

## Editorial

### The EEA – Life without Switzerland?

When it was signed in Oporto on 2 May, 1992, the Treaty on the European Economic Area was hailed as a major advance in the cause of integration in Europe: increased free trade; free movement of persons, services and capital; equal conditions of competition throughout 19 countries, and closer co-operation in matters such as research and development, the environment, education and social policy. In some circles it was also represented as merely a halfway house towards membership of the Community for the EFTA countries. On any footing, though, the decision of the Swiss people not to approve the European Economic Area Treaty represents yet another setback in what has become something of an *annus horribilis* for European Integration but should have been a year of unmitigated celebration with the completion of the White Paper programme on the internal market, begun in 1985. Yet, unlike the apparently mortal blow of the Danish referendum to the Treaty on European Union (unless a sufficiently politically and legally acceptable

package is approved in a second referendum), the Swiss decision, though regrettable, is not necessarily fatal to the concept of the European Economic Area. Perhaps with a view to difficulties in one or more countries, Article 129(3) of the EEA Treaty wisely makes provision for notification of ratification or approval by 30 June, 1993. After that date a diplomatic conference is to be convened by the Contracting Parties to appreciate the situation. It would be open to the Contracting Parties to agree that the Agreement should enter into force as between the Community and its Member States on the one hand and Austria, Finland, Iceland, Norway and Sweden on the other (on the assumption that the Lichenstein referendum follows the Swiss decision). Given that there appears to be much more political will to ensure the success of the EEA concept than there appears to be to ensure the success of the "Maastricht" Treaty on European Union, the most likely outcome of a diplomatic conference is that the EEA will forge ahead in its modified form. The EEA Agreement leaves EFTA as an institution unaffected – indeed Article 128 EEA expressly permits any European State becoming a member of the

Community or of EFTA to apply to become a party to the EEA Agreement, just as any Contracting Party may, by virtue of Article 128 EEA, withdraw from the Agreement on giving 12 months' notice. EFTA, though, becomes a rather strange creature if all but one (or two, if Lichenstein follows the Swiss) of its members are also members of the EEA. The negotiating position of the odd partner(s) would appear to become distinctly unequal. Although there is clearly life for the EEA without Switzerland, and indeed life for Switzerland without the EEA, the decision by the Swiss people to reject the EEA represents more a triumph for fear than for anything else. Whilst it may well be – as is often said about the Treaty on European Union – that the political class of Europe is way ahead of popular opinion – the EEA offers a very real chance to benefit from much of what the Community has to offer, in return for only some of the burdens. If, when the EEA is functioning, the Swiss government decides to ask the people to think again, wiser counsels and broader perspectives might bring a more welcome result.

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