



Switzerland Report

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Sustainable Governance
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Executive Summary

In the current assessment period, governance in Switzerland has sustained considerable continuity with recent SGI assessments. The external shock of the pandemic has been weathered well in terms of maintaining democratic, economic and societal stability. By implication, the country's strengths and shortcomings have fundamentally remained unchanged. These strengths include a stable and robust democracy, the efficient rule of law, an excellent system of public education and research, and a competent system of public transportation. The country has high levels of GDP per capita (one of the highest in the OECD) and accumulated wealth, and the natural environment remains ecologically sound. Social and economic policies are pragmatic, solution-oriented and heterodox. In general, compared with citizens in other OECD countries, Swiss citizens support national democracy, show high levels of trust in their government and parliament, and are very satisfied with their lives, and with how national democratic and economic institutions operate. The Swiss government can be commended for maintaining a highly competitive economy, sustainable fiscal position, comparatively sustainable welfare state, and moderate and stagnant income inequality. The flexible labor market has maintained full employment, with high employment rates for both men and women. Youth and long-term unemployment remain low. These outcomes have resulted in an absence of deep social divisions and marginalization (among Swiss citizens).

Notwithstanding these successes, seven notable shortcomings and challenges have persisted.

First, with 48% of exports going to and 66% of imports coming from the European Union (2020), combined with a strong inflow of highly qualified labor from the European Union, Switzerland is far more dependent on the European Union than the European Union is on Switzerland. This relationship is based on bilateral treaties, many of which are conditional on each other. Since 2008, the European Union has requested an institutional framework agreement. By the end of 2018, a draft agreement was produced by the chief negotiators. However, it immediately became clear that this draft would meet with opposition from Switzerland's populist right party as a matter of principle, as well as from the left – in particular the trade unions – who fear the liberalizing effect of the European Union and European Court of Justice, as

well as some other actors who fear the abolishment of state aid to cantonal institutions such as cantonal banks. In response, the government procrastinated, muddled through and vainly attempted to build a sufficient majority to pass the draft agreement. Given the attitudes of Swiss citizens toward European integration, most politicians are likely to lose support and votes if they take a clear position on European issues. In May 2021, the government decided to terminate its efforts to reach a framework agreement. However, the government does not have a viable plan B for the future, and lacks a clear strategy on how to build broad consensus around domestically acceptable offers and concessions in return for a working system of bilateral agreements with the European Union. The European Union, which is grappling with internal problems and centrifugal developments, is not willing to offer any major new concessions to Switzerland and has already introduced some penalties. If no solution is found, the system of bilateral agreements between Switzerland and the European Union will erode. It is likely that the Swiss economy will seriously suffer as a result of negotiations with the European Union stalling on various points, including Switzerland's integration into the European electricity market, technical standards for medical products, and research cooperation between Switzerland and the European Union.

Second, although the welfare state is sustainable, the pension system must cope with demographic challenges, and issues of equality and poverty in later age. While increasing the age of retirement beyond 65 seems unachievable given the constraints imposed by direct democracy as well as the reality of the labor market, there are possibilities for reforming the three-pillar pension system (basic pension, occupational pension and tax-deductible savings for retirement). After a major reform was rejected in a popular vote in September 2017, employers and trade unions found a compromise that mitigates the immediate problems in the second (and most important) pension pillar. However, this would have been a short-term solution, which would arguably have shifted costs to future generations. In the fall of 2021, a parliamentary majority decided on separate reforms of the first and second pillars. In both, the reforms did not grant the concessions asked for by the trade unions and the political left, and opted to discontinue the compromise found between the social partners. Consequently, the left opposes the reform, meaning that the reforms may very well be rejected in a popular vote. In this case, due to the lack of successful concertation between the major interest organizations and parliament in a second major policy field, Switzerland will likely be unable to cope with the inescapable challenge of policy change.

Third, climate policy is a crucial policy field in which Switzerland has failed to make significant progress. With the ratification of the Paris Agreement on 6 October 2017, Switzerland has made an international commitment to halve its

greenhouse gas emissions by 2030 and by 35% on average over the period 2021–2030 compared to 1990. Responding to an initiative (with an expected popular vote in 2023) requesting that from 2050, no more fossil fuels will be marketed in Switzerland (the so-called Glacier Initiative), the government proposed that Switzerland will achieve net zero greenhouse gas emissions by 2050. However, a major element of this strategy – an encompassing CO2 law – was rejected in a popular vote in 2021. Consequently, the government proposed a very much watered-down CO2 law, which avoids any new levies on CO2. As a result, it is highly questionable whether Switzerland will achieve its ambitious goals.

Fourth, while former SGI country reviews have pointed to a strong increase in polarization in Swiss politics, this process has arguably not accelerated further over the past two years. This may be due to the overarching topic of the pandemic, but it may also be due to the receding salience of the issue of foreigners and identity. The major right-populist party (the Swiss People's Party) recently opted for a new topic – the city-rural divide – which up until now has not mobilized support as much as the divide between “us” and “them” (i.e., the topic of foreigners). However, stagnant or even receding polarization has not prevented the convergence of Switzerland's political system toward the continental pattern of non-majoritarian politics. Former extreme characteristics of consociational democracy and liberal corporatism are significantly abraded.

Fifth, as in previous years, Swiss democracy is strongly supported by citizens who – in a comparative perspective – have a particularly high level of trust in the institutions and actors of the political system. The system of direct democracy succeeds in giving citizens the feeling that they have a say in government policies. This system is one of the major reasons why Swiss citizens are far more satisfied with the way democracy works in their country than their European neighbors. Recent research found in particular “that direct democracy is not generally related to more satisfied people but rather closes the ‘satisfaction-gap’ between electoral winners and losers” (Leemann and Stadelmann 2022). The system of direct democracy, however, also demonstrates serious shortcomings. Among them is the likelihood that voters approve constitutional amendments which cannot be implemented on legal or economic grounds, or block reform, even when the need for change is urgent. Another problem related to democracy and civil rights is the adoption in 2021 of the Federal Act on Police Measures to Combat Terrorism, which represents a threat to civil rights in Switzerland. This is because the definition of what a terrorist is remains open and because the act allows the federal police to issue, outside of any judicial decision, several preventive measures, including the ability to make home arrests, which contravene various international treaties.

Sixth, in the past, Swiss tax policy has offered generous tax deals and tax advantages to foreign firms that are located in Switzerland. This has provoked criticism from the OECD and European Union. Swiss authorities found very pragmatic and heterodox solutions to the problem of simultaneously playing by international rules and maintaining a competitive business tax system. Recently, the federal government agreed with the OECD country group to set the minimum rate of tax on the profits of international firms at 15% and a temporary ordinance should facilitate its implementation by 2024. This decision was not free of public debate. While the finance minister suggested that the problem could be dealt with by investing the revenues due to the higher taxes into firm-friendly infrastructure, economists suggested subsidizing wages or research efforts, or lowering tax rates for natural persons (NZZ 19 January 2022). This debate illustrates the highly heterodox approach of Swiss fiscal and economic policy.

Seventh, policymaking during the pandemic was strongly influenced both by political pressure groups (e.g., by the interest organizations of restaurants and hotels) and corporatist cooperation in the field of designing appropriate measures in the socioeconomic field (e.g., prolongation of short-term work regulation). As previously reported, organized interests are key in Swiss policymaking, but more and more pluralist political pressure groups, as well as political activities organized by increasingly important citizen groups, are layered onto the former neo-corporatist system.

Citation:

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Key Challenges

Over the past two years, the political system's inability to respond quickly and effectively to challenges has become a prominent concern. Four cases of delayed responses stand out. First, the failure to respond quickly to the second wave of the pandemic in the fall of 2020. Second, the stalemate in finding a response to the European Union's demand for a solid institutional basis for bilateral relations. Third, the failure to push through a CO₂ reform in a referendum, even though this law is a prerequisite for achieving the country's goal of reducing greenhouse gas emissions. Fourth, the stalling of the pension system reform process. At the end of the review period, evidence is

accumulating that in this policy field the political system is not able to overcome gridlock. Slowness has been a characteristic of Swiss politics for more than a century. This disadvantage has been compensated, as shown by various empirical studies, by the quality of the solutions found, especially in terms of efficiency and sustainability based on broad societal consensus, and on well thought-out policy designs. However, the more socioeconomic processes accelerate (i.e., not only that things change, but that changes occur at an increasing rate), the greater the burden slowness may become. Three institutional impediments to quick policy responses can be highlighted.

First, direct democracy has an inherent reform-aversion tendency in case of referendums, that is if citizens vote on a bill accepted by parliament. Besides a “no” heuristic (i.e., rejecting something one is unsure of or knows very little about), opposition from various sides of the political spectrum can be relatively easily mobilized by interest groups and political parties. A case in point has been the rejection of the CO₂ law, which was defeated following the mobilization of homeowners, car drivers and citizens in rural areas, among others. Direct democracy is highly valued by Swiss citizens and political parties. It is considered to be the core DNA of the country’s political system. Therefore, institutional reform that makes direct democracy compatible with swift problem solution is arguably politically infeasible.

Second, historically Swiss federalism differs from the “unitarian federalism” of neighboring Germany, as it gives cantons considerable and autonomous powers in policymaking (including taxation), and allows for variations in living conditions. This “dual model” in which federation and cantons have clearly separate tasks for which they carry sole responsibility has been significantly modified over time. This has brought Swiss federalism ever closer to the German model, which is well-known for its tendency for policy-gridlock. In particular, during the pandemic, cantonal and federal healthcare policies were strongly interlinked, which could be a major explanatory factor for the poor policy-outcomes during the second wave. While some experts support further “interlocking” and hence mimicking of the German system, others support a return to the “dual model.” Although institutional reform of federalism is politically difficult, proponents of the dual model may be encouraged by the direction of federal reforms in 2008. Hence, the so-called Germanification of Swiss federalism is not inevitable.

