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SWISS FOREIGN POLICY: STRATEGIES OF A NICHE PLAYER

Several important shifts in Swiss foreign policy have been observable in recent years. With regard to the EU, the focus is no longer on the issue of accession but on consolidating the bilateral track, which allows for some economic, financial, and foreign policy niche strategies. The relative loss of importance of European policies is accompanied by a stronger appreciation of bilateral relations with extra-European centers of power and of civilian peacebuilding efforts. Maintaining the coherence of foreign policy remains a challenge. There is no domestic consensus on Switzerland's foreign policy role and priorities.

Swiss Foreign Minister Calmy-Rey at the ambassadors' conference in Berne, 25 August 2008 *Keystone*

The geographic and topical focal points of Swiss foreign policy have partially shifted in recent years. During the 1990s, the strategic focus of the Federal Council was on overcoming the deficits in institutional involvement in the EU. The two conceptual reports of 1993 and 2000 stressed the theme of participation and made the case for EU membership as well as involvement in European security cooperation and accession to the UN. This agenda could only be implemented in part, however, since the Swiss electorate did not subscribe to the Federal Council's EU policy and was also reticent when it came to broadening security policy cooperation.

Today, the question of EU accession is no longer at the heart of Swiss foreign policy. The core issue of gaining access for the Swiss economy to the EU single market has been largely reached with the bilateral agreements concluded in 1999 and 2004. There is still no majority of the Swiss in favor of EU membership. Moreover, the bilateral track allows for some niche strategies in economic, financial, and foreign policies (see Analysis no. 37). The Federal Council therefore toned down the "strategic objective" of accession to a "longer-term option" in its European Report of 2006. Swiss policies towards the EU today deal mainly with the administration, consolidation, and expansion of the bilateral track. Relative to foreign policy as a whole, the European dossier has lost importance, especially since cooperation with the Euro-Atlantic security institutions has also only developed in rudimentary form.

On the other hand, the area of civilian peacebuilding has gained a great deal of importance. An active and ambitious policy of dialog and mediation has become a core issue of Swiss foreign policy. Furthermore, in the course of an assessment of foreign policy in May 2005, the Federal Council decided to strengthen bilateral relations with the US as well as other important non-European powers such as Russia, China, Japan, India, Brazil, and South Africa. Foreign economic relations, too, are today once again more globally oriented rather than being geared primarily towards Europe.

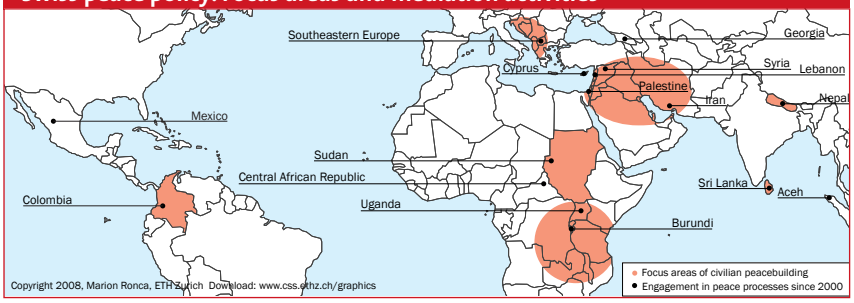
The relative loss of priority of Europe and the thematic shifts of emphasis in Swiss foreign relations have found scarce conceptual reflection so far. The foreign policy report of 2007 provides an overview of specific policies in 2006 but offers little conceptual foundation. It is a fact, however, that since the referendum on the European Economic Area of 1992, Switzerland's foreign policy has never been discussed as controversially as today. Although some of the current debates are mainly motivated by party considerations, there is still a need for clarifying the foreign-policy priorities and role of Switzerland. Furthermore, challenges remain in terms of the coherence of foreign policy, despite some recent progress.

