۲

4 switzerland

Bilateralism's polarising consequences

in a very particular/ist democracy

Joachim Blatter

Switzerland qualifies for European Union (EU) membership but is not a member and has rejected membership in the European Economic Area (EEA). It has developed a close, albeit unique, form of association with the EU – generally referred to as sectorial bilateralism. In this chapter I focus on the democratic implications of Switzerland's bilateral relationship with the EU, with particular emphasis on autonomy and accountability. The assessment must take proper heed of the fact that Swiss democracy is strongly shaped by classical republican ideas of popular sovereignty and that liberal or constitutional understandings of democracy have not taken hold in a similar way.

In the next section I provide an overview of the Swiss model of democracy and show how this ideologically and institutionally enshrined understanding of democracy to a large extent accounts for why a majority of the Swiss people refused to exchange direct-democratic veto rights with rights to be represented in rule-shaping and -making in Brussels, because that would represent a paradigmatic shift from republicanism to liberalism.

The republican tradition can explain Swiss hesitance to establish closer political ties with the EU. Nevertheless, I believe it cannot justify Switzerland's distinct association with the EU, because it draws on a very traditional understanding of republicanism, one that is not adequate anymore for understanding political autonomy in times of massive trans-boundary flows and interdependencies. A neo-republican approach, in contrast, takes these conditions better into account, reconceptualises political autonomy and introduces non-domination as a core concept. When we apply such a neo-republican understanding of political autonomy, Switzerland's bilateralism has to be evaluated much more critically, because it combines strong resistance against interference from neighbouring states and international organisations with an extreme opportunism towards the demands of multinational corporations. Such a stance undermines the capacities of larger polities like the EU to

Proof

 (\bullet)

secure political self-determination against private capital holders and multinational corporations.

Proof

(�)

In the final section, I focus on the concept of accountability and argue that in Switzerland, an 'elective' understanding of how representatives should be held accountable has never played a role of similar importance as it does in representative democracies. Instead, an 'identity' approach which implies that rulers serve as trustees, and a 'deliberative' approach emphasising the justificatory and constitutive nature of communicative processes between the rulers and all affected parties, have been characteristic features of Swiss democracy. The configuration of strong trans-boundary interdependence and bilateralism undermine the means of holding representatives accountable: first, they contribute to the erosion of trust in the national government and thereby undermine identity-based accountability; second, in the present context, direct democracy is losing (again) its integrative and problem-solving qualities in terms of deliberative accountability.

Swiss democracy

Switzerland's model of democracy is characterised by the fact that core features of republicanism are (still) very strong, whereas central elements of liberalism are comparatively weak. The first and most well-known republican feature of Swiss democracy is the fact that the Swiss people can decide directly on many issues on all levels of government. Switzerland is the country with the strongest institutionalisation – and the most extensive use of – direct-democratic instruments in the world (Vatter 2014: 343). The direct-democratic instrument of the popular initiative gives the people the opportunity to put an issue on the agenda, and the referendum provides them with a veto right.

The second, less well-known, but at least as important, classical republican feature is that Switzerland holds dear the principle of identity not only among the members of the political community but also between the rulers and the ruled. The first, communitarian, aspect of the principle of identity explains the fact that Switzerland remains the most decentralised and federalised country in Europe so that the cantons, which have their distinct cultures, still have many competences and capacities (see the following discussion). The second, more clearly republican, aspect is embodied in the so-called *Milizsystem*. It expresses the idea that the citizens themselves and not any agents or representatives defend and rule themselves. Its strong ideological anchorage prevented the strong professionalisation of the military and of the political elite, as well as the functional specialisation of the bureaucracy. Normatively, it is not even acceptable for the members of the national parliament to perform their position as a full-time job (although *de facto* it is often the case; see Z'graggen 2009).

The Swiss political system, as noted, is the most decentralised and federalised one in Europe (Vatter 2014: 343, 427, 465). In contrast to other federations, where the federal structure has been established in order to contribute to the liberal ideas of institutional checks and balances, Swiss federalism is much more the result of

 (\bullet)

۲

54 Joachim Blatter

communitarian and republican thinking. The cantons, where cultural homogeneity is much more prevalent than on the national level, are the basic building blocks of the political system, and the federal government was only reluctantly established in order to secure political autonomy from the European neighbours. The prevalence of these ideas shows up in the following structural features of Swiss federalism (Vatter 2014: 427–438):

- Multiplicity: the small country with a population of about 8 million people is divided up in 26 cantons and about 2,500 municipalities;
- Diversity in size: the largest canton (ZH) has 1,425,538 inhabitants and the smallest 15,778 (AI);
- Diversity in function: similar to the US, in Switzerland, municipalities as general purpose and territorially defined jurisdictions are accompanied by many policy-specific forms of governance like school districts and parentage-based *Bürgergemeinden*, as well as
- Smallness: the majority of cantons have less than 270,000 inhabitants, and the majority of municipalities have less than 1,300 inhabitants.

Despite their small size and great diversity, Swiss municipalities and cantons have been able to keep more competences and resources on the subnational level than in any other federal state (with the exception of Canada). The horizontal relationship among the entities of the Swiss nation state is primarily determined by an ideology that values economic and fiscal competition. Competitive federalism is accompanied by limited forms of functional cooperation. The cantons have used formal forms of inter-cantonal cooperation much less than other federations; functionalist bi- and multilateral cooperation clearly trumps nationwide horizontal coordination; the latter is only accepted if it can be sold as an attempt to avoid regulation at the federal level (Parker forthcoming). The picture is different, though, when we look at informal and technocratic forms of cooperation and coordination - more than 500 bodies exist, staffed with cantonal members of government and bureaucrats (Iff et al. 2010). The vertical relationship among the entities of the Swiss state is also characterised by unusually successful attempts at preserving competences on a lower level of government and keeping the competences of the different layers of government separate. All attempts at changing the fundamental structure of the Swiss confederation by arguing that the socio-economic interdependencies among the particular municipalities and cantons are very strong, have never found much resonance, neither among the elites nor among the people. For example, a recent attempt to reunite the two half-cantons of Basel-Stadt and Basel-Land has been stopped by a referendum before detailed negotiations could even start.

Whereas republican (and communitarian) features of democracy are strongly institutionalised in the Swiss political system this is not the case with liberal principles. First, the direct-democratic instruments and the important role of the cantons in the Swiss federation have had a strong influence on the functioning of representative democracy. The availability of direct democratic instruments has reduced



 (\bullet)

۲

Switzerland's bilateralism 55

the importance of general elections, so that Switzerland has a very low turnout rate in parliamentary elections. It stimulated the formation of the well-known consociational form of democracy in which all major parties are included in the federal government and parliamentary elections usually do not lead to any changes in government. Furthermore, competitive federalism entails that political cleavages and competition are strongly defined along territorial lines and comparatively less so in terms of interest groups, ideology or party politics. In addition, the foundational role of the cantons is reflected in the fact that the second chamber of the national parliament (Ständerat), which represents the cantons, has competences and powers equivalent to the first chamber of parliament which represents the Swiss people. Each canton is equally represented in the Ständerat (by two directly elected representatives) despite tremendous differences in size. In consequence, the equality between the two principals of the Swiss *Eidgenossenschaft* (the cantons and the people) entails that the liberal principle of formal equality of all individual persons is severely compromised. Equal opportunity in the political process is also compromised by the fact that the hegemonic conservatives and liberals have blocked all attempts to provide public money for political parties. Even more, they turn a deaf ear to demands from internal and external critics (the Group of States against Corruption has launched numerous criticisms) that Switzerland should provide some transparency when it comes to the financing of campaigns for general elections and popular votes.¹ The Swiss model of democracy has flaws not only in terms of formal equality and transparency but also with regard to inclusion. Not by accident, it was the last Western democracy to give women the right to vote; restrictive naturalisation regulations led to the fact that currently almost 25 per cent of the adult population are foreigners and therefore are excluded from voting on the national level. Further, it is important to realise that Switzerland has neither a strong constitution the constitution is getting modified with every successful popular initiative - nor a constitutional court. Neither popular votes nor federal legislation is subject to legal scrutiny (Blatter 2015; Linder 2012). Finally, it is important to underline that whereas political liberalism plays a minor role, the same cannot be said of economic liberalism, which plays a central role, as will be seen in the next section.