Third, Swiss corporatism has been effective, with social partners designing policies in their fields, and efficiently sidelining parliament and party politics. This came, of course, at the price of the transparency and the jurisdiction of institutions and actors of representative democracy. In recent decades, the parliament and federal administration have increasingly gained power in the

policy process due to external changes, interest organizations of capital and labor have lost influence and resources, political pressure groups have been layered onto the old corporatist system and new actors – such as citizen groups (e.g., the WWF) – have successfully gained access to the political system. In addition, media increasingly investigated previously opaque policy processes. Given the complexity of the Swiss political system and its vulnerability to gridlock, preserving or substituting the advantageous aspects of Swiss corporatism may be a major institutional challenge.

In addition to these institutional impediments to swift policy responses, two continuing challenges are to be noted.

First, there remains a disconnect between Swiss identity and reality. On the one hand, foreign workers and other migrants comprise a large proportion of the population. On the other hand, policymakers are struggling to implement popular referendums, navigating between “responsive” (i.e., implementing voters’ preferences) and “responsible” (i.e., furthering the common good under conditions of constrained choices) execution.

Minimizing internal political conflicts fueled by migration is challenging. The share of foreigners within Switzerland’s population is among the highest in the world. Immigration has stimulated economic growth. To sustain the high economic growth rate, it will be essential that the country continues to recruit labor from abroad. An extraordinarily high proportion of elite positions in the economy and higher education are staffed by foreign workers. Foreigners are also younger than the average Swiss citizen. Consequently, they contribute far more to the Swiss pension system than they receive. Hence, they subsidize the Swiss pension system and contribute significantly to its sustainability. Nevertheless, immigration has prompted considerable concern among Swiss voters about house prices, jobs, the use of infrastructure (e.g., roads and public transportation) and national identity. Today, the SVP is among the strongest right-wing populist parties in Europe in terms of votes, representation in government and success in referendums. Notably, this political strength cannot be primarily attributed to xenophobia. At least in international comparison, Switzerland and some of the Nordic countries show a relatively low level of xenophobia. Even so, the SVP has been extremely successful in mobilizing xenophobic elements within the population. Nonetheless, the results of the 2019 general election suggest that the rise of right-wing populist movements in Switzerland has reached a limit of sorts.

A second challenge in recent years has been the growing number of popular initiatives that have been approved by voters, but which have been only partially implemented or not implemented at all. This failure to implement

constitutional amendments derived from popular initiatives is not entirely new. Historical examples of provisions left unimplemented include the prohibition on absinth (1908) and the ban on gambling houses (1920–1921). Notwithstanding, these precedents are few and advocates of these initiatives were not in the political center. By contrast, the number of successful nativist-driven initiatives has grown in recent years and their advocates (e.g., SVP and related organizations) are politically powerful. Several recent initiatives remain only partially implemented because full implementation would violate international law, international treaties or economic norms. This has put the administration in a difficult position. Full implementation would violate international or economic norms, but partial implementation gives rise to accusations among right-wing politicians that the “will of the people” is not being respected. In order to mitigate the conflict between “responsive” and “responsible” government, political elites must effectively communicate that the Swiss nation – as all consolidated democracies – is at best semi-sovereign and that there are strict limitations on what the public can decide upon. Such a communication strategy, however, would clash with the self-image of the Swiss, who are immensely proud of their (perceived) independence and sovereignty.

Party Polarization

While party polarization has increased since the early 1990s, although arguably it has not increased further in the past two years. Major reform processes – in particular with regard to adaptation to external constraints – have been stalled or made very difficult as a consequence of party polarization. The results of the national election of October 2019 did not change much in the total share of the polar parties (Swiss People’s Party and Lega on the right; Social Democrats, Greens and the Swiss Party of Labor on the left) in the National Council (123 of 200 seats). However, there was a considerable shift to the left, which achieved in 2019 35% of parliamentary seats in the National Council as compared to 28% in 2015, while the right went from holding 34% of seats in the National Council in 2015 to only 27% of seats in 2019. Given the high stability of Swiss politics, this marked an extraordinary change. (Score: 4)

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 8

The Swiss economy is one of the most competitive economies in the world, according to rankings by the World Economic Forum (Schwab/Zah 2020) and the Lausanne based Management School (IMD, Lausanne, 2021). Switzerland has the third-highest GDP per capita (PPP), one of the highest employment rates and one of the lowest unemployment rates in the OECD (2020). This economic success story is correlated with an excellent system of public education, which includes an efficient vocational training system that also allows for students to transition into tertiary education; an expensive, but functional public healthcare system; a welfare state that provides benefits in case of unemployment, sickness, retirement and invalidity, as well as some poverty protection. The economy benefits from a social partnership, with state and employers as the main axis, while trade unions are junior partners in the system. In addition, the economic system has proven to be very resilient over recent years as well as during the pandemic.

However, productivity growth (GDP growth per capita) remains low, which is partially due to the dual structure of the Swiss economy. On the one hand, a highly competitive and innovative export industry. On the other hand, relatively sheltered domestic industries, where most employees find a job (Eberli et al. 2016; Müller 2019; OECD 2019). Finally, tourism plays a limited, but growing role in overall employment (4%). However, tourism's contribution to gross value added was hit hard by the pandemic (3% before the pandemic, 2% in 2020). An important industry, particularly in the mountainous regions, tourism suffered from declining international demand during the pandemic (BfS 2020). In addition, critics note that most of the increase in domestic product is not due to higher productivity, but rather to the increasing volume of hours worked, which is at least partially a result of population growth (1% per year, mostly due to immigration).

The success of the Swiss economy is due to a number of factors. At the core of this success is the highly pragmatic and heterodox economic policy pursued at the federal and cantonal levels, with a tradition of successful “muddling through” (Armingeon 2017; Emmenegger 2021). In contrast to textbook economics, public policy does not care much about principles, except principles that move the economy forward and create a favorable politico-institutional context for economic development.

The major elements of the Swiss heterodox policy regime are protectionism, the social partnership, export-driven growth and sheltered domestic industries, a lean state and prudent fiscal policy, and hesitant active industrial policymaking.

Protectionism: Throughout the 20th century, Switzerland maintained a highly protectionist policy regime, which allowed for cartels and monopolies. The main beneficiaries of the policy regime were farmers, who were protected from global competition by high tariffs and strict non-tariff barriers, as well as small- and medium-sized businesses and service providers that produced for the domestic market. Collusive pricing was tolerated, while competition between providers and producers was limited by the diversity of cantonal regulations.

This policy of protectionism – which increasingly produced negative economic and environmental side effects – has lessened considerably since the mid-1990s due to a deliberate strategy of market liberalization, which reduced the influence of special interest groups, in particular agriculture. (Sciarini 1994).

Social partnership: Employers’ organizations and trade unions cooperate and coordinate with governments on the federal and cantonal levels, although this has varied over time (Armingeon 2011; Mach et al. 2020). This relieved the cantonal and federal states in many respects, such as mobilizing expertise, and designing and implementing labor policies. Historically, the federal government subsidized central interest organizations of capital, labor and agriculture in return for providing information and statistics, which the lean federal bureaucracy could not collect itself (Gruner 1954, 1956, 1959).

Export-driven growth and sheltered domestic industries: Like many other small nations, Switzerland opted for export-driven economic growth (Katzenstein 1985). With very few exceptions, Switzerland’s current account balance has been positive since the 1970s, implying that exports exceed imports. Until 2015, the Swiss current account balance (percentage of GDP)

usually exceeded that of export-oriented Germany. In the second quarter of 2021, the balance was 5% of GDP, while Germany recorded 8% of GDP (OECD 2022). Switzerland's main export industries are the chemical, pharmaceutical and metal industries (e.g., machines and watches). A considerable share of recent economic growth is therefore export-driven, meaning that Switzerland very dependent on export markets. However, most employees work in firms that produce for the domestic market and these domestic industries have been largely sheltered from international pressures.

A lean state that is hesitant to actively intervene in the economy, and a prudent fiscal policy that supports price stability and low debt levels: The government levies low taxes on both labor and capital, which produces relatively small tax wedges. In January 2022, the Federal Ministry of Finance reported that the tax burden at the cantonal and municipal level fell for the eighth year in a row (EFD 2022). In addition, the state generally does not intervene significantly in the business cycle. Rather, it has traditionally pursued a prudent and largely procyclical fiscal policy. The major anti-cyclical effects of public policy are due to the automatic stabilizers (in particular unemployment insurance). During the pandemic, cantonal and federal administrations provided credits to industries, which created significant anti-cyclical demand. In addition, the federal administration maintained and even expanded automatic stabilizers. For example, the federal administration supported the labor market through generous short-time work allowances and prolonged the period during which unemployment compensation could be requested. Responsibility for price stability is left to the independent National Bank, which is tasked with maintaining price stability as a primary goal, and has the tools of monetary and interest-rate policy at its disposal.

Hesitant to pursue active industrial policies: Rather than actively influencing the structure of industry, the government has restricted itself to facilitating the modernization of industries by creating favorable conditions for economic activity. In the financial industry, Switzerland has improved its surveillance of banks and set prudential banking regulations since the onset of the Great Recession in 2008.

The Switzerland's economic policy regime has changed somewhat in recent years due to international pressure for liberalization, EU pressure to adopt European Single Market rules, rising tensions within the policy regime, Switzerland's rocky relationship with the European Union, and the fact that the country's welfare state is based on economic growth and immigration.

International pressure for liberalization: In general, decision-makers have pursued a very pragmatic and heterodox economic policy approach, and

shown themselves willing to disregard liberal norms of policymaking if the need arises. This policy regime, which has been both liberal and protectionist, has come under pressure due to globalization and the increasing importance of international organizations, such as the WTO. Given its reliance on the export of goods and services, Switzerland has had to acquiesce to liberalization.

