

## CHAPTER 1

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# Whose Interests Do Radical Right Parties Really Represent? The Migration Policy Agenda of the Swiss People's Party between Nativism and Neoliberalism

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### Introduction

Since the late 1980s, right-wing populist parties—parties that combine authoritarianism (law and order and traditional values), nativism (the protection of the interests of the native-born over those of immigrants), and populism (a critique of the political and economic establishment) at the core of their ideology—have emerged as a significant electoral and parliamentary force in Western Europe (Mudde 2007). In a number of countries, the electoral success of these parties has relied on an “unholy alliance” between blue-collar workers who traditionally voted for the left, and small business owners who traditionally voted for the right (Kitschelt and McGann 1995: 10–11; Ivarsflaten 2005a: 465; Oesch 2008a). Though the reasons leading voters with apparently contradictory economic interests to vote for the same political parties have received extensive attention in the literature, little research has been devoted to the way party elites articulate these interests within their policy agenda. In this chapter, I explore the socioeconomic interests that characterize the electoral constituency of one of the strongest radical right parties in Western Europe, the Schweizerische Volkspartei (Swiss People's Party [SVP]), and the way its party elites seek to reconcile these interests in

their immigration policy agenda. Immigration policy is considered here as a policy with different distributive consequences across socioeconomic groups, and not only as a policy guided by values and identity concerns.

Questioning the idea that the policy agenda of this party is geared only toward migration control, I argue that it seeks to reconcile a nativist rhetoric catering to its working-class clientele, on the one hand, and neoliberal policies that cater to its business clientele, on the other. Hence, while the SVP has claimed to champion immigration control to protect native workers, it has also advocated measures to maintain or open entry channels for low-wage migrant employment and cater to its clientele of small business owners who have been historically dependent on low-skilled migrant labor. As will be shown in the light of a number of policy reforms since the 1990s, the articulation of these interests has been characterized by many paradoxes and internal conflicts between different factions within the party, and between its electoral base and its elected representatives. My analysis emphasizes the role of political salience in influencing the strategies of party elites: while issues with a low political salience allow the neoliberal strand to prevail, high salience tends to drive back the party agenda toward stricter immigration control.

The chapter is structured as follows. In the first section, I outline the challenges radical right parties face when articulating the interests of different social classes in their policy agendas. In the second section, I outline how these diverging economic interests play out in the field of immigration policy, and present a typology of immigration policy agendas taking into account these distributive dilemmas. Then, I explore these elements in the Swiss case in light of recent immigration policy reforms, namely the free movement of workers with the European Union (EU), the regulation of undeclared work, and revision of the Aliens law. In these different cases, I emphasize the conflicts within different strands in the party regarding immigration policy reform, and the strategies deployed by party elites to reconcile them.

### **Cross-Class Alliances and Radical Right Party Agendas**

In general, it seems fairly reasonable to assume that the policies advocated by parties are closely connected to the interests of their core constituencies, because party leaders are dependent on votes to stay in office. Anthony Downs was among the first to argue “parties formulate policies in order to win elections, rather than win elections in order to

formulate policies” (1957: 28). Even if this assumption is certainly too one-dimensional because party elites may pursue different, and sometimes contradictory, objectives (Strom 1990: 566–570), it nevertheless points out that public policies cannot be analyzed in isolation from the electoral interests of the parties that enforce them. In this chapter, I am interested in how right-wing populist parties articulate sometimes contradictory interests of their electorate. Interests are analyzed here essentially as economic preferences determined by the position of socio-economic groups in the political economy and labor market (Gourevitch 1986; Swenson 2002). I draw on the assumption that party policies are essentially the reflection of the power balance between different electoral segments within a party. If this somewhat materialist focus may be too simplistic, as it relegates questions of identity and culture to the background, it nevertheless highlights the specific problems of reconciling the divergent economic interests characterizing the clientele of national populist parties, as well as the redistributive implications of immigration policy.

In many ways, the articulation of these heterogeneous economic interests in unified party policy agendas is an exercise in contortionism for political parties. If party platforms have to display a certain degree of internal coherence, the interests of voters are much more heterogeneous because the electoral base of political parties is also heterogeneous, and different social groups may vote for the same parties for different reasons, and socioeconomic groups with similar standards of living may have radically opposed preferences. For instance, some relatively privileged segments of new middle classes vote for left parties, while substantial segments of the working-class vote for the national conservative right (Oesch 2008a, 2008b). As their social base becomes more heterogeneous, political parties have to represent possibly contradicting interests, thereby making it more difficult to formulate policy agendas without alienating part of the electorate. Moreover, this heterogeneous electoral base may also translate into different factions within party elites, generating potential conflicts between them.