Active peace promotion

The importance of civilian peacebuilding as part of Swiss foreign policy has increased. This is partially due to the growing international need for capabilities and resources in the field of conflict prevention and transformation. However, the crucial factors are domestic ones. Accession to the UN in 2002 imparted additional legitimacy and dynamic to Switzerland's peace policy. At the same time, non-membership in the EU allows Switzerland to pursue an autonomous niche policy as a conflict mediator. Finally, the expansion of civilian peacebuilding is also due to the preferences of the decisionmakers currently in place at the Swiss Foreign Ministry.

The budget of Political Affairs Division IV, which has responsibility for civilian peacebuilding efforts, has grown markedly. While its total volume in 2000 was CHF37.9 million, the allocated budget under the current credit line for 2011 has already risen to CHF63 million. While PA IV is much smaller

Swiss peace policy: Focus areas and mediation activities



than the Swiss Agency for Development and Cooperation (DEZA), which disposes of funds of more than CHF 1.3 billion, or about two-thirds of the Foreign Ministry's budget, Switzerland's engagement on behalf of peace is still remarkable. These activities cover a broad range including good offices (mediation and protecting power mandates), measures in civilian conflict management, human rights dialogs, diplomatic initiatives, and subject-specific partnerships. Also, Switzerland has created a much noted Expert Pool for Civilian Peacebuilding.

The expansion of peacebuilding has been supported by Parliament. Engagement on behalf of peace is part of Switzerland's national identity. Furthermore, Switzerland as a country without a colonial past and with a federal state structure has certain strengths to offer towards overcoming intra-state conflicts. The country also enjoys a good reputation as a third-party actor. Nevertheless, it is its peacebuilding policy that has given rise to domestic controversy. It is true that some of the criticism is of partisan nature and aims more at the style of the foreign minister than at the substance of her policies. Also, there are certain aspects of the debate that can be explained by shortcomings in communication on the part of the Foreign Ministry or lack of knowledge on the part of critics. For example, in view of the technical nature of a protecting power's obligations, the controversy surrounding the offer to represent Russian interests in Tbilisi in the aftermath of the Georgia war made little sense. Nevertheless, the debates also reveal substantive differences and diverging foreign policy concepts that need to be addressed.

Controversial policy of dialog

Some of the divergences relate to specific aspects of civilian peacebuilding. There is some disagreement as to which conflict areas Switzerland should engage in. While the foreign policy report 2000 defined Southeastern Europe and the Mediterranean region as focus areas, Switzerland is also very active today in places such as Nepal, Sri Lanka, Colombia, and several African countries. Critics argue that some of these are regions that have little bearing on Switzerland's security and economic policy interests. This implies the question of how to weigh the material and normative dimensions, respectively, of foreign policy. Fact is that the principle of value-driven foreign policy has gained in relevance within the Foreign Ministry in recent years. Also, Switzerland gets involved in peace promotion mainly in areas where it disposes of local expertise and networks, which usually originate from long-standing development cooperation projects.

Switzerland's conflict mediation activity is the most controversial aspect of its peacebuilding efforts. The Foreign Ministry regards its policy of dialog as a matter of strategic importance and has been involved in more than 20 peace negotiations in 15 states since 2000. Its paradigm of engagement implies that Switzerland also talks to regimes and national movements that other countries shun. A case in point is Hamas: Whereas the US and the EU sought to isolate this Islamist movement after its election victory in 2006 as it refused to comply with a set of demands, Switzerland engaged in a dialog, with a view to pushing Hamas towards less radical positions. The line of reasoning according to which sustainable solutions can only be found by involving all parties to a conflict in dialog seems plausible. Diplomacy cannot be a prize that is only awarded to a party after it has met certain preconditions. However, as the Swiss policy of engagement has at times aroused much international attention and on some occasions put the country in opposition to the EU and the US, this niche strategy more than once has given rise to domestic criticism.

