Fighting for a neoliberal Europe: Swiss business associations and the UNICE, 1970–1978

Ludovic Iberg


To link to this article: https://doi.org/10.1080/00076791.2021.1892643

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Published online: 14 Mar 2021.

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Fighting for a neoliberal Europe: Swiss business associations and the UNICE, 1970–1978

Ludovic Iberg

Institute of Political Studies, University of Lausanne, Switzerland

ABSTRACT

The 1970s were a defining moment for the European business associations, which were faced with the most important social upheavals of the post-war period, a major economic crisis and the British process of accession to the EEC. This article aims to broaden our knowledge of how Swiss business leaders contributed, during this tumultuous period, to lead the European institutions towards further economic liberalisation. This article intends to demonstrate that their main strategy to promote their own interests was to rely on and even accentuate the contradictions between the main European business circles. Moreover, this article aims to highlight the gradual emergence, during the period, of a bloc of European employers and to investigate the role of the main Swiss trade association in what has been known as the ‘neoliberal turn’.

In the late 1960s and early 1970s, the main European peak-level business associations (BAs) were faced with the greatest challenges since their inception. In the political sphere, they were confronted with the most important social upheavals of the post-war period while in the economic field, a major recession broke out. Furthermore, in the context of European integration, which was one of their main areas of influence, two decisive steps were taken towards the further intertwining of the economies of Western Europe. The first one was the British process of accession to the European Economic Community (EEC), which was successfully completed in 1973, and the second one was the rapprochement between the EEC and its counterpart, the European Free Trade Association (EFTA).

In this phase that marked the end of the Trente Glorieuses, Europe was divided into several bodies, both at the diplomatic and at the business networks level, whose relationship oscillated between interdependence and conflict. With regard to the BAs, the two most important organisations were on the one hand the Union des Industries de la Communauté Européenne (UNICE) – today BusinessEurope – which was founded in 1952 and brought together the national federations of the six original members of the European Economic Community, and on the other hand the Council of European Industrial Federations (CEIF), which dated back to 1949 and gathered federations from the countries of the Organisation for European Economic Co-operation (OEEC, soon replaced by the OECD in 1961). Alongside the CEIF, a
more informal sister organisation, the Council of the Directors of European Industrial Federations (CDEIF), in which only the leaders of the BAs were represented, met once a year since 1920. As not all Directors of national federations that were CEIF members participated in the CDEIF,1 it consisted in a more exclusive body.

The purpose of this article is to focus on an actor who embodied this ambivalent interaction particularly well: Switzerland. In the 1970s, this country maintained close economic relations with the EEC while not having acceded to the Treaty of Rome. In regard to BAs, the Swiss Trade and Industry Union – commonly known as Vorort, after the name of its Steering Committee – was not a full member of UNICE but actively participated in the CDEIF. To promote its interests in the main socio-economic issues of the decade, this trade association, the longest-established and most influential in the country, developed intense bilateral and multilateral activities with its European sister organisations.2

Based on the specific case of the main Swiss business association, this article sheds light on two broader issues. First, with its focus on the Swiss outsider, it should help broaden our knowledge of the process that led to the increasing marginalisation of French ‘dirigisme’ within the EEC towards a vision based on economic liberalisation. In particular, it is intended to show how the Vorort members supported and even preceded the economic interests of the German business leaders, which were very much in line with their own, and the strategy they pursued to secure their positions in the European network of BAs. Secondly, this article aims to highlight the gradual emergence, during the period, of a bloc of European employers and to investigate its role in what has been known as the ‘neoliberal turn’ (Harvey 2005; Prasad 2006; Mirowski and Plehwe 2009; Phillips-Fein 2009; Rollings 2013; Slobodian 2018). Composed of BAs of the EEC and EFTA, this coalition largely contributed to the neoliberal evolution of these two institutions. Although there are as many definitions of neoliberalism as there are theorists of this notion, I prefer to use a limited characterisation. Neoliberalism, in this narrow sense, refers to the struggle against protectionism and any form of collectivism (from reformist social democracy to Marxism); its basis was to restore the power of the ruling class after several decades of Keynesian hegemony (Harvey 2005, p. 19).3 The conception of neoliberalism defended by the Swiss business circles was close to the German version, known as ordoliberalism, whose leading figure was Chancellor Ludwig Erhard. In contrast to the French neoliberals, who did not oppose the maintenance of an important public service, German ordoliberals called for strong state discipline and the massive privatisation of publicly owned enterprises (Bilger 2003, pp. 25–26). Neoliberalism, as conceived by the ruling circles in Bonn, Zurich and Bern, should therefore be understood not as a new economic doctrine but as a step backwards from three decades of marked state interventionism in Europe. Focussing on the Vorort will enable us to demonstrate that it was an active participant, if not one of the pioneers, in the political and economic project of neoliberalism. Throughout the article, the aim will be to show that the Vorort’s main strategy to promote its own interests was to rely on and even accentuate the contradictions between the main European business circles.

