

European Affairs Committee

Corrected oral evidence: The future UK-EU relationship

Tuesday 8 November 2022

5 pm

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Members present: Lord Jay of Ewelme (Acting Chair); Lord Faulkner of Worcester; Lord Foulkes of Cumnock; Lord Hannay of Chiswick; Lord Lamont of Lerwick; Lord Liddle; Baroness Scott of Needham Market; Viscount Trenchard; Lord Tugendhat; Lord Wood of Anfield.

Evidence Session No. 6

Heard in Public

Questions 75 - 80

Witnesses

I: Micheline Calmy-Rey, former President and head of the Federal Department of Foreign Affairs; Professor Michael Ignatieff, former Leader of the Liberal Party of Canada and former President and Rector of the Central European University.

Examination of witnesses

Micheline Calmy-Rey and Professor Michael Ignatieff.

Q75 The Chair: Welcome to both of you. Welcome to Madame Calmy-Rey, former President of the Swiss Confederation, or Switzerland, and with a very distinguished national and international record. Welcome to Professor Michael Ignatieff, formerly head of the Canadian Liberal Party and a very distinguished historian, and until recently rector of the Central European University. You are both extremely welcome here today.

This is part of the Committee's inquiry into the relationship between the European Union and the United Kingdom, or perhaps I should say between the United Kingdom and the European Union in the years ahead, and the experience you have both of Canada and of Switzerland will be extremely valuable to us. We much look forward to hearing your views.

The session is being broadcast and we will also send you a transcript after the session is over so we can just check that we have properly understood and recorded your views.

We have an hour or so for our discussion and a lot to get through so we will need to keep questions and answers brief. We are conscious that Madame Calmy-Rey is online and so we will try to speak so that you can properly hear what we have to say.

Perhaps I can begin, just by way of introduction and ask you to provide us with a brief overview of the respective Swiss and Canadian relationships with the EU today and what are the main advantages and disadvantages as you see them of the types of relationship that Switzerland and Canada have with the European Union. Madame Calmy-Rey, I will ask you to start.

Micheline Calmy-Rey: Thank you very much. It is an honour for me to be able to speak before such a prestigious audience.

About the Switzerland and EU relationship, Switzerland, as you know, is not a member state of the EU but is surrounded by member states, Austria, France, Germany and Italy, with the exception of Liechtenstein, which has joined the European Economic Area. Switzerland's economic and trade relations with the EU are mainly governed by a series of bilateral agreements where Switzerland has agreed to take over certain aspects of EU legislation in exchange for accessing part of the EU single market. With this bilateral approach the European law is not automatically taken over, but it is autonomous. If Switzerland does not like something, it may not take it over.

The first bilateral agreements are classic treaties relating to access to the EU market except for an agreement on research. The agreement on the free movement of persons is one of the first bilateral agreements. These agreements are legally bound together. The next bilateral agreements consider new economic interests, for example, food, and tourism and extend co-operation to other areas, for example Schengen, Dublin and taxation of savings. They were ratified by Parliament in December 2004. A referendum was launched against Switzerland's association with Schengen and Dublin, but the agreement was approved in June 2005.

These agreements, it is important to know, are static agreements. Updates must be negotiated. A mixed committee made up of representatives of both the EU and Switzerland handles any differences. Switzerland's access to the European single market is considerable but partial. It only applies to areas covered by the agreements. This approach gives room to manoeuvre and opens the door to a wide range of discussions; the weighing of interest is at the heart of Switzerland's relationship with the EU.

The EU does not like Swiss bilateral sector-by-sector access to the European market. The EU says it is too complicated; it does not guarantee a uniform application of European law by Switzerland. Therefore, the EU wants to conclude a so-called institutional agreement, a

framework agreement, with Switzerland to gradually reduce the exceptions to the EU rules that Switzerland enjoys.

