

**SGI** Sustainable Governance  
Indicators 2009

## Switzerland report



## Executive summary

The need for reform in Switzerland appears to be less urgent than in its neighboring European states. The country's political system and economy function much more successfully than do other European systems. Switzerland is a working negotiation democracy supported by the majority of the Swiss people, and which delivers effective policies in the interest of the Swiss people.

Swiss politics is strongly influenced by the principle of negotiation. This is manifested in Switzerland's federalist system, a proven system of corporatism and a centrally organized and driven macroeconomic policy based on liberal aims. This style of negotiation and the system of direct democracy are two central elements of Swiss politics which help to ensure that the country's long-term political and economic goals are adhered to. The political elite have strong incentives to pursue goals which take the needs of the majority into consideration.

A major contributing factor to Switzerland's comfortable situation is the fact that it has become one of the richest countries in the world since the end of World War II. This has in turn diminished conflicts over monetary distribution as compared to other OECD countries. The Swiss state does not act as a benefactor, giving out more social expenditure than it can afford. In general, Switzerland is a rich society with a lean state.

The success story of the Swiss economy and social state can be explained by the fact that the country did not follow a particular welfare state model during the first half of the twentieth century, as many other states did. This restraint proved advantageous, because Switzerland was able to learn from both the positive and negative experiences of other states, and could thus develop its own model combining the successes of the others. The Swiss social model is very successful when compared to other states, and has led to a flexible labor market, high wage levels and security, and the acceptance of the model by the majority of trade unions and the general population.

The particular role which Switzerland, as a small country, has been able to play in Europe has also added to the success of its politics and economy. During the Cold War, as a neutral country, Switzerland was protected by NATO. This factor, as well as Switzerland joining the European internal market, contributed

significantly to the country's economic success. The complex system of bilateral contracts between Switzerland and the European Union is widely supported. It provides the country with a certain degree of political and social leeway, allowing Switzerland a maximal profit from the advantages of the internal market. The Swiss economy has profited considerably since the enlargement of the European Union, thanks to the country's policy of recruiting high-skilled foreign workers.

In the past, Switzerland was able to implement a number of institutional reforms which increased the political system's capacity to act. One of the major reforms occurred in 2004, after long and difficult negotiations, and led to extensive reform of Switzerland's federal system. However, reforms in individual political areas such as social or environment policy have had differing levels of success. In the fields of science, research and innovation, Switzerland ranks among the best in the world. The adaptation of the Swiss economy to the challenges associated with globalization and Europeanization has been very successful thanks to the country's liberal approach. In comparison, Swiss social policy has been less effective at solving structural problems.

Despite this generally rosy picture, Swiss politics and society have been confronted with a number of reform challenges to which no satisfactory solutions have been found. Among these are the protectionist structures which have slowed economic development since the 1980s. This protectionism, rooted in Swiss history, now has political costs for the country. Following pressure from the WTO and the European Union, Switzerland recently implemented several liberalizing reforms. However, Switzerland still has an above-average level of protectionism when compared with other European states.

A further problem for political governance is caused by Switzerland's general relationship with the European Union. The policy of establishing bilateral contracts has been widely supported by the general population and political elite, as this has provided more political and economic advantages than disadvantages. However, the advantages of this strategy may be declining. The public and political elites have followed a policy of "muddling through," with little weight given to the development of long-term strategy. Further challenges, which previous reforms have not yet been able to resolve, include the country's demographic development and its transition into a post-industrial society. As one example, high-skilled women are not sufficiently integrated into the labor market.

Reform of Swiss security policy is also necessary. The country's armed forces have adapted to the new security challenges. However, the general public is

convinced that Swiss neutrality should continue to form the central principle of the country's identity. The political elite, as well as the general population, believes that Switzerland can defend itself. This is not realistic considering the new challenges and threats present throughout the world today.

The country's policies on immigration and integration, as well on education, are also in need of reform. Although the country has a high percentage of foreign-born residents, and its economy depends on foreign workers, the country has no real integration policy. The education system is one of the best in the world when compared internationally; yet policy-makers have not yet succeeded in ridding the system of social discrimination.

In sum, Switzerland's reformed federalism – based predominantly on political consensus – functions successfully overall. Direct democracy has led to a high level of acceptance and contentment among the general population. However, these same elements have undermined the country's ability to create long-term strategies. Systemic reforms are reached as a result of foreign pressure, rather than through domestic political discussion and will. The performance within individual political fields varies.

## Strategic Outlook

As in the past, future reforms in Switzerland will be deeply influenced by the unique features of the country's political system, such as federalism, concordance and direct democracy. This may present Swiss decision-makers with problems, and limit the country's capacity for reform. The system of direct democracy makes it difficult to leave the status quo in two ways. In one sense, it hinders a limitless increase in tasks. This was seen as a positive in the past, and led to a limitation on state expenditure. However, direct democracy can also be a hindrance for necessary political change and reform. An intelligent, effective reform program or policy must ensure that the advantages of the consensus system are larger than the disadvantages.