This contribution follows the recent expansion of the literature on peak-level European BAs. As regards research on UNICE, its development has been considerably delayed by the fact that its archives have not been made accessible. Pioneering studies that have attempted to reflect its role and influence, such as those of Hellmann and Stöckl (1981), Arcq (1993), Collie (1993), Lanzalaco (1995) and Matyja (1999), have most often been limited to the documents published by the organisation. It has only been more recently that the work of
Segreto (2006) and that of Bührer and Warlouzet (2013) have been able to make use of UNICE’s unpublished documents through the archives of national federations. The exclusive reliance on the national archives, although beyond the control of these researchers, has had the advantage of avoiding considering UNICE as a perfectly homogeneous body. Thus, the two above-mentioned studies have highlighted that the European federation was plagued by significant contradictions between its members which considerably reduced its political clout. As for the CEIF, the articles by business historians Rollings and Kipping (2004, 2008) have shed light on its important role as a transnational business network and bridge between the EEC and EFTA.

More broadly, the influence of BAs in the process of European integration has attracted much scholarly attention. Research has shown that the European structuring of BAs cannot be understood without placing it within the framework of the significant split between the Conseil National du Patronat Français (CNPF) and the Bundesverband der Deutschen Industrie (BDI). The former was more protectionist and in favour of strengthening the supreme bodies of the EEC, whereas the latter inclined towards a purely economic integration and was hostile to excessive delegation of sovereignty to the EEC bodies (Moguen-Toursel 2002; Bührer 2005, Lefrevre-Dalbin 2007; Warlouzet 2009). This article will demonstrate that the Vorort largely aligned itself with the BDI’s views, which called for European integration based on a policy of export liberalisation and expansion of industries abroad (Bührer 1993, 2001, 2008, 2010; Rhenisch 1999). For its part, the French Patronat, despite its initial opposition, gradually embraced the idea of the Common Market, although important sectors of industry remained reluctant to face an excessive opening of markets (Bounie 1969; Brizay 1975; Lefranc 1976; Weber 1991; Mioche 1993; Warlouzet 2011; Morival 2013, 2019).

As to the core of our subject, there is a lack of knowledge of the international activity of Swiss BAs. Existing literature has pertinently analysed the interaction between the national authorities and the business community, though it has not focussed on the links between the Vorort and its European sister organisations. None of the researchers have placed European peak-level federations in the centre of their analysis, nor bilateral relations with EEC or EFTA associations. Sabine Pitteloud’s recent PhD thesis, strongly influenced by business history approaches, has focussed on the internationalisation of Swiss firms in the 20th century (Pitteloud 2019). The main organisation she has taken into account is the one that brings together the multinational enterprises (MNEs), SwissHoldings, which is not a peak-level association, as opposed to the Vorort, which gathers all Swiss trade and industry organisations including SwissHoldings. Apart from this recent work, a relatively large body has focussed on the strong role of Swiss industrial federations in European integration (Keel 1980; Fleury 1993; Gees 1994; Hofstetter 2017). Keel’s work, in particular, has shown that the main orientations in Switzerland’s European policy were taken outside the parliamentary game and reflected the decisive influence of the Vorort.

In order to demonstrate the influence of the main Swiss BA in the development of increasingly neoliberal – or more precisely ordoliberal – European institutions, this article uses extensive archive material from the Vorort and from the peak-level French organisation (CNPF) as well as records from the Swiss government. Its chronological extent is bounded by the opening of negotiations between Switzerland and the EEC in 1970 and the first Interlaken Conference in 1978, which brought together a coalition of European BAs under Swiss and German patronage. The first section clarifies Switzerland’s economic importance to the EEC and vice versa. It then discusses the importance of the 1972 Swiss-EEC Free Trade
Agreement in bringing the BDI and the Vorort closer together on the basis of shared interests. Finally, it analyses the institutionalisation in 1978 of the links forged between the Vorort and the most liberal organisations in the EEC and EFTA.

**Swiss economic assets towards the EEC**

Although not a major political player, Switzerland possessed significant economic assets that gave it a greater weight in the process of European integration than the size of the country would have suggested. In fact, the interest of the Swiss market for EEC exports was stimulated by the low level of its external tariff: in the early 1970s, its average was about 5.5%, compared to 7.5% for the EEC (Hofstetter 2017, p. 17). This contributed to the EEC’s large trade surplus with Switzerland, which can be illustrated by the following figures: in 1967, Switzerland was the EEC’s third largest customer after the United States and the United Kingdom (UK); moreover, in 1970, the EEC’s trade surplus with Switzerland allowed it to cover its trade deficit with the US. Another significant asset was that exporting to the Swiss market made it possible to obtain one of the strongest currencies in the world. Additionally, Switzerland’s financial ties with the main economic powers of the EEC were particularly strong. According to a CNPF breakdown for the period 1960 to 1967, Switzerland accounted for 13% of total foreign direct investment in France, which placed it in third place, only behind the United States (53%) and the whole EEC (21%) but ahead of the UK (9%).