After eight years of negotiation, in February 2021 the Federal Council (the Swiss Government) announced in Brussels the breakdown of negotiations on the institutional agreement. The decision to break off negotiations on the framework agreement is understandable because the Federal Council had to assume that the emerging result would not have stood a good chance in a referendum. In other words, Switzerland considered the alternative to a negotiated agreement, in this specific case the status quo, with its foreseeable consequences to be better than the emerging outcome of the negotiation on the basis of the draft agreement.

For the European Union, it is very important to ensure the homogeneity of the internal market and legal security. The two key tools for ensuring internal market homogeneity are dynamic law adoption and effective dispute settlement. There will be no getting around the need to address EU concerns in principle. A new institution and settlement should be part of the next negotiating package.

From a Swiss perspective, this obligation would be a concession that should be valorised as much as possible. This could be achieved by increasing the negotiation mass in which new market access and co-operation agreements can also be realised. This year, Switzerland and the EU have started exploratory talks to find an agreement, an arrangement.

The Chair: Thank you very much. That is extremely helpful. Thank you for that as a start to our discussions. Professor Ignatieff, perhaps you could give us an equivalent view from Canada.

Professor Michael Ignatieff: I will try to be concise. If I may begin at the most emotional level, there are Canadian graves all over Europe from the First World War and the Second World War. It is impossible to forget that. It is an important element, an emotional element, of the connection between Canada and Europe, which should never be forgotten. By analogy, there is a similar connection between Britain and Europe, which is the same deep emotional connection. We fought for the liberation of Europe in two wars, and you did too. I think it is important to put that in there at the start.

Economically, the EU is Canada's third most important trading partner: it is an extremely, substantial, large partnership. We have the CETA agreement recently negotiated in 2016. I hasten to tell these distinguished members of this audience I am no expert on this matter and cannot stand much questioning on it. Sixteen of 27 countries have approved it, but it has been a hard slog in many ways to get it through and that is also, I think, a cautionary tale of some kind, getting 27 agreements. I know the Canadian diplomats worked extremely hard country by country to get approval and found it difficult.

Negotiating free trade agreements with the European Union has turned out to be a very sticky process for Canada, despite the fact that we have very substantial common economic interests. On the other side, on the

Canadian side, I think it is sticky for Europeans, to be frank. We have substantial internal barriers to free trade in Canada that not a lot of people know. We are not actually as much of a unified market as people suppose. We have some very highly protected sectors in agriculture, which will resist any further deepening of the European and Canadian agricultural cooperation. We have cultural protection. The UK is an absolutely fantastic exporter of cultural goods. It is one of the things you do absolutely best in the world, but 25% of our market is francophone and maybe a little resistant to the charms of your wonderful cultural exports.

I have said a little bit about the emotional; I have said a tiny bit about the economic; now let me go to the political. The political is extremely strong and very long-standing. Canada, I think, had the first agreement with the European Community in 1959. We are proud of the fact that we have had a special political arrangement or political agreement with the European Community since then. In all of the big geostrategic issues, like solidarity with Ukraine, we stand as one. It is clear that Canada sees a close relationship with the European Union as a critical counterweight to its highly dependent relationship with the United States. That is an old, old story, and it is in a position of dynamic movement at the moment. This hearing is being held on a critical day for the future of American politics. Canadians have spent the whole of the 20th century riding the rocket of American prosperity and riding the rocket of American democracy. There is a good deal of apprehension about the future political course of our closest neighbour, and that reinforces our interest in closer ties with the Europeans.

Let me make one final point, which is on nobody's agenda. One of the things that Canada is not doing is helping Europe with its natural gas and its carbon problem. We have enormous amounts of natural gas; we have enormous amounts of oil. We are right up there with Saudi Arabia in terms of our contribution here, but Canada is very reluctant to bring on stream the natural gas fields and the oil fields we have on the east coast. Not a lot of people know just how much gas there is to bring. This, it seems to me, is strategically very important for the future relationship between Canada and Europe, but at the moment Canada will not play. For all kinds of good reasons, people in Canada do not want to bring these enormous carbonbased fuels to market, even though some estimates are that it would provide 25% to 30% of Germany's natural gas needs, for example. It will not happen. That is the shoe that has not dropped in our relationship. I am sorry to go on.

