European Security:  
Issues and Challenges from a Swiss Perspective

Dr Jean-Jacques de Dardel  
Head of the Center for International Security Policy  
Swiss Federal Department of Foreign Affairs

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This paper will first dwell on the differences in security perceptions at an overall level, before examining US and European attitudes. It will then present European Security issues as seen from a Swiss perspective, with an eye on NATO and ESDP. Following that, it will focus on Swiss security policy, neutrality, international cooperation, peace support operations and the fight against terrorism. In conclusion, it will briefly turn to governance issues in Europe, referenced by the Swiss political experience of multiculturalism.

I
Security Perceptions

Security perceptions at the overall level

During the cold war security perceptions in all Western states and public opinions were almost exclusively based on the overall military dimension. Large armies faced each other on both sides of the iron curtain. The main issue, it seemed, was about counting how many strategic bombers each camp could reckon with or how many intercontinental ballistic missiles were ready to be fired on New York or Leningrad. All our military forces – whether inside or outside of a military alliance – were trained and built up so as to be ready to counter the advance of massive enemy troops. In those times, the public, it seems, was but a mere uninvolved observer of the balance of power. Of course, there were some signs of direct popular concern over certain security issues, such as for example in the early 80s in Western Germany, as new tactical nuclear missiles (Pershing II) were to be deployed there or yet still in the face of left and right-wing domestic terrorism in countries such as Germany, France, Italy or in Northern Ireland. Nevertheless, the essence of the debate was about generalised territorial defence and nuclear deterrence – ideas and concepts which were somewhat far removed from the everyday concerns of ordinary citizens.

We have all come to realise how dramatically the picture changed after the fall of the Berlin Wall and the total dissolution of one of the formerly antagonizing blocs. On the one hand, open conflict – of the most terrifying sort – came back to Europe, as war, ethnic cleansing, massive human rights violations and outright atrocities swept over former Yugoslavia – not to speak of Chechnya. On the other hand, as new dangers came to be better perceived, the concepts of security were progressively extended to encompass issues such as environmental threats (which hit home in Europe through the Tchernobyl catastrophe), uncontrolled migration flows and demographic pressures, social disruptions, transnational organised crime and trafficking in not only drugs, but also in human beings – this new and dreadfully profitable scourge. Not to speak of the proliferation of weapons of mass destruction, linked to heightened concerns about terrorism. At the same time, a reassessment of the true dangers lurking in the shadows of mainstream thinking mounded into the concept of human security, which quickly developed into an important component of foreign policy in a number of Western countries. That concept may have been disregarded in the US since it had been launched in Canada by a left-wing Foreign Minister, Lloyd Axworthy, and be seen in the South as tainted as a rich Westerner’s concept, it took hold all the same, on its own merits, as it strengthened into a Human Security Network binding a number of countries from all
continents and development patterns. Indeed, while so far only the security of states was considered as relevant, the beneficiaries of security were subsequently enlarged so as to comprise individuals, seen as the true benchmark of security. Thus human security concentrates on those security threats which directly endanger human beings, as measured by their own fears and everyday threat perceptions: the proliferation of small arms and light weapons; the plague of left-over anti-personnel landmines; or behaviours disrespectful of human or minority rights.

US and European attitudes

As threat perceptions evolved, so did the commitments of various countries to different patterns of response to those threats. The US developed further its hard power, whereas Europe was seen to focus on soft power at best. Transatlantic relations experienced new strains, and understanding those differences of perceptions became essential. When the Stanford University Scholar Robert Kagan produced in 2002 his very influential analysis of the US-European relationship, his paper was considered so important in Brussels that Javier Solana, the EU's High Representative for the Common foreign and security policy, reportedly sent the essay to members of Europe's strategic community saying it was essential reading! Kagan asserts that the transatlantic divide is deep. It stems primarily from a diverging understanding of power and different strategic perspectives. The US has become extraordinarily powerful and behaves as such, whereas the Europeans “see the world through the eyes of weaker powers”. Hence differing sets of ideals and principles regarding the utility and morality of power. If nothing is done to reverse this trend (e.g. a build up of European military capabilities), Kagan argues, there is a danger that the United States and Europe would drift further apart. Kagan's case is quite convincing and opened an intense academic debate, but it can be argued that he failed to encompass the complex nature of power in focusing too much on military might. In this respect, European security geography has come to be conveniently sketched by Secretary Rumsfelds’s sound bite categorisation of the continent into an old and a new Europe. Much ado about something, to be sure. But is it true that old, Western Europe is basically out of touch, cut off from modern realities, more sceptical towards the United States and less prone to intervene for generous causes, whereas new, Eastern Europe would be more modernist, readily interventionist, steeped in the same kind of principles that energize the present Washington administration? Neither nor, in fact and a Swiss—coming from an ageless country! – would tend to rather refer to pre-1989 and post 1989 Europe.