In the commercial field, however, Swiss exports, which largely determined the country’s trade policy because of the small size of the domestic market, turned primarily to the Federal Republic of Germany (FRG). In the 1960s, the German market was both Switzerland’s main outlet and its main supplier. Indeed, between 1958 and 1970, the FRG was absorbing on average 15.8% of the country’s exports; between 1960 and 1970, its average share in Swiss imports was 30.3% (Dirlewanger et al. 2004, pp. 40–44). As for trade relations with France, from the Swiss perspective, the French market was less important than the German one as it accounted during the 1960s for a maximum of 9% of Switzerland’s exports and 10% of its total imports (Dirlewanger et al. 2004, p. 291). From a French perspective though, exports to Switzerland made it possible to significantly reduce the country’s trade deficit. An internal note from the CNPF dated 1971 indicated that Switzerland was the industrialised country with which France had the largest and most regular trade surplus; in 1970, the positive balance with Switzerland made it possible to reduce the country’s total trade deficit by more than 20%.

The economic link between Switzerland and the FRG was complemented by a very close political and ideological positioning. Although opposed to accession to the Treaty of Rome in 1957, the Swiss authorities and the Vorort, like German business leaders, were advocates of Britain’s proposal for a Free Trade Area between the OEEC countries (Keel 1980, pp. 171–201; Enz 1991). After the collapse of this plan owing to De Gaulle’s veto in 1958, they pushed for the creation of the EFTA, finally signed in 1960. As opposed to the EEC, the EFTA offered an important advantage for the main export circles of the Swiss industry: it did not prescribe any social or economic harmonisation among its members. This meant that Switzerland’s treaty making power, that is its prerogative of freely signing commercial agreements with foreign countries, was safe and it excluded any adoption of the higher EEC Common Customs Tariff (CCT) by Switzerland.
As regards the Free Trade Area and the broader question of economic harmonisation, the main European divide was between the German and French conception. In 1958, both the BDI and the FRG government were in favour of Britain’s proposal. This inclination was strongly encouraged by the close commercial ties that linked the FRG to the non-EEC members (Moguen-Toursel 2002, pp. 223–242). On the French side, its business community was considered, according to Jean-Paul Bounie, as ‘the most protectionist in the world’ (1969, p. 143). However, CNPF President Georges Villiers was instrumental in convincing the most dynamic economic sectors of the importance of the Common Market (Lefevre-Dalbin 2007, pp. 167–169), which was perceived to be a ‘conversion to free trade’ (Weber 1991, p. 128). Even though it certainly was an important change of mind, this conversion did not mean that free trade was to be obtained unconditionally. During the negotiations on the Common Market, the CNPF, together with the Italian federation, the Confindustria, had demanded the adoption of a protectionist CCT (Petri 2003, p. 27). In November 1958, French authorities vetoed the Free Trade Area, which was considered as a dangerous weakening of the Treaty of Rome.

At the origins of a neoliberal alliance in Europe: the Swiss-EEC free trade agreement of 1972

In order to obtain a free trade agreement with the EEC, the Swiss authorities first had to deal with the opposition of certain European business circles. Hostility towards the idea of a FTA between Switzerland and the EEC was likely to come from the CNPF, which wanted to avoid EEC trade concessions that did not involve any harmonisation of legislation. It considered that this would have set a dangerous precedent that other non-member countries – first and foremost the United States – could have used in their commercial negotiations with the EEC. Thus, in 1969, one year before the official opening of negotiations between the EEC and the non-candidate countries – Sweden, Austria, Finland, Iceland, Portugal and Switzerland –, the Swiss authorities realised that the European business community was deeply involved in the discussions with Switzerland and that UNICE, in particular, was holding broad debates on the issue. This led them to conduct further investigations into UNICE’s role, which concluded that its ‘importance should not be underestimated’ (Weber 1991, p. 128). As a result, they pressed the Vorort to clarify its participation in the European business federation. Less than two months before the opening of the preliminary discussions between Switzerland and the EEC, a notice issued by the Director of the Federal Bureau for European Integration, Max Feller, stated:

"With regard to the enlargement of the Community, the industrial federations of the EEC countries gathered in the UNICE have once again taken a stand in a way which suggests that they will [...] undoubtedly attach particular importance to harmonisation issues. [...] If we want to prevent the EEC industry federations from working against us in the coming discussions and negotiations and from influencing the EEC Council in an unfavourable way, it seems to me necessary that the Vorort too should now play its part in bringing the EEC industry federations together in order to dispel the latent fears that prevail there."