A further problem is the erosion of the Swiss negotiation democracy. Such a system only functions if important decisions are negotiated behind closed doors, and not in public. In the past, there was close cooperation and a high level of trust between political, social and economic elites. The basis for this negotiation and the strong trust between actors involved has increasingly been called into question today.

The populist Swiss People's Party (SVP) has launched an assault on the

political class, as well as on Switzerland's traditional political structure, thereby denying its legitimacy. This populism, with its simple slogans, is increasingly preventing public debate from reaching agreement or a successful conclusion, making potential reform difficult. Another barrier to further reform is the myth of Switzerland's uniqueness and inimitability, which is widespread amongst the general population and political elite.

It is well known that the Swiss economy and its politics are much more efficient and successful than in other countries. A successful reform policy has to begin by highlighting the necessary structural and institutional reforms, as well as by formulating a reform strategy which will build on the existing strengths of the system, developing them further. Nevertheless, the country's weak strategic capacities are a major hindrance to political and structural reform. Reforms in education policy (such as providing more equitable access for the socially disadvantaged), tax policy (in the areas of taxation of families and the VAT), and the fields of immigration and integration are seen as necessary. Any reform efforts should be addressed first toward these important areas.

## Status Index

### I. Status of democracy

#### Electoral process

*Fair electoral process*

*Score: 10*

Switzerland law provides a fair registration procedure for election candidates, ensuring that neither political parties nor individuals face discrimination. Limitations to women's right to vote, which previously existed in several cantons, have been abolished. Some parties either give preference to or discriminate against certain individuals as a result of internal party quotas. However, any individual is free to stand for election using his or her own electoral list. In order to do this, a relatively small number of signatures from supporters is needed and a minimal registration charge must be paid.

*Fair electoral campaign*

*Score: 9*

Electoral candidates and parties in Switzerland have largely equal access to printed media within the country. The main media organizations report equally on each of the main parties, offering them similar possibilities to promote themselves during electoral campaigns. The fact that the larger newspapers either favor a certain political party (as does the *Neue Zürcher Zeitung*), or demonstrate a clear political stance (as does the *Tagesanzeiger*), rarely results in complaints being made by individual parties. Campaign advertisements are not permitted on television or radio.

*Inclusive electoral process*

*Score: 10*

Every Swiss national 18 years old or more is entitled to vote. Citizens resident in Switzerland are automatically registered to vote, and receive voting material weeks before the actual election. Swiss nationals living abroad must register to vote themselves.

## Access to information

### *Media freedom*

Score: 10

Public and private media corporations are free from government influence, a freedom protected by the Swiss constitution. Although the federal government chooses the chairperson and some board members of the quasi-public nonprofit radio and television organization (the Swiss Radio and Television Company), it is not able to exert any influence over the organization's daily reporting or journalistic work.

### *Media pluralism*

Score: 9

Most electronic media organizations in Switzerland are publicly owned. Private television stations play only a small role in the country's media landscape. However, a number of foreign radio and television stations can be received in Switzerland, contributing to the country's media plurality. The country has a high number of private newspapers, comprising a highly decentralized system of regional competition, but a recent tendency toward centralization has weakened the regional newspaper markets.

### *Access to government information*

Score: 9

Switzerland's government and administration operate under a very transparent information policy. The federal law on administrative transparency, which came into force in 2004, grants every citizen the right of access to official documents and to information on state authorities. Authorities must answer inquiries within 20 days. If a request is refused, a citizen can seek redress from the Federal Delegate for Data Protection. However, this law's applicability is partially limited, as it does not apply to official documents concerning civil or criminal law processes, documents relating to foreign policy, or political party dossiers relating to administrative disputes.

## Civil rights

### *Civil rights protection*

Score: 9

Civil rights in Switzerland are guaranteed by the constitution. However, the country does not have a classic constitutional court to monitor the conformity of federal law with the constitution. The Federal Supreme Court in Lausanne monitors the constitutional conformity of federal regulations and cantonal laws. In relation to basic civil rights, the European Court of Human Rights serves as a kind of Swiss constitutional court. Conflicts have risen from the reputed tension between civil rights and the use of direct democratic decision-making. For example, a 2004 referendum resulted in a policy stating that particularly dangerous criminal offenders should be imprisoned without the chance to have their cases reexamined. This rule contravened the European Convention on Human Rights. The outcome of a referendum on Switzerland's naturalization

procedure also resulted in conflict, after the Federal Supreme Court held the policy to be unconstitutional in 2003.