Indeed, those countries rising out of the trauma of communist rule feel an unrelenting urge to turn their back on Russia once and for all, and feel that their best immediate security guarantees lie in the midst of Western security institutions, and above all NATO. This prevalent policy objective has automatically drawn these countries into the arms of the United States, that all-powerful NATO senior partner, seen as the only country willing to provide the necessary political backing and capable of providing the kind of security umbrella they long for. With such honeymooning underway, it is not surprising that this post communist Europe tends to follow US positions. On the other hand, the Europe that developed more harmoniously since the end of World War II, that experienced generation after generation the benefits of democracy and European integration at different levels, is today more staunchly

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1 For further information, see: www.eda.admin.ch/eda/g/home/foreign/huright/links.html
prone to keep to multilateralism and civilian power, to uphold the rule of law – however imperfect international law may be – and a set of principles governing international behaviour. True, there may appear to be exceptions and contradictions, as measured by the stances taken on the Iraqi conflict, and we’ll come back to those. But, in essence, there is a difference of approach to security issues that follows the 1989 dividing line between old and new European democracies.

However, the “new” countries have not only joined NATO a few days ago, they will also join the EU on 1 May 2004. While cooperation with NATO will be basically limited to armed forces and the security field, cooperation with the EU will be much more all-encompassing. It will include the adoption of the entire body of community law in areas ranging from fishery and pensions for workers, to education, statistics, funding for agriculture and the regional cohesion fund. Moreover, with the gradual opening of borders, people and ideas will start to move more freely between these countries and the older members of the EU. This will no doubt eventually lead to a “harmonization of thought”. We should therefore expect the post 1989 countries to adopt more “European” positions in the future, rather than go on instinctively falling in line with American whims and positions (polls from October 2003 showed an increasing support – more than 70% – for an EU army and common foreign policy among the 10 candidates countries)3.

Turning now to Western or pre-1989 Europe, we can basically identify two countries with a traditionally clearly defined position. The UK, thanks to History, common language and culture, more often than nought tends to adopt a “transatlantic” view, irrespective of whoever is in power in London. As was stated in the FCO strategy (2.12.2003), the “relationship with the US will continue to be the UK’s most important individual relationship and a vital asset“. London will thus try to bridge the gap by a line of thinking in tune with the positions of Washington – however reasoned and independently-minded the British may be. In other words, the UK will usually not choose between a “pro-US” and an opposing European position, it will rather vary the intensity of its pro-US stance and use its understanding of US positions to weigh on the European course. At the other end of the spectrum, the one other country with a similarly predictable position is France. Since Gaullist times, whatever political majority in power, Paris will always tend to instinctively adopt a position distrustful of Washington.

Most other European countries cannot be firmly counted in any of the two camps. The recent election in Spain has confirmed that the positions on transatlantic security can vary a lot according to what political majority is in power. Though the elections were held in a particular context so shortly after the Madrid tragedy, the positions adopted by the Spanish Socialist Party and the winning Prime Minister were already clear long before. Following the same line of thought, one can argue that Italy might have adopted a position less supportive of Washington on Iraq had a centre-left government been in place in Rome and, conversely, that Germany might have adopted a less radical anti-Washington stance, had a Christian-Democrat-dominated government been ruling in Berlin.

3 Eurobarometer, October 10th, 2003
Since 2002 though, something was united all over Europe, from West to East, from Britain to Italy, and that is European public opinion. There was close to no European country with a majority of its population favouring the coalition invasion of Iraq.

In the current environment, dominated by the fight against terrorism, we must nevertheless come to the conclusion that on both sides of the Atlantic, the threat assessment is at least the same. Both the US National Security Strategy of September 2002 and the EU Security Strategy drafted by Europe’s "Mr CFSP", Javier Solana in December 2003, mention terrorism, and weapons of mass destruction in the hands of rogue states as main threats to national security. Hence the validity of the former US Ambassador to NATO Robert Hunter’s remarks that ‘so far in the US global war on terrorism, no fundamental fault lines have developed between the two sides of the Atlantic in terms of the use of power and other instruments for combating terrorism in its immediate expression’.