EU pressure to adopt European Single Market rules: Liberalization has been accelerated by bilateral treaties with the European Union. Almost all new economic policies have followed EU standards. As a consequence of globalization and Europeanization, most sectors increasingly liberalized, particularly between the mid-1990s and 2005. Agriculture offers a major case in point, though Switzerland's agricultural sector remains one of the most subsidized in Europe.

Rising tensions within the policy regime: As a result of liberalization, one of the drivers of Switzerland's postwar economic success – the complementarity of protected domestic-oriented industries and liberal export-oriented industries – has been weakened. The increase in tensions between the export- and domestic-oriented sectors has generally not resulted in open conflict. These developments have, however, increasingly undermined the country's system of interest representation and the corporatist structure of interest intermediation. Interest organizations, in particular employers' groups, have lost support and their members have increasingly turned to lobbying at the level of the individual firm.

Switzerland's rocky relationship with the European Union: Switzerland has not yet determined its long-term relationship with the European Union. While its export-oriented economy is heavily dependent on the European Single Market and hence has to obey its rules, the majority of Swiss citizens and politicians insist on national sovereignty. In this regard the bilateral arrangement with the European Union faces major challenges. The European Union has requested new institutional structures to complement and support the bilateral relationship. It argues that the implementation and updating of bilateral agreements has become too costly as a result of delays generated by domestic conflicts. Specifically, the European Union has insisted on the creation of independent authorities to settle disputes as well as mechanisms for updating bilateral agreements without having to resort to full-scale renegotiations. In November 2018, the negotiators on both sides finished their draft of an institutional agreement. However, it turned out that there is no majority for this agreement in parliament. In May 2021, the Federal Council declined to accept this draft agreement. The European Union retaliated by cancelling research cooperation, cutting Swiss exports of medical products to the European Union and withdrawing its recognition of the Swiss stock market

equivalence. In addition, negotiations to update current and future bilateral agreements (e.g., in the field of electricity markets) have basically stalled, except these updates are in the obvious interests of the European Union. Given the country's close integration with the European Single Market, which accounts for 48% of Swiss exports and 66% of imports (2020), Switzerland is highly dependent on a well-functioning relationship with its much larger economic partner. In contrast, the European Union is much less dependent on Switzerland.

A welfare state that is based on economic growth and immigration: Broadly perceived as a laggard in the development of its welfare state, Switzerland caught up in the postwar period. Today it has a mature and generous welfare state. In a time of demographic change, this welfare state will only remain sustainable through high rates of economic growth. It is far from clear whether these high rates of growth will be realized in the future, in particular if the inflow of foreign labor from and trade with the European Union is constrained.

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Labor Markets

Labor Market
Policy
Score: 9

The Swiss labor market is very liberal, which translates into a high degree of flexibility in terms of hiring and firing. Trade unions and their representatives or allies on the firm level also have no legal ability to interfere with employers' human-resources decisions (in contrast to Germany), and there is no minimum wage. Swiss voters rejected the establishment of a minimum wage in 2014. A particularity of the Swiss labor market is the large share of foreign workers. Foreigners comprise 27% of the labor force (2020), with an even higher share in dependent employment.

Although the “golden age” of containing unemployment by managing the flow of labor from other countries is past, the achievements of Swiss labor market policy remain remarkable. Despite the pandemic, the unemployment rate stood at 3% in 2021. Youth unemployment (i.e., unemployment among 15 to 24 year olds) is even lower than the overall unemployment rate (2.5% in 2021). The share of long-term (i.e., more than 12 months) unemployed persons in total unemployment has increased from around 15% before the pandemic to 23% in 2021.

In the third quarter of 2021, the employment rate (the ratio of employed to the working-age population) stood at 80%, which was the third highest in Europe (behind Iceland and the Netherlands) (OECD 2022a). In addition, the overall employment rate of women has increased dramatically in recent decades. In 2021, Switzerland had a female employment rate of 76%. In the OECD, only Iceland and the Netherlands report a higher female employment rate. Likewise, Switzerland was successful in keeping older age groups in

employment, avoiding major exits due to early retirement. A report on the effects of the free movement of labor between the European Union and Switzerland found that in general strong immigration from the European Union did not endanger the employment prospects of domestic workers. Most EU immigrants from northern, western and eastern Europe are highly skilled, with two-thirds having finished tertiary education compared to 37% of Swiss citizens. (Observatorium zum Freizügigkeitsabkommen Schweiz-EU 2019). During the pandemic, it became obvious that the Swiss healthcare sector critically depends on the immigration of healthcare professionals from EU member states (Observatorium zum Freizügigkeitsabkommen Schweiz-EU 2021). There is a very strong bimodal distribution of foreign labor by education. The share of immigrants with tertiary and very low educational achievement is far higher than in the Swiss labor force. The recent increase in the immigration of highly qualified labor from the European Union is dramatic.

Nevertheless, several major challenges are evident. The high employment rate is due to a particularly high share of part-time work. In 2020, about 11% of employed men and 44% of employed women worked part-time (i.e., less than 30 hours a week). Only the Netherlands has a higher rate of female part-time employment (OECD 2022b). Unemployment rates are highest among low-skilled foreign workers. Also, there remains considerable wage inequality between men and women. The median wage of female workers is 88% (2016) of their male counterparts. Some studies arrive at the conclusion that only 57% of this difference is due to objective aspects such as education.

Highly skilled workers from EU member states pose few challenges for Swiss labor market policy, particularly since these employees are quite likely to return to their native country after a period of employment in Switzerland. In contrast, low-skilled foreign workers tend to stay in the country even if they become unemployed.

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Taxes

Tax Policy
 Score: 8

The Swiss tax ratio is significantly below the OECD average, and tax rates, particularly for business, are moderate. Tax burdens are declining (EFD 2022). Taxation policies are competitive and generate sufficient public revenues. Nonetheless, it is important to note that due to the principle of federalism, tax rates can differ substantially between regions, as individual cantons and local communities have the power to set regional tax levels.

It should be noted that Switzerland's apparently small government revenue as a percent of GDP can be attributed in part to the way in which the statistics are calculated. Contributions to the occupational pension system (the so-called second pillar) and the health insurance program – which are non-state organizations – are excluded from government revenue calculations. The share of government revenue as a percent of GDP would be about ten percentage points higher if contributions to these two programs were included. This would bring Switzerland up to the OECD average in terms of public revenue.

Tax policy does not impede competitiveness. Switzerland ranks at the top of competitiveness indexes, and given its low level of taxation is highly attractive for corporate and personal taxpayers both domestically and internationally. Tax policy has contributed to a balance between revenues and expenditures.

The country's tax policy has come under scrutiny from the OECD and European Union for treating domestic and some international firms differently on the cantonal level. These international firms have their regional headquarters in Switzerland – employing more than 150,000 and contributing substantially to tax revenue – but do most of their business abroad. Examples includes Accor, Hewlett Packard, Philip Morris, C&A, Google and eBay. In response to the scrutiny, the federal government introduced a reform of

corporate-taxation policy. This first reform proposal failed in a popular vote in 2017. A large share of survey respondents attributed its failure to the sense that the reform was biased in favor of large enterprises and “the rich.” In 2017, a quid pro quo was agreed to. The tax reductions of the original reform proposal have been largely retained. In order to win the support of politicians on the political left, contributions to the first pillar of the pension system (AHV) will be increased by the same amount as taxes are reduced for firms. These additional resources for the AHV will be generated through increased contributions from the federal state as well as from increased social security contributions from employers and workers. This compensation deal was accepted by popular vote in May 2019.

Another major tax issue with constitutional implications involve tax rates for married couples which, under certain circumstances, may be higher than those of unmarried couples. A popular vote for a reform of this issue in 2017 failed by a narrow margin, possibly as a result of erroneous information provided by the federal government regarding the number of persons affected. An April 2019 ruling by the Federal Supreme Court abrogated the outcome of the 2017 referendum. This marks the first time in Switzerland’s history that a popular vote was annulled by the Federal Supreme Court. The fact that specific cantons attract certain companies and wealthy foreigners by offering them preferential tax advantages is another instance of differential treatment in tax policy.

In 2021, the Swiss government agreed to cooperate with the OECD’s Inclusive Framework, which involves implementing the global minimum tax of 15% with regard to major international firms. The Swiss finance minister joined forces with other countries to keep these minimum taxes as low as possible, stating that this tax may be bearable if Switzerland successfully pursues compensatory strategies. Parliament will discuss legislation in 2023 that will be subject to popular vote most likely in 2024 (NZZ 15 October 2021).

Tax policy has been used as a leverage in environmental policy. Among OECD countries, Switzerland comes closest to aligning its pricing of CO₂ emissions with international climate cost benchmarks and is making further improvements in this area. After the first chamber of parliament failed to draft new and efficient CO₂ legislation in December 2018, the second chamber drafted a far-reaching law in the fall of 2019. This draft law was enacted in December 2019. However, it did not survive a popular vote in 2021. This means that, at the time of writing, a major attempt to use tax policy for environmental purposes has failed. The government proposed a new law in December 2021, substantially watering down the failed CO₂ law and renouncing any new attempts to tax on CO₂ emissions.

In its most recent country survey, the OECD suggested reducing direct taxes on low-income individuals as a growth-friendly strategy that would also remove disincentives for second earners. This could be financed by making greater use of value-added tax, recurrent tax on immovable property and environmental taxes. However, there are considerable doubts as to whether these reforms will find a majority in Switzerland (OECD 2019).

A major reform project concerns the abolition of taxes on owner-occupied rental value. For decades, the Homeowners Association sought to eliminate this tax, while retaining as many of the concurrent tax deductions for renovations and debt service as possible. Despite support from some politicians on the political center and right, they failed though. At the time of writing, another reform attempt has been launched. In a complex web of different political forces – cantonal ministries of finance, the political left, craftsmen in the construction sector, banks and insurance companies that issue mortgages, homeowners, and some center-right politicians – the reform may also fail.