*Non-discrimination*

*Score: 7*

In Switzerland, constitutional law and a system of political power-sharing ensure the autonomy, freedom from discrimination and rights to political participation of Swiss linguistic, ethnic and religious minorities. Additionally, Article 8 of the country's constitution states, "Nobody shall suffer discrimination, particularly on grounds of origin, race, sex, age, language, social position, lifestyle, philosophical or political conventions, or because of corporal or mental disability." Discrimination, particularly against women and foreigners, is nevertheless still present with respect to wage equality, career opportunities and the general respect and reputation afforded these individuals. Openly xenophobic and racist statements have been made by some political parties, in particular the Swiss People's Party (SVP). A commission to deal with discrimination against women and foreigners has been set up to address these issues.

**Rule of law**

*Legal certainty*

*Score: 9*

Switzerland's federal government and administration act predictably. However, this predictability is partially reduced by the very pragmatic administrative culture at the cantonal level. The country's division into small administrative districts, the tradition of decentralized local government, and a partial "militia administration" provide for a substantial amount of leeway in the activity of Switzerland's public administration. The pragmatic administrative culture ensures flexibility and efficiency on the one hand, but reduces legal certainty on the other.

*Judicial review*

*Score: 10*

The Swiss legal system is characterized by a high level of professionalism, and is independent from any political, social or economic actors. The court system differs widely between cantons as a result of cantonal self-determination, a feature of Switzerland's federal system.

*Corruption prevention*

*Score: 9*

Corruption in Switzerland is relatively rare. When compared internationally, the country's corruption control is ranked consistently as among the highest in the world. However, the composition of its political system provides opportunities for corruption to occur, as a result of the relatively low number of persons in positions of political leadership, the system's pragmatic approach to solving problems and the country's culture of amicable agreements.



## II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	5.02	35650 \$	2005
Potential growth	1.86	2 %	2008
Unemployment rate	8.75	4.5 %	2005
Labor force growth	4.91	2.5 %	2007-2008
Gini coefficient	8.14	0.274	2002
Foreign trade	2.57	-13.85	2005
Inflation rate	9.14	0.6 %	2007
Real interest rates	8.27	2.4 %	2007

### A Economy and employment

#### Labor market policy

*Score: 8*

When compared internationally, Switzerland has a very low unemployment rate (3.1 percent at the end of 2006). In 2005 and 2006, the number of new jobs noticeably increased. Experts attribute this primarily to the country's liberal employment market policy, which allows for a high degree of flexibility. However, the opening of the employment market for foreigners in the mid-1990s has been blamed for some subsequent problems. The regulation of foreign workers had functioned well before this time, in that the number of employment permits granted was linked to the demand for labor.

By contrast, many foreign workers today possess permanent employment permits which cannot be withdrawn or taken away, even if demand for labor decreases. In addition, by signing a number of bilateral agreements with the European Union, Switzerland has opened its employment market to workers from EU member states. The reduction in the ability to regulate the labor supply has reduced the labor market's previous flexibility.

### Enterprise policy

*Score: 6*

Switzerland traditionally has a high degree of protectionism for its domestic industries. This is in part due the strong political position of the cantons, which try to protect their industries from foreign competition as well as from other cantons. However, it is also partly due to the history of state intervention in Switzerland. This protectionist attitude has increasingly been challenged in recent years. WTO agreements and the consequences of European integration have led to more competition within Switzerland. Meanwhile, Swiss export companies, which must orientate themselves to the global market, are finding themselves in increasingly disadvantageous positions vis-à-vis foreign competitors.

As a result, Switzerland industrial landscape can be divided into two rival groups with respect to protectionism and competition policy. On the one side are the export industries, which are highly competitive and innovative. The pressure of competition on the global market has resulted in the revision of internal competition policies. On the other side are economic entities producing mainly for the Swiss domestic market, which is highly cartelized and rather sedate.

### Tax policy

*Score: 9*

By international comparison, Switzerland has a low tax rate, particularly for businesses. Taxation policies are competitive and generate sufficient public revenues. As the country is a traditional “lean state,” with a relatively small public sector and a low level of redistribution, the need for tax revenue is less than in other country’s. However, the right given to municipalities and cantons to set their own tax rates leads to competition between areas, sometimes resulting in large differences between tax burdens for businesses and individuals. This limits the country’s ability to maintain an equitable taxation policy.

### Budgetary policy

*Score: 9*

Swiss budgetary policy largely fulfils the goal of fiscal sustainability, something made easier thanks to the country’s tradition of being a “lean state.” There has been some discernible deterioration in the last 15 years, but various measures have led to a stabilization of the budget. There is far-reaching consensus between politicians in terms of aiming at a low level of national

deficit and debt. To achieve these goals, various regulations have been implemented, which stem constitutional debt at the federal level. In addition, the direct democratic elements of the Swiss political system provide an effective opportunity to limit the budget; in referendums the population has taken a very restrained approach towards state expenditure and has therefore acted to restraint the growth of the national debt. However, individual cantons' budgetary policies are very different, and not all of them achieve fiscal sustainability.

