

## The economic and financial implications of Switzerland's participation in Schengen/Dublin

The cooperation between Switzerland and the EU member states in connection with Switzerland's Schengen/Dublin association brings economic and financial benefits. But beyond the economic and financial aspects, Schengen also constitutes a fundamental instrument in internal security. Added to this there are other effects such as Switzerland's attractiveness as a location for business, which benefits both tourist spots and border regions. Dublin allows Switzerland to make substantial savings in the area of asylum as the country is not a typical country of first asylum. Abandoning Schengen/Dublin would mean a loss of security for Switzerland and in the area of migration would result in a rise in asylum applications, which could not be entirely offset even with great effort and high costs.

### Withdrawal from the Schengen/Dublin association agreements

- Decline in GDP of between 1.6% and 3.7% by 2030
- The work of law enforcement agencies would be considerably hampered without access to the SIS
- Significant weakening of national security in Switzerland
- Waiting times, congestion and higher costs at border crossings
- Additional costs in the area of asylum

### Background

In response to the request by Parliament (postulate 15.3896), the Federal Council published a report in 2018 on the economic and financial implications of Switzerland's Schengen/Dublin association based on a study by Ecoplan AG. The report concludes that without the cooperation in the area of security and asylum, Switzerland could expect an annual loss of income of between CHF 4.7 billion and CHF 10.7 billion in 2030, which would equate to a decline in GDP of between 1.6% and 3.7%. While abandoning the Schengen/Dublin cooperation would bring savings of around CHF 50 million a year, it would cost the public purse up to an additional CHF 270 million a year.

In the long term, abandoning Schengen/Dublin would have an impact on Switzerland's attractiveness as a location, as well as on the border regions, its international cities and the tourism sector. The security gap that would follow the exit from Schengen would not be completely filled even with important additional investments.

Cooperation in the area of security and asylum has developed substantially since Switzerland signed the Schengen/Dublin association agreements. Through the use of common tools, Schengen/Dublin offers economic and security-related added value, which is indispensable in counterterrorism efforts and combating cross-border crime. By working together, European states can address common concerns more effectively than they could alone. This leads to increased security in Europe and facilitated mobility within the Schengen internal border area.

**Participation of Switzerland in Schengen/Dublin** In principle, Switzerland has committed to adopt developments in the Schengen/Dublin acquis favouring homogeneous standards within the Schengen/Dublin area and to abide by the regulation that only one country is responsible for processing an asylum application. This regulation allows Switzerland to transfer the asylum seekers concerned to the responsible Dublin state. As part of the Schengen area, Switzerland participates in the EU legislative process, which enables it to represent its own interests directly and to have a say in decisions. In this way it can participate in new partnerships and technical progress at European level, and step up cooperation in the area of security and combating cross-border crime. While Switzerland's participation rights with regard to the Dublin Regulation are limited, they do allow it to be informed about texts in preparation and to give input at an early stage.

If Switzerland does not transpose such developments into its domestic law, both Switzerland's association agreements with the Schengen and Dublin states would lapse, unless the Joint Committee decides otherwise within 90 days. This committee is made up of representatives of Switzerland, the EU Commission and all EU member states. The decision as to whether to pursue the cooperation would have to be unanimous. These contractual provisions have never been applied to date.

### **Border controls**

Through Schengen cooperation in the field of border controls, identity checks at internal borders in the Schengen area were abolished and checks on external Schengen borders (in Switzerland these are located at airports) were stepped up. This allows border traffic to remain fluid, which is particularly important for border regions with a high number of border crossings (Basel, Geneva and Ticino). At the same time, the enhanced checks at external Schengen borders increase security within Europe. As Switzerland is not a member of the customs union, customs checks continue to be carried out.

If Schengen were abandoned, Switzerland's national border would become an external Schengen border. This would require its neighbours to conduct systematic identity checks on persons crossing the Swiss border to enter or leave the country. The introduction of checks would have far-reaching economic consequences for Switzerland and its neighbouring countries. It would lead to delays in road and rail traffic, which would affect the over 1.7 million people and 1.2 million vehicles that cross the Swiss border every day. Even local rail traffic would no longer be possible in its current form. The consequences would disproportionately affect border regions such as Basel, Geneva and Ticino.

### **Visa regulations**

The Schengen visa allows travellers and tourists to spend 90 days within a 180-day period in the Schengen zone with a single visa. Thanks to the Visa Information System (VIS), Switzerland can be represented by other Schengen states at locations where it does not have a consular post, which means it can expand its visa services without any additional costs.

The Schengen visa also means lower costs and a less time-consuming process for travellers and tourists, which adds to Switzerland's appeal as a tourist destination and location for business. Particularly for cities such as Geneva which are home to the head offices of many international organisations, the common visa regime is key. Switzerland benefits from Europe-wide freedom of movement, while Europe is dependent on joint cooperation with Switzerland on account of the country's important role as a transit country.

While some degree of freedom of travel would be granted through freedom of movement in the absence of Schengen, this would be severely restricted for third country nationals. In addition, travellers and tourists who are not only visiting Switzerland but also a number of other European countries, may be put off making a detour to Switzerland. Visa application offices and visa service providers would disappear in locations with lower demand for visas, or would face disproportionately high costs. Depending on the alternative solutions, the number of visas issued to travellers from countries requiring visas could decline by between 15% and 40%, which would result in financial losses of CHF 200 - 530 million.

### **Police cooperation**

Through its police cooperation, Switzerland participates in the Schengen Information System (SIS), which, with over 75 million entries, is indispensable for Swiss police work. The system allows cross-border search warrants (for persons, cars, weapons or passports) to be issued throughout the whole Schengen area in a very short space of time. The SIS plays a key role in ensuring national and Europe-wide security. More than 4,000 arrests have been made thanks to information from the SIS since 2009.

Without Schengen, Swiss law enforcement agencies would no longer have access to the SIS. Admittedly, bilateral police cooperation would continue to exist, as would collaboration through Europol and Interpol, but even with the necessary increase in staff and material resources - particularly within the Federal Police, Cantonal Police and Swiss Border Guard - this could only approximate the level of security guaranteed under Schengen.

## **Asylum**

The Dublin Agreement stipulates which country is responsible for processing an asylum application. This practice minimises multiple applications by persons seeking asylum. As Switzerland is not a typical country of first asylum within Europe, it has transferred more people to other Dublin states in the past than it has accepted from them due to the Dublin regulations. This has allowed Switzerland to save on administrative costs which it would otherwise have had to spend on processing asylum claims.

If Switzerland were to withdraw from the Dublin system, it would no longer be possible to transfer asylum seekers to other Dublin states. In addition, we have to assume that the majority of asylum seekers whose applications were rejected in another European country would submit a second claim in Switzerland. These applications would then have to be examined in Switzerland. Depending on the scenario, more than 14,000 second applications could be made in Switzerland, which could result in additional costs of between CHF 100 million and CHF 1 billion.

### **Link to PDF**

[www.fdfa.admin.ch/europe/schengen\\_en](http://www.fdfa.admin.ch/europe/schengen_en)

### **Further Information**

Federal Council report on the economic and financial effects of Switzerland's Schengen/Dublin association of 21 February 2018 in response to postulate 15.3896 of the Social Democratic parliamentary group: [www.fdfa.admin.ch/europe/schengen\\_reports](http://www.fdfa.admin.ch/europe/schengen_reports)

Directorate for European Affairs DEA

Phone +41 58 462 22 22,

[europa@eda.admin.ch](mailto:europa@eda.admin.ch),

[www.fdfa.admin.ch/europe\\_en](http://www.fdfa.admin.ch/europe_en)