In summary, Swiss tax policy provides sufficient financial resources for the country. With minor exceptions, it does not discriminate against economic actors with similar tax-paying abilities, and it strongly promotes the country's competitive position. A major setback for tax policy as environmental policy happened in 2021, when the so-called CO2 law was rejected in a popular vote. Probably even more than in other democracies, tax reforms – which are set separately by municipal, cantonal and federal actors – are very hard to realize, irrespective of whether the policies are in the interest of low- or high-income groups, or in the interest of broadly accepted environmental goals. There is a multitude of decisive actors given that taxes are set separately on the municipal, cantonal and federal level, and given the reform-averse effects of direct democracy.

Citation:

EFD (Eidgenössisches Finanzdepartement) 2022: Medienmitteilung 6. Januar 2022, Bern: EFD.

OECD 2019: OECD Economic Surveys Switzerland, November 2019, Paris: OECD

<https://www.bfs.admin.ch/bfs/de/home/statistiken/oeffentliche-verwaltung-finanzen/ausgaben-schulden.html>

<https://www.efv.admin.ch/efv/de/home/finanzberichterstattung/finanzberichte/staatsrechnung.html>

Budgets

Budgetary Policy
Score: 10

Budgetary policy in Switzerland is fiscally sustainable. According to OECD data, general government gross debt rose from a low 33% of GDP in 1990 to a peak of 58% in 2004, but fell again to 41% in 2019. During the pandemic, debt increased to almost 43% in 2021, but is expected to return to lower levels soon. Structurally adjusted budgets were balanced even during the crisis of 2008 and 2009. During the pandemic, deficits increased temporarily. It must be noted that the Swiss federal state is very slim by international comparison. Only around one-third of state expenditure is spent by the federal government. Since the turn of the century, the federal budget has almost always been in the black or at least balanced, with the government spending less than it has received – excluding 2002 to 2004 and during the pandemic (EFD 2021). Often, the federal budget surplus, as well as those of cantons and most municipalities, has been much better than anticipated.

This fiscal sustainability is mainly due to the political decision to have a low tax load and a lean state. In addition, keeping the public deficit and debt low has been a major concern of politicians at all levels of the political system. Various rules and structures have been developed to avoid the dynamics of expanding budgets. For example, on the federal level, there is the constitutional debt brake (Article 126): “The maximum of the total expenditures which may be budgeted shall be determined by the expected receipts, taking into account the economic situation.” Direct democracy offers another effective means of keeping the budget within limits. In popular votes, people have proven reluctant (compared in particular to members of parliaments when elections are drawing near) to support the expansion of state tasks with a corresponding rise in taxes and/or public debt.

In spite of the country’s very favorable fiscal position, the Federal Council pursues a very prudent fiscal policy. Even taking into account the fact that some individual cantonal and municipal governments do pursue unsustainable budgetary policies, the total (i.e., general government) budgetary policy achievement arguably puts Switzerland in the OECD’s top group in terms of fiscally sustainable national policies. In its recent country survey, the OECD praises Switzerland’s budgetary policy, but it also notes that, in the past, authorities tended to skew policy in ways tighter than intended. It suggests making greater use of available fiscal leverage in order to inter alia improve economic and social outcomes, which includes increased spending on vocational training and social inclusion (OECD 2019: 34-35).

Citation:

IMF 2021: <https://www.imf.org/en/Publications/WEO/weo-database/2021/October>

OECD 2019: Economic Survey Switzerland, November 2019, Paris: OECD

EFD 2021: <https://www.efv.admin.ch/efv/en/home/themen/finanzstatistik/uebersicht-staatsfinanzen.html>

Research, Innovation and Infrastructure

R&I Policy
Score: 7

Switzerland's achievement in terms of innovation is considerable. It spends 3.2% of GDP (2019) on research and development, as compared to the EU average of 2.1% (2019; OECD 2022; BfS 2021). In the period between 2000 and 2017, the growth rate of expenditures on R&D exceeded the growth rate of GDP. Standardized by the number of inhabitants, Switzerland is an international leader in patent applications, with strengths in health technologies and biotechnology. 68% of research spending is corporate spending with the direct aim of economic innovation, an important factor in the country's strong overall competitiveness. With a share of about 29%, public research funding plays a lesser role than in other European countries, but public spending on research is increasing. It depends on five main actors: the cantonal universities, the two federal institutes of technology, the National Science Foundation, the Federal Commission for Technology and Innovation, and the academies of sciences. These actors are independent of each other but cooperate based on complementarity and (limited) competition. The various institutions are highly autonomous, and research policies and processes are driven by bottom-up operations. Thus, Swiss research policy is not centralized, but rather relies on a concept of decentralized innovation with periodic intervention by the federal government. The output of the research system is impressive. The Federal Institutes of Technology Zürich and Lausanne belong to the top-ranked universities in the world, and the universities of Basel, Bern, Geneva and Zürich regularly appear on the list of the 150 best universities worldwide.

In the recent tender for European Research Council grants, Switzerland was the fifth most successful nation along with Italy, winning 28 grants, behind Germany (72), France (53), the United Kingdom (46) and the Netherlands (44).

However, Switzerland was excluded from the European research agreement due to its rejection of a new framework agreement governing the updating of bilateral treaties. As such, successful Swiss researchers will not receive their grant from the European Union, although this will be compensated by Swiss sources (NZZ 12 January 2022). This decision, which was taken in 2021 to exclude Switzerland from the European research program Horizon Europe, represents a major blow to the Swiss research community, which fears not

only the lack of funding but also the inability to access European networks (RTS Info, 26 January 2022). This isolation from the European research community represents a major challenge for Switzerland, which must remain competitive and attractive in terms of research and development in order to continue to attract the international talent on which its universities, federal institutes and industries depend.

A number of other deficits persist, such as coordination among universities and the new universities of applied sciences as well as the weakness in social science and humanities research relative to that conducted in the natural sciences and technologically.

In 2016, the federal government defined its research and innovation goals for the coming four years: increased support for (1) continuing education in vocational training, (2) young academics, (3) training in medicine and (4) innovation. Resources for education, research and innovation should grow by 2% annually.

Citation:

Bundesamt für Statistik 2019: Forschung und Entwicklung in der Schweiz 2017 Finanzen und Personal, Neuchâtel: Bundesamt für Statistik

Bundesamt für Statistik 2021: Forschung und Entwicklung in der Schweiz. <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/forschung-entwicklung.assetdetail.17164247.html>, see also: <https://www.bfs.admin.ch/bfs/de/home/statistiken/bildung-wissenschaft/technologie.html>

OECD 2022: Main Science and Technology Indicators, Paris:OECD

RTS Info: Horizon Europe “Nous vivons les premiers revers,” alerte la recherche. <https://www.rts.ch/info/suisse/12817546-horizon-europe-nous-vivons-les-premiers-revers-alerte-la-recherche.html>

Global Financial System

Stabilizing
Global Financial
System
Score: 8

Switzerland is one of the world's most significant financial markets. Swiss banks such as UBS and Credit Suisse are global financial players. The post-2007 global crisis and the economic problems of UBS in Switzerland – which forced the Swiss government to intervene massively in order to avoid bankruptcy of this major bank in 2008 – triggered banking reforms. The federal government, bankers and international organizations such as the OECD claim that Swiss private and public actors have been active on the global level in reforming the international banking system, in particular in interaction with regulatory bodies in the United Kingdom, United States and European Union.

After the financial crisis of 2007 and 2008, the government introduced measures to deal with the problem of banks being “too big to fail.” Though it remains unclear whether these new rules and institutions will be sufficient in the event of a major crisis, the Swiss approach numbers among the most sound and prudent systems of regulation worldwide. Switzerland proved very active in regulating new financial technologies (distributed-ledger technologies).

In September 2020, parliament passed the distributed-ledger technology (DLT) blanket act, which selectively adapts 10 existing federal laws. In June 2021, the Federal Council brought the Federal Act on the Adaptation of Federal Law to Developments in Distributed Electronic Register Technology into full force. This will allow for innovative DLT trading facilities and increase legal certainty in the event of bankruptcy (Federal Council 2021).

Citation:

Federal Council 2021: Federal Council brings DLT Act fully into force and issues ordinance, <https://www.sif.admin.ch/sif/en/home/documentation/press-releases/medienmitteilungen.msg-id-84035.html>

OECD 2019: Economic Surveys. Switzerland, November 2019, Paris: OECD

II. Social Policies

Education

Education Policy
Score: 8

Switzerland’s education system is strongly influenced by the country’s federal and decentralized structure, as education policy falls under the jurisdiction of the cantons and municipalities. The system provides a high-quality education. The university system performs very well, as is the case in many other small and open European countries. Vocational training is very solid and seems to be one of the most important factors in the low levels of unemployment, particularly among younger people. Two out of three young people undertake basic occupational training. The state plays an active role in orchestrating the vocational training system (Busemeyer et al. 2022, see in particular the section on Switzerland). The permeability of vocational and tertiary education has improved in comparison to other countries. During the past 20 years, Switzerland experienced very strong growth in tertiary education. The number of students enrolled at the tertiary level (universities, universities of applied sciences and professional education institutions) more than tripled between 1999/2000 and 2020/21. This is chiefly due to a growth in colleges of education and universities of applied sciences, which were institutionalized in 1998. Students with vocational training can acquire a diploma to enter these

universities of applied sciences either during their training or through a special one-year course after they have finished their apprenticeship. In 2017/2018, almost a fifth of all students were at the tertiary level (compared to 11% in 1999/2000). For the educational year of 2020/21, 61% of all students in tertiary education attended universities, 31% attended universities of applied sciences and 8% professional education institutions. While only 50% of those entitled to attend universities of applied sciences did so in 2000, this share increased to 64% by 2017. The share of female students in tertiary education increased from 39% in 1990 to 52% by 2020/21. In 2019, 41% of the population had completed tertiary education; in 2000, this figure was at 26%.

While women and – with some exceptions – persons from peripheral regions have equal access to higher education, the Swiss education system continues to discriminate at all levels against students from families with low social status. There is no empirical evidence that the education system discriminates against foreigners born in the country. Their lower success rates can be explained as a special case of discrimination against students from families with low social status.