The Chair: Thank you very much indeed. Those are two extremely helpful introductions. We will move on to some more detailed questions.

Q76 Lord Foulkes of Cumnock: There have been helpful explanations of the two different relationships between Switzerland on the one hand, and the EU, and Canada on the other. Can I ask each of our witnesses which they think is the better option that we should be looking at for relations developing between the United Kingdom and the European Union? Would it be the kind of very close but clearly autonomous relationship that

Switzerland has or the more hands-off relationship that you have in Canada? Madame Calmy-Rey, could you lead off on that?

Micheline Calmy-Rey: The best option for Switzerland is a new set of bilateral agreements, which means "Bilateral 3". Neither the Norwegian nor the Canadian model would be the best option for Switzerland.

Lord Foulkes of Cumnock: What would be the best option for the United Kingdom?

Micheline Calmy-Rey: The United Kingdom has a special relationship with the European Union. You have an agreement, the TCA the majority of which is based on free trade and now, if I understand your question correctly, you want to develop a new bilateral agreement with the European Union.

Lord Foulkes of Cumnock: Yes.

Micheline Calmy-Rey: Perhaps I may structure my answer in the following form. On the lessons we learned from the negotiation with the European Union, first, you can be happy and wealthy out of the European Union. An example: Swiss GDP per capita is expected to reach US\$90,400 by the end of 2022, which is one of the highest in the world.

Secondly, the difficulties of the bilateral path have convinced Switzerland to turn to the open world, because we always had difficulties negotiating with the European Union—the same as Canada. Negotiation with the European Union is not an easy thing. We participate in the European Free Trade Area (EFTA) but we refused to join the EU customs union. We currently have a network of 33 free trade agreements with 43 partners. We normally conclude these FTAs together with our partners Norway, Iceland and Liechtenstein, but we also have the possibility of entering into free trade agreements alone. This has been the case with Japan and China. We have a free trade agreement with China, and in 1972 we concluded a free trade agreement with the EU.

For Switzerland, a strategy of confrontation with the EU is not an option, and I think it is the same for the UK. As a country, we have very few natural resources, the main one being water. Our main economic partners are in our immediate environment. The trade balance between Switzerland and Baden-Württemberg or Bavaria is higher than the one between Switzerland and China. You see the importance of the European Union for us and so a strategy of confrontation is not for us.

The last lesson can be useful for you perhaps. Our domestic market is small, and our primary interest is to reduce trade barriers. It is a question of allowing our exporters access to the EU market in a non-discriminatory manner and of the need to remove tariff and non-tariff barriers. You have to imagine that Switzerland must handle one of the very last customs land borders in western and central Europe and faces a huge traffic of goods and persons. Our economy is extremely merged and interdependent with foreign countries.

Our border crossings are often situated in urban areas, which means that there is absolutely no space to park vehicles. Swiss companies and people insist on not having noticeable borders. They want to cross the border fluently. The first objective of Swiss customs is the facilitation and acceleration of border crossings. Every minute counts. To achieve these goals, we took internal measures and international measures, and that could be of some interest to the UK.

I will give you an example that I think is very interesting. The border between Switzerland and Liechtenstein is a very special case. Switzerland has a customs union with Liechtenstein, a customs union that regulates external tariffs. On the other side, Liechtenstein is part of the European Economic Area (EEA) but Switzerland is not. How do you prevent European goods from entering the Swiss market through Liechtenstein? A bilateral agreement was concluded between Switzerland and Liechtenstein to ensure surveillance and monitor the flow of goods at the border. Due to the agreement, Switzerland controls the flow of goods at the LiechtensteinAustria border. That means at the EU border. This arrangement means that you do not stop at the border. I wanted to explain this example to you because I thought it would be of interest to you, as I know that you have some border-crossing problems.

In any case, things can be pragmatically solved through negotiated agreements but to conclude these bilateral agreements political will is needed between the countries concerned. That is the difficulty with the EU. The EU must be willing to do that with you.

