invoking the safeguard clauses in the free movement agreements. A further complication came in late December when the *Weltwoche* leaked the legal advice on possibilities for allowing Switzerland to shadow the evolving *acquis*, perhaps by allowing Brussels a voice in Swiss decision making. However, in February the new Foreign Minister, Radical Didier Burckhalter was talking optimistically of piloting a new strategy combining sectoral and institutional questions, beginning with electricity supply.

Nonetheless, this along with the eurozone crisis, meant that the problem of developing better relations remained unresolved and politically controversial. Continuation of an increasingly unsatisfactory status quo therefore seemed most likely, despite its unfortunate side effects. For, if the ball was very much in the Swiss court - something the government appeared not to fully accept - it was doubtful that any of the projected new arrangements could be carried against the fundamentalist opposition of the People's Party and its allies. In other words, if the electoral cycle that finished on 14 December resolved questions of internal political balance - and, to a lesser extent, of concordance - it did not address, let alone solve, the big questions about the Swiss future. Nowhere was this more so than in the matter of relations with the EU.

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