However, the sensitivity to terrorism is not the same. After 9/11, Americans were profoundly shocked that the US mainland had become a target for terrorists. The US, although in a privileged geographic position, surrounded by two Oceans and far away from most hotspots, had for the first time and without prior notice fallen prey to a terrifying act of imported terrorism on its soil. On the other side of the Atlantic, Europeans, although being outraged by the dimensions of the 9/11 attacks, reacted in a less emotional way. First, of course, because the attacks had not taken place in Europe itself; but also because Europe had already been confronted for several decades with domestic ideological or separatist terrorism as well as with terrorism emanating from the Middle East. Just remember the 1972 Olympic Games in Munich, ETA, IRA or Rote Brigade bombings, or the various plane hijackings in the 1970s and 1980s, not to speak of Lockerbie or the UTA crash. This difference in sensitivity leads to the adoption of different responses to terrorism. While the United States – relying on its unmatched military might – was quick to engage in large-scale military operations, Europe went along at first, against the Taliban, but kept on stressing the need for measures to tackle the roots of terrorism. Such measures focus on the long term, and encompass development aid in order to prevent the establishment of depressed socio-economic conditions favouring terrorist recruitment as well as institution-building and education.

This being said, since far from all terrorists stem from miserable economic or social conditions, but rather from a highly radically ideological middle class, an intellectual debate about respective values and cultures of the Western and the Islamic World as well as their mutual tolerance should also take place.

Two recent events might alter the perceptions on both sides of the Atlantic:

- on the one hand, the Madrid bombings made Europeans aware that the fight against terrorism was not simply a primary concern for the United States, but that Europe was just as much involved, whether it wanted it or not. In a sad sense, Madrid, after Bali, has brought the whole of the West closer again.

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5. In February 2003, opinion polls showed that more than 80% of the citizens of the states of the EU opposed the war in Iraq, with similar levels in the countries whose governments supported the US and those who opposed it. See: Claire Demesmay, ‘Les Européens existent-ils?’, Politique étrangère, 3-4/2003, pp 773-787.
• On the other hand, the ongoing difficulties in Iraq show the almost impossible task of changing a country by imposing force. There is much to be said, in this respect, about the very telling comparison with Libya. Through a firm sanctions policy and the diplomatic isolation of the country, Libya could be convinced to give up its nuclear ambitions. What has become obvious is that in this case, a positive outcome was achieved without any spill of blood.

II
European Security seen from Switzerland’s mountain tops

NATO

A significant number of countries from the Euro-Atlantic area have left their authoritarian regimes behind them and now share common principles and values, such as a pluralist democracy, a market economy, the respect of human rights and the rule of law. This paved the way for an eastward expansion of different multilateral institutions, be it in terms of membership or focus of activities, such as the Council of Europe, the OSCE, NATO and the European Union. However improbable it may have seemed a few years ago, NATO and the EU are both experiencing this year the biggest enlargement of their history with seven, respectively ten new members. Even if membership per se does represent a quantum leap forward, it must be stressed that the conditions for admission imposed on the applicants have been contributing towards stability and security in the Euro-Atlantic area for a good number of years already. Because, conversely, the prospects of membership and the expected overall and material benefits to be derived from integration in Western structures account for the fact that ‘in country after country, authoritarian, ethnically intolerant, or corrupt governments have lost elections to democratic, market-oriented coalitions held together by the promise of EU membership’.

Thirteen years after the Soviet Union ceased to exist, where is the European security architecture now standing? Once the main pillar of European security, NATO, is undergoing profound changes. Its role as an alliance has been put into question in recent years and particularly so after 9/11. The alliance seems to be increasingly considered by the United States as a mere toolbox out of which to pick the necessary military resources or political backing in case of conflicts, the real strategic decisions being taken outside of it. Indeed, while NATO was still the one to manage operations in Kosovo in 1999, the actions undertaken against the Taliban in Afghanistan in the fall of 2001 and the campaign in Iraq – in which NATO took only the remotest of roles – are telling examples of this shift.

Moreover, the Atlantic alliance has suffered in 2003 its worst transatlantic tensions in its 50 years History, which did not go without considerable political damage. However, in the same recent years, NATO proved to be flexible in adapting quite rapidly to new challenges. Kosovo was the first out-of-area action undertaken by the Alliance. Shortly thereafter, in the summer of 2002, the newly found cohesion among its member states allowed it to operate for the first time far out of Europe, by taking over the command of ISAF in Afghanistan. More generally, NATO seems to have found a niche in waging robust peace support operations – as also

exemplified in Bosnia – in a manner that can be called ‘out of area and out of step’\textsuperscript{10}, the latter proposition referring to the fact that NATO now constantly intervenes not during war operations but rather after varying coalition actions have achieved their main goal.

