

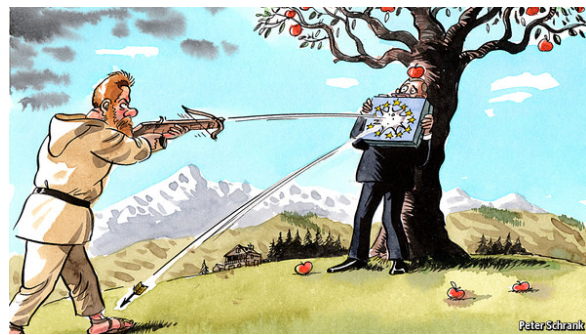
**The  
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## Charlemagne Switzerland's crossbow

**The referendum on Europe's freedom of movement will have big consequences**

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THE Swiss have had a reputation for doughty independence since the days of William Tell. He was made to shoot an apple off his son's head with his crossbow; in revenge, he killed the tyrannical overlord and ignited a successful revolt against the Habsburgs. This week the bolt struck at the European Union, when the Swiss voted for restrictions on



Europe's much-cherished free movement of people. To surging anti-EU and anti-immigrant parties, the referendum on February 9th was a victory for Switzerland's "braggart spirit of freedom", as Friedrich Schiller called it in his play about Tell. The Swiss government and business elite have been transfixed by a decision both opposed. The European establishment is scrambling to respond.

Switzerland is a member neither of the EU nor of the looser European Economic Area (EEA) that includes Norway, Iceland and Liechtenstein. Nevertheless a web of more than 100 bilateral treaties binds the Swiss tightly into the "four freedoms" of movement underpinning the EU's single market: of goods, services, people and capital. The repudiation of any one of these puts in question Switzerland's ability to benefit from the others. And the vote has an impact well beyond the Alps.

To begin with, it confirms EU leaders' fear of referendums. They also worry that it might inspire radicals of left and right who are expected to do well in May's European election. In Britain, France and the Netherlands polls suggest populists may come first or second. In Norway (a member of the EEA, but not the EU), the right-wing Progress Party, part of the ruling coalition, wants a referendum to curb immigration. François Fillon, a former French

prime minister, is among those wanting to emulate the Swiss in placing annual limits on immigrants. The fate of Switzerland also has implications for David Cameron, who wants to renegotiate Britain's membership of the EU and put the result to a referendum by 2017. Curbing the freedom of movement has become one of his demands. British Eurosceptics see Switzerland as an example of how Britain could thrive outside the EU.

So the EU's leaders face a dilemma. Should they come down hard on the Swiss, make an example of them to uphold a fundamental EU principle and tell them (and the British) that they cannot cherry-pick EU membership? Or should they act softly for fear of causing a populist avalanche? For now the tactic has been to threaten worrying but still-unspecified "consequences", while avoiding a full-blown confrontation. One reason to wait is that, although Swiss voters have spoken, their precise wishes on several complex issues can only be guessed at. The Swiss federal government has three years to turn the constitutional amendment into legislation setting quotas for immigrants, regardless of nationality, including cross-border commuters.

The drama will be played out over several acts. The immediate questions are whether the existing freedom to work in Switzerland will be extended to the newest EU member, Croatia, and whether transitional quotas on migrants from most of the EU will be scrapped, as planned, this year. The referendum forbids the government from concluding contrary treaties, so it will probably not dare to sign a new protocol to include Croatia. That means it will almost certainly be shut out of the EU's Erasmus programme of student exchanges between European universities and from Horizon 2020, the EU's scientific-research programme which benefits Swiss establishments.

The second act will concern negotiations on an "institutional framework" between Switzerland and the EU to strengthen the monitoring and enforcement of single-market rules. This is a demand from Brussels, and a prerequisite for plans to incorporate Switzerland fully into the EU's electricity market. Talks on both have now been suspended.

The climax will come when the Swiss government drafts its new laws by the end of the year. It has some wiggle-room, as quotas should take account of the "global economic interests of Switzerland". The Swiss could, in theory, set a higher ceiling than the current level of immigration; or they could set an overall cap without specifying one for EU citizens. But the likeliest outcome is that the Swiss will, sooner or later, breach the freedom of movement provisions agreed in 1999. Under a guillotine clause, such a breach would annul six other economic agreements struck at the time. Other accords such as Switzerland's participation in the Schengen passport-free travel zone may also come apart.

## Schiller's verdict

Far from firing a crossbow-shot for freedom, Swiss voters have ended up harming themselves. Their economy is far more dependent on trade with the EU than vice versa; their world-leading companies rely on skilled foreign workers; and proportionately more Swiss live in the EU than the other way around. It is also hard to feel sorry for wealthy Swiss, who seem keener to take Europe's tax-dodging money than its people. For the most part the Swiss gripe is not about poor, distant immigrants but about rich neighbours driving up house prices and clogging the motorways. The referendum was won only narrowly, with a majority of 50.3%, and revealed the country's dividing lines. French-speaking cantons voted against the referendum, while German- and Italian-speaking ones mostly voted for; cities were against, while rural communities little affected by immigrants were in favour.

The EU should not treat the vote as an act of treason, but neither should Eurosceptics celebrate too soon. It is one thing for the Swiss to reject the rules of a club they refused to join; another for EU countries to wreck their own union. Schiller put it starkly: Tell shot the cruel Austrian governor in self-defence, but the killing of the emperor by his nephew, Duke John, was murder, a "crime of blood-imbued ambition".

[Economist.com/blogs/charlemagne](http://www.economist.com/blogs/charlemagne) (<http://www.economist.com/blogs/charlemagne>)

**Correction:** We misidentified the right-wing party in the Norwegian government as the Freedom Party, rather than the Progress Party. Sorry. This has been corrected.

From the print edition: Europe