It soon became clear that an important obstacle to securing a FTA with the EEC was indeed the position of the CNPF. In December 1970, coming back from meetings with the
BDI, the Confindustria and the CNPF, Vorort’s General Manager Peter Aebi described the results of the talks:

In summary, it can be said that the Bundesverband der Deutschen Industrie views Switzerland’s concerns positively, Confindustria’s spokesmen are sympathetic or at least neutrals and the Patronat’s spokespersons are extremely sceptical, from a very doctrinal and rigid point of view.\(^{11}\)

As ‘doctrinal’ as the attitude of the Patronat was viewed from the vantage point of the Vorort, sources from the CNPF reveal that this position was merely taken for tactical purposes. The business leaders of the CNPF realised that a firm stance against the FTA was likely to undermine the whole EEC-EFTA rapprochement. In January 1971, René Sergent, member of the International Economic Relations Commission of the CNPF, stated: ‘if we go to war against Switzerland, I would not like it to appear as a direct attack against the four European neutrals nor an attack in the context of the British negotiation’.\(^{12}\)

Negotiations between the non-candidate countries – among which was Switzerland – and the EEC took place from November 1970 to July 1972. For the business community, the decisive moment was in late spring and early summer of 1971, as UNICE was set to take a stance on the Council’s recommendations to the Commission, which would define the general substance of the agreements. In May 1971, the French Patronat, through the voice of its President of the European Affairs Commission, Jean Louis, noted with concern that the talks were increasingly moving towards the FTA solution. He asked for a tough approach from the CNPF in order to reverse this negative trend: ‘The time has come […] for the Patronat to intervene in an effective and substantive manner; it is now or never.’\(^{13}\) Then, in anticipation of the key standpoint of the European business federation, a provisional paper drawn up by the Belgian federation – that was deemed close to the French views by the CNPF – stated that the neutrals should ‘very widely adopt’ the harmonisation clauses.\(^{14}\) In early July 1971, the French Patronat submitted its own draft resolution to UNICE’s members that adopted an even firmer stance towards the non-candidate countries.\(^{15}\)

Confronted with this unfavourable evolution within UNICE, the Swiss federation developed its own strategy to counter French hostility towards the FTA. The Vorort’s main objective was explicitly voiced by its General Manager, Gerhard Winterberger, during a meeting of its Steering Committee in June 1971: ‘We must make sure that UNICE fails to reach a common position.’\(^{16}\) The Vorort’s strategy was to gain German support through confidential contacts with the BDI. In exploiting the divisions between the German and French BAs, the Vorort hoped to neutralise the European federation. The first success was achieved during the UNICE’s Council of Presidents meeting of 2 July 1971, as the BDI refused to support any resolution on EEC enlargement as long as the BAs from EFTA were not consulted. In a confidential report sent to the Vorort, Hellmuth Wagner, an executive presidential member of the BDI, expressed his satisfaction about the lack of results of this meeting and reiterated BDI’s long-standing support for the FTA.\(^{17}\) However, talks within UNICE were far from over as the Council of Presidents was set to meet again on 22 July. Ahead of this meeting, the Vorort received a strong warning from Swiss Chief negotiator with the EEC, Paul R. Jolles, about CNPF’s harsh attitude. Jolles urged to strengthen the contacts with the French business leaders in order to deter them from attempting to bury the FTA.\(^{18}\) One day after receiving this letter, Gerhard Winterberger provided the Vorort’s President, Etienne Junod, with...
information about his latest phone call with the BDI. The German federation, as Winterberger pointed out, ‘has been outrageously put under pressure by the other five BAs because it does not want to sign UNICE’s statement.’ Winterberger urged that all contacts with Bonn should remain confidential in order to prevent any consideration that the BDI’s policy was an extension of the Vorort’s policy. However, despite the secret character of the Vorort-BDI talks, the CNPF was aware that the Swiss were involved behind the scenes. In a note to Jean Louis, Régis Astier, CNPF staff member on European issues, pointed out that BDI-leader Fritz Berg and his staff ‘have multiplied delaying tactics’ and recalled that the BDI’s rejection of the UNICE’s first draft resolution was linked to ‘pressure from Swiss and Austrian BAs.’

The resolution finally adopted by UNICE’s Council of Presidents on 22 July 1971 avoided any prescriptive terms as regards the harmonisation clauses and accession to the customs union. At most, the statement referred to the necessary ‘approximation of legislation’ and ‘convergence of commercial policy’ between the non-candidate countries and the EEC. Thus, without belonging to UNICE, the Vorort obtained an important success with this resolution in which the decisive influence of the BDI was reflected. Four days after this declaration, the EEC Council’s guidance to the EEC Commission was expressed in similar terms and carefully avoided any binding requirement towards non-candidates regarding harmonisation or common commercial policy. In a position paper on this Council meeting, the CNPF expressed its bitter disappointment: ‘Needless to say, these guidelines are practically the opposite of the approach that the CNPF had supported, i.e. agreements linking the European non-candidate countries as closely as possible so as to ensure a high degree of harmonisation […]’