This evolution is paradoxical, even though it appears to be beneficial. In fact, NATO was established as a war-making machine with collective security as its cornerstone. But it now finds itself mainly engaged in delicate post conflict situations, as it draws on its technical capital of training and interoperability, rather than on its political trigger wire function. At the same time, NATO is also engaged in a deep military transformation process, aimed at enabling armed forces to cope with new threats. Finally, thanks to its various and growing Partnerships, NATO is today the cornerstone not so much of defence as of security dialogue and cooperation well beyond the traditional transatlantic area, encompassing Russia (through the NATO-Russia Council), the Southern Caucasus and Central Asia (through EAPC/PfP), the Mediterranean (through the NATO Med Dialogue) and possibly in the future even the so-called “Greater Middle East”.

**ESDP**

But as it develops its new raison d’être in the field of peace support operations, NATO’s most important challenge may well come from the EU and its European Security and Defence Policy. Though ESDP today still seems like a dwarf compared to NATO in military and hard power terms, we should bear in mind that prior to the 1999 Kosovo conflict, there was no ESDP at all. In a short period of time, the EU has taken over from the UN the police mission in Bosnia (1.1.2003), then from NATO the Mission in Macedonia (31.3.2003), and operated for three months a successful and risky military peace-keeping operation in Congo (Artemis, June–September 2003). The biggest operation in the still young History of ESDP will be the operation succeeding SFOR in Bosnia. Thus, by the end of this year, the EU will operate both a police and a military mission in Bosnia. That so-called dwarf is by no means a little thing. It is rather a fast growing teenager, rapidly coming of age, and soon ready to become the real focus of attention in the ballroom.

This should lead us to another thought. In order to effectively address new threats and particularly those posed by terrorism, a strategy relying solely on military means is not sufficient. A whole set of additional capabilities are required to cope with these issues. Forces able to operate in the grey zone between classical police activities (for example going after organised crime) and military-like security provision are of particular relevance in post-conflict situations involving fragile, weak states. But addressing new threats in an effective way also requires a thorough cooperation between intelligence services, between prosecutors and law enforcement bodies or financial intelligence units. This could in the future prove to be a key asset of ESDP. An enhanced European military and defence policy – the second pillar of the EU – will enable the EU to project power beyond its borders and should also help in building a competitive European defence industry. But the real boost to ESDP could come from the third pillar, that of Justice and Home affairs. After so many others, the tragic terrorist attacks in Madrid reminded us of the need for further cooperation in this field. Thus,

embedded as it is in a matrix of interrelated dimensions, ESDP is well equipped from the start to address the threats of the 21\textsuperscript{st} century by relying not only on military capabilities, but on a whole set of instruments aimed at enhancing internal or homeland security.

III
Swiss Security Policy

So if the Swiss have so many good things to say about NATO and the EU, why don’t they want to come and join in? In other words, why are they so strange? Well, anyone coming from an island-state such as Australia would surely recognise the merits of entropy... In case this would not be enough to fully understand the Swiss penchant for remaining aloof, the following chapter will briefly remind the reader of a few salient traits of the Swiss national soul.

Neutrality

Like Australia, Switzerland is a federal state. It is the improbable remains of times medieval, a series of very small states and entities which did not fuse with the larger nation-states that eventually developed out of the European mosaic. Our main cantons were long bound together by the resolute will to keep their local identities, with no central power present to give the whole a larger ambition. The peculiarities of the Swiss system led one of our philosophers, Denis de Rougemont, to state that 'Switzerland is not a territory, but a function'. He meant a structure of relationship, a formula of organization or a mode of articulation of human groupings. A contraption that generated a gimmick dubbed neutrality... How did that come about? After less than 2 centuries of unrivalled military might from the 14\textsuperscript{th} to the early 16\textsuperscript{th} century, the unruly Swiss were for the first time kept in check at Marignano in 1515. That more or less coincided with the age of religious Reformation, which happened to cut across the Swiss states. Since their will to keep their local identities was stronger than their mutual proselytism, they decided to keep to themselves, rather than side with the one or the other warring catholic or protestant King. Those are the origins of our neutrality, a policy that we were the first to invent so as not to break up. In the following centuries, that neutrality was time and again viewed as the saviour of the whole, as the state policy that enabled us to keep a balance between ever more powerful neighbours, each of which could have easily gulped us down if we had come to represent a real threat. Rightly or wrongly, the Swiss remain convinced that it was our armed neutrality that kept us together and saved us from the two world wars. So in our own historical terms, there hardly is a better example of the validity of the phrase: 'why fix it if it ain’t broke!'

