

A huge setback

by Paul Rechsteiner, Andreas Rieger and Renzo Ambrosetti

On 9 February a narrow majority of Swiss voters voted in favour of an initiative by the Swiss People's Party (SVP) calling for the reintroduction of quotas for immigrants from the EU. This decision is a huge setback for immigrants to Switzerland, for trade unions and for all progressive forces, and leads Switzerland unavoidably up a blind alley.

The background

Switzerland has been a country of immigration since the beginning of the 20th century. Already in the 1970s, people with other passports accounted for more than 20% of the population. At that time, immigration was governed by a system of quotas and special statuses which left migrants completely without rights: Seasonal workers were only entitled to fixed-term residence permits which in addition were valid only for a specific employer. Moreover, migrants' families were not permitted to join them under any circumstances. In the late 1980s, however, the statute governing seasonal workers came under increased pressure from Swiss trade unions that succeeded in organising a very large number of migrant workers.

In 1992 Switzerland's accession to the European Economic Area (EEA) came up for discussion. The aim was to introduce free movement of people as defined by the European Community at that time, i.e. to abolish quotas and discriminating regulations. Swiss trade unions supported this. But in 1992 50.3% of Swiss voters voted against the EEA. One of the main reasons behind this was the desire of national conservative right-wing parties to keep their distance from the European Community. But another reason was the fact that blue- and white-collar workers feared that free movement of workers would undermine the Swiss wages and labour standards.

The government responded by launching negotiations on bilateral accords with the EU. It was now prepared to negotiate with the trade unions on flanking measures on free movement of people in order to protect wages and working conditions. Among other things, this resulted in a Posted Workers Act obliging foreign companies providing services in Switzerland to respect at least the minimum Swiss working conditions and wage levels, the legal extension of collective bargaining contracts, a legal minimum wage for domestic workers, the installation of tripartite committees to monitor labour market developments, the legal responsibility of main contractors that all their subcontractors respect the Swiss labour

market regulations and the publication of a list of employers that violated these obligations. In 2000 a large majority of voters (67.2%) voted in favour of the package of bilateral accords with the EU, accompanied by flanking measures, which is still applicable.

In the years following this vote, the flanking measures were implemented. However, both foreign and Swiss employers repeatedly exploited loopholes in the flanking measures legislation. But the unions succeeded in turn on several occasions to close several loopholes in negotiations with the government and employer associations ahead of the extension of the bilateral accords to the EU's new member states. In the 2005 referendum on extending free movement of people to the new EU member states (enlargement to the East), 56% of voters voted yes, contrary to the SVP's position. In the 2009 referendum on extending free movement to Bulgaria and Romania, 59.6% of voters voted yes.

The referendum of 9 February 2014

In 2011 the right-wing, anti-foreigner SVP decided to launch a new people's initiative essentially opposing free movement of people and thus immigration. The initiative clearly opposed the flanking measures which, in the SVP's opinion, strengthen the trade unions. The bilateral accords with the EU were not directly attacked – the SVP claimed that free movement of people could be questioned without risking the bilateral agreements, and it was only a matter of negotiating effectively with the EU.

Despite warnings from the trade unions, employers and authorities balked at any further tightening of the flanking measures even though this was urgently needed. The trade unions as well as the Social Democratic and Green Parties came out clearly against the SVP initiative: because it ran roughshod over the rights of migrants; because it weakened measures to protect wages and employment conditions; and because it essentially cast doubt on the bilateral accords with the EU. In keeping with this the SGB and Unia have been waging a campaign against the SVP initiative in recent months – regrettably without success.

Why did a narrow majority of voters (50.3%, as in 1992!) vote yes to the SVP initiative, unlike earlier referenda on enlargement to the East?

- The Swiss employment market has enjoyed robust growth since 2010: Within only four years it has grown by around 8% i.e. 2% per year. Three-quarters of this growth is due to recruiting foreign workers. This fuelled a growth-averse discussion.
- The new wave of immigrants increased the proportion of foreigners in the resident population to 23%. This proved fertile ground for the anti-foreigner debates which repeatedly flare up in Switzerland.
- More and more highly skilled individuals have been recruited from abroad since 2002. Unlike traditional migration, which provided the "substratum" of the employment structure in Switzerland, many companies now had an "upper stratum" of foreigners. This explains that the willingness of middle-income groups to vote in favour of the SVP initiative.
- While increased immigration has not generally resulted in lower salaries (the trade unions have been able to negotiate real wage rises of approximately 1% per year in recent years), wages for new hires have come under pressure in several sectors. Certain professions have seen devastating drops in salaries for new hires, e.g. the IT sector, journalism, home care workers etc. Moreover, cases of out-and-out wage dumping are on the increase, particularly in the construction sector. This trend has largely been driven not by immigrants who have simply moved to Switzerland to seek work; but by employers in Switzerland seeking to exploit the large and cheap supply of labour in Europe. Whether by hiring workers more cheaply. Or by contracting work out to cheap foreign companies, well aware that they would not keep to the Swiss pay level given such low prices.

The SVP initiative skilfully exploited this situation. It fuelled anti-foreigner sentiments and conservative attitudes to growth; it kindled middle-class anxieties; and it blamed immigration on rising rents and overcrowded trains. Over the last few weeks before the vote, it attracted an amalgam of opponents of all types and culminated in a 50.3% yes vote.

What next?

The outcome of the vote cuts deep. The consequences will be far-reaching. The Swiss Constitution now dictates that immigration shall be "restricted by limits on numbers and by quotas". The SVP wants Switzerland to revert to the former limits and caps on permits, which are for a fixed term only and do not permit families to follow. Some SVP politicians openly demand the reintroduction of the statute on seasonal workers. At the same time, if the SVP has its way the flanking measures introduced to control salary and employment conditions will be abolished.

All of this is a slap in the face for the more than one million EU citizens currently living in Switzerland, and ushers in massive discrimination against all who enter Switzerland in the future. It is a blow for the trade unions, which had gradually enjoyed greater influence on the job market through the flanking measures. And, needless to say, it also represents a threat to the economy since free movement of people is connected to other EU accords.

Clearly the trade unions are opposed to all these setbacks:

- We will campaign against all discriminatory legislation on residence permits. We will use all our powers to advocate the rights of migrants. The new forms of discrimination necessitate new laws, which we will oppose with all our might.
- As always where immigration is regulated, salaries and employment conditions need to be protected in keeping with the principle of equal pay for equal work at the same location. This protection must be strengthened, not weakened. We will therefore continue to fight for these protective measures.
- We will oppose any risk to the bilateral accords and any measures that threaten to push Switzerland into total isolation. The bilateral accords are the minimum expression of a comprehensive set of agreements with Europe, reflecting our proximity with our neighbours and our most important partners for trading, knowledge and culture. For us it is absolutely clear that the EU cannot allow Switzerland to abandon free movement for people yet hold onto all the other accords that work to our advantage.

The referendum has created a chaotic situation for Swiss policy and ultimately led it down a blind alley. It will not be the last people's referendum on the issue. Despite this setback, Swiss trade unions will continue to fight for the rights of workers – with or without a Swiss passport – and campaign against all forms of discrimination. The Swiss Federation of Trade Unions sees itself as part of the European trade union movement, which is committed to social progress rather than regression. One important joint battle in this war is the campaign to implement the principle of "equal pay for equal work at the same location" throughout Europe.

Paul Rechsteiner is President of the Swiss Federation of Trade Unions (SGB).

Andreas Rieger is the SGB delegate to the European Trade Union Confederation (ETUC) executive.

Renzo Ambrosetti is co-president of Unia and vice-president of IndustriAll Europe.