Higher education in Switzerland is affected by the federal system. Whereas cantons such as Geneva, Basel-City and Ticino have followed international trends favoring general qualifications for university entrance, other cantons and in particular the German-speaking parts of the country, have focused on a split system of university and vocational education. Thus, in the canton of Geneva 34% of the respective age group acquire the matura, a secondary school exit diploma, which allows them to go directly to a university or university of applied sciences. In contrast, in the canton of Uri, only 13% gain direct access to a university or university of applied sciences (2019). However, the effect of this “federal” discrimination is somewhat reduced by permeability within the school and university systems.

The vocational-training system also offers considerable career prospects. Men with vocational training in particular have similarly high employment rates over the course of their working life as do men with tertiary education. However, there is a significant difference in earnings. At the age of 50, the median annual earnings of a male academic is about CHF 125,000, in contrast to about CHF 80,000 for a male worker with vocational training. Average figures indicate that workers with vocational education earn about 60% of that earned by a worker with a university degree (Korber and Oesch, 2016; BASS 2017).

With regard to digital skills, 43% of the population possess digital skills, according to Eurostat and the OECD. Switzerland lags top performing

countries, such as the Netherlands and Norway (around 50%), but is ahead of neighboring countries (Austria 36%, Germany 37% and France 29%) (OECD 2019). Given the competencies of cantons, national plans and policies for digital education are limited. A study by the European Commission showed that learning outcomes on all three school levels target six out of eight basic areas of digital competence. This is fewer than in the highest performing countries (e.g., Estonia), almost equal to neighboring Austria, and slightly more than in Germany and Italy (European Commission 2019: 43).

Resource allocation within the educational system appears to be very efficient. In general, the quality of the Swiss education system is outstanding. However, given the strong impact of parents' social status on access to higher education, there are questions about overall equity in terms of access.

Citation:

<https://www.bfs.admin.ch/bfs/de/home/statistiken/bildung-wissenschaft/bildungsindikatoren/themen/bildungserfolg/maturitaetsquote.assetdetail.19305671.html>

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EU Commission 2019: European Commission/EACEA/Eurydice, 2019. Digital Education at School in Europe. Eurydice Report. Luxembourg: Publications Office of the European Union.

Korber, M. & Oesch, D. 2016: Berufslehre bietet bessere Lohnaussichten für Männer, Die Volkswirtschaft, Nov. 2016, 44-47.

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Social Inclusion

Social Inclusion
Policy
Score: 8

In contrast to many Western European countries, Switzerland has recorded no major increase in income inequality over the past 20 years. Life satisfaction is very high and the share of working poor in the population is comparatively small. This is due to an effective system of social assistance, including a complex but comprehensive pension system, unemployment and disability insurance, as well as social assistance. But even though the country has been

comparatively successful at preventing poverty, with poverty rates falling under 6% in 2013, poverty rates have increased again since 2014, exceeding 8% in 2019. Single parents, foreigners, people with a lower level of educational attainment and people over 65 are most at risk of poverty.

Despite a comprehensive pension system, which combines a pay-as-you-go with two different capital funded systems, it is not uncommon for people to fall into poverty after retirement, especially for foreigners, women and people who belonged to low-incomes groups during their working lives.

The main social insurance programs regulated on the federal level (addressing sickness, unemployment, accidents and old age) work effectively, are comparatively sustainable and provide a generous level of benefits. Social assistance is means-tested, consequently some stigma is attached to its receipt.

Despite a slow but progressive narrowing of gender inequalities, gender inequality remains a significant issue in Switzerland. Although the long-term effects of the pandemic cannot be measured yet, initial findings suggest that the pandemic may be contributing to an increase in gender inequalities in Switzerland. For example, it appears that school closures and other measures placed greater burden on women than men.

The transition to a knowledge-based service economy entails new social risks. These will be faced most by workers unable to cope with the challenges of this new economy. These vulnerable workers include young people who lack either the cognitive or psychological resources to obtain sufficient training and begin a career, single mothers who are unable to finish vocational training, highly skilled female employees who cannot reconcile work and family, and persons (typically women) who must care for elderly relatives. Like most continental welfare states, Switzerland has not sufficiently reformed the welfare system to address the challenges of a service-based economy. There is, however, considerable variance between local communities in the degree to which they address these challenges.

Tensions between Swiss citizens and foreigners over the benefits provided by the welfare state, as well as their financing, are strong. In 2021, the unemployment rate of foreign workers was 2.5 times higher than the unemployment rate of Swiss workers. Remarkably, this was about the same share as one year before. The share of recipients of social assistance was 2.1% for Swiss nationals and 6.2% for foreign nationals in 2020 (BSV 2020). The share of social assistance recipients varies strongly by national origin. It is highest among non-EU citizens. On average, EU/EFTA citizens have a slightly higher share (2.9%) than Swiss citizens (2.2%), while non-EU foreigners rely

more heavily on social assistance (16.3%) (EDI/BSV 2020). It should be noted that unemployment and poverty is most pronounced among low-skilled workers, where immigrants are over-represented. At the same time, highly skilled foreign employees subsidize the Swiss welfare state, which benefits low-skilled foreign workers and middle-class Swiss workers. For example, in 2020, citizens from EU/EFTA countries paid 27% of all contributions to the first pillar of the pension system (AHV), while they received only 16% of all AHV spending (EDI/BSV 2017; Observatorium 2021: 34).

The Disability Insurance (DI), which enables Swiss workers to receive a minimum income in the event of loss of capacity to perform work, was at the center of many reforms in the 2000s. The main aim of these reforms is to encourage the professional reintegration of the persons concerned and to avoid as far as possible the granting of new pensions, or to see pensions as only a temporary bridge leading to a final reinsertion (BSV 2011). These investments, which were made to support the reintegration into the labor market, suggest that the participation and inclusion of this traditionally marginalized and precarious population will improve. However, a number of factors have cultivated a climate of mistrust and fear among the population and within institutions. For example, the number of new pensions being granted is decreasing; insecurity regarding these pensions, which are now largely granted on a transitional basis, is growing; outcomes regarding one's ability to return to the labor market once the reintegration measures have been completed are uncertain; and there is an intense battle against alleged fraudsters ("Scheininvalidität") All in all, this situation is not conducive to mitigating the marginalization of those subject to precariousness (Hassler 2016).

EDI/BSV (Bundesamt für Sozialversicherungen), 2017: Faktenblatt – Auswirkungen der Personenfreizügigkeit EU/EFTA auf Sozialversicherungen und Sozialhilfe, available at: <http://www.bsv.admin.ch/themen/internationales/aktuell/index.html?lang=de>

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Health

Health Policy
Score: 8

Healthcare in Switzerland is said to be qualitatively excellent. According to the OECD, its healthcare system is among the best in the OECD, but also one of the most expensive (OECD 2022). Mandatory health insurance ensures that the total population is covered. However, care is expensive. Health-insurance premiums (at constant prices) have nearly doubled over the past 20 years. Cost efficiency is a major problem, in particular with regard to the organization of hospitals and the price of pharmaceuticals.

Health insurance is managed according to a very liberal formula. Premiums for health insurance do not depend on income, and premiums do not take into account the number of family members. Hence, insurance must be bought for each member of the family, although premiums are reduced for children. In recent years, this liberal model has been modified through the provision of subsidies for low-wage earners and their families. These subsidies vary by canton, and policy change is frequent. In general, healthcare reforms have not been particularly successful in terms of improving efficiency or controlling the structural rise in health expenditures. In 2019, health expenditure was equal to 11% of GDP, compared to 17% in the United States and 13% in Germany (OECD 2022). In 2018, the healthcare system was financed by the public sector (29%), by health insurance, which is organized as private mutual funds (37%), by other (private) health insurance (9%) and by patient self-payments (26%) (BfS 2020b). These self-payments are very high by international comparison. According to a 2011 OECD report, “Switzerland has among the highest percentage of out-of-pocket costs as a share of health expenditure in the OECD” (OECD 2011: 35). Drawing on several studies, the federal government reported that the proportion of people who forego medical services for cost reasons is in the range of 10-20% of the population. According to a report by the OBSAN, the proportion of the population that has given up going to the doctor because of cost-related reasons rose sharply between 2010 and 2016, and is most marked in the 18 to 45 age group, with an increase of around 15% (Merçay 2016). The proportion of those who would forego necessary services is in the lower single-digit percentage range, although it is very difficult to define “necessary treatments” (Bundesrat 2017: 22-26).

Healthcare insurance is provided by a large number of competing mutual funds (non-profit insurance programs), all of which are required to offer the same benefits. Hence, there is no competition in the area of benefits, but only in the field of premiums, which is largely a function of administrative costs

and membership structure. Considerable discussion has focused on whether this competitive market structure should be replaced by a single insurance company. In 2014, voters decided in a popular vote to retain the present system. Currently, a number of attempts to curb the large increase in health expenditures are meeting stiff resistance from vested interests, such as doctors, hospitals or health-insurance funds.

The pandemic revealed some existing tensions regarding the issue of hospital care and in particular the shortage of medical staff working in hospitals, which led to the overloading of staff or delays to non-urgent procedures and interventions. In this context, voters accepted an initiative that modified the constitution in 2021. The initiative states, “The Confederation and the cantons recognize and promote care as an important part of healthcare and ensure that sufficient, high-quality care is available to all. They shall ensure that a sufficient number of qualified nurses are available to meet the increasing demand and that the persons working in nursing are trained and qualified in accordance with their training and skills are deployed in accordance with their training and skills.”

Another aspect of the Swiss healthcare system is the decentralization of health policy, which is basically a cantonal responsibility. By implication, Switzerland has 26 different healthcare systems, which are only marginally coordinated. This could be an asset, if all of these healthcare administrations react appropriately, swiftly and professionally to challenges such as the recent pandemic, which showed regional variation in depth and development. However, it could also be a major vulnerability, if some of these healthcare administrations fail to cope with the challenges due to political reasons or due to reasons of quality of administration.