Switzerland's form of European Integration

The principles and institutions of Swiss democracy shape the normative-cognitive framework by which the Swiss – at least in their majority – look at the external world, and it influences their preferences in respect to how Switzerland should relate to the external world (especially to the EU). In the following, I want to show why the Swiss bilateral relationship to the EU can be explained by the prevalence of political republicanism and economic liberalism.

In economic terms, Switzerland is one of the most integrated countries in Europe.² Nevertheless, a majority of the Swiss apply their internal experience to deal with socio-economic integration and political (inter-)dependence also to their

۲

(🏠

۲

56 Joachim Blatter

external relations: They defend the neo-liberal principle that national autonomy, competition and (mutual) adjustment is the best way to deal with socio-economic (inter)dependence.³ In consequence, in Europe they prefer 'negative integration' (deregulation and free trade) and oppose 'positive integration' (reregulation and harmonisation).

The entire foreign policy has been dominated by the twofold goal not to get excluded from the European market and not to get included in any larger political community. In consequence, Switzerland joined the European Free Trade Association (EFTA) in 1960 as a reaction to the Treaty of Rome and signed a free trade agreement with the European Community in 1973 after Great Britain joined the EC. After a narrow majority of the people but a clear majority of the cantons rejected Swiss membership in the multilateral EEA in 1992, the Swiss government negotiated bilateral, primarily market opening, treaties with the EU until the beginning of the twenty-first century (Freiburghaus 2009). In 2001, the Swiss people clearly rejected a popular initiative that demanded a start of negotiations with the EU to become a fully fledged member (Schwok 2009: 88–89). Based on the bilateral treaties and despite the clear anti-EU stance of the population, the Swiss government has tried to get included (in most cases successfully) in the intergovernmental networks and agencies of the EU that are set up to smoothen the socio-economic and political interactions (Lavenex 2009, forthcoming).

This strategy has proven to be very successful in economic terms, because Switzerland has profited from the integration in the European common market without being obliged to contribute much when it comes to financing cohesion measures⁴ or to stimulate growth through public spending programmes. Furthermore, the Swiss government has used the negotiations for the bilateral treaties with the EU in order to overcome resistance of entrenched domestic interests and to modernise regulations in many policy fields, which have contributed to its economic success since the turn of the millennium. Switzerland could smoothen the internal adjustment process by getting many substantial (e.g. in the field of agriculture) and temporal concessions (especially in respect to free movement of people) from the EU, and it is very plausible that the threat of a potential referendum made the Swiss bargaining position stronger (Freiburghaus 2009).

Sectorial bilateralism has until now not only proved to be economically profitable but also to safeguard the traditional republican forms of political participation. The fact that Swiss diplomats and bureaucrats are taking part in many intergovernmental networks/agencies – although often without a formal voting right (Lavenex 2009, forthcoming) – and that the Swiss government has introduced a 'euro-compatibility' examination in the lawmaking process, should not be interpreted as a case of Swiss obedience to the EU. It is primarily an extension of established forms of governance in the decentralised and competitive Swiss federation: for the Swiss cantons (especially the smaller ones) observing the policies and regulations of others and adjusting to them is nothing unusual and not seen as a loss of autonomy as long as they can secure autonomy in core areas (e.g. taxation) and as long as they keep some leeway in how exactly they adjust to external rules and



۲

 (\bullet)

 (\blacklozenge)

regulations. The same is true for functionalist collaboration and rule transformation through intergovernmental networks and institutions, which are established in the Swiss federation in a similarly extensive way as in the multilevel system of the EU.

There are two preconditions that make these modes of governance legitimate from a classical republican point of view:

First, in order to secure the 'identity' of the rulers and the ruled, bureaucrats and politicians must not be decoupled from the people. Their closeness and similarity to 'normal' people is what makes them seen as legitimate trustees.

Second, the people have the right to intervene through popular initiatives and referenda. In Switzerland, the internationalisation of the lawmaking process has been accompanied by an expansion of popular and cantonal rights in external affairs (the cantonal rights had been dominant until the confederation turned into a federation in 1848). At the beginning of the twentieth century, foreign policy was the competence of the federal executives, but only briefly, because in a first step the role of the parliament has been strengthened in three constitutional revisions (1921, 1977, 2003) and, in a second step, the rights of the people have been expanded, as well. Today, the constitution grants direct participation of the people in international affairs similarly to domestic laws: the most important treaties are subject to the obligatory referendum, and the optional referendum was extended to all treaties containing important legal norms or demanding federal legislation for implementation (Linder 2014: 229).⁵

The adjustments of the political rights of the people in the field of foreign affairs to the ones they have in domestic politics entail that 'there have been more popular votes on European integration in Switzerland than in any EU member state' (Gava et al. 2014: 197). This is true even if we count only those popular votes which can be described as explicit integration decisions (as will be made clear in later sections, there are many more popular votes which target or affect the Swiss relations to the external world).

In 1992, the Swiss people rejected membership in the EEA, but in 2000 they accepted the first bilateral treaties with the EU as a package. The seven treaties facilitated the integration of Switzerland in the common market, and the most important one brought the freedom for EU citizens to settle in Switzerland. In 2005, they voted on one of the nine treaties of the second round of bilateral treaties, the so-called Schengen/Dublin Agreements, which brought the elimination of border controls for individuals within the Schengen Area.

At the beginning of the 1990s, the Swiss government saw the EEA only as a first step for fully fledged membership in the EU. A few weeks before the people decided on the EEA in 1992, the government sent an official application letter to Brussels. This letter probably contributed to the peoples' rejection of the EEA, and the government has not come back to it, but officially the application is still pending. In 1997, a popular initiative demanded that the Federal Council would withdraw its application for membership. The people dismissed it with a clear majority, but in 2001, they rejected with a similar strong majority an initiative that asked the government to reopen membership negotiations with the EU. In 2005 and 2009,



(🏠

۲

58 Joachim Blatter

the Swiss people accepted the extension of the bilateral treaties to eight Central and Eastern European Countries and then to Bulgaria and Romania (Schwok 2009).

During the first decade of the twenty-first century, it looked as if sectorial bilateralism would be a stable pathway for a relationship with the EU that safeguards economic liberalism and political republicanism in times of intensified socio-economic exchanges and interdependencies, but as is shown in the last section, this turns out to be an illusion.

Before ending this section I address the argument that membership in the EU would be a gain in respect to securing autonomy through participation. This is so, the argument goes, because membership would make it possible for the Swiss to vote for the European Parliament and for Swiss representatives to have a say (actually, a vote) in all EU institutions and the ability to influence the policymaking process in Brussels (e.g. Kellenberger 2014). First, from a classical republican view, indirect participation through representatives in distant, large and heterogeneous decision-making bodies is seen as clearly inferior in comparison to direct participation in closer, smaller and more homogeneous arenas. Second, for a country that has secured a profitable niche in a globalised world economy it is clear that having a little bit of influence in respect to all policy fields is an unsatisfactory substitute for having a lot of influence in just a few, but very important, ones. Third, because of the fact that since 1848 political republicanism has been moulded together with economic liberalism, the fact that bilateralism restricts the participation of Swiss politicians (and bureaucrats/diplomats) in agenda setting, decision shaping and decision-making on the European level is a price that many are more than willing to pay, and it is not seen as an important loss of autonomy. Much more valued is that bilateralism allows the Swiss more leeway in the later stages of the policy process (deciding which policies and how to implement them without judicial oversight) and that they can fend off those policies that would restrict their economic freedom. After all, the Swiss brand of republicanism values the autonomy of particularistic political communities, but not the autonomy of politics. This is a very particular and rather conservative understanding of republican democracy, which does not represent the current state of the art in republican theories of democracy, as is shown in the next section.