Thus, less than one month before the collapse of the Bretton Woods system and the relaunch of global protectionism driven by the United States, the recommendations of the Council definitively settled the debate between the customs union and the FTA in favour of the latter. From this point on, the negotiations shifted from the main principles to the specific questions that would govern the FTA. In particular, three areas remained to be clarified: the rules of origin, the sensitive products and the safeguard clauses. Though it is not possible, within the framework of this article, to go into the technical details of all these discussions, it should be noted that the disputes between the German-Swiss and French concepts persisted. On the central issue of rules of origin, for example, the positions of Vorort and CNPF were strongly opposed. Rules of origin form the cornerstone of the FTA: they were necessary to prevent goods from third countries from benefiting from the low Swiss external tariff and then to be exported to the EEC without additional tax. While the Vorort, BDI and Dutch business association VNO (Verbond van Nederlandse Ondernemingen) advocated for a liberal application of these rules and the recognition of total cumulation – as in the EFTA system – the CNPF called for the rejection of any cumulation. Finally, a compromise could be reached between both conceptions that paved the way for the signature of the FTA between Switzerland and the EEC in July 1972. This signing could be considered an important success for the Vorort for at least three reasons. First, the UNICE’s support for the FTA – or more precisely its non-opposition – was acquired through skilful behind-the-scenes strategy, despite the CNPF’s firm stance on the matter. Secondly, although Swiss business leaders had to make concessions on the rules of origin, the technical points of the agreement largely accommodated their interests (Keel 1980, pp. 374–379). Thirdly, and most importantly for our topic, as we will see, an alliance of principle
forged with the BDI and the VNO during the negotiations regarding the rules of origins represented the first foundations towards the constitution of a bloc of BAs in Europe on the basis of shared interests.

**Addressing the rise of protectionism and the restructuring of European trade unions**

Having realised that UNICE played a key role in the positions taken by the European authorities, the Vorort continued the expansion of its relations with its European sister organisations in the years following the conclusion of the Swiss-EEC agreement. The main lesson learned by the Vorort during these negotiations was the following: it could have a greater influence on the European peak-level federation by remaining outside than by joining it. However, the federal authorities, through the Director of the Federal Bureau for European Integration Franz Blankart, urged the Vorort to get closer to UNICE. The reason given in March 1974 was that BAs in Brussels carried out ‘work whose effectiveness frequently exceeded that of diplomatic influence.’

A rapprochement with UNICE was established that same year, when the Vorort obtained a compromise between full membership and isolation. At the same time as the other BAs from EFTA countries, the Vorort was given the status of associate member with the European federation in 1974. Although it did not confer decision-making power, this status allowed the Swiss association to be informed early of European draft laws and to be consulted in the UNICE’s deliberations.

Moreover, after the signing of the FTA, the attention of the Vorort partially shifted to the countries of northern Europe. This process was closely linked to the outbreak of the global economic crisis and the concomitant exacerbation of social conflicts, which led to the restructuring of the European workers’ movement. In 1973 the European Trade Union Confederation (ETUC) was founded, which brought together most types of trade unions, from the social-democratic Swiss Trade Union Confederation to the communist Confederazione Generale Italiana del Lavoro. ETUC was intended to counter the growing international division of labour resulting from the multinationalisation of economies and the spin-off of subsidiaries. One of its objectives was to introduce Keynesian-style dispositions into international institutions; a key body to bring these demands forward was the EFTA Consultative Committee, which could roughly be considered as the equivalent of the Economic and Social Committee in the EEC as it included representatives of business, labour and parliament from each member country. Of the five members of the Swiss delegation to this Committee, three originated from business circles, including Winterberger, the Vorort’s General Manager. As early as 1973, he noted that the representatives of the Nordic trade unions were trying to bring social harmonisation clauses into the debates and that they obtained the support of some of the EFTA governments.

Despite this renewed attention to EFTA, relations with the EEC remained a hot topic. Indeed, faced with the full impact of the economic crisis, the EEC member states did not hesitate to resort to protectionist measures. In this context, the Swiss proposal, made on behalf of EFTA in 1975, to renegotiate the rules of origin in the agreements between the EEC and EFTA countries, was received with great scepticism by the CNPF and Confindustria. The Swiss proposal was to gain what was not obtained three years earlier, i.e. the recognition of full cumulation and thus a further step towards the creation of a large Free Trade Area.
between the EEC and the EFTA. As was already the case in 1972, among UNICE’s members, this proposal was fully supported by the BDI and the VNO, joined by the recently admitted federations from Denmark and Great Britain. In May 1975, this issue was discussed in the UNICE Customs Legislation Committee. On this occasion, first secretary Alexandre Jetzer was invited to the debates, which in all likelihood was Vorort’s first direct involvement in UNICE’s deliberations. Due to the French and Italian opposition, UNICE was once again considerably divided on the issue, to such an extent that its resolution of December 1975 on rules of origin contained both a majority (every federation except the CNPF and Confindustria) and a minority opinion. In face of this determined opposition, the rules of origin were finally not amended until 1983. Nevertheless, this debate was significant insofar as it coincided with the reconstitution of the fronts that had been articulated during the EEC-EFTA negotiations of the early 1970s.