Lord Foulkes of Cumnock: Thank you very much. Professor Ignatieff, what do you think is the better way forward for Britain: the Swiss way with this structure that we have just heard about, the Canadian way, or maybe a combination of the two, or something different?

Professor Michael Ignatieff: With the greatest respect to the question, I cannot see that either will work for you. My Swiss colleague has shown just how deeply integrated Switzerland and the rest of the EU are, whilst Switzerland preserves its historic neutrality. It is impossible to separate the geostrategy and to separate the history. Switzerland is Switzerland and is neutral. You cannot model a future relationship between the United Kingdom and the EU that leaves the history and the geostrategy out and looks for a facile comparison with Canada and CETA.

In my view, I sit in Europe: I should make it clear that I am a professor of history at Central European University in Vienna, and there I can begin to tease out a future relationship between the UK and Europe that is very vivid for me. This is in the university area; it is above my pay grade to give you the big picture, but if you look at the small picture, you see something very dramatic. You have a European Union where the lingua franca is English, the native tongue of a country that has left the EU. That is the first astounding fact. The second astounding fact, if you are a university person, is that the best universities in Europe are not in Europe. The best universities, by common admission and by international

standards, are Oxford, Cambridge, the ones close to us— **Lord Foulkes of Cumnock:** In Scotland also.

Professor Michael Ignatieff: Edinburgh is a wonderful university, and on we go. There is simply no question, if you are a European and you are in the knowledge production business, the partners that you absolutely most want to have are the British universities, particularly in science, but also in other areas. It is strategic—

Micheline Calmy-Rey: The Swiss universities are among the best. I would like to mention the ETH Zurich.

Professor Michael Ignatieff: Yes. I do not want to disparage any European university, I promise.

Micheline Calmy-Rey: It is one of Europe's top-ranked universities, along with the UK universities, in the world rankings.

Professor Michael Ignatieff: What you want to have is the UK in the Horizon research envelope. It is €95 billion through 2027. You want British students back in Erasmus. Turing is fine, but Erasmus offers the possibility of an embedded flow between British universities and the universities in Europe. In that incremental way, begin to re-stitch relationships case by case and issue by issue, where there is abiding complementarity between institutions. The universities are a dramatic example of that, and the co-operation in science, and the co-operation in the social and the natural sciences—that is how I would think it. Take it sector by sector and issue by issue, but do not organise your thinking by thinking, “Will CETA work for us?” No, Canada is Canada. It is across the Atlantic. It has a different story and a different history. The minute that you analogise with CETA, you reduce the relationship, which is historic and geostrategic, to an economic linkage, which is not the most important part of this story, in my view.

Lord Foulkes of Cumnock: That was a very helpful answer to my very daft question.

Professor Michael Ignatieff: It was a great question.

The Chair: I am keeping an eye on the clock and we will move on.

Q77 **Lord Hannay of Chiswick:** Could we talk a little bit about foreign policy and security policy? Could each of you very briefly tell us to what extent Switzerland and Canada engage with the EU on foreign and security policy issues?

Perhaps I could start, Ms Calmy-Rey, by also adding this question. The EUUK Trade and Cooperation Agreement does not provide for any such cooperation in any structured sort of way. I do understand that Switzerland's position is completely different from Britain's because you are not a member of NATO, for a long time you were not a member of the United Nations and so on, but could you please, just from your experience, say whether you think that Britain and the EU working closely in this area would have any benefits?

Professor Ignatieff, if I could ask you after Ms Calmy-Rey, Canada has the CETA agreement which also provides for regular Canada-EU leadership summits. Could you tell us a bit about how that has worked out? Has it been of value?

Micheline Calmy-Rey: About foreign policy, I have to say that the first challenge for Swiss foreign policy is its relationship with the European Union. For us, our relations with the European Union are foreign policy.