Swiss sovereignty and the selective stance against domination

In recent years, we have witnessed the rise of a neo-republican theory of democracy. In contrast to what can be called 'developmental' or 'communitarian' republicanism⁶ that draws on the Greek tradition and on continental European thinkers like Rousseau, emphasising identification and participation, the 'protective' or 'liberal' strand of republicanism refers to the Roman tradition, makes reminiscence not only to Italian thinkers such as Machiavelli but also to 'Atlantic' ones such as the writers of the Federalist Papers, and focuses on the concept of non-domination (Pettit 2012: 5–8, 16).⁷ Republican autonomy demands in this view that individuals (and states on an international level) are embedded in a social structure and are



 (\bullet)



Switzerland's bilateralism 59

provided with a legal status that shields them from arbitrary interference by others (from alien control in the case of nation states). In contrast to liberal or libertarian views of autonomy, interference or control as such is not seen as problematic per se, but only if it is 'arbitrary' or 'alien' (Pettit 2012: 56-59). Protective republicans are 'less sceptical of the possibility of state intervention, and they will be more radical in their view of the social ills that the state ought to rectify', because 'they do not view state action, provided that it is properly constrained, as an inherent affront to liberty' (Pettit 1997: 148, 276). For Philip Pettit, there are two options to make interference non-arbitrary and control non-alien: first, if interference is justified, control takes place in a non-coercive deliberative form and, second, if interference can be resisted, control can be checked by the controlled so that it ultimately relies on consent (Pettit 2010: 73-75). Other neo-republicans emphasise the malevolent effects of private dominium even more in comparison to the danger of public imperium. In consequence, they advocate a strong majoritarian government based on competitive elections instead of consensus and checks-and-balances for mitigating domination (Shapiro 2012: 329, 335).

 (\blacklozenge)

Proof

In the article 'A Republican Law of Peoples' Pettit spells out three potential sources of domination that nation states face within the international system (Pettit 2010: 77–79):

a. Powerful states, which use military threats or interventions and economic or diplomatic pressure to exercise direct or indirect control of other states;

. Francie

- b. Resourceful private bodies like multinational corporations and rich individuals which use their resources directly for having an undue influence in public policy-making by financing and lobbying or using their property rights for wielding influence on national policies by threatening to move offshore.
- c. International public bodies, which are set up by states but have escaped their control and reduce the states' autonomy directly or indirectly in an arbitrary manner.⁸

In the following, I want to show that Switzerland takes a highly selective stance in respect to these sources of domination and is only selectively successful in shielding itself from alien control. On one hand, Switzerland rejects in principle and resists in practise alien control from neighbouring European states and the EU. On the other, it accepts in principle the control of powerful private actors and is not able anymore to resist in practise the interference of those states that wield hegemonic market power (the US – and increasingly China). What makes things worse from a neo-republican democratic point of view is that Switzerland undermines the capacities of its European neighbouring states and the EU to protect themselves from domination by resourceful private individuals/corporations and hegemonic states.

In the following section I substantiate these claims by first pointing to a general Swiss reluctance to sign up to binding international collaboration and thereafter go through the important example of Switzerland's banking secrecy and the important

(�)

Proof

60 Joachim Blatter

role Switzerland has played for many years – thanks to its non-member status – in helping to block all attempts within the EU to reach coordinated measures in the field of taxation of private savings.

۲

Proof

Switzerland's selective stance towards external sources of domination

Switzerland's reluctance to join international political organisations is not limited to the EU. Although Switzerland had been hosting many institutions of the United Nations in Geneva for a long time, it joined the United Nations only recently. As late as 1986 three-quarters of the Swiss voters decided not to join the United Nations, and only in 2002 a majority of the Swiss could be won over. Whereas the reluctance to join politically oriented international organisations is justified with the notion of 'neutrality', another trope makes it difficult to accept any judicialisation of its external relations: traditional narratives not to accept any 'foreign judges' have popped up already during the campaigns against the membership in the EEA. In recent years it has been a major hindrance in the negotiations with the EU, because the EU makes its willingness to sign further bilateral treaties conditional upon Swiss willingness to accept judicial oversight over the implementation of the bilateral treaties. Furthermore, resistance is mounting against the rulings of the European Court of Human Rights. Critics argue that Switzerland has signed and ratified the European Convention on Human Rights without the consent of the people. As I discuss in the last section in more detail, not only international organisations but also international law are framed more and more as antagonistic to popular sovereignty.

In sharp contrast to the traditional and in recent years once again growing aversion against international political organisation and international courts, Switzerland has joined many technically or economically oriented international organisations. For example, in 1948 it was a founding member of the Organisation for Economic Co-operation and Development (OECD). But even more important in our context is the fact that Switzerland has a long tradition of being very accommodating towards private holders of financial capital and multinational corporations.

Mobile private capital and international corporations (at least their headquarters) are attracted by a combination of political stability/conservatism, low taxation, liberal or non-existing regulation, and the Swiss reluctance to cooperate and share information with other states (famously symbolised in Swiss banking secrecy). These ingredients made it possible for Switzerland to become the largest offshore financial centre in the world. Swiss banks manage about one-fourth of the global offshore wealth, about twice as much as the second-largest place, Singapore (Boston Consulting Group 2013: 12). But it is not only in the financial sector that Switzerland plays a key role in the globalised economy. The same is true for other economic sectors that are strongly globalised, for example commodity trading and the marketing of sports and arts.

Swiss non-membership in the EU made it possible to pursue a tax and regulatory policy that undermines the capacity of other states to tax and regulate private

6241-904-1pass-P1-004-r02.indd 60

(�)

Switzerland's bilateralism 61

and corporate actors. With reference to its sovereignty, for half a century Switzerland was able to resist all external attempts to force it to give up its most harmful practices (Freiburghaus 2009: 316-323; Steinlin and Trampusch 2012). What is more, its non-membership provided it with a status that gave it 'alien control' over the EU. This became most obvious when the EU undertook another attempt to fight tax evasion by private capital holders at the end of the 1990s (the first attempts date back to the 1960s). The large member states (which suffer most from tax evasion) and the European Commission pushed for the introduction of a system of autonomic information exchange. Smaller member states such as Luxembourg, Belgium and Austria – which had followed Switzerland's lead by introducing bank secrecy laws and which profited from the existing system - could no longer resist the pressure of the other member states after Great Britain joined the coalition in favour of the information exchange. They accepted the automatic reporting system in principle but would only implement it after Switzerland (and other tax havens) would give up banking secrecy, as well. Switzerland refused, which allowed these countries to uphold their banking secrecy for many further years, which in turn lessened the capabilities of the EU states to reduce tax evasion (Holzinger 2005). In other words, Swiss banking secrecy not only undermined the taxing capabilities of other countries indirectly by serving as a tax haven, but also directly by providing the excuse for those that had an interest in escaping the common norm.

(�)

Proof

Both forms of interference have to be judged as unjustified because they violate the transparency and cooperation norms that have taken hold not only within the EU but on a global level in the last 20 years also. Because it had become clear that the interdependency of tax regimes generates external effects that undermine the de facto sovereignty of states and that tax competition exacerbates inequalities of income and wealth both within countries and across borders (Dietsch and Rixen 2014), the OECD, backed later on by the G20, started to develop an initiative against harmful tax competition (Sharman 2008). Also here, 'Switzerland ultimately contributed to the initiative's (partial) failure' (Emmenegger 2014: 8). Ironically, this time because Switzerland is a member of the OECD, and the OECD in its first attempt to fight tax havens targeted only non-member states. This allowed the attacked tax havens to accuse the OECD of hypocrisy as long as it left countries like Switzerland off the list of tax havens (Sharman 2006).

