War in Ukraine Puts Centuries of Swiss Neutrality to the Test

The Alpine state makes arms that Western allies want to send to Kyiv. Swiss law bans this, driving a national debate about whether its concept of neutrality should change.



By Erika Solomon

Erika Solomon, based in Berlin, traveled to the Swiss capital, Bern, to report and write this story.

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In Eastern Europe, Ukrainians are in the trenches. Farther west, European capitals are grappling with a new order in which war is no longer theoretical. Yet, tucked away in the heart of the continent, the Swiss are fretting over loftier ideals.

In Switzerland's capital, nestled beneath snow-capped mountains, inside parliamentary chambers of stained glass and polished wood, the debate is over the country's vaunted legacy of neutrality — and what neutrality even means in a new era of war for Europe.

Switzerland, it turns out, has an arms industry that makes badly needed ammunition for some of the weapons that Europeans have supplied to Ukraine, as well as some of the Leopard 2 main battle tanks they have promised.

But it also has strict rules on where those weapons can go namely a law, now the subject of heated debate, that bans any nation that purchases Swiss arms from sending them to the party of a conflict, like Ukraine.

The war is testing Swiss tolerance for standing on the sidelines and serving the world's elite on equal terms, putting the country in a bind of competing interests.

Its arms makers say their inability to export now could make it impossible to maintain critical Western customers. European neighbors are pulling the Swiss in one direction, while a tradition of neutrality pulls in another.

"Being a neutral state that exports weapons is what got Switzerland into this situation," said Oliver Diggelmann, an international law professor at the University of Zurich. "It wants to export weapons to do business. It wants to assert control over those weapons. And it also wants to be the good guy. This is where our country is stumbling now."

Switzerland has managed to cling to neutrality for centuries and

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through two world wars. It is a position <u>supported</u> by 90 percent of its 8.7 million people, who uphold it as a national ideal. Hosts to the United Nations and the Red Cross in Geneva, they see themselves as the world's peacemakers and humanitarians.

But Western nations today see Swiss hesitation — both over exports and over sanctions against Russia, which Western diplomats suspect Switzerland is not doing enough to enforce — as evidence that the country's motivation is less idealism than business.

The State of the War

- **Testing Swiss Neutrality:** The Alpine nation makes arms that Western allies want to send to Ukraine. Swiss law bans this, driving a national debate about <u>whether its concept of neutrality should change</u>.
- **Kupiansk:** Months after Russian soldiers were driven out of the town in Ukraine's Kharkiv region, Ukrainian authorities are <u>stepping up efforts to</u> <u>evacuate civilians amid relentless Russian shelling</u>.
- **Bakhmut:** Ukraine insisted that its forces were fending off relentless Russian attacks in Bakhmut, even as Western analysts said that <u>Moscow's</u> <u>forces had captured most of the embattled city's east</u> and established a new front line cutting through its center.

Switzerland, whose banks are notorious for secrecy and <u>have often</u> <u>been accused</u> of laundering money for the world's kleptocratic class, is still the world's biggest center for offshore wealth. That includes about a quarter of the global total, no doubt serving many Russian oligarchs allied with President Vladimir V. Putin.

A senior Western official, who did not want to be identified because he was negotiating with the Swiss, said the status quo left Western diplomats feeling Switzerland was pursuing "a neutrality of economic benefit."

Months of hand-wringing have not endeared the Alpine nation to neighbors.

"Everybody knows this is hurting Switzerland. The entire E.U. is annoyed. The Americans are upset. The resentment comes from the Russians too. We all know this is hurting us," said Sacha Zala, a historian of Swiss neutrality at the University of Bern. "But it shows just how deep this belief in neutrality goes in our heads."

To historians, Switzerland's neutrality has had far more to do with waging war than avoiding it.

From the Middle Ages to the early modern era, the thenimpoverished Alpine cantons that make up today's Switzerland leased out mercenaries in wars across Europe. Many made weapons to go with those armies; the Swiss Guard of the Vatican is a relic of that era.

"The earlier idea of neutrality was the neutrality to serve both sides," said Mr. Zala.

Swiss neutrality began to be formalized after the Napoleonic wars,

when European powers agreed it could create a buffer between regional powers.