Our commitments with the European Union are reflected in the area of development and crisis management. For example, the Swiss hostage crisis in Libya is an interesting case because without the European Union we would probably not have been able to resolve this crisis, but I will not go into the details. Examples also include the Ukrainian crisis in 2014—we worked on the Minsk agreements as mediator—the war in Ukraine with Switzerland taking over the European sanctions, and the management of the Covid-19 pandemic, as well as joint commitments at the multilateral level.

Another major challenge for Swiss foreign policy is to be recognised as an interesting partner by playing on its strengths: the quality of its diplomacy, its financial resources and so on. Switzerland represents, for example, the American interest in Iran, the Iranian interest in Saudi Arabia and vice versa, the Iranian interest in Egypt and Canada, and the Georgian interest in Russia and vice versa. Foreign policy for us is also the search for international recognition, and peacebuilding and conflict resolution have become priorities. Examples of Swiss mediation include the Iranian nuclear issue, Armenia-Turkey, Russia-Georgia, and its good offices and mediation activities. Switzerland regularly informs its European and American partners but we have no bilateral agreement on foreign policy.

On security policy, Switzerland is a neutral country. Neutrality does not imply that a state should give up its army. Indeed, a neutral country must be able to defend itself in case of external aggression. We are very much trying to strengthen the interoperability of our army with the armies of other countries, which means the ability of our army to function with the armies of countries surrounding us. This interoperability with the armies of other countries is achieved through the conclusion of bilateral and multilateral training and military intelligence treaties, not with the EU. They have been concluded with member states, with Germany, France, Austria, Italy, Norway and Belgium among others. Interoperability also exists through co-operation with NATO in the Partnership for Peace and the EuroAtlantic Partnership Council. Due to its neutrality, as you know, Switzerland cannot be a member of NATO. That is on security and foreign policy.

We have no agreement with the European Union, to summarise, but we are engaged with the European Union in a lot of places and in a lot of initiatives.

Professor Michael Ignatieff: You asked about CETA, leadership and the relationship between Canada and the EU. I think CETA is understood in

Europe and in Canada as primarily an economic linkage rather than a geostrategic or defence linkage. Any time leaders can meet and talk through issues it is useful, but if we go to the level of geostrategy, which is where I think you want to pitch what you are doing—and I say this with considerable regret as a proud Canadian—Canada has freeloaded as a defence partner on the might of the United States. We have not got our defence expenditure up to a 2% figure. We are way short of that. I do not want to fetishize 2%, but we have decided America will protect us. I think a similar pattern of freeloading has gone on in particularly Germany. Britain is a prominent exception to the rule. Britain is the strategic partner that the United States still regards as credible, and you can see this at work in Ukraine. Canada has participated in the Ukrainian operation by providing lots of winter gear and a few shells but nothing very substantial.

I just do not think the CETA partnership, the Canada-Europe partnership, is a model that is useful for you. I think the painful strategic issue—and I used to watch Ambassador Hannay at work, so I feel slightly embarrassed to even talk to him about this issue because he knows more about it than I will ever do—is that Britain felt often constrained as a geostrategic partner of the United States and as a geostrategic actor in its own right by its relationships within the EU. That sense of constraint, a once-great power constrained by 26, 27, 28, had a kind of Gulliver feeling to it. It is now on its own with the capacity to be an independent geostrategic actor. That is satisfying, and in Ukraine it is playing that role in a very full way. However, there is a long-term question as to whether the United Kingdom can be a major geostrategic actor unless it is part of this crucial 26-nation, 27-nation alliance across the way.

That is the big issue, and any comparisons with Canada are small beer. Except in one area, which is North American air defence, we are not really a substantial partner of the United States. We are part of Five Eyes, yes, and that is incredibly important to Canada, but my own view of it as a Canadian is that we punch below our weight, despite my opening remarks, which were about the fact that 60,000 Canadians laid down their lives in the First World War and about 50,000 in the Second World War. We have been a serious military power and we are not a serious military power now. Therefore, looking at the Canadian relationship with Europe, it seems to me, will not guide you where you need guidance, which is with your existential geostrategic choices.