Despite many attempts, neither the EU nor any of its member states (nor the OECD) was able to curb Switzerland's unjustified interference in their policy-making in the field of taxation. Only later, when the US used its legal and market power to threaten to deny them access to the US market, in effect threatening the existence of the Swiss banks, did Switzerland give up its uncooperative policy and some core elements of banking secrecy (Emmenegger 2014).

The taxation of private capital income is one important field of international tax policy; the even more important one is the taxation of international corporations. Also here Switzerland plays an important role as a country that offers not only low tax rates, but a regulatory context that makes it very attractive for multinational corporations which aim to reduce their tax loads. Once again, Switzerland's non-membership status (and its extremely federalised structure) made it

۲

62 Joachim Blatter

possible for a long time to resist the pressure of the EU to eliminate taxation rules on the cantonal level which contain massive discounts for foreign multinationals. Nevertheless, it seems that Switzerland cannot uphold this resistance anymore. The federal government promised to erase those rules that the EU judged to be unfair. But the way the government proposed to make the adjustment to EU demands is very telling: The first and most important proposed measure is to import those taxation rules (such as 'patent boxes') that EU member states use in order to reduce the tax loads of multinationals. The second important measure is to lower the taxes for all corporations close to the level that until now only the multinationals enjoy.⁹ For the minister of finance it is clear: Switzerland will use the necessary adjustment as an opportunity to strengthen its international competitiveness.¹⁰ This, of course, will lead to massive gaps in the tax revenue of the Swiss cantons. The federal government has promised to partly compensate the cantons for their losses, but it is highly likely that the cantons will be forced to introduce further cost-cutting measures (most cantons had to cut services and costs already in the last few years, since a fierce round of inter-cantonal tax competition forced them to lower taxation for corporations and individuals during the last 10 years). In other words, when Switzerland is no longer able to fend off the demands from the EU to reduce its harmful tax regimes, the way it adjusts to this demand fuels massively the 'race to the bottom' in respect to corporate taxation.

In the context of our analysis of republican autonomy as non-domination, we can interpret this as follows: when threatened by the EU and by private corporations and capital holders at the same time, its embedding in the global socio-economic structure and its status as a non-member contribute to the result that Switzerland obeys much more to the demands of the latter than to the demands of the former. More precisely, Switzerland adjusts its adaptation to EU demands in such a way that the control of political communities over private corporations is not strengthened. It seems that this model might have come to an end since subservience to the demands of private corporations/capital seems not to pay off anymore for the Swiss population. De facto, the autonomy of the Swiss population is limited to choose between either higher taxes for individuals/ consumers or lower public services in order to make up for the reduced financial contributions of corporations. Nevertheless, it might well be that - like in 1814 and 1848 – tectonic shifts in the wider international environment make it possible for Switzerland to uphold its very selective stance against domination. The private capital-/corporations-friendly way to adjust to EU pressure makes Switzerland even more competitive in the globalised economy. Furthermore, the combination of having access to the common European market coupled with full formal autonomy to forge international trade agreements with emerging markets, might make it once again possible that obeying to the wishes of an external power might be perceived not as 'alien control' but as profitable for both and therefore based on consent. Switzerland's foreign economic policy has already turned very much towards China with the explicit goal of reducing its economic dependence on Europe. Switzerland's embassy in Peking has been staffed up so much that it is



۲

(�)

۲

Switzerland's bilateralism 63

now the largest embassy that Switzerland maintains in the world, and Switzerland is very proud of being the first European country with whom China has signed a free trade agreement. Not much attention was paid to the fact that China wants to use Switzerland as a side-entry into the European market.¹¹ So, once again the Swiss selective stance towards external domination might indeed shield it from being dominated by the Europeans and obedience towards other external powers is turned into a profitable and therefore acceptable relationship for the Swiss. As has been the case in earlier times,¹² the price for the autonomy of a particular and small polity is the weakening of the self-determining capacity of other and more encompassing polities like the EU.

The Swiss form of political accountability between republicanism and regional integration

In the introductory chapter of this volume accountability is defined as a 'justificatory process that rests on a reason-giving practice, where the decision-makers can be held responsible to the citizenry, and where, in the last resort, it is possible, to dismiss incompetent rulers' (Eriksen and Fossum 2012: 20). This definition combines two understandings of how representatives should be held accountable that we find in the literature on representation:¹³ First, an 'electoral' approach focussing on the formal authorisation of representatives by the represented and on the opportunities to sanction them through regular elections (e.g. Ferejohn 1999), and second, a 'discursive' or 'deliberative' approach which does not only demand that representatives have to justify their decisions to all affected parties (and not just to their electorate) but which also highlights the constitutive dimension of the communicative acts that are taking place in the process of representation (e.g. Dryzek and Niemeyer 2008; Saward 2006). Nevertheless, it misses a third understanding of accountability, which has traditionally played a major role in Swiss democracy: an 'identical/ identificatory' approach which implies that representatives share descriptive traits with the represented; a common social background and shared experiences lead to confidence that a representative that resembles the represented functions as their authentic voice (Mansbridge 1999; Philipps 1995).

As noted above, in Switzerland's consociational democracy electoral accountability does not play as important a role as it does in majoritarian forms of parliamentary democracy. Parliamentary elections do not lead to a change in government, and the prime means of controlling rulers is not to dismiss them but to challenge their decisions in a referendum. Accountability has been secured by selecting 'identical' rulers and by an inclusive and consensus-oriented public discourse. In the following section, I show how bilateralism as an institutional form to deal with strong trans-boundary interdependencies is undermining and transforming those traditional republican means of holding representatives accountable: first, it contributes to the erosion of trust in government and thereby undermines identity-based accountability; second, direct democracy is losing its integrative and pragmatic qualities for deliberative accountability.



۲

Holding Swiss rulers accountable: From trustees to traitors?

Over time, there has been a slow but clear change in the logic of political representation in Switzerland. In the beginning, politicians on the national level primarily represented the interests/values of their cantons. Later on the ideology of political parties became the main point of reference, and Switzerland developed one of the most polarised party systems in Europe (Vatter 2014: 95-158). Nevertheless, when it comes to executives, the role model for political rulers has always been the 'trustee' and not the 'delegate'.¹⁴ Institutionally, this shows up most strongly in the rule that the members of the Swiss national government (Bundesrat) cannot be dismissed by the parliament after they have been elected by the two chambers of parliament at the beginning of a legislative period. This makes the executive much less dependent on and responsive to the parliament than is the case in parliamentary systems. Beyond formal institutional rules, there are further features which indicate the prevalence of the trustee concept (the selection model) over the delegate concept (the sanctioning model) of representation: in the second half of the twentieth century there has been a fixed formula for the composition of the Bundesrat based on two consociational dimensions: all major parties and all major cultural/linguistic parts of the country had to be represented. But the parties were not free to decide autonomously who should be their representative in the executive branch; especially in the case of the Social Democrats, the majority of the parliament dismissed profiled party candidates and selected more mainstream candidates instead. Furthermore, until recently it was very uncommon that incumbent members of parliament or members of the executive were not re-elected. In other words, whereas there is a sophisticated set of criteria and a comprehensive process to select the adequate people to govern Switzerland in an inclusive and consensual way, after being elected those rulers usually do not have to fear any sanctions. The parliament has no right to dismiss them and during the twentieth century never refused to re-elect those that wanted to serve another term (Vatter 2014: 222). The people cannot dismiss the government either, and nobody expects a resignation if the people do not follow the government in a referendum or initiative.