Following these renewed internal divisions, there were criticisms on all sides of UNICE’s effectiveness. On the one hand, the Vorort considered it incomprehensible that the opinion of the EFTA federations on the rules of origin were not better taken into account when it corresponded to that of the majority of UNICE. On the other hand, a note of April 1975 issued by two CNPF staff members on European issues, Régis Astier and Vincent Carbonel, reflected how the CNPF administration viewed the federation: ‘UNICE is like the ungovernable Community, a tower of Babel where everyone speaks their own language.’ Two months later, a comprehensive report issued by the CNPF made the following bitter observation: ‘The shortcomings or failures that can currently be observed in UNICE’s functioning and methods have gradually taken precedence over the years over the positive aspects that could be found in this organisation at its inception.’ Later in the document, it was recalled: ‘The CNPF’s position vis-à-vis the united front of free trade BAs has deteriorated significantly in recent years.’ Therefore, the CNPF made a series of proposals for reforming UNICE’s bodies, including one aimed at systematically attaching a minority opinion to the positions adopted.

The materialisation of the alliance into a permanent organisation

From the mid-1970s onwards, the Vorort’s willingness to neutralise its sister organisations considered too protectionist or those that were too subservient to trade union positions accelerated significantly. The dividing lines between UNICE members that had come to light during the negotiations on the 1972 FTA were to crystallise. Thus, the Vorort’s international contacts with its sister organisations that shared the economic interests of the Swiss business leaders intensified.

In parallel to the internal tensions within the UNICE, an important factor in the increase in the Vorort’s involvement in the European network of BAs was the growing divergence – or uneven development – between European economies. While an economic crisis of a magnitude comparable to that of the 1930s was hitting the world economy, some countries, including Switzerland, were considerably strengthening their positions on foreign markets. Swiss exports were particularly resilient to foreign competition; their level was even higher than that of imports in 1976, a situation that had occurred only four times since the end of the 19th century (Humair 2010, p. 185). Thus, in this period of international recession, the situation of the most dynamic circles of Swiss exports was particularly favourable for the acquisition of new markets and thus for a renewed international activity of the Vorort.
To go back to the bilateral contacts developed by the Vorort, these had been in place for some years with other European BAs. As early as 1969, it held a large meeting in Vienna with the Vereinigung Oesterreichischer Industrieller (VOI).\textsuperscript{34} One of the main themes of the session was the common problems faced by these two neutral countries in the perspective of strengthening European integration. This privileged VOI-Vorort relationship took place within the more general framework of links with the largest organisation in the region, the BDI. In March 1974, Etienne Junod and Gerhard Winterberger travelled successively to Vienna and Bonn to meet with leading figures of the VOI and the BDI; one of the topics discussed were the possibilities for closer cooperation, particularly within UNICE.\textsuperscript{35} The transition from informal ties to the institutionalisation of meetings between the VOI, the BDI and the Vorort was made in June 1976. The three organisations met for two days in Vienna to discuss economic policy, the fight against inflation and the policy of floating exchange rates.\textsuperscript{36}

In the eyes of the Vorort, its main connecting link with the BDI and the VOI was ideological: it was a question of defending the liberal economy against its opponents at all costs. As this article has shown at length, the denunciation of forces not sufficiently committed to liberalism was addressed directly to the CNPF and the Confindustria. However, they were not the only targets. As already mentioned, influential trade union forces, whose audience was large in northern European countries, were lobbying within EFTA for Keynesian measures. These pressures reached their peak in February 1977, at a special meeting of the Consultative Committee that included the participation of ministers from member countries. The Vorort was particularly concerned because it felt that some EFTA BAs, in particular the Swedish one (Sveriges Industriförbund), constantly took the trade unions’ side in the discussions.\textsuperscript{37} Therefore it prepared this tripartite conference carefully, organised a meeting of EFTA BAs in advance and it coordinated with the UNICE on the attitude to adopt.\textsuperscript{38} At this conference, Gerhard Winterberger made a very aggressive speech against any attempt to discuss Keynesian measures in the framework of EFTA. In his report of the conference, he expressed the role that the Vorort played within EFTA:

\begin{quote}
It has been shown time and again that the votes of industry representatives from countries with social democratic governments depend to a large extent on the attitude of Swiss delegates. Our colleagues expect a leading hand, and the opponents also respect those who speak a clear language and mark their point of view. […] Our colleagues from the leading friendly associations […] explained that Switzerland in the EFTA fulfilled a similar task as the Federal Republic of Germany in the EEC and the Vorort a similar task as the Bundesverband der Deutschen Industrie within the EEC. […] It is clear that in future we will seek even closer cooperation than before with our friendly business associations in order to counterbalance trade union pressure and pressure from socialist governments.\textsuperscript{39}
\end{quote}