Lord Hannay of Chiswick: Thank you very much. If I may respond to your remark about having watched my activities many years ago, I should say that I never felt any constraint at all arising from our European membership. I felt that it was a multiplier both in our relationship with the continental European countries and with the United States.

The Chair: That is a good moment to segue on to Lord Lamont.

Q78 Lord Lamont of Lerwick: My question is for Ms Calmy-Rey. You were very closely involved, as you have been telling us, in the Swiss bilateral

negotiations. My question was: how would you reflect on the experience of engaging in these negotiations? You have given us quite a lot of reflections already, but you may have something to add. What strategies were most successful in achieving Switzerland's objectives? To what extent do you think the EU would be open to developing its relationship with the UK through an incremental process of bilateral agreements, as with Switzerland? I guess the answer to the last one you have already given is that it is far too complicated and antagonistic, but correct me if I am wrong.

Could I just add one final little question? In reply to Lord Hannay, you were saying that you did not think there could be foreign policy co-operation, but what about close relations between Britain and Switzerland in relation to our relationship with the EU on things like financial services? We might both have a common interest. Could we not work more closely in an area like that?

Micheline Calmy-Rey: Thank you very much for your questions. The first part of my answer will be about the negotiation process and the second part will be on the substance.

In 1993, Switzerland voted no and refused to join the European Economic Area. We found ourselves somewhat naked without any partnership agreement with the EU. The Federal Council, the Swiss Government, decided then and therefore to base its relations with the EU on a technical basis, seeking to solve problems and find solutions in each particular area rather than in a comprehensive manner—a process we call in negotiation techniques “diplomatic engineering”. It is based on an overall analysis.

The diplomatic engineering approach aims at splitting a complex negotiation problem into precise problems. We had a very big problem to solve in our relations with the EU, but we did not want to have a comprehensive agreement. We wanted to be able to define sub-problems and to reduce them to a technical level, to create space for rational dialogue and to identify realistic key objectives. The problem was made manageable by both concentrating on specific sub-issues and by depoliticising them. The bilateral way chosen by Switzerland after the “No” vote in 1993 on joining the Economic European Economic Area is an illustration of such an approach, and I have taken the liberty of sending you a text published in Cambridge University Press describing the main features of such an approach through the example of Switzerland’s diplomatic activity to facilitate the Russian Federation’s entry into the World Trade Organization.

The second part of my answer will be on the bilateral way and on the difficulties we can have. I think that was your question.

Lord Lamont of Lerwick: Yes.

Micheline Calmy-Rey: I am correct. The advantage of our bilateral way is that European law is not automatically taken over. It is autonomous. If we do not like something, we are not obliged to take it over.

Switzerland and the EU went into recent exploratory talks with two diametrically opposed approaches. The EU demands guarantees that the institutional issue—that means dynamic adoption of new legal developments of the EU acquis—and an effective dispute resolution will be settled as similarly as possible for all agreements, before discussing exceptions. I have to say we have 140 agreements in our arrangement with the European Union. You see for the European Union it is a horizontal approach. Switzerland, on the other hand, wants assurances on the differences left open before addressing the institutional issue, if possible, differently for each agreement, in a vertical, bilateral approach. The EU is reluctant to agree to the Swiss model, which in my sense combines the advantages of both the Norwegian and the Canadian models.

I have to say that the bilateral way is not an easy way and for the UK I guess an incremental process of bilateral agreements will not be either, but you will not have all the difficulties we have. Switzerland, in contrast to the UK, has the free movement of persons as an agreement and we are a member of Schengen. Most of the exceptions we want from the EU law are related to the free movement of persons. On the institutional issues, I think we have proposed to have a vertical approach and perhaps in these exploratory talks it will be successful.