Nevertheless, the trustee model has become destabilised during the last 20 years. After Christoph Blocher made it possible with strong anti-EU and anti-immigrant campaigns to elevate the Swiss Peoples' Party (Schweizer Volkspartei [SVP]) to the rank of the largest party in parliament, he not only challenged the traditional 'magic formula' for the Bundesrat by demanding a further seat for the SVP. In 2003, he managed to be elected as one of the seven members of the Bundesrat himself. The inclusion of such a polarising figure in the federal executive produced stark tension within an institution that has been designed for being populated by consensus-oriented trustees. After one unruly legislature, the federal parliament did not re-elect Blocher but preferred a more moderate SVP candidate. The SVP did not accept this verdict of the parliament and expelled the two elected SVP magis-trates from their party. This resulted in the SVP not being included in the Bundesrat at all for one year. Afterwards, the parliament accepted the former party president,



۲

(�)

Proof

(�)

Ulrich Maurer, as a member of the Bundesrat, but the SVP remains underrepresented in the federal executive (Vatter 2014: 207–208, 225).

Against this background, the federal government has been under attack in recent years. The SVP put an initiative on the agenda demanding the direct election of the members of the Bundesrat by the Swiss people. They launched this initiative despite the fact that experience from the direct election of executives on the cantonal level has proved that SVP candidates do not profit from this election modus because they are usually too radical for getting a majority of votes. Nevertheless and although they could not win over a majority at the ballot box, with this initiative the populist party could bring to the fore that the members of the Bundesrat are the only rulers in the Swiss political system who are not directly elected. They are elected by the two chambers of the national parliament. Within the traditional republican understanding of democracy that dominates in Switzerland, such an election does not produce as much democratic legitimacy as a direct election by the people.

Whereas the most direct attack on the institutional setup of the Bundesrat could be repelled, the national government is nevertheless on the defensive. Longstanding plans to reform the 165-year-old organisational structure of the government with the goal to strengthen the leadership capacity of the national executive were defeated in parliament (Vatter 2014: 249). Furthermore, not only is its agenda-setting role in the legislative process eroding (Vatter 2014: 235); in parliament governmental proposals are getting rejected much more often than in the last century. Finally, the government is not able anymore to counter popular initiatives with arguments or with alternative proposals as had been the case during the time when the 'magic formula' was intact. We should remember that between the Second World War and the end of the 1970s, not a single popular initiative was successful. From the 1980s until 2003 the success rate rose to about 6 per cent, whereby it is striking that only one specific kind of initiative was successful: initiatives which demanded a stronger protection of the natural environment. With the breakdown of the traditional 'magic formula', this changed dramatically. From 2003 onwards, about every fourth popular initiative succeeded against the will of the Bundesrat, and all successful initiatives have a nationalist/conservative leaning (Linder et al. 2010; Vatter 2014: 351, 352).15

These developments indicate that the Swiss government is no longer accepted as the trustee it had been earlier on. And there are signs that this traditional form of accountability will be shattered even more in the upcoming years. For the 2015 parliamentary election campaign, Christoph Blocher and the SVP have developed a strategy that puts the Bundesrat and its role in the Swiss relationship with the EU in the spotlight. Blocher has started a similar tour through Switzerland as he did in 1992 when he played a major role in defeating the EEA treaty. The main message is that the current members of the Bundesrat are 'traitors' who try to lead Switzerland through the backdoor into the EU. He asks the people to use the next parliamentary elections to stop such a betrayal.¹⁶ This discursive focus on the national executive is accompanied by launching popular initiatives that put the Swiss relationship with the external world at centre stage in the election year

۲

66 Joachim Blatter

(more details are provided in the next section). This means that the established Swiss system of accountability is put on its head: popular initiatives are instrumentalised as campaign tools by the strongest party in order to gain more seats in parliament, and the latter, in turn, is primarily framed as a necessary condition for changing the composition of the executive. In other words, issue-specific direct democratic decision-making is not decoupled anymore from the questions of political power and party politics. As in parliamentary systems, elections are seen primarily through the prism of gaining power in government. The relationship with the EU (and the external world in general) plays an important role in making this radical makeover of the Swiss political system possible. In the next section, I want to show that this is also true the other way around: the internal changes in the Swiss political system have potentially massive implications for the Swiss form of political integration in Europe and beyond.

To sum up this section, in contrast to what has been diagnosed for Norway (and for EU member countries), for Switzerland the main finding is that the bilateral form of European political integration has not led to a strengthening of the national executives. There were some tendencies in this direction during the negotiations of the bilateral treaties at the turn of the century, but soon a strong counter-current set in to avoid that the national executives could use their gatekeeper position between domestic and international politics for expanding their leeway and power. Bilateralism puts the national executives in a precarious position, since they represent the points of contact with an external other in a constellation that is framed and perceived not only as bipolar (Switzerland against the EU) but as strongly asymmetric and endangering (a large EU threatens a small Switzerland). The institutional design makes the Bundesrat predestined for fulfilling a mediating role - but only for mediating among the divergent groups within Switzerland. When the challenge changes towards mediating between internal and external demands, the organisational weakness of the Bundesrat does not allow a leadership role similar to that of national executives in many EU member countries.

This suggests that the bilateral form of European affiliation does not lead to similar changes in respect to political accountability as in other European states, but it does not leave intact those forms of political accountability that dominated in the second half of the twentieth century in Switzerland either. The traditional form of accountability, which had been based on an imagined identity between rulers and the ruled, is under attack. Furthermore, the combination of bilateralism and increasing importance of popular democracy in foreign affairs not only contributes to the demise of 'identical' accountability; it also reduces the productivity of direct-democratic instruments for 'deliberative' accountability.

Deliberative accountability within a popular democracy: From inclusiveness and pragmatism back to exclusiveness and populism?

In order to interpret the current developments it is revealing to look back into history. The introduction of direct-democratic instruments during the nineteenth

 (\bullet)

 (\bullet)

Switzerland's bilateralism 67

century first on the cantonal and soon after on the federal level was the result of the mobilisation of rural-conservative and later on urban-social democratic masses against the ruling liberal elites. Those liberal elites did not only promote economic openness but tried also to preserve representative forms of government as well. Whereas the Conservatives used forms of popular democracy to exclude migrants and religious minorities, the Social Democrats tried to use them in order to gain social rights and benefits for the growing but still excluded working class. The Conservatives were not only much more successful at the ballot box; they were also included in the federal government much earlier.

(�)

Proof

Only after the Second World War, the famous consociational form of democracy (Konkordanzdemokratie) emerged, characterised primarily by the inclusion of all major parties in government according to the 'magic formula' and by the proportional representation of political parties and cultural segments of the country in all public institutions. This structural element was complemented by a very cooperative culture among the political elites, characterised by extensive formal and informal consultation and the maxim of 'amicable agreement', so that Switzerland came to be seen as a showcase for what has been called 'consensus democracy' (Lehmbruch 1975; Lijphart 1984; Linder 2012). Within this structural and cultural embedding, direct democratic instruments have unfolded their potential most productively: the decoupling of specific policy decisions from questions of who holds power positions makes it possible for the public discourse to be very problem centred and usually the solutions represent pragmatic compromises (Blatter 2015). Given this configuration of structural and cultural features, it comes as no surprise that empirical studies found that the deliberative quality of public campaigns and the quality of parliamentarian debates are high in Switzerland compared to other democracies (Hänggli and Kriesi 2012: 275; Steiner et al. 2004: 111-119).