Thus, at the end of the 1970s, the Vorort conceived itself as a bulwark against any form of collectivist ideas in Europe. As we have seen, the meetings held each year since 1976 with the BDI and VOI were an important part of this struggle. In 1978, it was the Vorort that took the initiative to extend this circle to the BAs from the Netherlands (the already mentioned VNO) and Denmark (Industrirådet). It should be noted that, with the exception of VOI, this was already the same coalition of organisations that fought in 1972 and 1975 within the UNICE for the most liberal application of the rules of origin. The interest in including the VNO was that the Netherlands shared many characteristics with Switzerland: an outgoing economy, a strong presence of MNEs and a powerful financial sector. As for Denmark, it was a matter of pushing Nordic BAs – in particular the Sveriges Industriförbund – to adopt a more
combative attitude towards trade unions and social-democratic governments. The first meeting of what would later be called the Interlaken Conferences was held in June 1978. At this occasion, the five partners expressed one central political observation: as stated by BDI-leader Siegfried Mann, ‘We are not sufficiently united internationally. […] The trade unions are much more united than the bourgeois organisations.’ To restore this unity, he said, this involved renewing and mobilising existing bodies, such as the UNICE. In this context, the Interlaken Conferences were to be used, according to Siegfried Mann, to set up ‘a core group of business associations’ and to serve as a preliminary coordination mechanism for UNICE’s votes. Following these proposals, which were supported by all participants, it was immediately decided to set up a working group to study the possibilities of intensifying the international collaboration of BAs. As stated by Gerhard Winterberger, its tasks had to be ‘carried out with the necessary discretion so that the other European friends did not get the impression of separate tendencies.’

Thus, the sealing of this alliance in 1978 was in line with the struggle on all fronts led by the Swiss organisation since 1970. First, it allowed the Vorort to be on the side of the majority of UNICE’s members without being a full member of the federation. Secondly, the inclusion of Denmark made it possible to extend these neoliberal postulates to Scandinavia, a key region to counter the influence of European social democracy. Finally, the Vorort’s constant objective of avoiding discussions in large organisations where its point of view could easily be sidelined was preserved. The Interlaken Conferences were oriented towards a real leitmotif: to go on the offensive against all forces opposed to the widest dissemination of neoliberal principles. Between the 1978 Conference and the following one, the working group, composed of secretaries of the organisations, developed a thorough document soberly entitled ‘Improvement of international collaboration’ which in fact constituted a real proclamation of faith in neoliberalism. This discussion paper aimed to redirect the international activities of BAs towards the following points: the privatisation of certain state activities, the limitation of social and tax charges, the opposition to any redistribution of income or profits and the promotion of anti-inflationary economic policy. At the initiative of the Vorort, the aim was to place UNICE and European politics in general under the orbit of Interlaken’s most influential organisation, the BDI. Significantly, the common language adopted by the participants in the conferences was not English but German. In this respect, the CNPF was not unaware of the hardening of the ideological conceptions defended by German business leaders. In an internal document dated June 1979 that referred to UNICE’s action on economic policy, the French Patronat stated: ‘the Germans themselves defend a super-liberal economic concept in which the Community would resemble more a Free Trade Area than a structured Community market with sufficient external defence.’

**Conclusion**

This article has shown, through the Swiss case, that some European BAs did not wait until the outbreak of the economic crisis to lay the foundations for the neoliberal turn. Indeed, in the early 1970s, European business circles faced two types of related threats: the rise of social movements and the many demands for increased state interventionism in the economy. As regards Switzerland, these two factors, coupled with the application for EEC membership of certain EFTA countries, forced the ruling circles to break their isolation on the European scene. In this context, a close relationship was established between the federal authorities
and Vorort, the former encouraging the latter to become more involved within European business networks. This growing participation was characterised by a main variable between 1970 and 1978: it aimed to bypass traditional cooperation forums and to use bilateral relations to exploit contradictions between European powers. With the support of the BDI, the Vorort was able to counterbalance the protectionist demands of the French Patronat within UNICE. The Swiss and German federations then wove a neoliberal network at Interlaken with the VOI, VNO and the Danish organisation.

The period studied in this article marked only the beginning of deregulation policies following the economic crisis of the 1970s. As such, further research would be needed to shed light on the role of the Interlaken alliance in the subsequent stages of economic liberalisation, namely the Single European Act of 1986 and the Maastricht Treaty of 1992. Above all, the influence of the Vorort in this process should not be overlooked, as there is no doubt that the Community of the 1990s corresponded much more to its neoliberal aspirations than that of the 1960s.