This deeply ingrained belief, mixed with an instinctive distrust for large outside entities and central powers, combined with a unique form of direct democracy, makes it very difficult for the Swiss people to envisage full participation in supranational organisations. However, like elsewhere, the present day new security environment has imposed on Swiss diplomacy an – at least partial – questioning of those thoughts and actions which were valid ever since 1945. But it has also conferred new ways of action unknown a few years ago.
International Cooperation

In order to enhance their security and, at the same time, to contribute to peace and stability in Europe, the Swiss have come to realise and accept the fact that they must face these new challenges in a common effort with their natural partners. The Swiss Government has made these reflections the cornerstone of its new Security White Book adopted a few years ago and entitled “Security through Cooperation”. What goes without saying for any country, like Australia, traditionally and worthily engaged in alliances, represents a major development for Bern. This report has laid the conceptual foundation of the modern international security engagement of Switzerland, which was significantly increased during the 1990s. The most striking steps of this evolution were:

- the adaptation of our sanctions policy in the wake of the War in the Gulf in 1990-91, that is the full application by Switzerland of non military sanctions decided by the UN Security Council according to Chapter VII of the UN Charter – whereas until then, we remained true to the legal obligations of neutrality by remaining impartial to both sides.

- then by the OSCE Presidency in 1996, and its load of political decision and side-taking; the full participation that same year in the openly political Organisation Internationale de la Francophonie; the decision to participate in the NATO-linked Partnership for Peace and in the Euro-Atlantic Cooperation Council in 1997; and of course the accession as a full member to the United Nations in 2002 (Switzerland having been already before a member of most specialised bodies of the UN system and a bit paradoxically a member of the group of major financial contributors to the system.)

- finally, during the conflicts in South East Europe Switzerland has for the first time sent army units abroad, not as mere individuals or observers (which it had been doing regularly ever since the Korean conflict), but as real actors taking part in international peace support efforts. From 1996 to 2000, Bern sent a logistics support unit in Bosnia and Herzegovina under the auspices of the OSCE. Then, an important decision was taken in 1999, after the Kosovo conflict, as the Swiss decided to contribute to the KFOR mission in this Serb province by sending a reinforced military contingent, called SWISSCOY.

Thus, having joined within the limits of its domestic policy most major international cooperative currents of relevance to the country, the Swiss keep an eye out for trends and evolutions in and around Europe from the vantage point of the committed observer. They acknowledge, for instance, that the enlargement processes of both EU and NATO mark the achievement of a decade of a painful, but ultimately successful transformation process towards political pluralism, the respect of fundamental rights and a market economy. Integrating the new members into these two organisations significantly enhances their security. However, the fruits of increased security and greater stability for all of us can only be fully grasped and enjoyed if we prevent the new external borders of NATO and the EU from becoming the frontlines of the 21st century, merely shifting those of the cold war area somewhat eastwards.

Thus, Swiss authorities strongly believe that this year’s NATO’s enlargement process should not be an end in itself. It should rather mark the beginning of a reinvigorated outreach strategy in
order to build bridges and enhance security cooperation with those countries left outside (and by that reference is not made primarily to Switzerland itself.)

- Switzerland supports, for instance, an increased PfP engagement in the Caucasus and Central Asia. Frozen and open conflicts in the Caucasus are an ongoing threat to stability. And we all know that Central Asia has become a major stage in the global war against terrorism in the aftermath of September 11. The countries along the historic Silk Road need an outside engagement allowing them to reform their security sector as part of a wider democratic transformation process and to fight against drugs pouring in from nearby Afghanistan. Above all, Central Asian states must be persuaded about the benefits of regional cooperation. It should be noted that the EAPC/PfP is an adequate instrument to tackle security issues which are crucial to Central Asian countries, such as the reform and democratic control of the security sector, civil-military cooperation or the fight against the trade in drugs and weapons.