Party leaderships can be assumed to be aware of these divergent interests and use different strategies to solve them. For instance, they may seek to stay ambiguous or “blur” their agenda on certain issues to maximize their vote share and avoid the issues on which different sections of their voters disagree, or on which the party elites differ from their voters. Rovny (2012: 1) argues that “parties emphasize their stance on some issue dimensions, while strategically evading positioning on others, in order to mask the distances between themselves and their

voters.” Hence, a party may want to adopt clear ideological positions on an aspect that federates different segments of the electorate, and stay vague or conceal its positions on aspects susceptible to create disagreements. However, if “blurring” strategies are common in electoral politics, they may be more problematic when it comes to actual policy-making. The ability of parties to blur or conceal their position is more difficult once they are elected in parliament, and even more so when they hold office, when concrete policy choices have to be made. In these contexts, the contradictions and problems of reconciling the interests of different social classes in a common policy agenda may become more visible and potentially damaging electorally, depending on the salience of these issues with voters.

Radical right parties are particularly exposed to these kinds of dilemmas because of the cross-class composition of their electorate (Ivarsflaten 2005a; Oesch 2008a; Rovny 2012). In general, radical right parties have made substantial electoral advances in countries in which they managed to source votes from two specific socioeconomic groups, namely—and primarily—the blue-collar working class who traditionally voted for the left and—to a lesser extent—the *petite bourgeoisie* (shopkeepers, artisans, and independents) who traditionally voted for the right, even if the respective balance of these two groups varies across countries. Hence, production workers, service workers, and clerks taken together represented 68 percent of the electorate of the Austrian FPÖ in 2002, and 67 percent of the Flemish *Vlaams Blok* in 2002, while they only represented 39 percent of SVP voters in Switzerland (Oesch 2008a: 358). In Switzerland, salaried middle classes, big employers, and small business holders still constituted the largest part of the electorate of the populist right. What is particularly interesting is that these two groups have historically advocated different agendas in terms of economic policy, the former championing redistribution and the expansion of the welfare state, and the latter opposing state interventionism and taxation. The objective alliance of these socioeconomic groups with a priori contradictory interests has been observed in a number of national populist parties in Europe (Ivarsflaten 2005a: 465–466), and has been analyzed by a now relatively vast literature (ibid.; Kitschelt and McGann 1995; Lubbers et al. 2002; Mayer 2002; McGann and Kitschelt 2005).

There have been different approaches to explain the emergence of this cross-class alliance. The first approach, initially formulated by Kitschelt and McGann, assumed that socioeconomic change had induced a realignment of preferences of previously opposed social groups, thereby allowing radical right parties to use a “winning formula” combining

authoritarianism and neoliberalism (1995). This combination allegedly allowed radical right parties to appeal to the antistatist *petite bourgeoisie*, whereas the anti-immigration agenda appealed to a growing fringe of the working class that felt threatened by immigration and globalization. The second approach argues that neoliberalism does not play such a prominent role in the first place in the success of populist radical right parties. De Lange (2007) and Mudde (2007) notably showed that populist radical right parties do not advocate similar economic policies everywhere, and populist parties in France, Belgium, and the Netherlands have adopted more centrist positions in economic terms.

While earlier analyses emphasized the neoliberal ideology of radical right parties in the 1980s, this picture no longer seems accurate to describe a large part of these parties today. Based on data on party placement in 17 countries, Rovny shows that radical right parties “emphasize and take clear ideological stances on the authoritarian fringe of the non-economic dimension, while deliberately avoiding precise economic placement” (2012: 19). In short, they are particularly prone to use the “blurring” strategy outlined above to please their electorate with different economic preferences. However, once again, this strategy is more difficult to pursue when radical right parties are engaged in actual policymaking, and even more so when they take part in government. The blurring strategy is less of an option, and their actual economic policy agenda becomes more salient for voters.

If these parties have to vote on legislative proposals in which the interests of their different constituencies cannot be reconciled, a central question is *whose interests* they will ultimately support, and when they will favor one specific segment of the electorate over another. Indeed, even if economic issues have been said not to be a central element for the working-class electorate of the radical right (Ivarsflaten 2005b; Oesch 2008a), supporting economic policies that are perceived to go against the interests of the electorate can still be risky for the elites. Parties can appear as “betraying” part of their constituency, as shown by the electoral misfortunes of some parties after they accessed public office. The Austrian Freedom Party, for instance, implemented a series of neoliberal policies in alliance with the conservative ÖVP (*Österreichische Volkspartei*) that proved highly unpopular with its electorate, and underwent an electoral collapse just after it assumed office (Heinisch 2003). In the 2012 Dutch general election, Geert Wilders’s PVV (*Partij voor de Vrijheid*) similarly underwent a major electoral setback after it had committed itself to support a right-wing government determined to implement tough austerity measures.