## **B Social affairs**

### **Health policy**

*Score: 9*

The Swiss health system provides excellent health care to almost the entire population, thanks to the country's mandatory health insurance plan. However, the system is very expensive, due both to a high quality of service and a lack of efficiency. The organization of hospitals and the general lack of competition within the health system are also contributing factors. Health insurance in Switzerland is based on a very liberal model – when assessing contributions, neither income nor the number of family members are considered. However, children are afforded a reduced rate of contribution. The liberal model has been weakened in recent years, with low-income individuals and their families receiving some benefits.

### **Social cohesion**

*Score: 8*

Social cohesion and levels of life satisfaction are relatively high in Switzerland. However, contrasting trends can be seen in efforts to combat poverty. The country has an effective social security system, with a pension system that successfully prevents or hinders poverty. Nonetheless, income redistribution is low, meaning that socioeconomic differences relating to income can be only minimally improved by public policies and the Swiss tax system. As a consequence, poverty rates have not fallen despite the overall growth in GDP. Most at risk here are low-skilled young people and single mothers.

### **Family policy**

*Score: 4*

Family policy in Switzerland is rather conservative, with large differences evident between individual cantons. In general, a traditional family model is

supported by tax breaks and the availability of parental leave for mothers. This creates incentives for mothers to stay at home during the first years of their children's lives, a situation exacerbated by the high costs of day care. Women have a good chance of finding employment after they have had children. However, they mostly wind up with part-time jobs, meaning that a career after having children is not an option for many mothers. Women thus find combining family and a successful career to be difficult.

### Pension policy

*Score: 8*

The Swiss pension system is based on three pillars: a public pension system, compulsory private pension plans and tax-exempted individual savings. The aim of this three-pillared structure is to create intergenerational equity and to prevent poverty amongst the elderly. The public pension system guarantees a basic annual income of €8000 to €9000 to every eligible Swiss citizen, which is funded by contributions made by employers and employees in the Swiss workforce. This first pillar is effective at redistributing wealth across the country, as contributions are proportionate to incomes, but the maximum benefit level is only 1.5 times larger than the minimum benefit.

The second pillar is also financed by employers and employees, although contributions as well as benefits are proportional to income. Low-income individuals are excluded from this compulsory private pension system. Contributions are optional for those earning more than €45,000 per year and can be combined with an optional retirement provision. The third pillar consists of tax-deductible savings of up to €3,600 per year and is mainly used by high-income individuals. The Swiss tax system is currently fiscally sustainable, but will come under pressure in the future, as a result of predicted demographic change and the subsequent rise in the country's elderly population. The main challenge stems from the fact that the pension system is not financed by an accumulated capital stock, but rather by direct contributions made by the Swiss workforce. The demographic change therefore poses a threat to the country's intergenerational equity.

## C Security and integration policy

### Security policy

*External security*

Switzerland's external security policy has traditionally been based on the concept of armed neutrality. Although the national consensus on this strategy

*Score: 9*

of preventing war through preparation for self-defense remains solid, the Swiss concept of security has in fact strayed more in the direction of international cooperation since the end of the Cold War. Today, Swiss security policy pursues three goals. Firstly, Switzerland attempts to contribute to world peace and security in terms of international cooperation. To this end, Switzerland is active in the OSCE and NATO (a relationship formally known as “Partnership for Peace”) and is also involved in various peacekeeping operations.

Secondly, Switzerland continues to ensure that it is sufficiently equipped in order to react quickly to the threat of military attack from abroad. In such an event, the country would be supported by NATO. However, some commentators argue that the country’s defense strategy is focused too heavily on traditional aggressors, and not sufficiently on new forms of threat. The third aim of the Swiss external security policy is the creation and maintenance of a civil protection system to be utilized in the event of natural disasters. The reform of the nation’s security policy following the Cold War is still underway. Debate over the creation of a professional army, and questions concerning the role of the army in combating terrorist threats have each caused considerable political controversy.

*Internal security*

*Score: 9*

Swiss government policy effectively protects citizens from threats to internal security. Indeed, the Swiss population is rather sensitive to this issue. Cooperation between Swiss internal intelligence services, police forces and political authorities is effective and well-rehearsed. Furthermore, Switzerland has entered into two bilateral agreements with the EU focusing on the coordination of police forces and efforts to combat cross-border crime. Additional measures to help tackle money laundering have also been implemented.

*New security  
policy*

*Score: 7*

In order to combat new forms of security risk, Switzerland has increased cooperation with other nations’ police and intelligence forces. This has led to long-term collaboration in the fight against terrorism, cross-border crime and human trafficking, particularly with other EU countries after ratification of the Schengen treaty (relating to border control) and the Dublin treaty (relating to asylum procedures). This policy has also resulted in increased cooperation in the context of specific events, such as international conferences or the 2008 UEFA European Football Championship. In addition, Switzerland uses its neutral position to mediate in conflict situations, such as providing diplomatic service for the United States in Iran.