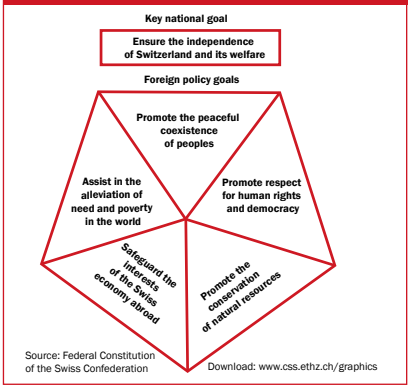
In this context, the accusation is often raised that an active mediation policy constitutes a violation of Swiss neutrality. The foreign minister for her part has argued that it is precisely this neutrality that serves as the foundation for active peacebuilding policies. The debate over the interpretation of neutrality – which is largely disconnected from the definition of neutrality in international law – in fact conceals two diverging foreign policy role conceptions for the country. Advocates of "integral" neutrality demand a return to Switzerland's Cold-War foreign policy conception, which was characterized by political aloofness and a limitation of international engagement to "technical" areas. According to these so-called "traditionalists", Switzerland is to handle its mediation services in a reactive and apolitical way, i.e., by acting primarily as a logistical facilitator. The promoters of "active" neutrality, on the other hand, argue in favor of a proactive peace policy with Switzerland making substantive contributions as a mediator in peace processes.

There is no doubt that the Swiss policy of dialog has had some important successes, whether in Nepal, Aceh, Sudan, Burundi, Uganda, or Iran. At the same time, it is noticeable that some important dossiers are currently embroiled in crisis: Colombia no longer wants Swiss mediation; in the case of Iran, the Federal Council has terminated the Foreign Ministry's mediation efforts; and mediation between Israel and Syria is now being handled by Turkey, not Switzerland. The trend seems to be that Switzerland's strength is in initiating dialog and supplying expertise, but that the country is frequently unable to bring negotiation and implementation processes to a successful conclusion on its own. For a small state such as Switzerland, such deficiencies in effectiveness seem unavoidable, the more so since mediation is an unpredictable business and conflict parties can change their strategies abruptly. Nevertheless, from the point of view of Swiss diplomacy, the question is whether the resources available today are commensurate to the high level of ambition. It will also be necessary to examine to what extent the domestic level of support is sufficient to sustain a high-profile mediation policy.

What position in the world?

The decision to qualify the priority of Europe and expand bilateral relations with key non-European states was made by the Federal Council in May 2005. The success of these efforts cannot be determined yet today. It is clear, however, that the main goal of strengthening relations with the US has only been realized to a limited degree so far, since the free trade agreement suggested by the Federal Council collapsed at an early stage due to resistance from the Swiss Farmers' Union. Parallel efforts in the field of foreign economic policy to achieve global diversification of market access for the Swiss economy have had some positive

Pentagon of goals in Swiss foreign policy



outcomes, however. Since the WTO negotiations on a multilateral agreement are currently at a stalemate, Switzerland has concentrated on building up a network of free trade agreements, negotiating either bilaterally or together with its EFTA partners, depending on the target country in question.

The growing importance of non-Western centers of power, especially the rise of Asia, as well as the Swiss economy's exceptionally high dependence on exports and Switzerland's comparative edge in civilian peacebuilding all justify a broader geographic basis of Swiss foreign and foreign economic policies. Nevertheless, from the point of view of Swiss diplomacy, the question arises how far the shift away from Europe, which also involves a reallocation of financial and personnel resources, should go. In terms of both economic and security-policy considerations, Europe will remain the key region for Switzerland. Especially due to the country's non-membership in the EU and the resulting deficit in options for shaping the European environment, the adequate preservation of Swiss interests requires sustaining a high level of diplomatic engagement. Furthermore, the bilateral track with the EU is prone to crisis both domestically and abroad. Popular votes on issues such as expanding Switzerland's participation in the free movement of persons to new EU member states can result in verdicts that jeopardize the bilateral agreements with the EU. Also, EU dissatisfaction with some of the Swiss niche strategies in economic, financial, and foreign policies may result in strained relations that are detrimental to Swiss interests.