Notes

1. In the 1960s, the directors of the following national federations were members of the CDEIF: Austria, Belgium, Denmark, Finland, France, West Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland and the United Kingdom (Rollings and Kipping 2008, p. 417).
2. Unlike in France or in Italy, in Switzerland peak-level business associations were divided between a trade association (Vorort) and an employers’ association (Central Association of Employers’ Organisations). In terms of European economic policy, the Vorort played a dominant role in the 1970s, which is why this contribution will mostly focus on it. However, its international positions can be considered as a compromise negotiated internally between the main peak-level associations in the country.
3. It should be noted, however, that the extent of this Keynesian hegemony must be strongly relativized in the case of Switzerland, as the country has been known as an ‘anti-Keynesian stronghold’ (Guex 2012).
5. Cf. the speech of the Head of the Federal Division of Commerce, Paul R. Jolles, in front of the Swiss Bankers Association in 1970: Gedanken zur schweizerischen Aussenwirtschaftspolitik und ihren finanziellen und integrationspolitischen Aspekten, 26 September 1970, 274.3.5.3, IB Vorort-Archiv, AFZ.
6. Investissements étrangers en France et français à l'étranger, no date, 72 AS 1493, Papers of the Conseil national du patronat français, Roubaix (ACNPF).
7. Le commerce extérieur des pays ‘associables’ à une CEE élargie, 15 June 1971, 72 AS 339, ACNPF.
8. Letter of Pierre Cuénoud, Deputy Head of the Swiss Mission in Brussels, to the Federal Bureau for European Integration, 28 April 1969, E7113A, 1980/62, 358*, Swiss Federal Archives (SFA), Bern. This and all subsequent translations in this article are made by the author.
9. The Federal Bureau for European Integration was established in 1961 as a coordinating body on European integration between the Department of Foreign Affairs and the Department of Economics.
11. Minutes of the Steering Committee meeting of 14 December 1970, 1.5.3.20, IB Vorort-Archiv, AfZ.
12. Minutes of the meeting of 11 January 1971 of the International Economic Relations Commission (IERC) of the CNPF, 72 AS 400, ACNPF.
13. Minutes of the meeting of 10 May 1971 of the IERC of the CNPF, 72 AS 400, ACNPF.
14. Relations à établir avec les pays de l’AELE non candidats à l’adhésion à la CEE, 9 June 1971, 72 AS 339, ACNPF.
15. Avant-projet à la résolution de l’UNICE sur l’élargissement de la Communauté européenne, 6 July 1971, 72 AS 339, ACNPF.
16. Minutes of the Steering Committee meeting of 28 June 1971, p. 15, 1.5.3.20, IB Vorort-Archiv, AfZ.
17. Letter of the BDI to the Vorort, 7 July 1971, 274.3.2.7, IB Vorort-Archiv, AfZ.
18. Letter of Paul R. Jolles to Gerhard Winterberger, 15 July 1971, 274.3.2.7, IB Vorort-Archiv, AfZ.
19. Letter of Gerhard Winterberger to Etienne Junod, 16 July 1971, 274.3.2.7, IB Vorort-Archiv, AfZ.
20. Note of Régis Astier to Jean Louis, 21 July 1971, 72 AS 339, ACNPF.
21. Prise de position de l’UNICE sur les relations à établir avec les pays de l’AELE non candidats à l’adhésion à la CEE, 22 July 1971, 72 AS 339, ACNPF.
22. Accords à conclure entre la CEE et les Etats de l’AELE non candidats à l’adhésion, 15 September 1971, 72 AS 344, ACNPF.
23. The principle of total cumulation in EFTA meant that, to be granted origin, except for textiles, a good had to be produced in EFTA without the value of imported raw materials used in production exceeding 50% of the final price. Thus, for example, a product originating in 30% of Austria, 30% of Switzerland and 40% of a subsidiary located in a southern country could be traded freely in Norway. This system was all the more liberal as a long list of basic raw materials were automatically considered as originating in EFTA.
24. Cf. Rapprochement CIFE-UNICE, internal circular for the member federations, 7 November 1973, 15.1.8, IB Vorort-Archiv, AfZ.
25. Note of Franz Blankart to Paul R. Jolles, 8 March 1974, E2210.1, 1987/44, 159*, SFA. Jolles then forwarded this note directly to the Vorort.
27. For example, on the Italian protectionist measures of 1974, cf. Cautionnement des importations en Italie. Etat de la question, 9 May 1974, 72 AS 408, ACNPF.
29. Minutes of UNICE’s Customs Legislation Committee of 21 May 1975, 72 AS 1821, ACNPF.
31. Letter of Alexandre Jetzer to H. Kulla, Head of the Sales-Economy Department of the BDI, 22 October 1976, 15.1.6, IB Vorort-Archiv, AfZ.
32. Note of Régis Astier and Vincent Carbonel to François Ceyrac, President of the CNPF, 8 April 1975, 98 AS 127, ACNPF.
33. Evolution de la construction européenne : tentative de bilan, 2 June 1975, 98 AS 130, ACNPF.
35. Minutes of the Steering Committee meeting of 25 March 1974, pp. 3-5, 1.5.3.22, IB Vorort-Archiv, AfZ.
36. Zusammenkunft mit den deutschen und österreichischen Kollegen in Wien, 9 July 1976, 275.2.5.1, IB Vorort-Archiv, AfZ.
37. Minutes of the Steering Committee meeting of 28 June 1976, p. 23, 1.5.3.24, IB Vorort-Archiv, AfZ.
38. Minutes of the Steering Committee meeting of 28 February 1977, p. 40, 1.5.3.24, IB Vorort-Archiv, AfZ.
39. Ibid., pp. 41-42.
40. For a more detailed account of the Interlaken conferences, see the contribution of Sabine Pitteloud in this special issue.
Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributor

Ludovic Iberg is a PhD researcher and teaching assistant at the Institute of Political Studies (IEP) of the University of Lausanne. He works at the Centre of International History and Political Studies of Globalization (CRHIM) and he is also a member of the Swiss Elite Observatory (OBELIS). He is currently working on a thesis in international history which examines the participation of Swiss employers in the European business networks between 1958 and 1984. More generally, his research focuses on European integration, business associations, international trade relations and social classes.

ORCID

Ludovic Iberg http://orcid.org/0000-0002-4011-4876

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