- However, as important as increased attention to the Caucasus and Central Asia undoubtedly is, it must not come at the expense of the ongoing collective engagement in South East Europe. Although the recent smooth change of government in Croatia undertaken after democratic elections was a sign of hope, the general situation remains fragile, as the recent bloody upheavals in Kosovo demonstrated. A good portion of the Balkans remain highly volatile, with an unabated potential for conflict which would suck in enormous resources from the Euro-Atlantic community. In light of this, Allies and Partners should, for instance, join their efforts in supporting Bosnia and Herzegovina as well as Serbia and Montenegro to fulfil the requirements allowing them to join the Partnership for Peace.

- As a third area of concern, we cannot remain indifferent to the situation prevailing within the countries of the Southern and Eastern Mediterranean. Political inertia might lead to violence and further fundamentalism, just as economic stagnation and an explosive demographic situation might lead to uncontrolled migration flows. In other words, the security and stability of the southern members of the EU and NATO – and ultimately of the whole of Europe – are linked to what happens on the other side of the Mediterranean. An extensive security dialogue on a wide range of military and non-military security issues is a necessity. For its own part, Switzerland feels united with the Maghreb countries by the common use of the French language; long established trade relations and the presence in its midst of a not insignificant community originating from this area. Hence the further intensification of relations with the countries on the Southern shore of the Mediterranean is a priority of Swiss foreign policy. In this context, support is given to the establishment of institutional bridges between EAPC/PfP and NATO’s Mediterranean Dialog, which would allow partner countries such as Switzerland to open up some of its PfP offers to the seven MedDialog countries. Bern also follows with interest the current talks on the Greater Middle East initiative, encompassing countries in the Middle East and Persian Gulf, which could lead to an “Istanbul Cooperation Initiative”. In order to be more than a mere paper declaration, such an initiative should build on a common political will and interests shared by all. What is meant by that is that local governments and stakeholders must be brought to develop a sense of ownership for any new process. And in any case, the Israeli-Palestinian conflict will have to be tackled head on, and not as a mere side element of any concept of the Greater Middle East.
The geographical and topical outreach strategies just outlined are an important priority in refocusing the Partnership for Peace after the Istanbul summit. Switzerland believes, however, that a renewed focus on the Western European Partners should also be developed. To remain strong and lively, PfP’s development should closely reflect that of NATO. Switzerland, for instance, is particularly interested in further developing the level of interoperability of its armed forces so as to adapt for the challenges that lie ahead. Currently it deploys around 250 military around the world, mainly in Kosovo. As part of the transformation process currently undergone by its armed forces, it plans to more than double its capabilities for peace support operations, up to a battalion-strength before the end of the decade.

Peace support operations

Indeed, as is well known in Australia, the numerous conflicts of the post Cold War era requiring post-conflict rebuilding and stabilisation have sharply increased the relevance, but also the complexity of peace support operations (PSO).

Ten years ago already, more than 80'000 soldiers were engaged throughout the world in UN peace-keeping missions. Today, not only the number of peace-keeping missions has evolved, but also their nature, given the complexity of the challenges posed by internal conflicts. However, only after the failure of the missions in Somalia, Rwanda and Bosnia-Herzegovina were consequences drawn. Subsequent missions were given a more robust mandate and were allocated the necessary resources. Regional organisations such as NATO, the Commonwealth of Independent States (CIS) or the Economic Community of Western African States (ECOWAS) were tasked with the lead of such operations instead of the UN. And the need for troops has again risen in the past few years, as a consequence of the missions deployed in the Balkans, in Afghanistan – and for certain countries in Irak – as well as from the establishment of new or more important UN missions in Africa (Liberia, Congo).

When we look around we see that such engagements will play an ever more important role, in particular for the armed forces of developed countries. Germany, for example, which for decades categorically ruled out any military engagement abroad, has consistently reinforced its participation in PSOs since the early 1990s. And in May 2003, the new defence policy guidelines placed conflict prevention and crisis management at the heart of the missions of the Bundeswehr. Even Japan, which had previously imposed an extremely limitative institutional framework on its Self Defence Forces, has amended its policy and in November 2003 sent for the first time a military contingent to Iraq.

In this respect, Switzerland is increasingly aware that it has somewhat of a deficit to compensate in international comparison. All countries of the Euro-Atlantic area similar to Switzerland in terms of number of population or economic size are deploying a significantly higher number of soldiers in PSOs. Non-aligned countries such as Austria, Ireland, Finland and Sweden deploy today about four times as many soldiers as the Swiss do.