Even given these problems, the quality and inclusiveness of Swiss healthcare has shown itself to be outstanding, and there is no reason to expect any major change in this respect in the coming years. The system produced excellent outcomes during the pandemic. There remains, however, some concern about the centralization of medical services and sufficiency of medical coverage in marginal regions.

Citation:

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Families

Family Policy
Score: 4

In general, Swiss family policy has a clearly conservative outlook with a strong liberal undertone. It is mildly supportive of the traditional family. For example, there are some tax deductions and a period of 14 weeks of parental leave offered to mothers, as well as a very limited number of childcare facilities. In September 2020, a constitutional amendment was accepted in a public vote. The amendment, which establishes two weeks of parental leave for fathers with a coverage of 80% of the father's wage, came into effect on 1 January 2021.

Recent statistics show that women spend an average of 16.6 hours a week in paid employment compared to 27.3 hours for men. Likewise, women spend a weekly average of 28.1 hours on domestic work and men 17.9 hours (BfS 2017). Other figures show that within couples that live together domestic chores are carried out by women in 60% of cases. In 33.7% of households the tasks are divided equally between men and women. However, it was noted that inequalities in the distribution of domestic chores explode with children. Tasks are distributed equally among 49.5% of couples without children, against 25.9% of couples in households with children under 25 (BfS 2019).

In international comparison, Swiss family policy has done relatively little to enable women to enter the workforce. Policies to reconcile work and family lag very much behind other comparable modern societies. Overall spending for family benefits is low in international comparison and Switzerland ranks very low with regard to length of paid maternity leave as well as enrollment of children between 3 and 5 in formal pre-primary education.

A January 2009 federal law providing subsidy payments to families – amounting to 4% of all social policy spending in 2015 – has done little to change the country's ranking in international comparison nor has it changed the substantial variation between cantons, one of the most salient characteristics of Swiss family policy. The new federal law defines minimum child and education benefits, but cantons may add a variable amount to this basic federal benefit level. In 2018 a new law has been enacted providing a

paternity leave of two weeks. There are currently additional initiatives by left and green-liberal parties to establish a longer leave for parents.

In 2020, the WEF's Global Competitiveness Report, which focused on the road out of the pandemic, ranked Switzerland 12th with regard to expanding care for the elderly, childcare, as well as healthcare infrastructure and innovation, after countries such as Canada, the United States or Germany (WEF 2020: 74). It is also notable that many measures introduced to mitigate the pandemic placed a greater burden on women than on men. For example, the closure of schools and childcare facilities, as well as quarantine periods for children were mostly compensated for by women who were pushed back into the household, reinforcing the traditionally conservative division of labor.

There are substantial variations of family policy on the cantonal and municipal level. The canton of Ticino has a very generous family policy aimed at helping mothers reconcile work and family; other cantons (and their municipalities) frequently fail to offer any substantial help (e.g., childcare facilities) on a broad scale. Differences and reform dynamics are particularly pronounced between municipalities with regard to external childcare. For example, in the largest canton of Zürich, 75% of the costs of preschool care (Kitas) are covered privately by parents (NZZ 9 December 2020). Local communities with minimalistic family policies co-exist with municipalities, which strongly facilitate the reconciliation of work and family for young mothers. It has been argued that the interplay of local, cantonal, and federal family policies makes the policy process and power distribution very disparate.

Likewise, tax policies providing incentives either to stay at home or reenter the labor market vary from canton to canton. However, taking the median canton and municipality, the portrait of a liberal-conservative family policy applies. Policies tend to create incentives for young mothers to stay at home during the first years of their children's lives. Afterward, mothers are provided with reasonable opportunity to find employment; however, these are in most cases part-time jobs. This allows mothers to care for their children, while also having some limited employment. Taking part-time jobs usually reduces the ability to have a sustained career as compared to the opportunities offered by full-time employment. In this regard, the OECD recently suggested expanding affordable childcare and access to early childhood education so that women can expand their working hours. Currently, the system works in the sense that it mobilizes women within the labor market, but without giving them opportunities for income and career advancement equal to those afforded to men – with considerable regional variation.

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Pensions

Pension Policy
Score: 9

The Swiss pension system is based on three pillars, each with its own logic of financing and redistribution. The underlying concept is that pension income should not fall below the subsistence level and should provide 60% of average pre-retirement income. The first pillar guarantees a basic income. The minimum benefit level for a single person in 2022 was CHF 1,195 per month, while the maximum benefit was CHF 2,390 per month. The sum of the two individual pensions of a married couple may not exceed 150% of the maximum pension (i.e., CHF 3,585 per month). If this maximum amount is exceeded, the two individual pensions are reduced accordingly. Employers and employees finance this through contributions. It is a pay-as-you-go system and highly redistributive, since the maximum benefit level for couples (provided to high-income earners) is just 1.5 times that of the minimum benefit level, while contributions are proportional to income.

The second pillar is a funded system financed through contributions by employers and employees. Contributions and benefits are proportional to income. Employees whose income from the first pillar already covers about 60% of their wage income are not entitled to this system. Many pension programs, particularly in the public sector, are very generous, and provide pension incomes (first and second pillars combined) that exceed 60% of previous income. Historically, this system of occupational pensions is the core of the Swiss pension system and powerful interests (e.g., major political parties and financial institutions) allow for only piecemeal reforms.

The third pillar takes the form of personal tax-deductible savings of up to CHF 6,883 per year (2021). This system benefits high-income groups, since they can afford to put aside these sums and have the highest returns on these savings given the tax advantages.

In international comparison, the Swiss pension system performs extremely well. According to a comparative analysis of 24 countries, this system has one of the smallest pension gaps among developed democracies. A pension gap is the estimated share of income which a worker at age 50 must save privately in addition to contributions to the pension system if she wants to enjoy an adequate lifestyle during retirement. The respective figure for Switzerland is 14%, while in Germany it is 30%, in the United Kingdom 26% and in France 44% (UBS 2021).

Given the solid basis of the pension system overall, Switzerland faces less pressure than many other European countries to adapt to demographic change. However, Switzerland has tried many times to reform its system, with little to no success so far. In September 2017, an ambitious reform proposal failed in a popular vote – as many other reform efforts in this policy area over the last 20 years. During the past 25 years, all major attempts to reform the pension system have failed. Even when the parliament could agree on a reform, the reform failed in a popular vote. In December 2021, the parliament accepted two proposals, one for the first pillar and one for the second pillar. However, these reforms are opposed by the trade unions and the political left, and therefore – given the experience of previous reform attempts – it is not unlikely that these reforms will also be rejected in a referendum.

Important lessons can be learned from previous referendums on pensions and the ongoing reform debates as recent research has shown. There is no majority for substantial retrenchment, in particular with regard to an increase in the age of retirement. Likewise, there is no majority for increasing the generosity of the system if this endangers its financial sustainability (Häusermann et al. 2019). Hence, the status quo.

With regard to poverty prevention, the pension system is considered comparatively efficient. Citizens, EU citizens and foreigners, who have resided for at least 10 years without a break in Switzerland, can claim additional payments if they are not entitled to the first pillar's minimum pension. The system as a whole has a high degree of intergenerational equity, as it rests on three different pillars and only the first pillar is exclusively based on intergenerational payments. However, the system fails to account properly for different, modern working schemes and people who work part-time or experience work interruptions, mostly women, remain disadvantaged. While in 2020 both men and women received similar pensions on average from the first pillar (CHF 1,899 per month for men, CHF 1,769 for women), much greater differences were observed for the second and third pillars (CHF 2,600 for men, CHF 1,543 for women from the second pillar) (FSO 2022). Although some compensations are foreseen for childcare and other societal contribution, women remain disadvantaged by this pension system, which can push women into poverty or a position of financial dependence.

The retirement age for women is also under scrutiny. Right and liberal parties are trying to raise it through a new reform, which was accepted by the Swiss parliament in June 2021. However, the reform will be subject to a referendum, as 100,000 signatures – the threshold to trigger a referendum – were collected in about 50 days, much less than the allowed 100 days.

Financial sustainability will be a potential problem over time, but the pension system remains stronger than in comparable countries such as Germany.

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Integration

Integration Policy
Score: 7

For many years, Swiss integration policy was predicated on the perception that foreigners were “guest workers,” whose limited stay meant that broad efforts to encourage integration were unnecessary. As many foreign workers gained access to unlimited work permits between the mid-1970s and the mid-1990s, the policy approach grew inappropriate over time. Accordingly, a number of efforts to improve integration have been made, starting as early as kindergarten. Nonetheless, integration policy cannot broadly be called a success in Switzerland, particularly given that about 25% of the population are migrants (accounting for about one-quarter of the country’s residents) and 40% of the population has a migration background.

People with a migration background include foreign nationals, naturalized Swiss citizens (except for those born in Switzerland and whose parents were both born in Switzerland) as well as Swiss citizens at birth whose parents were both born abroad (2020; BfS 2022b).

For example, the Migrant Integration Policy Index for Switzerland (MIPEX, 2022, most recent data for 2019) is “halfway favorable” (45), clearly below all neighboring countries except Austria. There is a substantial variation in integration by groups of migrants. In 2017, 39% of migrants from northern and western Europe were members of voluntary associations and groups compared to about 50% of Swiss citizens without a migration background. In contrast, such membership applies to less than 20% of those from southern and eastern European countries.

Yet if the lack of a coherent federal integration policy is undisputable, this does not mean that integration policy as a whole is failing. Many local and cantonal authorities are doing a good and sometimes innovative job of integration, especially for second-generation migrants. In this respect, most policy development and implementation are decentralized to the local and regional levels.