As a working hypothesis, one can assume that the political salience of issues plays a prominent role because salience has asymmetric consequences for the influence of different socioeconomic groups in politics. As Culpepper convincingly shows, in the case of corporate governance reforms, business interests tend to prevail when issues have low salience or highly technical (2010: 5ff.). When issues become politically salient, however, policymakers are spurred to pay more attention to the preferences of the median voter, and they may be less willing to favor business interests if chances of reelection are at stake. Transposing this logic to radical right parties, one can assume that party elites will support the interests of the business segments when issues are weakly salient. By contrast, when issues are very salient, party elites will avoid advocating policies that are perceived to go against the interests of their working-class voters, because this segment is more interesting in terms of votes. Small businessmen will be more aware of issues that relate to their special preferences even if they are not much debated, while the blue-collar electorate has more diffuse interests and will pay attention only when issues become prominent in the media. While the blue-collar electorate is much bigger—the one with the biggest growth potential—the “business” faction can entail other benefits, such as funding or other forms of financial support. In short, “betraying” the working-class electorate is easier when issues keep a low profile. This proposition will be explored in the case of immigration policy, which can also be considered as a policy with redistributive implications for different constituencies, and across cases displaying different degrees of salience as measured by their coverage in the media.

### Migration Policy and Socioeconomic Interests

In this section, I argue that migration policy can be understood as a policy with different distributional consequences across different socioeconomic groups, which makes it difficult for radical right parties to advocate policies that satisfy both their working class and their small business clientele. My approach draws on two assumptions. The first is that immigration policy is a policy guided not only by values or identities but also by economic interests, and entails different socioeconomic implications for different economic groups, and is influenced by the power balance between different socioeconomic interests (Freeman 1995; Tichenor 2002: 23–26). The second is that populist radical right parties do not only make a rhetoric use of anti-immigration sentiments for electoral purposes, but also pursue political-economic objectives in

their immigration policy agenda, reflecting the interests of the social constituencies they represent. In order to explore the economic objectives that can be pursued through immigration policy, I draw upon a typology of immigration policy agendas differentiating positions over the admission of immigrants and immigrant rights.

In his analysis of immigration policy in the United States, Tichenor outlines a two-dimensional typology of immigration preferences that he applies to US interest groups and political parties (2002: 50; Ruhs and Martin 2008). Immigration policy preferences can be classified along two dimensions, namely the admission of immigrants (the restrictiveness of conditions regarding access to a country and its labor market) and the rights granted to them once in the country (the requirements regarding permanent stay, access to social security, mobility on the labor market, access to citizenship, etc.). First, *classic exclusionists* advocate both tight immigration control and restrictive immigrant rights. Immigration should be tightly restricted and rights for foreigners should be limited to reduce incentives for immigrants to enter the country. This is the archetypal stance assumed to be endorsed by populist radical right parties. Second, *national egalitarians* advocate tight immigration control and tend to oppose temporary migrant worker programs, but support equal rights for immigrants once they have been admitted in the country and administer a tight control of labor standards. The leading idea of this stance is to defend the interests of national workers and, therefore, not to allow the creation of a secondary labor market of immigrants paid at lower rates. Within the category of immigrant rights, one could also classify measures of labor market regulation such as labor inspection or fight against illegal employment, drawing on the idea that these measures—at least in principle—prevent the exploitation of migrant workers. Third, *free-market expansionists* advocate rather open immigration policies but oppose the expansion of immigrant rights to maintain a source of cheap foreign labor for businesses. Groups within this ~~quadrant~~ would favor temporary worker programs but would oppose sanctions against employers employing illegal immigrants, which de facto fosters the creation of dual labor markets, or an “industrial reserve army” (Castles and Kosack 1972; Piore 1979). Finally, *cosmopolitans* advocate both open door policies and expansive immigrant rights.

In light of the cross-class socioeconomic base of populist radical right parties, this typology can help outline the conflicts faced by these parties in articulating immigration policy agendas that can rally both working-class voters and small business owners. Hence, whereas

domestic working-class voters may favor either a “classic exclusionist” or an “egalitarian nationalist” stance either to keep immigrants out or at least prevent them from undercutting wages by granting them the same rights as indigenous workers, small business owners may rather favor a free-market expansionist stance to access a pool of low-wage workers with limited rights. This is, for instance, particularly important in the hospitality sector, which is dependent to a large extent on migrant workers. Small business owners and smallholders have an interest in the availability of cheap immigrant labor, contrary to native blue-collar workers. If they want to reconcile the two social groups that they claim to represent, national populist parties face a dilemma between different agendas, notably between a classic exclusionist, national-egalitarian, and free-market expansionist stance. In connection with the role of political salience outlined in the previous section, one can assume that radical right parties will be more prone to advocate a free-market expansionist position in line with the preferences of their business clientele on issues that are weakly salient, while they may adopt a national-egalitarian or classic exclusionist position, believed to be more in line with the preferences of their working-class voters, on issues that are highly salient. This idea will be explored in the case of the SVP in the next section.

