

Scenario 3: "Guillotine"

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The third scenario takes the free movement of persons as its point of departure. Despite the rejection of the sustainability initiative in June 2026, population growth and housing pressure lead to a new initiative, or to a revised version of the old one, which the voters accept in the early 2030s. The Federal Council, bound by the new constitutional text, is eventually obliged to terminate the free movement agreement after an attempt at renegotiation fails. The guillotine clause takes effect six months later, ending the Bilaterals I and, under its own terms, the package that depends on them.¹

This scenario is the most disruptive for Basel. The status of frontier workers would depend on transitional and replacement rules. A Swiss quota regime would add administrative burdens, while employers would face uncertainty over social security coordination unless separate agreements were concluded. The pharmaceutical and medical technology industries would lose the Mutual Recognition Agreement, and air transport to and from the EuroAirport would require new arrangements. The Schengen association might survive formally, although the Union could question it. The financial centre would face a deteriorating climate in which Union authorities might apply their rules on third-country providers with less flexibility.² For advisers, the scenario would generate work in migration law, social security and corporate restructuring, although such work would reflect the misfortune of their clients.

1 Notes

1. Scenario construct of the author; on the effect of the guillotine clause (Art. 25 para. 4 AFMP) and the linkage of the package agreements, see the dispatch of 13 March 2026. Speculative. ↩

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2. On the possible effects of a termination of the AFMP on the Basel economy, see the studies commissioned by the Federal Council and the economic research of BAK Economics on the value of the bilateral agreements. Speculative; to be verified. ↩

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