According to OECD statistics, second-generation migrants in Switzerland perform better in school and are better integrated into the labor market than in other European countries. This is not to say that immigrants have equal opportunities in all respects. If immigrant unemployment rates and dependence on social aid are above the national average, this is due to the fact that the share of low-skilled workers with a correspondingly higher risk of unemployment is also above average among immigrants. But the lack of a coherent integration policy may add to the problems, and social discrimination

is not limited to the labor market. Within the housing market, for instance, some groups of immigrants may find it comparatively difficult to rent apartments.

With regard to naturalization, about 34,100 foreigners were granted Swiss citizenship in 2020, with Germans and Italians comprising the largest groups (BfS 2022a). Calculating the number of naturalizations as a share of all migrants actually living in the country, the Swiss rate of naturalization is very low in comparison with other consolidated democracies. In 2020, about 2.0% of resident foreigners acquired Swiss citizenship (BfS 2020). Only some of the new democracies in Central and Eastern Europe and a few Western democracies (e.g., Austria and Germany) have similar or lower naturalization rates. The naturalization procedure is burdensome. As naturalization in Switzerland is a bottom-up process that starts at the level of the commune, considerable regional differences are evident, with some communes and cantons pursuing a liberal naturalization policy, and others acting more restrictively. The potentially arbitrary nature of naturalization procedures in municipalities is also regularly discussed. These regional differences show up also in the issue of political rights. A few cantons and communes grant political-participation rights to foreigners, even though the federal government does not. Thus, with regard to integration, naturalization and legislation on political rights, we find a bottom-up approach rather than federal standards, which also asks the question of equal treatment and equal opportunities for foreigners.

In Switzerland, as in all modern societies, some segments of society suffer from globalization and, in particular, from the free movement of labor. These “globalization losers” are particularly likely to hold xenophobic attitudes – to insist on “my country first” positions – and, consequently, to vote for right-wing populist parties. The Swiss Peoples Party is the political party with the strongest electoral support. It has been particularly successful in mobilizing these segments of society. However, this is a far from perfect explanation. In a 2017 survey (MOSAiCH), 59% of all respondents with below median years of education supported a xenophobic statement, compared to 43% of those with above median years of education.

Therefore, on the one hand there, is limited prospect for a more generous and liberal integration policy in the near term given the strength of integration-averse political actors and citizens. On the other hand, as a comparative analysis of European Social Survey data shows, Switzerland belongs to the least xenophobic societies in Western Europe, together with the Nordic countries; for example, the country is much less xenophobic than Austria, the United Kingdom and France (Armingeon/Engler 2015).

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Safe Living

Internal Security
Policy
Score: 9

Switzerland has improved its internal security through its integration into the European Schengen/Dublin regime. However, the country's participation remains domestically controversial, as right-wing populist actors have accused center-left politicians of cooperating in an inefficient European security network.

With the de-facto break-down of the Schengen and Dublin rules in 2015, Switzerland resorted to more systematic controls at its borders.

Internal security policy has developed as a collaborative policy field in which various international and national governmental actors interact with private organizations. Given the country's comparatively low crime rates, and the public confidence shown in the police and the justice system, internal security policy can be deemed a success.

On the whole, Swiss citizens feel quite safe. In 2021, a survey asking for the five most pressing problems found that issues related to safety were mentioned

only moderately: asylum-seekers (19%), social security (11%), personal security (11%), internet security (9%) and terrorism (4%) (GfS 2021: 31-33).

GfS 2021: Sorgenbarometer 2021, https://www.gfsbern.ch/wp-content/uploads/2021/11/credit-suisse_sorgenbarometer2021_schlussbericht.pdf
Staatssekretariat für Migration, Asylstatistik,
<https://www.sem.admin.ch/sem/de/home/publiservice/statistik/asylstatistik/uebersichten.html>

Global Inequalities

Global Social
Policy
Score: 6

The Swiss government has increased its development-aid contributions since 2000. Currently, Switzerland's contributions are 0.44 of GNI in 2020. This remains far below the UN target of 0.7 of GNI as well as it spends less than countries such as the Nordic countries, Germany or the United Kingdom (DEZA 2022). The Swiss government has set the goal of spending 0.5% of its GDP on development aid in the long run. Sustainable agriculture, decentralized governance, poverty reduction and vocational training are core issues driving Swiss development cooperation (SDC). In the countries where it supports projects or aid distribution, SDC has a good reputation for maintaining independence from home industrial interests and for making long-term commitments. Nevertheless, it is a small donor with limited impact. SDC is well embedded within international development agencies and coordinates its activities with their agendas on issues such as poverty reduction, climate change and sustainable economic development. To a certain degree, SDC's activities differ from general patterns of Swiss foreign policy, which is more conventional. Foreign policy is mainly trade oriented, supporting policies of market liberalization through international agencies like the WTO. In this context, development cooperation policies have become controversial. Whereas the SVP criticizes development cooperation as ineffective and calls for SDC budget cuts, the policy network of Swiss private development-aid agencies advocates a shift in policy that involves the mitigation of north-south inequalities by revising trade arrangements that disadvantage developing countries.

DEZA 2022: <https://admin.media-flow.ch/deza-seco-jahresbericht-2020-de#2637>

III. Environmental Policies

Environment

Environmental
Policy
Score: 8

In this area, the most remarkable developments in recent years have been made through the integration of environmental-protection and sustainability

issues into a wide range of areas that both directly and indirectly concern environmental policy per se. Following the OECD's strategy of green growth, Switzerland has launched several studies aimed at reconciling the goals of sustainability and economic development. Furthermore, Switzerland has in recent years developed several cross-sectoral strategies focusing on issues including noise management, pesticide mitigation, sustainability, biodiversity, climate change adaptation and forest management. New guidelines for integrated water management were published in 2011, taking into consideration the use and protection of natural water sources.

In 2011, the federal government decided to phase out the use of nuclear power over the course of the next several decades. In 2016, the "Energy Strategy 2050" was adopted by parliament and won a majority in a popular vote in May 2017. It aims to significantly develop energy efficiency and exploit the potential of hydropower as well as other renewable energies (e.g., solar, wind, geothermal and biomass). There will be no permits for the construction of new nuclear power stations or any fundamental changes to existing nuclear power stations. However, existing nuclear power stations may stay in operation for as long as they are deemed safe. A more radical initiative was rejected in a popular vote on 27 November 2016. It would have led to the shutdown of existing nuclear power plants in the near future. Three out of the five nuclear power plants would have been closed down by 2017.

Switzerland invests considerable sums in the area of environmental protection. For example, there are about 8,000 jobs related to protection of the environment at the federal level (500), the cantons (1,500) and the municipalities (6,000) combined. Public spending on environmental protection amounts to 0.7% of GDP, substantially higher than the OECD average of 0.5%. A new article (Article 84.2) was added to the constitution in 1994, stating: "Transalpine freight in border-to-border transit shall be transported by rail. The federal government shall take the necessary measures. Exceptions shall be permitted only if they are inevitable. They shall be specified by statute." This article has not yet been effectively implemented, but the country has made enormous investments in improved railway infrastructure, particularly with regard to transalpine freight.

In certain regards, the ecological challenges facing Swiss policymakers have been much less demanding than in other countries. Switzerland never developed significant smokestack industries and industrialization took place as a decentralized process. Thus, Switzerland has no regions with large concentrations of industries with significant emissions. Nonetheless, the country's record is mixed in terms of environmental policy overall, as demonstrated by the following:

- Switzerland is ranked very highly internationally in terms of controlling water pollution and has implemented significant environmental-protection measures as a part of its water-infrastructure planning.
- Air quality has improved over the past 25 years, but ozone and other threshold values are frequently exceeded, and legislation for more ambitious norms on CO₂ reduction has suffered setbacks.
- Switzerland recently updated its national climate change mitigation policy. A broad combination of voluntary, regulatory and market-based instruments have been expected to produce a reduction in emissions through 2020 by 20 percentage points – a goal which has not been reached (NZZ 13 April 2021). The country has committed to reducing by 2030 its greenhouse gas emissions by 50% (measured against 1990 levels), which includes purchasing international credits that reduce emissions elsewhere. The targeted domestic reduction amounts to 30%. In 2019, the Federal Council also announced a goal of reaching net zero emissions by 2050 (including international credits) (BAFU 2022).
- Considerable success has been achieved in the area of waste management policy, especially with respect to hazardous waste. Furthermore, Switzerland's recycling rate is one of the highest worldwide. On the other hand, the volume of household waste remains large.
- In Switzerland, 1.6 million people (every fifth inhabitant) are exposed to harmful or disturbing road traffic noise during the day and every seventh inhabitant to overall noise disturbances. Total traffic noise generates costs of around CHF 1.9 billion annually.
- Soil protection has improved.
- Average to high levels of success have been achieved in regulating the use of chemical substances.
- Policies seeking to prevent the release of hazardous materials into the environment have been very successful.
- There has been little success in terms of nature conservation and protection. The number of animal and plant species that have become extinct or are at risk of extinction continues to rise. In Europe, Switzerland has the lowest share of conservation areas for sustaining biodiversity. Biodiversity remains therefore one of the most pressing environmental challenges for Switzerland.

- Even though Switzerland’s agricultural sector is rather small compared to other European countries, pesticide use per inhabitant is one of the highest in Europe. Negative externalities and exposure risks are to be addressed by the “plant protection action plan” introduced in 2018.

In the 2019 national election, the green parties recorded a major increase in votes received. The green party increased by six percentage points its share of votes and the green-liberal party increased this by three percentage points, while the two major parties suffered losses of four (Swiss People’s Party) and two percentage points (Social Democrats) respectively. By Swiss standards this is a tectonic change indicating much better prospects for enactment of environmental policies. However, these changes are not yet visible, which may be also due to the pandemic crowding out policy activity in other fields. For an analysis of the changing climate discourse and its actors see Kammerer and Ingold (2021). A major challenge for environmental policies in Switzerland remains the adequate and bona fide implementation of federal rules by cantonal and municipal institutions.