### The SVP and Immigration Policy in Switzerland

Switzerland is an interesting case for the exploration of the immigration policy agenda of radical right parties. On the one hand, it houses one of the most powerful radical right parties in Europe. On the other hand, immigration has played a central role in its political economy. Immigration policy reforms have regularly featured high on the agenda, and the electoral strength of the SVP has allowed it to influence those reforms quite substantially, even if they have also regularly revealed the conflicts and paradoxes between different factions within the party.

The SVP is now by far the biggest Swiss party in electoral terms with 26.6 percent, far above the Social Democrats with 18.7 percent in the 2011 national elections. Reputational analyses indicate that it has even become the single most important actor in the Swiss decision-making system (Fischer et al. 2009: 45). The party doubled its representation in the lower chamber, over the past 20 years, from 25 seats (out of 200) in 1991 to 54 in 2011 (Kriesi and Trechsel 2008: 93). As noted by McGann and Kitschelt, the SVP, together with the Austrian FPÖ, has been the only radical right party in Western Europe to outvote its center-right counterparts (2005: 147). The SVP first outvoted the liberal FDP by 3 percent

in 1999, and the gap in subsequent elections has been constantly increasing, reaching 13.1 percent at the 2007 elections. In many respects, this evolution can be put in relation with a fundamental change in party elites from the late 1980s onward (Kriesi and Trechsel 2008: 94–95). While the party traditionally represented farmers, self-employed workers, and artisans with strongholds in rural areas, a new elite within the party emerged around the emblematic figure of businessman Christoph Blocher in the late 1980s, making the opposition to European integration and uncontrolled immigration the central themes of the party agenda. The SVP takes part in the seven-member government with two ministers, increasing its representation at the expense of the Christian Democrats in 2003.

In many respects, the SVP has sought to present itself as the “party of the economy” and champion business interests, with less state interventionism, less social protection, and less bureaucracy. At the same time, it has been using an anti-immigration rhetoric supposed to appeal to the working class and advocated measures of protection for its traditional clientele of farmers and small shopkeepers in agricultural and competition policy. The SVP embodies fairly well the conflicts between the core electoral groups of radical right parties emphasized above, even if it has kept a more neoliberal profile than some of its counterparts in other countries. This can be put in relation with the somewhat different power balance within its electorate. The salaried middle classes and the “small traditional bourgeoisie” still account for a bigger share of the SVP electorate than the “extended working class,” who constitute the highest share of voters of the radical right in Belgium or Austria (Oesch and Rennwald 2010; Oesch 2008a: 358).

Also, in contrast to developments in other countries, this apparently contradictory combination of neoliberalism and anti-immigration discourse has not translated into major electoral setbacks. In a system of grand coalition, the SVP can always claim that its preferences are ignored by other parties even if it takes part in government, and regularly uses the tools of direct democracy (initiatives and referendums) to challenge government decisions. In Switzerland, any law passed in parliament can be challenged in a referendum if 50,000 citizens request so by way of signature. The SVP has been the keenest user of this institutional tool to challenge government policies. This set of institutions has enabled the party to avoid electoral sanctions until now, even if its electoral share has declined somewhat in the 2011 national elections (down to 2.3 percent). However, this combination has also fostered divisions within the party between an “economic-liberal” wing interested in

limiting state intervention and a “xenophobic-authoritarian” wing keen on law and order, traditional values, and immigration control.

Immigration has played an especially important role in the labor market in Switzerland, one of the European countries with the highest share of immigrants in its workforce. In 2009, 22.9 percent of the Swiss population did not have Swiss citizenship (Swiss Statistics Office 20012). The proportion of immigrants was even greater in some economic sectors such as hotels and restaurants (42.5 percent), or construction (32.6 percent) (*ibid.*). The dependence of the Swiss economy on foreign labor has been underpinned by policies of immigration control of the free-market expansionist type in the typology proposed above. This model, however, has eroded since the 1980s as migrants could access a wider range of rights with a longer stay status (Piguet 2004). Although admission policy in Switzerland after World War II has been fairly liberal—despite a system of immigration quotas—the rights granted to migrants, in contrast, have been restrictive (*ibid.*). In particular, precarious stay statuses and temporary work permits introduced in the 1960s were especially designed to provide low-skilled labor to domestic, partly sheltered sectors of the economy, such as agriculture, construction, hotels and restaurants, and crafts, without allowing migrants to stay if they lost their jobs (Dhima 1991). In many ways, the economic sectors benefitting from these kinds of work permits represented the traditional clientele of the SVP (Kriesi and Trechsel 2008: 95), which makes it particularly interesting to analyze its migration policy agenda in the light of the socioeconomic interests of its voters. While its anti-immigration discourse has been a major trigger of its success among blue-collar workers, its electorate of farmers and small businessmen has traditionally been very dependent on sources of cheap foreign labor.