### Integration policy

*Score: 7*

Switzerland has a comparatively high number of foreign inhabitants. A total of 1.65 million people, or more than 20 percent of the country's population of 7.5 million, are foreign citizens. In periods of high demand for workers, a large number of relatively low-skilled workers entered Switzerland. The recent transition to a post-industrial labor market, led by businesses that require skilled employees, has triggered social and political conflict between the highly skilled and low-skilled workers. This has become an increasingly prevalent subject of political debate.

Such conflict has been intensified by the lack of efforts to integrate low-skilled workers into Swiss society. Language and integration lessons have only recently been introduced and the process of naturalization is costly and difficult. The opportunity for migrants to play a role in politics at cantonal level varies, but is generally rather restricted. On the whole, the integration of first-generation immigrants, particularly immigrants from non-EU countries, has proven to be the most challenging aspect of migration. However, patterns of immigration into Switzerland are changing. While migration policy towards asylum seekers is becoming increasingly strict, the liberalization of employment-driven migration from EU member states has led to a noticeable increase in the number of highly qualified and well-paid workers.

## D Sustainability

### Environmental policy

*Score: 7*

Switzerland plays a leading international role in environmental protection. This is demonstrated in particular by the country's control of water pollution and its high recycling rate. Considerable sums of money have been invested in order to provide effective environmental protection. This has included substantial investments in the country's rail network, with the aim of improving the infrastructure for transalpine goods traffic. Yet although several environmental measures have been successfully implemented, new legislative measures have in recent years faced increasing opposition. As a result, the implementation of new legislation controlling CO<sub>2</sub> emissions has been delayed. The future of atomic energy has also been heavily discussed.

### Research and innovation policy

*Score: 8*

Switzerland has a modern and innovative research policy, which has helped increase productivity. The country ranks among the world's best in terms of number of citations, and is ranked top in the world with respect to the number of registered patents. The promotion of research and development using public funds is comparatively strong. In addition, businesses invest a large amount of money in research. There are relatively few bureaucratic hurdles hindering the promotion of research. However, the amount of cooperation between universities and industries could be increased. The involvement of small and medium-sized enterprises in research projects could be improved through public-private partnerships, which would in turn increase the use of research findings by such enterprises.

### Education policy

*Score: 7*

Switzerland's education system is strongly influenced by the federal and decentralized structure of the country's political system, as education policy falls within the jurisdiction of the cantons and municipalities. The system itself generally provides a high-quality education; a particularly efficient feature is its two-track model of university and non-academic training schools. This system is focused on the secondary level, with an ensuing amount of vocational training, with which Switzerland has experienced excellent results. However, the higher education system has experienced some difficulties. Although access to tertiary education has been improved for women and students coming from peripheral areas, students from socially disadvantaged families lack equal opportunity of access. As a result of the Bologna Process, the Swiss education system is currently experiencing extensive changes.

## Management Index

### I. Executive Capacity

<i>Cabinet composition</i>	<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination *</i>	<i>Duration</i>
	NONE	Swiss People's Party (SVP), Radical Free Democratic Party (FDP), Christian Democratic People's Party (CVP/CSP), Social Democratic Party (SP)	Surplus Coalition	-	12/03- 12/07

\* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.

#### A Steering capability: preparing and formulating policies

##### Strategic capacity

*Strategic  
planning*

*Score: 4*

Strategic planning is rather modest in the Swiss political system, with relatively few projects taking place over a long time horizon (e.g., the reform of the federal system was finished after 15 years of debate). Most of the policy program is made on an ad hoc basis. Strategic planning is made difficult by the fact that the country has a quasi-presidential political system, with a collegial government, a strong militia element, a consociational decision-making structure, a strong corporatist relationship between a weak federal state and interest organizations, and uncertainty due to the system of direct democracy.

The Swiss government is not a parliamentary government and does not have a policy agenda comparable to a “normal” parliamentary government. The Federal Council has only two weak instruments at its disposal: the so-called



Annual Goals and the Goals for the Four-Year Legislative Period, which serve as benchmarks by which a legislative term's implementation record can be evaluated.

*Scientific advice*

*Score: 6*

Independent experts do not play a particularly powerful role in advising the Swiss government. This is linked to the fact that the Swiss political system is a corporatist system with extraparliamentary and parliamentary committees. Academic experts are elected to these extraparliamentary committees (which numbered 145 as of September 2007), selected due to academic profiles as well as ideological affinities with political parties or interest groups. Military issues, social insurance, education and research policy, environment and legal reform are all policy fields in which scientific advice is widely heeded, especially in the preparatory phase of legislation.