Currently, it seems that popular democracy is losing it productive features for deliberative accountability and shows once again its conservative, exclusive and polarising face. We can discover many similarities between developments in the second half of the nineteenth century/at the beginning of the twentieth century and those in more recent times. Since the 1980s/1990s, liberals have tried once again to stimulate and facilitate stronger socio-economic exchanges by introducing exchange-facilitating regulations on a higher level of government (earlier on from the cantonal to the federal level, now from the national to the European level). Nationalists as the current day conservatives use direct democratic instruments to block the centralisation of rule making and to send strong exclusionary signals. And once again they are very successful: the rejection of Switzerland's membership in the EEA and the clear dismissal of the initiative that demanded to start membership negotiations with the EU exemplify the resistance against any attempts to transfer political decision-making power to higher levels. And there are similar exclusionary decisions which resemble those in the second half of the nineteenth century: In 2004, a majority of the Swiss voters rejected a federal law aimed at facilitating naturalisation for third-generation immigrants; and in 2009, they approved an initiative to ban the building of new minarets. The fact that only four minarets exist in Switzerland and that none is used to lead the prayers, indicate the primarily

۲

68 Joachim Blatter

symbolic feature of this vote. The Muslims have taken over from the Jews the role of the cultural/religious 'other'. $^{\rm 17}$

The current day equivalents to the working-class interests of the late nineteenth and early twentieth centuries are the interests of the immigrants, but even more so the interests of the affected others beyond the boundaries of the nation state. The tendency of popular democracy to be exclusive towards non-established groups and external interests has not only shown up in the nineteenth century but also in the twentieth century. The most prominent example for the former is its role in making Switzerland the last country in Europe to establish suffrage for women. Attempts to reduce the political exclusion of immigrants by liberalising the very restrictive naturalisation regulations or through the introduction of alien voting rights on a local or cantonal level have not fared better at the ballot box so that Switzerland ends up at the lower end when the political inclusion of immigrants is compared across European democracies (Blatter et al. 2014).

If we interpret the EU as the most important attempt to take the external effects of national policymaking systematically into account, and to complement deregulation on the national level with democratically legitimised reregulation on a continental level, Switzerland's unwillingness to join and strengthen the EU is the first and most important indicator for its neglect of the interests of the externally affected. The exclusivity of popular democracy in respect to external interest has shown up not only in these polity decisions but also when it comes to specific policy decisions. For example, when the Social Democrats tried to abolish Swiss banking secrecy in 1984 by referring to its massive negative effects for neighbouring and developing countries, they suffered a crushing defeat at the ballot box (Blatter 2015).

The latest development has been that popular initiatives are instrumentalised by resourceful national interest groups and the SVP to deliberatively target the legal foundations which embed Swiss popular democracy in an international contractual and constitutional environment. In 2012, an initiative was put on the ballot box which would have made the referendum not just facultative but obligatory for most international treaties; it would also have made international treaty making for the Swiss government cumbersome, time-consuming and risky. This initiative was rejected, but in February 2014, a narrow majority of the voters accepted the anti-mass-immigration initiative, which demands that the national government has to reduce the inflow of people through the establishment of quotas for immigrants. This initiative was drafted very skilfully: explicitly, it addresses only a specific issue which has been salient for many Swiss given the high numbers of people who have moved to Switzerland during the last 10 years. But implicitly, the target has been the bilateral relationship with the EU in total, since immigration quotas violate the right of EU citizens to settle in Switzerland. This fundamental right had been established in the first package of bilateral treaties which contains the so-called guillotine clause to ensure they are put into effect together. If one of the agreements is not extended or is cancelled, either party has the right to terminate the others. Given the fact that the freedom of movement (or more correctly the freedom of



 (\bullet)

()

settlement) had been the major price that Switzerland had to pay for the gains it received by the other treaties (access to the European market), the accepted initiative represents a fundamental challenge to the package deal that the bilateral treaties resemble. This reinforces Switzerland's reputation as a 'cherry picker'. But even more, there is a danger that the Swiss government is losing its standing as a reliable contractual partner in international relations.

Proof

(�)

The next attack on Switzerland's legal embedding in an international environment is already in the making. The SVP is currently launching an initiative that demands an explicit clarification of the relationship between the Swiss constitution and international law. The party proposes to anchor explicitly in the Swiss constitution that the Swiss constitution is the highest legal norm in Switzerland and that it supersedes international law and international accords. Because the Swiss constitution is changed by every successful popular initiative, such a clarification would have much more potential consequences in comparison to other countries with similar clauses. If the majority of the citizens vote for an initiative that stands in opposition to an international treaty, the clarification would mean that the government has to terminate the treaty. The aim of the initiative is to reduce the leeway of the national government. Currently, the government tries to deal with such a situation (produced by the anti-mass-immigration initiative) by searching for innovative solutions that are compatible both with the verdict of the people, on one hand, and with the obligations that result from the international accords, on the other.

But the initiative is not only aiming at limiting the mediating role of the federal government, it also targets the transmitter role of the federal court. According to its main drafter, an SVP politician who is professor of private and economic law, the initiative was stimulated when a chamber of the federal court declared the European Convention of Human Rights as binding for its decisions and superior to the Swiss constitution.¹⁸ After the SVP has launched the initiative, constitutional lawyers laid out the complex and differentiated interplay between international law and national law as it is currently practiced by Swiss courts,¹⁹ but for Christoph Blocher it has to be clarified 'to whom the federal court is primarily accountable – to the parliament and the people or to the European Court of Human Rights (ECHR)?²⁰ Observers warn that the initiative is flawed because it would press a differentiated and balanced relationship into a simple hierarchy. But it is not only the content but also the instrument which has problematic consequences. The popular initiative leads to a public debate that is characterised by simplification and polarisation.²¹

In sum, the recent popular initiatives launched by the nationalist Swiss Peoples Party display the dangers of popular democracy for the quality of deliberative accountability in Switzerland: They try to (re)install the verdicts of the Swiss people as the only points of reference to which governments and judges have to justify their decisions. This is supposed to take place at the expense of human rights which are embodied in international conventions/courts and at the expense of external interests which are taken into account in international treaties/organisations.

۲

Conclusion

Switzerland's form of democracy and its corresponding bilateral relationship with the European Union are so distinct as to render them very difficult to imitate from a practical perspective. With its strong republican form of democracy it shows that liberal-constitutionalism is not the only way how democratic self-determination can be understood and institutionalised in the twenty-first century. Furthermore, Swiss bilateralism has made it possible for the Swiss to reap the economic profits from a common European market without having to give up its specific form of democracy.

Nevertheless, when we do not ignore the interdependencies among different models of democracy and different models of European integration, the judgement is not as positive anymore. Thus, there are also normative reasons to caution against imitating the Swiss model. The Swiss traditional and particularistic understanding of republican self-determination leads to a very selective stance against external domination. Strong resistance against any interference of neighbouring states and international organisations is combined with an extreme opportunism towards the demands of multinational corporations. From the perspective of cosmopolitan republicanism, the price for the autonomy of a particular and small polity is the weakening of the self-determining capacity of other and more encompassing polities like the EU.

Bilateralism has made it possible to conserve the traditional form of popular democracy. Nevertheless, that does not mean that strong transnational interdependencies and the bilateral treaties with the EU have not had any impact on the quality of the Swiss democracy. The problematique is very different from most other countries within and outside the EU. In Switzerland, we do not observe the strengthening of the executive and the judiciary. On the contrary, the Bundesrat has lost its traditional grip on the political process and is less able to function successfully as a mediator. One of the main reasons is that the federal executives (and the judiciary) are the only points of contact to external interests and universal norms. Within the national domain, they (are portrayed to) represent the external interests, but they do not have a corresponding constituency in the direct-democratic decision-making process, where only Swiss nationals have a vote. In the 1990s, the instruments of popular democracy have allowed a charismatic leader who embodies the combination of political conservatism and economic liberalism to block any form of political integration beyond bilateralism. Bilateralism as an institutional form of dealing with the external world strengthens dichotomous frames (Switzerland against the EU, the people against the elites) in the public discourse. This, in turn, makes the relationship between Switzerland and the EU (external polities in general) a perfect issue for popular campaigns. Overall, we can conclude that the Swiss form of popular democracy leads to a dichotomous and polarised relationship with the external world and this in turn feeds into the trend towards a more extreme and fundamentalist practice of popular democracy.



