

September 3, 2020

September 27: The falsely named "Initiative for a Measured Immigration", also known as the "Limitation Initiative" is in fact a vote on SwitzExit - the Swiss version of Brexit

Dear members and friends

On September 27, Swiss voters will decide on five issues: Purchase of military aircrafts, paternity leave, hunting, tax credit for external child care and - most important for the Swiss economy - the falsely named "Initiative for a Measured Immigration", also known as the "Limitation Initiative".

What does this initiative call for and what would the consequences of a "yes" be?

If this initiative is accepted, the Swiss government will be tasked to renegotiate the Free Movement of People Treaty with the EU in a period of max 12 months. Goal of the negotiation would be total control of immigration into Switzerland. In other words, a renunciation of one of EU's Four Non-negotiable Freedoms - the Free Movement of People. Should this renegotiation within 12 months fail, the Swiss Government would be obliged by the Swiss Constitution to terminate the Treaty on the Free Movement of People. As the 7 treaties of the Bilateral I package cannot be terminated individually, this would mean a termination of the entire Bilateral 1 package of agreements (also including Technical Barriers to Trade (Mutual Recognition Agreements MRA), Public Procurement Markets, Agriculture, Overland Traffic, Civil Aviation and Research). This termination would enter into force in April 2022 (after 12 months negotiations and 6 months cancellation period). Many additional treaties based on the Bilateral Agreements would also fall away. The entire relationship between Switzerland and the EU - based on some 120 primary treaties and some 300 further agreements - would fall into disorder.

Looking at the concessions the EU has offered to the UK in the Brexit negotiations, believing that the EU will waive one of the Four Non-negotiable Freedoms within 12 months defies all credulity.

What are the consequences of a termination of the Bilateral 1?

1. Treaties which need to be renewed by the EU until the end of 2020 like the data protection equivalency and the Multilateral Recognition Agreements will run out and create administrative hardship for key sectors of the Swiss economy damaging their international competitiveness. Negotiations which should urgently start like Switzerland's participation in the education program Erasmus or the research program Horizon Europe will be stopped, leaving Switzerland isolated. And any other discussion and negotiation will come to an abrupt stop (e.g. Health Agreement, Energy Agreement, etc).
2. Swiss-based companies will face large uncertainties concerning their continued access to the common market. Their investment activity would massively slow down and activities in Switzerland would undergo an immediate and serious analysis, leading to downsizing of Swiss-based operations in many companies.
3. The Swiss government would need to completely renegotiate the EU-Swiss relation, a feat that might take ten years or more, if the EU shows willingness to enter into such renegotiations in the first place. Looking at the painful Brexit negotiations and the problems the EU has with recalcitrant EU members, this cannot be taken for granted.
4. Overall, a "yes" to the SwitzExit would start a long period of uncertainty and soul searching, domestically and in Switzerland's relationship with its most important business partners and neighbors. It would start another "lost decade" similar to the decade after the "no" to Switzerland's participation in the European Economic Community (EEC), a lost decade which was overcome by the Bilateral Agreements that now are at risk!



What are the arguments of the proponents?

The proponents of the initiative, coming from the right wing of the political spectrum, argue that this initiative will allow for tighter control of Switzerland's immigration without any negative effects. They argue that the Bilaterals had a negative effect on Switzerland's economy and wealth and even ordered a study with an unknown economic outfit to "prove" the point. They argue that the needs of the economy for EU employees (including the many commuting employees crossing the borders every day) will be fully met without offering any details. And they argue that the EU will accept Switzerland's cancellation of the Free Movement of People Agreement without any retorsion measures. We will leave it to the readers to evaluate the reasonableness of these arguments which defy any logic.

What needs to be done?

Please talk to your colleagues, your employees, your neighbors, your family members, anybody who is allowed to vote. Too many people take this vote lightly and feel supported by the strong poll results showing a large majority for rejection. Ask all your contacts to go vote (preferably "No"). We had too many accidents in past years which only turned on voter participation.

Thank you for your support

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