As was mentioned before, the goal to deploy a battalion or alternatively two reinforced companies in PSOs by the end of the decade will progressively help to reduce the gap. It will also provide a critical mass, which should generate a better visibility of Swiss security engagement abroad, it being understood that the country’s commitment to development aid and humanitarian relief already earns it high marks in international comparison.
The fight against terrorism

Before closing with specifically Swiss attitudes towards security matters, let us spend a few lines on the topic dominating the security agenda of the early 21st century, one which is also of tragic relevance to Australia: the fight against international terrorism. As so many other countries, Switzerland is engaged on multiple fronts, the fight against the financing of terrorism, extensive legal and judicial cooperation, but also on addressing the root causes of terrorism, through extensive assistance programs (for example in Afghanistan) or by promoting a necessary dialogue between civilisations. As depositary country of the Geneva Conventions, the Swiss feel that they have a special moral obligation in insisting that the fight against terrorism, though it must be engaged in a decisive way, does not justify the violation of basic human freedom and the provisions of international humanitarian law.

Given its vantage point, Switzerland is also particularly committed to fighting the financing of terrorism. The Confederation is an important financial centre, as some may perhaps have heard, which is widely considered to be the world leader in private banking. More than one fourth of the world’s private wealth managed outside of the country of residence is done so in Switzerland. This adds a lot of stamina to the country’s critics and competitors, and fuels a sort of instinctive criticism in those wide circles distrustful of the world of finance and private wealth. But viewed through the lens of Swiss decision makers and bankers, it puts a very high moral obligation on them to ensure that the Swiss financial centre is not abused by criminal elements, and especially by terrorists, to perpetrate their misdeeds. And so, it should come as no surprise that the State authorities and the financial sector have introduced strong measures over the past few years in order to prevent any such abuse. These far reaching measures include strict rules on the identification of the customer and the beneficial owner, the obligation to report any suspicious transactions, and the possibility of an immediate freezing of suspicious bank accounts.

It should also be stressed in passing that Switzerland fully cooperates with other States in the investigation of international criminal activities. This cooperation is either based on bilateral treaties on Mutual Assistance in Criminal Matters or on the Federal Act on International Mutual Assistance in Criminal Matters. In case of need, Switzerland offers legal assistance and immediately freezes the corresponding funds. Banking secrecy can be lifted once a request for cooperation has been made or a criminal proceeding has been instituted. At another level, specialized police units can also be quite effective in tracking down terrorists, as the arrests in January of this year of eight persons linked to the Riyadh bombings has shown. This action, it should be noted, was the result of an autonomous inquest, and not merely an action triggered by foreign intelligence.

IV
Swiss views on Governance for Europe
In closing, we will turn to some governance issues for Europe, considered from the particular Helvetic standpoint. As everyone knows, in a few months, the EU will for the first time become larger than Switzerland... Indeed, with 25 member states as from 1 May 2004, it will be composed of two more countries than Switzerland has full cantons. Joke aside, the Swiss are looking with great interest at this formidable challenge. Is an EU of 25, and perhaps tomorrow of 30, or maybe 35, viable? The European Union is indeed at a crucial juncture. Will the member states reach an agreement on a constitutional treaty? After decades of economic expansion and the establishment of a single market and the Euro, will a consolidation of political power take place? The challenges are tremendous. Some observers argue sceptically that the differences among members (old and new) are so important that bargaining and self interest will paralyse the Union. Others stress that competing visions of the future of Europe or the emergence of a Directoire (F, UK, D) would strain the consolidation of the EU. In sum, the future of Europe is still uncertain.

Following the upcoming wave of enlargement, there will be 450 million EU inhabitants speaking more than 20 official languages, with very diverse recent experiences, not only in the fields of politics and economics, but also in societal matters, with direct consequences on daily life, for example in education or even in entertainment... To the Swiss, it seems quite obvious that in order to interact more directly with ordinary people and address their concerns, the EU will have to move closer to its citizens by further decentralizing its power system. In other words, at this juncture in European history, a number of European minds will surely strive for a stronger centralisation as guarantor of cohesion and 'continent building' – if allowance is made for this reference to the age old concept of nation building. Many in Switzerland, on the other hand, tend to fall in line with those who think that the true future of Europe, as a large body unavoidably composed of heterogeneous peoples who have not decided to start anew, as was the case for all nations built in new worlds (the US or Australia, for instance), lies in a renewed respect for local identities and customs. Only through such an enhancement of the role of local communities, serving as direct compensation for a loss of national autonomy will Europe eventually be bound together by a common and lasting motivation to share an overall similar future, that will not develop at the expense of individual aspirations.