### Methods and Cases

In order to explore the discourse and actions of the SVP in the field of immigration policy, I analyze its positions and the parliamentary interventions of its MPs over three legislative reforms in the mid-2000s: the ratification of the bilateral agreement on the free movement of workers between Switzerland and the EU (2005), the revision of the Aliens Act (2005), and the law on undeclared work (2005). These three reforms touched upon the regulation of immigration and had a strong economic component at the same time. Moreover, they vary in terms of their political salience. As proposed by Epstein and Segal, a fairly reliable proxy to assess the salience of issues among political actors, as well as

voters, is the coverage they receive in the media (2000). Hence, the case selection provides for different degrees of salience as measured by media coverage. I use the number of articles devoted to a topic in the biggest quality newspaper in Switzerland, the *Neue Zürcher Zeitung* during the years 2004 and 2005 as an indicator of salience. The search was carried out on November 5, 2012, on the archive server of the NZZ (<http://nzz.gbi.de/NZZ.ein>) with the timespan January 1, 2004–December 31, 2005, thereby allowing for some time before and after the issues were debated in Parliament.

The first case, the free movement of workers with the EU, was probably one of the most debated issues in Swiss politics in recent years. As it involved the overall relationship between Switzerland and the EU, the referendums on these issues have been considered among the most important votes in recent history, and this issue has been voted on four times since 2000: once on labor market opening for the EU15 in 2000, once on the extension to ten accession states in 2005, once on the extension to Bulgaria and Romania in 2007, and once on the confirmation of the initial agreement in 2009 (Afonso 2010; Fischer et al. 2002; Sciarini 2002). Hence, a search with the words *Personenfreizügigkeit* (free movement of persons) and “European Union” returned 531 hits. The second case, the revision of the Aliens law, which regulated the entry of non-EU migrants, was also voted on in a referendum, but can certainly be considered less salient than the free movement of workers. Accordingly, a search with the words *Ausländergesetz* (Aliens law) returns 145 hits, showing a clearly lower degree of salience. Finally, the law on undeclared work was even less discussed, and was not challenged in a referendum. A search with the words *Schwarzarbeit* (undeclared work) and *Gesetz* (law) returned 47 hits.

I have left aside another prominent area of immigration regulation, asylum laws, because it does not contain such an important distributive-redistributive dimension in economic terms, and does not generate substantial distributional conflicts. The “business” strand of the party basically supports a restrictive stance in this domain because asylum policy is only considered as a net cost for the Swiss economy, while labor migration policies are perceived as a major asset. The case studies are based upon the analysis of parliamentary debates (*Amtliches Bulletin*), official documents from the Swiss federal administration, as well as an analysis of the coverage of the policy reforms in the major Swiss quality newspapers (*Le Temps*, *Neue Zürcher Zeitung*, *Tages Anzeiger*). In each case, I show the stance of the party with respect to the economic aspect of these reforms, and provide quotations mainly

from parliamentary debates to substantiate the case study analysis (Moravcsik 2010).

### **Economic Interests and Migration Policy Reforms**

#### ***Agreements on the Free Movement of Workers with the EU***

The establishment of the free movement of workers with the EU after the EU enlargement of 2004 was probably the case in which the conflicts between the different interests represented by the SVP were the most visible. Switzerland, which is not a member of the EU, concluded a series of bilateral agreements with the EU on specific domains, including the free movement of workers (Afonso 2010; Fischer et al. 2002). To replace the system of quotas that was hitherto in force, EU citizens—including those of the accession states that joined in 2004—would be entitled to freely move and seek employment on the Swiss labor market after a transitional period. This agreement was part of a wider series of agreement that would allow Swiss companies to access a single market on a reciprocity basis, and—after a relatively long transitional period—source labor from EU countries in an unrestricted manner. As the Swiss labor market would become fully open to EU migration, trade unions asked for regulation measures to protect local wage standards, notably through the creation of minimum wages, the universal applicability of collective bargaining, or the reinforcement of labor inspection (ibid.).