#### Inter-ministerial coordination

*GO expertise*

*Score: 5*

The Swiss political system does not have a prime minister or prime minister's office. The government is a strongly collegial body. However, there are several instruments of interministerial coordination and a mechanism to evaluate ministerial draft bills. Departments engage in a formal process of consultation when drafting proposals, the Ministry of Justice provides legal evaluation of draft bills, and the Federal Chancellery and Federal Council provide political coordination.

*GO gatekeeping*

*Score: 5*

The Swiss political system has no prime minister or prime minister's office. The Federal Chancellery manages and prepares the agenda of the Federal Council, and can return items and postpone political issues because of a lack of coherence with other policies.

*Line ministries*

*Score: 9*

The Swiss government has no line ministries comparable to those in parliamentary political systems such as Germany. The country has only seven ministries, with every department responsible for a huge number of tasks and political issues. However, there are a variety of federal offices and institutions which are connected to these ministries. These work closely with their supervising minister; and since a minister has to get a large majority in the Federal Council for any proposal to succeed, there is strong coordination between departments.

*Cabinet committees*

*Score: 2*

There are no cabinet committees in the Swiss political system. However, a system of delegation and cooperation between the lower units of the federal administration ensures coordination. Every minister is in a sense already a "ministerial committee" who represents the coordination of a large number of cooperating departmental units. Members of the Federal Council are

individually responsible only for the minor issues of their own department. As members of the Federal Council they discuss all the major issues of Swiss politics as a collegium.

*Senior ministry officials*

*Score: 6*

The federal government holds policy deliberations behind closed doors. Ministers are briefed by their senior ministry officials. In these briefings, the ministers are not only interested in the issues of their own ministry but also in salient issues prepared by the other departments. The efficiency of this preparation is structurally high but depends on ministry officials' and ministers' personal capacities and abilities. In most cases, either the preliminary procedure or the co-reporting procedure leads to agreement. There is a process of deliberation and coordination designed to eliminate most political differences before issues reach the level of Federal Council meetings

*Line ministry civil servants*

*Score: 9*

Two instruments are specifically designed to coordinate policy proposals between the ministries: the large and small co-reporting procedures. These processes invite the ministries to take positions on political issues. The co-reporting procedure is largely a process of negative coordination, which highlights incompatibilities with other policies but does not systematically scrutinize the potential for synergy.

### Regulatory impact assessments

*RIA application*

*Score: 7*

Switzerland does not have a formal institution or body responsible for ex ante regulatory impact assessments (RIAs). Article 170 of the constitution states that the "Federal Parliament shall ensure that the efficacy of measures taken by the Confederation is evaluated." Instead of a formal RIA institution, there are functional equivalents. The expert commissions that prepare and draft legislative proposals regularly consider alternatives and the potential impact of laws. The second and more important equivalent is the consultation procedure laid down in Article 147 of the Swiss constitution: "The cantons, the political parties, and the interested circles shall be heard in the course of the preparation of important legislation and other projects of substantial impact, and on important international treaties." All draft regulations are evaluated on the basis of their financial impact and compatibility with EU law.

*Needs analysis*

*Score: 8*

The Swiss political system does not have a formal institution or body responsible for performing needs analyses. However, the extraparliamentary committees and the consultation procedure are functional equivalents, and constitute part of a systematic process of needs analysis.

*Alternative options**Score: 8*

Evaluating alternative options is a crucial concern as extraparliamentary committees perform their work, and as consultation takes place between cantons, political parties, and other interested groups. Additionally, the country's Law on Environmental Protection requires that the pros and cons of measures must be evaluated. However, this is an ex post evaluation.

**Societal consultation***Mobilizing public support**Score: 10*

Within Switzerland's strong corporatist political system, there are numerous pre-parliamentary procedures and committees designed to involve different societal groups, whose task it is to advise the government. These instruments are designed to prevent proposals from failing in parliament or in referenda and to offer solutions that benefit all parties. However, conflict between interest groups over issues associated with European integration and the process of globalization has undermined the country's historically strong system of corporatism.

**Policy communication***Coherent communication**Score: 8*

The Swiss government's strict collegial organization provides for a coherent communication policy, in which the seven members of the Federal Council follow the body's majority decisions. This holds true even if the council comes to a split decision of four to three votes. However, the government's internal cohesion has been challenged in recent years by growing polarization between the political right and the political left.

**B Resource efficiency: implementing policies***Legislative efficiency**Veto players*

	<i>Total</i>	<i>Share</i>
Bills envisaged in the government's work program	115	
Government-sponsored bills adopted	100	86.96 %
Second chamber vetos	15	13.16 %
Head of state vetos	-	- %
Court vetos	-	- %

## Effective implementation

### *Government efficiency*

*Score: 8*

The government's success in achieving political goals depends on whether the Federal Council is successful in anticipating opposition from political parties, vested economic interests, civil society organizations or the cantons. The capacity to organize popular referenda makes every group and every political actor a potential veto player. However, experience has shown that legislation is typically the product of wide-ranging compromise. Recent analyses have shown that a large proportion of government proposals pass parliament without being modified.