To those doubtful about the viability of such a proposition, we will answer that Switzerland, with its 23 cantons, 4 national languages and 2 main confessions for only less than 8 million inhabitants (of which one fifth are foreigners), has a long tradition of relatively well working decentralised power. In the Swiss case, the two main pillars of this system are federalism and direct democracy.

Federalism was a logical consequence of the fact that the current Swiss Federal State was predominantly made from below, and was for a number of centuries but a loose confederation of small independent states. Whatever their differences and conflicts – the last civil war, although not very bloody, pitched half of Switzerland against the other in 1847 – the cantons progressively came to the conclusion that the bonds between them had to be reinforced in order to cope with their nascent interdependence. Thus in 1848 the modern, present-day Federal State was founded – imposed by wise victors, as it were. Key attributions of power formerly in the hands of each canton (diplomacy, defence, common currency) were handed over to the newly established Federal Government. Still, in line with a principle of subsidiarity, whereas whatever can remain in the hands of the local community should remain there, the cantons were able to keep essential power in sensitive issues (police, education, culture, health, budget and the like). Such a policy has its unavoidable shortcomings, and anyone working for the federal government can confirm how sourly difficult it may be, at times, to
make the whole work, whilst upholding the prerogatives of the smaller entities and keeping the central power relatively weak. But this profound respect of the individuals and of the immediate public bodies they more readily relate to is, arguably, a key to lasting success for democracies at peace with themselves.

Direct democracy on the other hand was born out of the deep-rooted Swiss tradition of local, participative democracy, traditionally enabling every adult citizen to have a direct say in things, and not only granting his elected officials full representative powers. Some rather unique forms of direct open assembly democracy have subsisted in Switzerland to these days. But one should bear in mind that democracy, whether direct or parliamentary, is not so much about the technique used – and we know there are many, that can even seem somewhat strange or difficult to comprehend for the outsider, say a Swiss, an Australian and an American citizen, all three trying to grasp the stakes, attitudes and procedures in each other's country. It is, much rather, about the general feeling of democracy, that is the acceptance of the legitimacy of the elections or the decisions taken by the appointed decision-makers. We also basically refer to the process through which the frustrations of the minorities – be they ethnic, political or circumstantial – are dampened, as the overall political process allows for alternating views to come to the fore.

With this in mind, we would suggest that it is not because the Swiss are accustomed to direct democracy that they should feel that democracy as such still has some way to go in the European Union. Indeed, all EU countries are democracies by definition. Nevertheless, a Swiss cannot overlook the fact that the Brussels rule and administration seems to be often out of touch with the European population, as can be measured by various opinion polls and popular feelings voiced all over the continent. In this respect, what is called for is certainly not the one or the other ready made recipe or solution. What does need to be developed, however, is a general greater attention to the democratic processes. European governments and governing personalities should no doubt tackle every sign of democratic deficit with real concern.

To be sure, the EU was long – and still is – a splendid idea, an ideal promoted by a small elite, without ordinary citizens being much involved in this whole process. It is only in more recent years that citizens of different European countries started to show a greater interest in EU policies. But on important issues, such as the launch of the EURO or the creation of the European Security and Defence policy, except in a very few exceptions, those citizens have never formally been consulted, since general political culture did not press for any form of rather more direct democracy. This, in turn, tends to lull those in power in believing that gaining the hearts and minds of the people can be left to time and a few speeches. From the Swiss vantage point, a lot more explaining, convincing and listening should aim at developing a feeling of ownership of the EU by its citizens.

Concerning federalism, the picture looks somewhat different. Local governance and empowerment of sub-national communities can act as boosters of regional and social cohesion. In recent years several highly centralised countries have tried some experiments in this direction, such as France or Italy. The EU for its part, whose largest state is also based on a federal model, has been talking a lot about subsidiarity. With 25 members, pressures for further regionalisation will certainly not diminish. The EU will in the next few years be under a

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11 The mere fact that almost 40% of polled citizens of the 15 EU countries define themselves exclusively by their nationality and reject any form of identification to the EU is a telling sign of this deficit in ownership. See Claire Demesmay, op. cit. p. 786
double challenge. Certain responsibilities will have to be left (respectively move back) to the
member states or their regions. But at the same time, should the EU be perceived in the
international arena as a credible power, it will have to reinforce some of its core attributions.
One of these being European Security and Defence Policy.

Thus, the tools that enabled the Swiss contraption to become viable against all odds might
serve as a reference for the born again and enlarged EU.