The SVP showed a divided stance between its “neoliberal” and “xenophobic” wings both during parliamentary debates and the referendum campaign related to this agreement. While the economic wing was ready to support the bilateral agreement to access new markets, ensure the continuity of exports to the EU, and access a large pool of labor in EU countries, the xenophobic wing refused the agreement and pleaded for the maintenance of mechanisms of immigration control on a unilateral basis. It also strongly criticized employer associations, accused of collusion with trade unions in agreeing measures to regulate the labor market against downward wage pressures. As a newspaper editorial stated, “the SVP is playing a double game: on the one hand, business circles [within the party] are looking toward markets in the East. On the other hand, the party spreads fears of mass immigration and opposes binding collective labor agreements to protect local workers” (*Neue Zürcher Zeitung* 2004: 13).

If the party was divided as to the “admission policy” side of this reform, it was united as to the “rights” side, in its sharp opposition to

measures to protect the Swiss labor market from downward wage competition. The following citations, one from a member of the xenophobic wing and the other from a prominent representative of the economic wing, illustrate these different positions:

“Flanking measures” will never be enough, because the movement of downward leveling is inevitable! The [president of the Swiss Trade Union Federation] says that it is “suicidal” not to implement protection measures for the labor market in one-way or another. My reply is that there is no way we will be able to implement these measures successfully, because the free movement of workers itself is suicidal! The employers are always playing the same tune and say that we would have equal access to the emerging markets. For this I have to say: This association is giving millions [to the probilateral agreements] campaign with a false argument, because the markets are already open. It is not about opening markets, but it is a question of free immigration. (Luzi Stamm [SVP], *Amtliches Bulletin* 2004: 2006)

It is clear that we need the markets in Central and Eastern Europe in order to generate some much needed economic growth in Switzerland. The price, however, must not be that we have to set up “flanking measures” that undermine our competitiveness here in Switzerland. This cannot be so! There is something that continues to be a big advantage of Switzerland in international competition, that’s our liberal economic order. We need to preserve this economic system, especially the labor law. We may lose this advantage with these flanking measures. (Peter Spuhler [SVP], *Amtliches Bulletin* 2004: 1990)

While the first citation may represent the classic exclusionist stance outlined in the previous section, the second is more in line with the free-market expansionist stance. In the final parliamentary vote, in which both labor market opening and measures of labor market protection were bundled together, the SVP was split: 15 MPs accepted the bilateral agreement whereas 36 voted against it (Nominal Vote on Bilateral Agreement on Free Movement of Workers 2004). After a referendum was launched against the bilateral agreement by a small extreme right party, the Swiss Democrats, the party direction hesitated as to which position to adopt, but then decided to oppose the agreement, while some prominent party members closer to business circles supported it (*Tages Anzeiger* 2011). It must be noted that an overwhelming majority of the electoral base of the party voted against the agreement, showing that the xenophobic wing is clearly the one that SVP voters tend to follow. When it came to voting on the continuation of the bilateral agreement

in February 2009, dissensions appeared again. Twenty-four SVP MPs supported the continuation of the agreement, while the overwhelming majority opposed it (*Neue Zürcher Zeitung* 2008; *Tages Anzeiger* 2011). The party direction first refused to challenge the agreement, which caused significant resistance from many cantonal sections. Some of them launched their own campaign of signatures against the agreement. When the referendum challenge resulted in a popular vote, the party delegates' assembly decided to support a "no" by 432 against 45 votes, showing that the party base was strongly against the agreement while the elites had tried to prevent the party from engaging in a political campaign that would reveal its internal dissensions. The party direction and its leader, Christoph Blocher, having to negotiate the positions of both the business and the xenophobic strand were accused of confusing the party's electoral base (*ibid.*). The vast majority of SVP voters opposed opening the Swiss labor market to EU workers, even if this was less clear than in previous referendums (Hirter and Linder 2009).

### ***Revision of the Aliens Act***

The revision of *Ausländergesetz* (the Swiss Aliens Act) provided for an update of the existing legislation on immigration that dated back to 1931. Set against the fact that intra-EU migration would be regulated exclusively by the bilateral agreement on the free movement of workers analyzed above, the Aliens Act would exclusively regulate the admission and employment rights of non-EU citizens (Afonso 2007: 27; Conseil Fédéral 2002b). In line with reforms carried out elsewhere, the initial focus of the legislative revision was to restrict the entry of non-EU immigrants to high-skilled personnel, while low-skilled workers should be sourced exclusively from EU countries. In the face of higher unemployment rates of low-skilled immigrants throughout the 1990s, this measure was thought to prevent low-skilled immigrants from imposing a further burden on the welfare system (Afonso 2005). On the other hand, as admission was becoming more selective, a certain number of improvements in terms of rights, such as family reunification, were provided. The initial version of the piece of legislation provided for a strict closure of the labor market for non-EU unskilled migrants.