It was further codified in The Hague Convention of 1907 — the basis for today's Swiss neutrality. The convention required neutral states to refrain from waging war, and to maintain an equidistance between warring parties — they could sell weapons, for example, but only if they did so for all sides of a conflict. It also obliges neutral countries to ensure their territories are not used by warring forces.

This led to what the Swiss call "armed neutrality" — a commitment not just to neutrality, but to maintaining the ability to protect it. The latter is what critics now argue is under threat.

Supporters of the Swiss weapons industry agree it has no major economic impact for the country. Employing 14,000 people, it makes up less than 1 percent of G.D.P. But they say it is critical to armed neutrality.

"Armed neutrality needs soldiers, weapons, equipment — and an arms industry. Our neutrality has to be armed, otherwise it's useless," said Werner Salzmann, a member of the conservative Swiss People's Party.

The Swiss defense industry depends on exports, he said, and could not survive without them.

One crucial role Switzerland plays is for Germany, one of Ukraine's biggest military backers. The Swiss company Oerlikon-Bührle is effectively the only producer of ammunition for the Gepard, a selfpropelled antiaircraft gun of which Berlin has sent dozens to Ukraine. The Swiss have so far blocked German efforts to buy fresh ammunition.

Europeans and major defense industry players are growing wary of making weaponry or critical parts in Switzerland. Rheinmetall, the German arms maker that owns the Swiss company, plans to open a factory to make those rounds in Germany.

"For the next two to three years, we will still be producing because of old contracts we have to fulfill," said Matthias Zoller, a spokesman for the arms industry at Swissmem, a trade group. "But we have no orders coming in. The export market will just be dead."

Early this year, Switzerland's pro-business Free Democrats devised a legal loophole that most lawmakers seemed to accept: They would allow countries that shared Switzerland's democratic values to re-export Swiss-made armaments.

But last week, the Swiss People's Party, the largest in Parliament, rejected the bill, seeing it as too nakedly a measure meant for Ukraine — and therefore, a violation of neutrality.

Swiss lawmakers have since scrabbled together six counterproposals. But none of them make it possible for Swiss weapons to reach Ukraine within a year.

Western countries acknowledge that Swiss contributions would be largely symbolic. But they argue that although Switzerland has for decades benefited from being effectively protected by NATO, surrounded by member states, it has shown no willingness to help those states now.

Thierry Burkart, the Free Democrat who drafted the initial bill, said Switzerland could no longer afford to ignore this frustration. "We are embedded in Western partnerships — not in the sense of a binding NATO alliance, but because the West is where our values are also shared," he said. "That doesn't mean that we are not neutral, but we should not be blocking aid among Western countries."

In Swiss cities, many buildings hang Ukraine's blue and yellow flag. Sympathy is evident. Even most lawmakers against looser export rules openly call Russia the aggressor state. Yet that has not eased their stance on neutrality.

Instead, some conservative politicians are gathering signatures to bring about a referendum on making an even stricter interpretation of neutrality part of Switzerland's Constitution.

"There are only two options — that's it," said Walter Wobmann, a conservative lawmaker promoting the initiative. "Can you be half pregnant? You can only be pregnant, or not. Either we're neutral, and we go with that all the way. Or we go into an alliance," such as NATO. "Which is it? Switzerland has to decide."

Then there are the sanctions against Russia, which Washington and Europe worry Switzerland is failing to vigorously enforce.

The Swiss have frozen only 7.5 billion Swiss francs, around \$8 billion, of Russian assets. That is a small proportion of what the Swiss economics ministry says is roughly \$49.3 billion of Russian assets in the country. European officials suspect the total may be higher, up to \$200 billion.

Even so, when Switzerland imposed its sanctions, Russia's foreign minister, Sergey V. Lavrov, accused the nation of abandoning its neutrality.

Swiss neutrality, Mr. Burkart of the Free Democrats argued, only works if it is flexible and if the rest of the world believes in it. The Swiss made accommodations with the Nazis in World War II, and with the Americans by cutting back trade with the Soviet Union in the Cold War.

Switzerland's history, argued the historian Mr. Zala, is the best argument for why neutrality has never been so clear a concept as many believe.

"Saying you're neutral is like saying you're a good Christian," he said. "What does it actually mean? What's a good Christian? And what is neutrality?"