However, for us it is the best option. In any case, the best option for Switzerland is called “Bilateral 3”, a new set of bilateral agreements, on the one hand because there would be no erosion of the existing bilateral agreements and on the other hand because new market access would be in the desired sectorial areas. We want to open the negotiation field and to have new bilateral agreements, but once again for the success of these negotiations the European Union must be willing, and for the time being the European Union is very reluctant about the Swiss way of doing things. Once again, the Swiss Government refuse to discuss a framework agreement. We have two different approaches and we are negotiating. I think I answer your question.

The Chair: Thank you very much for that. When I introduced you and welcomed you I should have thanked you for the paper that you have sent us. We are extremely grateful that you did that.

Q79 Lord Wood of Anfield: I would like to ask Professor Ignatieff about Horizon. You mentioned the “Horizon problem”, in inverted commas, earlier on. I teach at Oxford myself and I have lots of colleagues who are either suffering or worried about the consequences. I wonder if you could say a bit more, from your experience at an EU university, about what kind of loss or challenges are posed by not having partnerships on the Horizon programme with British universities in future.

Professor Michael Ignatieff: I have a high-altitude, broad-brush kind of response, I am afraid, partly because I am not a natural scientist, where this becomes absolutely critical because high-level scientific research is so expensive. That is the first point. There is €95 billion out there.

The second point is that some of the finest universities in Europe are on these islands. There is, I know, keenness among European universities to find and develop those partnerships with the British simply because of the quality of the institutions.

The Horizon relationship is still in question. The British Government have said, "Apply and we will stump up the money if it crashes," but stump up for how long? There is a tremendous amount of uncertainty in these things because particularly some of the natural science projects take four or five years to play through. The sooner this is resolved, the better. It has gotten—needless to say, like everything about Europe—poisonously political. There must be some way in which, frankly, a Conservative Government could just sneak this one through. I wish they could.

Now, that is not to assume that the negotiating problem is only on the UK side. The Europeans have their difficulties as well. There is on the European university side a certain number of people saying, "Well, more for us—let us keep the pot to the 27", but the smart people in Europe know the quality of UK academic science. I am in the social sciences, not in the natural sciences, but in both the natural and social sciences the quality is evident here. Also, the access that you have to the international academic market, which largely works in English, is an enormous further incentive to have UK partners.

I fervently pray that this Committee will urge the UK Government to do their utmost to resolve this matter as soon as possible because I do not see that the stopgaps that the UK has put in place to reassure their researchers will solve the problem. What I would like to see is an association agreement reached.

Frankly, to tip my cards—it kind of picks up what my Swiss colleague was saying—I think the way forward here is a lot of small bilaterals that are slightly below the political radar but just get good things done and begin to stitch back together certain of the relationships that are strategically important for the United Kingdom. This is not just university stuff; this is where the innovations that drive the future economy get developed and this must get done right.

I am frankly endorsing the Swiss—if I understand my Swiss colleague right—bilateral, agreement-by-agreement approach. Do not look for framework solutions here because the political environment on both sides is too toxic. Work where there is a sense that there is complementarity and a possibility of agreement. Horizon is one of the places where I see that most clearly. I would also say to come back to Erasmus and Erasmus+, if possible.

Lord Wood of Anfield: Thank you. In the interests of time, I am happy to pass on that.

Micheline Calmy-Rey: May I?

The Chair: Please do. You have the right of reply. Go ahead.

Micheline Calmy-Rey: I would like to say something about the work between Switzerland and the UK. After Brexit, Switzerland and the UK had a common approach in different fields, for example, financial services and so on. These relations between Switzerland and the UK are called, on the Swiss side, "Mind the gap".¹ That means we have to intensify our relations with the UK.

Horizon is a good example because researchers in the UK benefit from a transitional arrangement. They are eligible for all Horizon Europe calls and therefore benefit from EU evaluation of their projects. This is not the case for researchers in Switzerland, who no longer have access to most of the European competition of the first pillar. They can no longer co-ordinate European projects; 3.8% of projects were co-ordinated by Switzerland in the previous programme. Switzerland's participation is also severely limited in the EU strategic areas of information and communication technology, space and security. For example, Switzerland is excluded from the flagship program on quantum research, an area of strategic importance for the future development of information and communication technologies and where Swiss research is at the forefront.