When the project was examined by parliament, a proposal mainly supported by SVP proposed to introduce a new type of short-term permits for low-skilled non-EU migrants, thereby watering down the limitation of admission to high-skilled migration. These permits would not be renewable and would not allow for family reunification. In many

respects, this new status shared many similarities with the seasonal guest-worker schemes that Switzerland had run between the 1950s and 1990s (Afonso 2007: 10). These permits were geared to provide unskilled labor to the domestic sectors of the economy such as agriculture, tourism, or catering, and were progressively phased out on both humanitarian and economic grounds, as they fostered the survival of obsolete economic structures based on low wages (Sheldon 2001). Eventually, this proposal was refused in the plenary session of parliament despite the support of the SVP group. However, another proposal by a SVP MP relaxing the skills criteria for admission, thereby allowing low-skill non-EU migrants to enter the Swiss labor market, was accepted by a short majority (*Le Temps* 2004). This was explicitly justified by the need to provide low-skilled personnel for some economic branches that could not find workers on the Swiss or EU labor market:

Economic sectors and regions that rely on the recruitment of low skilled workers—such as hospitality, health care, construction, agriculture and horticulture—also have a right to a sustainable future, to a sustainable economy. These branches fulfill to a large extent a general interest for the economy, especially in rural regions. [...] What is qualification? For me it is still also hard work—and not only the distinction between manual labor and office labor. [...] I therefore ask you to agree to the request of the minority here, because it is important that the allocation of permits is not made alone according to qualifications. (Hansjörg Walter [SVP], *Amtliches Bulletin, Nationalrat* 2004: 686)

After this proposal was accepted with the support of other right-wing parties, it came in for extensive criticism from the Social Democrats and Greens, who would eventually vote against the law in the final vote after supplementary measures to limit migrant rights were introduced by the right-wing majority in Parliament:

A bit discriminatory, but relentlessly advantageous economically, that is the motto of the migration policy of the SVP [...]: cheap labor in agriculture, cheap labor via short-term permits, with no clear or strict controls on wages and working conditions through collective bargaining agreements, universal applicability and minimum wages. (André Daguët [SP], *Amtliches Bulletin Nationalrat* 2004: 656)

Along similar lines, the newspaper *Le Temps* (2004) emphasized “the ambiguous position of the party, strongly opposed to the extension of free movement of people, a majority of SVP MPs support nevertheless

the arrival of unskilled workers who are undemanding in terms of wages.”

A referendum led by left-wing parties challenged the act in a popular vote, but it was accepted by 68 percent of voters on September 24, 2006 (Results Referendum on Swiss Aliens Law 2006). In this case, in slight contrast to the bilateral agreement on the free movement of workers, the free-market expansionist stance seems to have prevailed, and did not give rise to substantial conflicts within the party. This case, also, was clearly less politically salient than the free movement of workers, thereby allowing a more business-friendly stance to prevail without generating much resistance from the electoral base of the party.

### ***Undeclared Work***

The regulation of undeclared work can be considered an important policy element that touches closely upon the regulation of immigrant employment. Undeclared work is “a form of social dumping that introduces unfair competition between firms on the basis of low wages and the non-payment of social security benefits” (Labor Administration and Inspection Program 2010: 5). A lax regulation of undeclared work de facto creates incentives to employ low-wage immigrant workers and an increase in inequalities. Interestingly, the SVP was the most vehement opponent of a reinforcement of labor market inspection and sanctions against employers making use of undeclared work. The revision of this piece of legislation, however, was certainly the least politically salient of the three analyzed here, as it was protracted for a long time and ultimately voted on in haste just before one of the referendums on the free movement of workers.

The project of a federal law against undeclared work was presented to parliament in 2002 and adopted only in June 2006 (Conseil Fédéral 2002a). On the one hand, a series of administrative adaptations would make it easier for companies to declare workers and collect social security contributions through a new, allegedly less bureaucratic, system of work declaration. This would be done through modifications in the legislation on unemployment, pension, and accidents insurance (3423–3425). On the other hand, labor market control would be enhanced, the transfer of information between different administrative entities would be facilitated, and sanctions against contravening companies would be strengthened (3423). The last change would involve above all tougher sanctions for employers, with higher fines, the exclusion of companies from public tenders, or possibly the suppression of public subsidies for companies employing workers illegally.