### *Ministerial compliance*

*Score: 8*

The ministers of the Swiss government have considerable leeway for independent action. However, the principles of collegiality and consociational politics reduce departmental self-interest and impose a high level of ministerial compliance. However, this has in recent years been undermined due to political polarization and the attacks by the right-populist Swiss People's Party (SVP) and their informal leader Christoph Blocher. The present government is politically as heterogeneous as possible, and government cohesion is weak compared to recent years.

### *Monitoring line ministries*

*Score: 9*

There is no prime minister's office in Switzerland. However, each member of the Federal Council monitors his or her own ministry. The general secretaries of each department are responsible for oversight and monitoring. The implementation of laws and decisions depends heavily on the efficiency of controlling the federal administration through the Federal Council.

### *Monitoring agencies*

*Score: 5*

In Switzerland, the traditional roles of executive agencies are often played by business or civil-society organizations that have been given a public mandate (e.g., private organizations that control the professional standards governing education). However, this sector has shrunk in recent years. Modern agencies are typically part of the public administration, but oversee private organizations (e.g., telecommunications, railway, air traffic control etc.). Formal monitoring is prescribed by law. Executive or semipublic agencies are given a high level of autonomy. Switzerland's federalist political culture is strongly decentralized, and based on the principle of subsidiarity, which strongly limits the federal administration's jurisdiction. By contrast, the cantons and their administration have considerable flexibility in their implementation of law.

### *Task funding*

*Score: 10*

Most of Switzerland's tax revenues are levied by the cantons and municipalities. They independently make decisions about tax rates and revenue distribution. A fiscal redistribution system helps poorer cantons to fulfill their obligations. A major reform in 2004 reorganized the division of

tasks between the federal state and the cantons and changed the distribution of financial resources. However, a number of cantons still have major problems performing their duties. The new system of fiscal equalization is designed to solve these problems.

*Constitutional discretion*

*Score: 10*

The central government has little opportunity to counter cantonal government decisions. Municipal discretion in policy making is outlined in Article 50 of the Swiss constitution: “The autonomy of the municipalities is guaranteed within the limits fixed by cantonal law.” The subnational entities (cantons and municipalities) use their scope of discretion fully.

*National standards*

*Score: 7*

The Swiss political system is one of the most decentralized systems in the world, with an extremely high scope of autonomy for subnational entities (cantons and municipalities). Within their large scope of responsibility, these entities can offer public goods in a non-conforming way. The Swiss federation and political culture does not mandate “similarity of living conditions.” The population of a canton can decide independently how much money is to be raised by taxes and used for public services and public transfers. However, there are some national standards set by the central government (e.g., social policy and education policy), which are commonly accepted by the subnational governments.

## C International cooperation: incorporating reform impulses

### Domestic adaptability

*Domestic adaptability*

*Score: 6*

Although not a member of the European Union, Switzerland has a number of bilateral agreements with the European Union. Joining the European internal market has led to a heavy policy implementation load. Several recent institutional reforms have made the Swiss political system and economy compatible with international and supranational norms and decision-making processes (e.g., the creation of cabinet-level secretaries of state who can represent the government in international negotiations, or new special institutions that review whether new bills are compatible with EU regulations). However, some critics say this degree of adaptation is not yet sufficient.

### External adaptability

*International coordination*

The Swiss government’s political will and levels of engagement in internationally coordinated activities are rather low and selective. Swiss

*activities**Score: 5*

foreign policy activities are focused on international economic affairs, environmental issues, advocating international law, supporting peace talks and third world relations. Policymakers see the basic goals of their international activity to be the preservation of the country's independence, neutrality and sovereignty. The idea that reforms are defined commonly on the international level and then become in some way binding for Switzerland is alien to the Swiss political discourse.

*Exporting reforms**Score: 5*

Switzerland has a very strong tradition of neutrality. The population accepted Swiss accession to the United Nations only very recently, in a popular referendum. The country is not a traditional exporter of reform ideas on the international level. However, there are some areas in which Switzerland is rather successful in spreading reforms and building transnational reform coalitions, in particular in offering its services as a moderator, and in supporting the ideas of human rights, democracy and the rule of law. The Swiss government and national proponents of an export-oriented economy are also traditionally interested in free trade and a liberal world market, and strongly support the WTO talks. The Swiss experience of being a multicultural nation with historical cleavages can be seen as a starting point for the promotion of peaceful settlement of multicultural conflicts around the world.

**D Institutional learning: structures of self-monitoring and -reform****Organizational reform capacity***Self-monitoring**Score: 7*

Some self-monitoring occurs within the framework of Swiss political processes, but it has not yet been institutionalized. What self-monitoring of the institutional framework does occur is largely indirect, as a result of policies being evaluated.