Swiss universities have close collaboration with many UK universities. However, the issue of European research policy is currently being developed within what we call the LERU, the League of European Research Universities, which brings together the 23 best research universities in Europe. The University of Geneva, where I am teaching, was one of the founding members in 2002. The LERU supports the full association of Switzerland and the UK to the European framework programme as an utmost priority. It is therefore within this network that Switzerland and UK universities consult each other in the context of the situation with regard to Europe and the Horizon Europe programme. It is an important network for lobbying the EU. It acts as a strong voice for European research universities.

On 17 October, this month, the presidents and the rectors of the University of Geneva, Edinburgh, University College London and Zurich met at the UK residence in Berne to discuss the impact of the current scientific and political relationship between Europe, the European Commission, and the Swiss and UK Governments. The United Kingdom and Switzerland have set up guaranteed funds to finance participation in Horizon Europe projects, to which the researchers have access. For Switzerland, only the European Research Council synergy grants are now funded by the EU.

If an agreement is reached at a political level between the two parties, the UK's association will become effective rapidly as soon as it is formalised through the signature of the protocol by the EU-UK Joint

¹ Note by witness: The aim of this strategy is to replicate and expand the set of agreements that previously existed with the UK.

Committee, but Switzerland will then have to start technical negotiations which may take up to a year. This said, the co-operation of the United Kingdom and Switzerland on research programmes is very effective. It works very well.²

The Chair: Thank you very much for that. I am glad you intervened and gave us that information. That is very helpful to us. There is a final question from Lord Tugendhat, which has been partly answered. Over to you.

Q80 Lord Tugendhat: As you say, Chairman, it has been partly answered. Professor Ignatieff made a reference to Erasmus earlier. There are two questions, really. One is whether you can confirm my impression that the UK Government's decision not to participate in Erasmus has had a deleterious effect on opportunities for exchanges involving UK universities. Secondly, could I ask whether the UK Government's replacement scheme, the Turing scheme, has had any impact at all?

Professor Michael Ignatieff: Thank you for the question. I want to answer it personally. When Erasmus was operational, back in the classroom one of the delights was getting a terrific couple of students from the University of Edinburgh, as it happened. I think the decision to take Britain out of Erasmus was a serious mistake and would urge your report and others to ask the question, "Can we find a way back in?"

Erasmus had the very good effect of paying the fees of the student. You asked about Turing. I do not see Turing having an impact. People are saying, when they compare the two programmes, that more students get help with Turing but it helps them to go, very often, outside of Europe to other locations, perhaps to the United States more. That is good, but the level of support for tuition is not there, so it is often very difficult for students to make use of Turing.

I have a strong feeling, as someone who has lived in Europe and worked in Europe, that if you had to ask, "What is the best thing about Europe?" one of the earliest things you would say is Erasmus. It has had a generational effect in creating a generation of Europeans who simply regard it as normal to live and work in another EU country and study in an

EU country. It has built a commitment to Europe that simply, I think, without Erasmus would not have arisen.

Clearly, I think Erasmus has had, as I say, a generationally positive effect. I think it is superior to the Turing programme in terms of its support to students. To be fair to Turing, Turing also has a strong desire

² Note by witness: On 10 November 2022 a Memorandum of Understanding between Switzerland and the UK was signed to encourage scientific cooperation between Swiss and UK research centres.

to aid disadvantaged students. It has a kind of social purpose that is praiseworthy.

Again, I would put the two together, Horizon and Erasmus, and say, "Come back in." Work to get those connections working again because it is good for UK students and it is absolutely wonderful to have British students studying in Europe. I have said what I have to say.

Lord Tugendhat: One of my sons benefited from it very well.

The Chair: Thank you very much indeed. Thank you to both of you, Madame Calmy-Ray and Professor Ignatieff. You have been extremely helpful and it has been extremely useful to this Committee and to our report to have views from outside the European Union from different perspectives. Thank you again.