Whereas all parties acknowledged in principle the importance of fighting undeclared work, there were substantial conflicts as to how to achieve it. Social Democrats and Greens advocated a strengthening of sanctions for contravening employers, while right-wing parties emphasized the lightening of the bureaucratic burden on companies and reductions in payroll taxes. For its part, the SVP opposed the most vehemently the strengthening of sanctions against companies, arguing that the main problem was the bureaucratic burden and payroll taxes. As a member of the economic wing of the SVP argued,

We have here a proposal from the Federal Council on a new law against undeclared work. Here in Switzerland, when we want to introduce a new law, we have to achieve an effect on a specific goal and not simply have another law that wants other laws to achieve their goal. My question is: what can we do here? There are two ways. The first is to reduce payroll taxes, which are a big incentive for undeclared work. The second is to reduce the bureaucratic hurdles to help entrepreneurs and small businesses. (Peter Spuhler [SVP], *Amtliches Bulletin* Nationalrat 2005: 697)

Moreover, the party strongly opposed the possibility to withdraw public subsidies to companies using undeclared work, as well as the list of contravening companies being made public (Parliament 2006; Travail Suisse 2005). On the eve of the final vote in the lower chamber, the Swiss Employers' Union issued a recommendation to right-wing parties to refuse the law in the final vote, on the grounds that it would introduce an unnecessary burden on companies (*Tages Anzeiger* 2005: 3). Whereas all major parties on the left and right agreed to support the legislation, SVP was the only party to follow the Employers' Union's recommendation and refuse the law:

Undeclared work is already illegal. Undeclared work is already fought. Workplace inspections are already carried out efficiently, and evildoers and criminals are punished. [...] what we have done is a "cleaning lady" law, accompanied by an intensification of repression and an increase of the control apparatus on companies. [...] We, the SVP are against undeclared work, but we are also against inefficient laws. Therefore, we will reject it. (MP Hansrudi Wandfluh [SVP], *Amtliches Bulletin* Nationalrat 2005: 970)

In the final vote, 42 SVP MPs refused the law, 6 abstained, and 1 accepted it. Social Democrats, Liberals and Christian Democrats accepted the law with a majority of 121 out of 200 MPs (Nominal Vote

on Law on Undeclared Work 2005). The stance of the SVP was criticized by other parties, a Christian Democratic MP arguing, for instance, that they “protected foreign employees and discriminated the Swiss” by opposing tougher sanctions on companies using the very practices that they continuously criticized (*Tages Anzeiger* 2005: 3). In this case as well, the relatively low salience of the issue allowed for the probusiness stance within the SVP to prevail.

### Conclusion

The stance of the SVP over migration policy reforms has been characterized by the problematic articulation of the interests of small businessmen who have traditionally relied on cheap foreign labor, and the anti-immigration agenda that has underpinned the electoral success of the party. The empirical analysis has shown that the former has tended to prevail over the latter particularly on issues of low political salience (undeclared work and to a lesser extent the Aliens law), while internal conflicts have been specifically prominent on issues of high salience (the free movement of workers). In terms of the immigration policy typology outlined above, its position oscillates between a free-market expansionist stance tolerating open borders but restricting rights for migrants, and a classic exclusionist stance advocating both closure and weak rights for migrants. The latter stance, in line with the preferences of the working-class base of the party, prevails when issues are of high political salience. When issues are salient, party elites find it hard to openly advocate policies that go against the interests of their electorate, and it is difficult to contain internal conflict so as to hide the contradictions implied by a heterogeneous electoral base. When issues are less salient, however, the “neoliberal” faction within the party tends to prevail.

The prevalence of the interests of small business holders over the working class within the party can be explained by a series of factors. The first has to do with historical patterns of political recruitment within the party. Hence, if the electoral base of the SVP has become increasingly working class, this has not been the case of the party elite, with a clear prominence of business owners among SVP MPs. This is not only a feature of the SVP but of all Swiss political parties, as the “militia” (nonprofessional) system of parliamentary representation makes it difficult for working-class citizens to gain parliamentary office. This is also accentuated by the second factor, the fact that Swiss political parties are highly dependent on private donations, particularly by companies, as

there is no system of public funding of political parties. This induces a strong “double dependence”: parties need votes but also money from business circles to support their activities, making even a party that claims to represent the “man on the street” very dependent on corporate donations. Hence, “to satisfy its electoral base and not to worry business circles, the SVP is constantly forced to contorted maneuvers” (Feuz 2011).

The third is that, as emphasized by previous research, the economic dimension is still of relatively low salience for working-class SVP voters, who care essentially about the cultural and authoritarian dimension (Ivarsflaten 2005b; Oesch 2008a). Hence, the fact that the SVP advocates policies that go against the interests of part of their electoral clientele in the economic domain may not be that damageable electorally, because it is primarily the cultural and authoritarian agenda of the SVP that appeals to them. However, the ability of the SVP to advocate neoliberal policies while expanding its working-class base may not be pursued indefinitely and it may have to adopt the economic reorientation toward the center observed in other radical right parties (De Lange 2007). The national elections in 2011 already marked a slowdown in its electoral success story and a stabilization of its electorate, as the party lost a number of seats in the lower Chamber as compared to 2007. In the future, the SVP may have to choose between the neoliberal agenda of its elites and the votes of its working-class base.