۲

(�)

Proof

 (\blacklozenge)

Notes

(�)

- 1 'Kein Gesetz zur Finanzierung der Parteien', Neue Zürcher Zeitung, 13 November 2014.
- 2 König, J. and Ohr, R., 'Schweiz ist stärker EU-integriert als viele Mitgliedsländer. Der Integrations-Index zeigt Stärke und Verletzlichkeit der Schweizer Wirtschaft im EU-Raum', *Neue Zürcher Zeitung*, 12 August 2014.
- 3 As an ideal-typical mode of interaction, adjustments are mutual (Lindblom 1965). This symmetric concept is based on the assumption that both sides depend on the other side in other words, that they are really *inter*dependent. By putting both terms *inter* and *mutual* in brackets, I would like to signal that this assumption might not hold.
- 4 In 2006, 53.4 per cent of the Swiss voters accepted to contribute 'voluntarily' to a cohesion fund for the Central and Eastern European Countries, but Switzerland insisted on implementing their contribution bilaterally (Schwok 2009).
- 5 Whereas the growing involvement of the people follows the established lines of the Swiss political system, the demand of the cantons to be more strongly involved in foreign affairs has led to a structural change the governments of the cantons have created a joint representation in Bern for this purpose and challenge the second chamber of parliament in representing subnational interests thereby bringing the Swiss multilevel system closer to the ones that we see in Germany and in the EU (Blatter 2002).
- 6 David Held (2006) introduced the terms *protective* and *developmental* in his description of republicanism as well as liberalism.
- 7 Major contributions are Bohman (2007), Pettit (1997, 2012) and Shapiro (2012).
- 8 For Philip Pettit (2010: 85–86) it is clear that '[i]nternational agencies do not represent a threat on a par with the dangers from other states and from private bodies like corporations, despite the outcries about the democratic deficit that those agencies display [...] There may still be dangers of domination associated with international agencies, of course, but only a perverted sense of priority would suggest that they are the principal problems in the area'.
- 9 Daepp, M. (2014) 'Die steuerlichen Massnahmen der Unternehmenssteuerreform III erhöhen Rechtssicherheit und Standortattraktivität', *Die Volkswirtschaft. Das Magazin für Wirtschaftspolitik*, Eidgenössisches Departement für Wirtschaft, Bildung und Forschung (WBF), Staatssekretariat für Wirtschaft (SECO) 11.
- 10 Widmer-Schlumpf, E. (2014) 'Editorial: Die Unternehmenssteuerreform III für einen attraktiven Wirtschaftsstandort Schweiz', Die Volkswirtschaft. Das Magazin für Wirtschaftspolitik, Eidgenössisches Departement für Wirtschaft, Bildung und Forschung (WBF), Staatssekretariat für Wirtschaft (SECO) 11.
- 11 Zhang, J., 'Die Schweiz als zweites Hongkong', Neue Zürcher Zeitung, 19 July 2013.
- 12 Viktor Parma and Werner Vontobel (2009: 28–47) describe in detail how Swiss bankers have used Swiss sovereignty and secrecy already at the beginning of the twentieth century to help capital holders from neighbouring countries to escape higher taxation that new democratic governments introduced at home. They argue that this contributed massively to destabilising the Weimar Republic in Germany and the Third Republic in France.
- 13 For an overview on the concept of representation in contemporary democratic theory see Urbinati and Warren (2008) and Shapiro et al. (2009).
- 14 Andrew Rehfeld (2009:215) provides the following criteria for this distinction: (a) whether the representative aims at the good of all or the good of a part (particularly district or party), (b) whether he or she relies on his or her own judgement or on the judgement of a third party and (c) whether he or she is responsive to sanctions or not. I deliberatively stick to the traditional term *trustee* and do not exchange it with the newer concept of a

Proof

 (\blacklozenge)

72 Joachim Blatter

'selection model' exactly because this term implies elitism and not egalitarianism in the relationship between representative and represented (Mansbridge 2011: 621–624). Traditionally, economic elites have dominated all political institutions, and even today, the socio-structural incongruence between population and parliamentarians is very strong: in the two chambers of parliament less than 20 per cent are female, almost nobody is younger than 40 years and the lower professions are minimally represented: 8 per cent in the first chamber, 2 per cent in the second chamber, 50 per cent in the population (Vatter 2014: 324–325).

- 15 Hermann, M., 'Die Zauberformel', Neue Zürcher Zeitung, 16 November 2014.
- 16 For example 'Schlacht um Europa: Wie 1992 tourt Blocher durchs Land. Er ist bereit, die bilateralen Verträge mit der EU aufzugeben. Unter seinen Gegnern fehlt eine starke Figur. Und es herrscht Streit', *Neue Zürcher Zeitung*, 18 October 2014.
- 17 See Vatter (2011) and Vatter and Danaci (2010) for more detailed analyses of the relationship between direct democracy and religious minorities in Switzerland.
- 18 'Ich glaube an die Weisheit des Volkes', Neue Zürcher Zeitung, 27 November 2014.
- 19 For example Nay, G., 'Rechte der Bürger schützen', Neue Zürcher Zeitung, 10 July 2014; and Thürer, D., 'Kein undifferenzierter Vorrang', Neue Zürcher Zeitung, 29 September 2014.
- 20 Blocher, C., 'Politische Klärung tut not', *Neue Zürcher Zeitung*, 29 September 2014 (author's translation).
- 21 Vischer, B., 'Tückischer Traum von der wohlgeordneten Welt', *Neue Zürcher Zeitung*, 28 November 2014.

References aylor & Francis

(

- Blatter, J. (2002) 'Zurück ins Mittelalter? Westfälische Souveränität als nationalstaatliche Monopolisierung der Außenpolitik. Historische Entwicklung und Unterschiede in den Bundesstaaten Deutschland, Österreich und der Schweiz', Österreichische Zeitschrift für Politikwissenschaft, 31(3): 337–361.
- Blatter, J. (2015) 'Kritik der Schweizer Demokratie', Working Paper Series 'Glocal Governance and Democracy' 09, Luzern: University of Luzern.
- Blatter, J., Schmid, S.D. and Blättler, A. (2014) 'The Immigrant Inclusion Index (IMIX): A Tool for Assessing the Electoral Inclusiveness of Democracies with Respect to Immigrants', Working Paper Series 'Glocal Governance and Democracy' 08, Luzern: University of Luzern.

Bohman, J. (2007) Democracy across Borders: From Dêmos to Dêmoi, Cambridge, MA: MIT Press.

- Boston Consulting Group (2013) 'Global Wealth 2013: Maintaining Momentum in a Complex World', Boston, MA, May.
- Dietsch, P. and Rixen, T. (2014) 'Tax Competition and Global Background Justice', Journal of Political Philosophy, 22(2):150–177.
- Dryzek, J. and Niemeyer, S. (2008) 'Discursive Representation', American Political Science Review, 102(4): 481–493.
- Emmenegger, P. (2014) "A Nut Too Hard to Crack": Swiss Banking Secrecy and Automatic Exchange of Information in Tax Matters', paper presented at the SVPW Jahreskongress, Bern, 30 January.
- Eriksen, E.O. and Fossum, J.E. (2012) Rethinking Democracy and the European Union, London: Routledge.
- Ferejohn, J. (1999) 'Accountability and Authority: Toward a Political Theory of Electoral Accountability', in A. Przeworski, S.C. Stokes and B. Manin (eds) *Democracy, Accountability,* and Representation, Volume 2, New York: Cambridge University Press.

۲

Proof

Freiburghaus, D. (2009) Königsweg oder Sackgasse? Sechzig Jahre schweizerische Europapolitik, Zürich: Verlag Neue Zürcher Zeitung.

Proof

 $(\mathbf{0})$

Gava, R., Sciarini, P. and Varone, F. (2014) 'Twenty Years after the EEA Vote: The Europeanization of Swiss Policy-Making', *Swiss Political Science Review*, 20(2): 197–207.

- Hänggli, R. and Kriesi, H. (2012) 'Frame Construction and Frame Promotion (Strategic Framing Choices)', *American Behavioral Scientist*, 56(3): 260–278.
- Held, D. (2006) Models of Democracy, 3rd Edition, Stanford, CA: Stanford University Press.
- Holzinger, K. (2005) 'Tax Competition and Tax Co-Operation in the EU: The Case of Savings Taxation', *Rationality and Society*, 17(4): 475–510.