The question of Switzerland's position in the international system also arises when it comes to the Swiss policy of dialog. The country's autonomous mediation role is based to a large extent on its non-membership in the EU. Switzerland can make a few extra steps in cases where its Western partners cannot or will not do so. Occasionally, it can serve as a pathfinder, such as in its dialog approach towards Hamas, whose isolation is increasingly being questioned at the international level. Occasionally, it can even act as a bridge-builder for Western powers and a state such as Iran. However, the question is how far Switzerland should distance itself from other Western actors and their positions. If it remains aloof from the EU's foreign and security policy, abstains from NATO's engagement in Afghanistan, urges Western nuclear powers to fulfill their obligations in nuclear disarmament better, or does not vote against anti-Israeli resolutions in the UN Human Rights Council but rather seeks to moderate them (see Analysis no. 35), it gains greater standing as a mediator in Muslim countries. At the same time, there is a danger that it may lose some credibility as a partner in security policy in the Euro-Atlantic environment. This gives rise to two questions: Does Switzerland ultimately consider itself to be part of the West, or should it increasingly position itself as a bridge-builder between Orient and Occident – or can it do both? Also, does its policy of engagement with the Muslim world protect Switzerland from terrorist attacks, as is occasionally argued, or does its distancing from Western security policy conversely threaten its security interests, as critics maintain?

Coherence deficits

Switzerland's priorities and interests in foreign policy are continually redefined within the domestic process. The pentagon of foreign-policy goals enshrined in the Federal Constitution offers no guidance here, since it does not prioritize the individual goals, but on the contrary documents the multiplicity of society's interests. However, an important condition for an effective foreign policy is a maximum degree of coherence. In this area, Switzerland's starting position is a difficult one, since its government, comprised of seven Federal Councilors, lacks a prime minister with the authority to define major policy guidelines (*Richtlinienkompetenz*). Furthermore, due to the increasing internationalization of domestic policy, the Foreign Ministry is in charge of only a minority of foreign policy dossiers. Still, in recent years, several important measures have been taken to reduce deficits in terms of coherence. For instance, the Foreign Ministry today is leading efforts to develop comprehensive strategies for individual states as well as target agreements for sectoral issues such as external energy or external health policies. An increase of coherence within the Foreign Ministry is also expected as a result of the reorganization of DEZA that will reduce the autonomy of the latter. A significant remaining challenge in the strategic architecture of development cooperation is the dual structure of responsibility shared by DEZA and the State Secretariat for Economic Affairs (SECO), which is in charge of economic development at the Federal Department of Economic Affairs.

The relationship between foreign policy and foreign economic policy remains a difficult one. The latter is oriented mainly towards the requirements of the Swiss economy and is formulated by the SECO, but is also a conceptual component of Swiss foreign policy. The growing normative alignment of foreign policy in recent years has increasingly caused friction between the Foreign Ministry and the Federal Department of Economic Affairs. At the same time, efforts by the foreign minister to prove the economic relevance of Swiss dialog policies by assisting in the conclusion of a gas delivery deal between a Swiss company and Iran have had negative repercussions for Swiss foreign policy. The gas deal led to tensions with the US and Israel and stirred up domestic controversy, which likely contributed to the Federal Council's decision to terminate the Foreign Ministry's mediation efforts in the conflict surrounding Iran's nuclear program (see Analyses nos. 35 and 43).

Finally, coherence deficits remain in the relationship between peace and security policies. These deficits are partially due to the fact that military peace support remains controversial domestically. An integrated civil-military stabilization strategy could not only contribute to securing majorities in Parliament for the international deployments of the armed forces and a security policy that is geared towards the major threats, but would also serve the interests of Switzerland's foreign policy. As long as the Foreign Ministry does not dispose of the full range of the value-added chain in conflict prevention and transformation and cannot complement successful mediation efforts with security contributions, Swiss peace policies will continue to suffer from shortcomings in terms of sustainability as well as effectiveness.

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