*Institutional reform**Score: 5*

The federal government functions only partially successfully. The introduction of new administrative techniques, such as New Public Management practices, has helped. However, efforts towards substantial institutional reform are often met with resistance on the part of the Swiss public and cantons.

## II. Executive accountability

### E Citizens: evaluative and participatory competencies

#### Knowledge of government policy and political attitudes

*Policy  
knowledge  
Score: 8*

Swiss citizens have comparatively good knowledge about their country's political system, being well-informed about its politics and policies. One reason for this is the Swiss system's heavy reliance on direct democracy. Approximately 30 federal, cantonal and communal issues are voted upon each year, and are often accompanied by information campaigns.

### F Parliament: information and control resources

#### Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	200
Number of parliamentary committees	25
Average number of committee members	25
Pro-government committee chairs appointed	23
Deputy expert staff size	2
Total parliamentary group expert support staff	4
Total parliamentary expert support staff	285

*Obtaining  
documents  
Score: 10*

Parliamentary committees, as well as individual members of parliament, have access to government documents and receive copies of these promptly. Legislators also have electronic access to the majority of government documents.

*Summoning*

Parliamentary committees have the ability to summon ministers, but these requests are not binding. However, for political reasons ministers typically

<i>ministers</i>	respond to these requests, and answer the committees' questions.
<i>Score: 10</i>	
<i>Summoning experts</i>	Parliamentary committees are free to invite experts and to listen to their opinions.
<i>Score: 10</i>	
<i>Task area coincidence</i>	The Swiss government has seven ministries, whose mandates do not coincide with those of the 12 parliamentary committees. A 1996 attempt to increase the number of ministries, aimed at creating more traditional "line ministries," failed due to parliamentary resistance. The individual ministries cover broader political fields than in other Western democracies, and are extensively monitored by the parliamentary committees.
<i>Score: 8</i>	
<i>Audit office</i>	The Audit Office works as an independent and autonomous body which drafts analyses and reports for both the Federal Assembly and the Federal Council. The leader of the Audit Office is chosen by the Federal Council, but this choice requires confirmation by the Federal Assembly. In terms of administration, the Audit Office belongs to the federal administration and serves under the Ministry of Finance.
<i>Score: 9</i>	
<i>Ombuds office</i>	There is no ombuds office at the federal level. However, some cantons and cities have installed an ombudsman.
<i>Score: 2</i>	

## G Intermediary organizations: professional and advisory capacities

### Media, parties and interest associations

<i>Media reporting</i>	TV and radio stations provide substantive information and in-depth analyses on an independent basis. Some radio programs have a particularly good reputation, while some television programs have tended to personalize politics, increasingly treating it as a kind of infotainment.
<i>Score: 9</i>	

### Fragmentation

#### Parliamentary election results as of 10/19/2003

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Swiss People's Party	SVP	26.7	27.50
Social Democratic Party	SP	23.2	26.00
Radical Free Democratic Party	FDP	17.3	18.00
Christian Democratic People's Party	CVP/CSP	14.4	14.00



Green Party	GPS	7.4	6.50
Liberal Party	LP	2.2	2.00
Protestant People's Party	EVP	2.3	1.50
Federal Democratic Union	EDU/UDF	1.3	1.00
Labour Party	PdA	0.7	1.00
Swiss Democrats	SD	1	0.50
Christian Social Party	CSP/PCS	0.4	0.50
Solidarities	Sol	0.5	0.50
Alternative List	FGA	0.5	0.50
Ticino League	LEGA	0.3	0.50
Others		1.8	0

*Party  
competence*  
Score: 8

The five largest political parties in Switzerland largely produce party programs that are both plausible and coherent. However, some of the parties' election campaigns have shown a tendency towards polarization, and in doing so, have lost plausibility and coherence.

*Association  
competence*  
Score: 7

Interest associations in Switzerland pursue pragmatic politics and propose reasonable policies. However, their ideological backgrounds do not prevent them from fervently promoting their ideas with other organizations and political parties. The interest groups provide the federal bureaucracy with expert knowledge, often taking into account the long-term effects of their proposals. Additionally, the direct-democratic element of the Swiss system leads to an increased readiness to reach compromise and heightens the role played by interest groups, as their proposals may ultimately have to be decided by referendum.

*Association  
relevance*  
Score: 9

Proposals made by interest groups are very relevant in the Swiss political process, with some proposals implemented directly. The largest parties are closely linked with specific interest groups, working closely with them and exerting a large amount of influence. The direct-democratic element provides interest groups in Switzerland with an increased opportunity for influence, because if the government does not consider a group's interests, the group could help defeat a legislative proposal by referendum.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at [www.sgi-network.org](http://www.sgi-network.org)

## Contact

Andrea Kuhn, Dr. Leonard Novy, Daniel Schraad-Tischler

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256

33311 Gütersloh

[www.bertelsmann-stiftung.de](http://www.bertelsmann-stiftung.de)