Iff, A., Sager, F., Hermann, E. and Wirz, R. (2010) Interkantonale und interkommunale Zusammenarbeit: Defizite bezüglich parlamentarischer und direktdemokratischer Mitwirkung (unter besonderer Berücksichtigung des Kantons Bern), Bern: KPM Verlag.

Kellenberger, J. (2014) *Wo liegt die Schweiz? Gedanken zum Verhältnis CH – EU*, Zürich: Verlag Neue Zürcher Zeitung.

Lavenex, S. (2009) 'Switzerland's Flexibel Interation in the EU: A Conceptual Framework', Swiss Political Science Review, 15(4): 547–575.

Lavenex, S. (forthcoming) 'The External Face of Differentiated Integration: Third Country Participation in EU Sectoral Bodies', *Journal of European Public Policy*.

Lehmbruch, G. (1975) 'Consociational Democracy in the International System', European Journal of Political Research, 3(4): 377–391.

Lijphart, A. (1984) Democracies: Patterns of Majoritarian and Consensus Government in Tiventy-One Countries, New Haven, CT:Yale University Press.

Lindblom, C. (1965) The Intelligence of Democracy: Decision Making through Mutual Adjustment, New York: Free Press.

Linder, W. (2012) Schweizerische Demokratie: Institutionen, Prozesse, Perspektiven, Bern: Haupt.

Linder, W. (2014) 'Swiss Legislation in the Era of Globalisation: A Quantitative Assessment of Federal Legislation (1983–2007)', Swiss Political Science Review, 20(2): 223–231.

Linder, W., Bolliger, C. and Rielle, Y. (2010) Handbuch der eidgenössischen Volksabstimmungen 1848 bis 2007, Bern: Haupt.

Mansbridge, J. (1999) 'Should Blacks Represent Blacks and Women Represent Women? A Contingent Yes', *Journal of Politics*, 61(3): 628–657.

Mansbridge, J. (2011) 'Clarifying the Concept of Representation', American Political Science Review, 105(3): 621–630.

Parker, J. (forthcoming) 'Switzerland', in J. Parker (ed) Comparative Federalism and Intergovernmental Agreements: Analyzing Australia, Canada, Germany, South Africa, Switzerland and the United States, London: Routledge.

Parma, V. and Vontobel, W. (2009) Schurkenstaat Schweiz? Steuerflucht: wie sich der grösste Bankenstaat der Welt korrumpiert und andere Länder destabilisiert, München: Bertelsmann.

Pettit, P. (1997) Republicanism: A Theory of Freedom and Government, Oxford: Oxford University Press.

Pettit, P. (2010) 'A Republican Law of Peoples', *European Journal of Political Theory*, 9(1): 70–94.

Pettit, P. (2012) On the People's Terms: A Republican Theory and Model of Democracy, Cambridge: Cambridge University Press.

Phillips, A. (1995) The Politics of Presence, Oxford: Oxford University Press.

- Rehfeld, A. (2009) 'Representation Rethought: On Trustees, Delegates, and Gyroscopes in the Study of Political Representation and Democracy', *American Political Science Review*, 103(2): 214–230.
- Saward, M. (2006) 'The Representative Claim', Contemporary Political Theory, 5(3): 297-318.



74 Joachim Blatter

Schwok, R. (2009) Switzerland-European Union: An Impossible Membership?, Brussels: P.I.E. Peter Lang.

۲

Proof

Shapiro, I. (2012) 'On Non-domination', University of Toronto Law Journal, 62(3): 293-335.

- Shapiro, I., Stokes, S.C., Wood, E.J. and Kirshner, A.S. (2009) Political Representation, Cambridge: Cambridge University Press.
- Sharman, J.C. (2006) Havens in a Storm: The Struggle for Global Tax Regulation, Ithaca, NY: Cornell University Press.
- Sharman, J.C. (2008) 'Regional Deals and the Global Imperative: The External Dimension of the European Union Savings Tax Directive', *Journal of Common Market Studies*, 46(5): 1049–1069.
- Steiner, J., Bächtiger, A., Spörndli, M. and Steenbergen, M.R. (eds) (2004) Deliberative Politics in Action: Analyzing Parliamentary Discourse, Cambridge: Cambridge University Press.
- Steinlin, S. and Trampusch, C. (2012) 'Institutional Shrinkage: The Deviant Case of Swiss Banking Secrecy', *Regulation & Governance*, 6(2): 242–259.
- Urbinati, N. and Warren, M.E. (2008) 'The Concept of Representation in Contemporary Democratic Theory', *Annual Review of Political Science*, 11: 387–412.
- Vatter, A. (2011) Vom Schächt- zum Minarettverbot. Religiöse Minderheiten in der direkten Demokratie, Zürich: Verlag Neue Zürcher Zeitung.

Vatter, A. (2014) Das politische System der Schweiz, Baden-Baden: Nomos.

- Vatter, A. and Danaci, D. (2010) 'Mehrheitstyrannei durch Volksentscheide? Zum Spannungsverhältnis zwischen direkter Demokratie und Minderheitenschutz', *Politische Vierteljahresschrift*, 51(2): 205–222.
- Z'graggen, H. (2009) Die Professionalisierung von Parlamenten im historischen und internationalen Vergleich, Bern: Haupt.

Not for distribution



 (\bullet)

(

۲

Proot



۲

THE EUROPEAN UNION'S NON-MEMBERS

Independence under hegemony?

Taylor & Francis

Edited by Ot for distribution Erik Oddvar Eriksen and

John Erik Fossum



۲

۲

Proof

۲

First published 2015 by Routledge 2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN and by Routledge

711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

@ 2015 selection and editorial material, Erik Oddvar Eriksen and John Erik Fossum; individual chapters, the contributors

The right of Erik Oddvar Eriksen and John Erik Fossum to be identified as the authors of the editorial material, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

Francis

or distribution

British Library Cataloguing-in-Publication Data A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

[CIP data]

 (\bullet)

ISBN: 978-1-138-80751-8 (hbk) ISBN: 978-1-138-92245-7 (pbk) ISBN: 978-1-315-75103-0 (ebk)

Typeset in Bembo by Apex CoVantage, LLC

2root

۲

CONTENTS

List of tables and figures Notes on contributors Acknowledgements Preface		vii ix xiii xv
1	Introduction: Asymmetry and the problem of dominance Erik O. Eriksen and John Erik Fossum	1
PART I Forms of association without membership		15
2	The European Union's different neighbourhood models <i>Sieglinde Gstöhl</i>	17
3	The Swiss way: The nature of Switzerland's relationship with the EU Sandra Lavenex and René Schwok	36
4	Switzerland: Bilateralism's polarising consequences in a very particular/ist democracy Joachim Blatter	52

۲

۲

۲

Proof

۲

vi Contents

PART II Welcomed, inside, but still unwilling: Two EEA countries assessed 75			
	Despoiling Norwegian democracy Erik O. Eriksen	77	
6	The EEA and the case law of the CJEU: Incorporation without participation? <i>Halvard Haukeland Fredriksen</i>	102	
7	Iceland: A reluctant European Baldur Thorhallsson	118	
8	Norway's constitutional acrobatics under the EEA Agreement Eirik Holmøyvik	137	
9	Representation under hegemony? On Norway's relationship to the EU John Erik Fossum OF & Francis	153	
10	National administrative sovereignty: Under pressure Morten Egeberg and Jarle Trondal	173	
11	Reinforcing executive dominance: Norway and the EU's foreign and security policy <i>Helene Sjursen</i>	189	
PART III Sovereignty under hegemony		209	
12	The United Kingdom, a once and future (?) non-member state <i>Christopher Lord</i>	211	
13	Hegemony by association Erik O. Eriksen and John Erik Fossum	230	

۲

Proof

۲