A major setback for environmental policies occurred in 2021, when the CO₂ law was rejected in a popular vote. This ambitious law combined various comprehensive measures that combined levies with subsidies. It targeted and mobilized various groups, including homeowners, passengers of airplanes and car drivers, that opposed the new law. In December 2021, the Federal Council opted for a new draft law, which is much less ambitious and avoids any new levies. The rejection of the CO₂ law by the majority of citizens emphasizes an important aspect of direct democracy, namely that it is very hard to realize innovative and encompassing policies – even when there is a pressing need for such a policy – given the reform-averse institutional effects. These effects were already visible in the case of the expansion of the welfare state or women’s suffrage, to name a few important examples of delayed responses to societal or external developments (Kriesi 2005; Linder 1999; Vatter 2018: Chapter 8).

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Global Environmental Protection

Global
Environmental
Policy
Score: 8

Global environmental policy is high among Switzerland's foreign policy priorities, and the country has played a significant role in designing and advancing global environmental-protection regimes. However, as a small country, Switzerland has limited independent influence. The European Union has taken a leading role in this area. Thus, Switzerland's impact depends in large part upon efficient collaboration with the European Union.

Furthermore, 50.7% of the Swiss population supported a popular initiative named "Swiss Coalition for Corporate Justice" in 2020, which would have held corporations based in Switzerland accountable for complying with Swiss environmental and social standards abroad. However, the initiative failed because it did not meet the requirement of a double majority, as a majority of the cantons voted against it. Nevertheless, this result shows that the Swiss population has a will for a stronger environmental regime.

Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

There are no doubts that Switzerland's formal procedures correspond closely to the democratic ideal. However, some challenges have emerged due to the country's small size, its strong dependence on other countries, the opportunities to free ride in the international and particularly European communities, and the extremely large share of immigrant workers.

With regard to active and passive voting rights, there is the obvious challenge that 25% of the total population held foreign citizenship, a much higher share than in other countries. The strict rules governing naturalization and sheer size of the foreign population transform the "quantitative" problem of every modern democracy (that some adult inhabitants face discrimination on grounds of their nationality) into a qualitative problem: if almost a quarter of the voting-age population is not entitled to vote or to run for public office, the legitimacy of parliament and government to rule on behalf of the total population (which is vastly more than the citizen base) is arguably called into question. Others argue, however, that while the economy is globalized, democracy functions only on the basis of a national society that identifies itself in terms of citizenship. This includes the (constitutional) right to define who is eligible for citizenship. According to this view, migration certainly creates new problems, in that the "demos" and the resident population do not coincide.

To date, Switzerland has dealt with these problems somewhat slowly and hesitantly. For example, some notable liberalizing changes were adopted with regard to naturalization (e.g., costs have been substantially reduced) and with regard to passive voting rights in some cantons and local communities.

Media Access
Score: 10

Candidates and parties may purchase political advertising in the print media. The only restriction to equal access by candidates and parties to these media outlets relates to resources. In this regard, there is a lack of transparency as political parties and candidates are not required to disclose who is supporting them. In 2017, the Social Democratic Party collected sufficient signatures to force a vote on a constitutional "transparency" article, which will be held in the next few years. The initiative would require that political parties name donors that give more than CHF 10,000. Likewise, if a person spends CHF

100,000 or more on an electoral or a popular campaign, they must name all donors who gave at least CHF 10,000.

Political advertising on television or other broadcast media is not allowed. In this regard, all candidates and parties have equal access, in the sense that none are able to buy political advertising on broadcast media.

Media organizations give a fair and balanced opportunity to political actors to present their views and programs, insofar as this does not become simple advertisement. Right-wing politicians sometimes complain that journalists give center-left politicians better access. There is little hard evidence that such a bias exists to any substantial extent. On the other hand, representatives of the Swiss People's Party have successfully used their economic resources to control quality papers (e.g., temporarily the *Basler Zeitung*) and they have tried to restrain the country's leading newspaper, the *Neue Zürcher Zeitung*.

Formal procedures and rules in the area of voting and registration rights are those of a model democracy. However, there are at least two problems.

The first relates to the proportional voting system for elections. Small parties from small electoral districts successfully claimed before the Federal Supreme Court that they have effectively no chance of winning one of the very few seats allotted to these districts. The court then ruled that every citizen must have the same influence on elections. Therefore, the size of districts must be designed in such a way that there are at least 10 seats at stake, thus giving small political parties a real chance to win a seat. Several cantons affected by the ruling reorganized their electoral system and districts accordingly. However, the court's decision is not very coherent. It forces the cantons to guarantee that voters within a canton will have an equal degree of influence but accepts that federalism leads to much more significant inequalities of influence at the national level.

This leads to the second challenge. It is certainly true that the decentralized federal structure of Switzerland as a multicultural country gives some citizens much more electoral influence than others. This is particularly true of representation within the Council of States (*Ständerat*), the country's second parliamentary chamber (which is modeled after the U.S. Senate). Each canton is entitled to two representatives. The Council of States has the same power as the National Council (*Nationalrat*), while the size of cantons varies by as much as a factor of 36. This means that a citizen of the canton of Zürich, which has 36 times more inhabitants than the canton of Uri, has considerably less political power than one of Uri. This overrepresentation of small cantons has real effect within the bicameral parliament's legislative process. Historically, these strongly protected minority rights are traceable to the denominational

conflicts of the 19th century. However, one can argue that this denominational definition of minority status no longer holds importance. This would mean that the strong overrepresentation of small cantons should somehow be modified. So far, all parliamentary initiatives aiming at such a reform have failed.

Citation:

Source: Adrian Vatter 2018: Swiss Federalism. The Transformation of a Federal Model. Routledge: New York/London

Party Financing
Score: 7

Switzerland does not finance parties with public money on the federal level. In return, there are no constraints applied to party fundraising. There is some financing of parties on the cantonal level in Geneva and Fribourg.

National parties won recognition only in the constitutional revision of 1999 and there remains a deep-seated aversion to public financing. In consequence, there is little to no public scrutiny of party activities, since no public money is at stake. However, a considerable portion of political parties' revenues comes from the subsidies given to party factions in the national parliament or through reimbursement for services; these together amount in some cases to 30% of total party income. Another important source of income is the attendance fee granted to members of parliament, which can be considered a form of party financing.

External observers, such as GRECO (Group of States against Corruption) have repeatedly argued that there is a lack of transparency in political party financing.

In 2017, the required number of signatures for a vote on a popular initiative for transparency have been collected. It requested that political parties must name any donors who donate at least CHF 10,000. Similarly, if a person spends more than CHF 100,000 on a federal election or a popular campaign, they must inform the Federal Chancellery and name any donors who gave at least CHF 10,000. In 2021, parliament reacted to this initiative with a law that adopted most of the demands of the initiative. There are three major elements to this reform.

(1) The political parties represented in the Federal Assembly must annually disclose their income as well as donations worth more than CHF 15,000 per donor per year. In addition, they must report contributions received by their elected representatives.

(2) In the case of voting and election campaigns, if more than CHF 50,000 is spent for this purpose by a party, in principle, the amount received by a party exceeding CHF 15,000 per donor and campaign must be disclosed. For the

election of members of the Council of States (Ständerat), a special transparency regulation is provided due to the lack of federal competence for elections to the Council of States.

(3) The information and documents submitted are checked and published by a body to be designated by the Federal Council. Control includes checking whether all information and documents have been submitted on time, as well as spot checks on the content. If the authority finds that certain information and documents have not been submitted on time or have not been submitted correctly, it must report violations (after an unsuccessful warning) to the prosecution authority.

In return, the initiative has been withdrawn, since most of its concerns have been met by the new law.

Citation:

<https://www.bj.admin.ch/bj/de/home/staat/gesetzgebung/transparenz-politikfinanzierung.html>

Popular Decision-
Making
Score: 10

Switzerland uses forms of direct democracy to a larger extent than does any other mature democracy. Direct-democratic practices are intensively employed on all levels, from the local to the national. On the local and state (cantonal) levels, rules and practices vary considerably by region. This mode of decision-making has many advantages, particularly if it is institutionally and culturally embedded in such a way as to hinder the development of a tyranny of the majority and populist mobilization. In particular, the system is connected with a high level of satisfaction, creating strong citizen identification with the political system and offering many incentives for politicians to behave in a consensual way.

However, along with these laudable characteristics, there are some qualifications and criticisms that should not be overlooked:

- Citizens in a direct democracy are not necessarily better-informed or politically more interested than those of representative democracies at the same level of economic and social development. Switzerland provides little evidence that direct democracy educates citizens to be better democrats. However, research indicates that voters are willing and able to search and process information as well as open to substantial arguments beyond mere heuristics when making their decision.
- About 95% of all political decisions at the federal level are taken in parliament without subsequent direct-democratic decision-making. However, the most important and controversial issues are dealt with in public votes.

- Participation rates in direct-democratic votes are usually very low (typically between 40% and 50%) and socially biased. Well-to-do citizens participate at disproportionate levels.
- Voting is frequently driven by cue-taking, rather than by well-informed individual decision-making. This is not to say that citizens are simply victims of slogans or propaganda; in most cases they distinguish between information of high and low reliability during campaigns. However, recent popular votes indicate severe problems with regard to public knowledge and access to information. For example, according to VOTO 2017, the vote on the tax reform in 2017 was strongly influenced by a “when in doubt vote no” heuristic: citizens who felt uncertain and insufficiently informed voted no. Likewise, the initiative to exit nuclear power was rejected in November 2016 because two-thirds of voters assumed that within the following two years 50% of electricity production would have to be substituted by alternative sources. Although a majority of citizens support exiting nuclear energy, they feared that a swift exit could endanger the security of Switzerland’s energy supply. However, this fear has been proven misplaced. Only 15% of energy production needed to be substituted within a two-year period. If informed correctly, the public would likely have voted for exiting nuclear energy. Hence a lack of information and knowledge led to an outcome from a popular vote that contradicts citizens’ preferences.
- The most prominent instrument of Swiss direct democracy, the referendum, serves to impede reform and adaptation. It has a strong status quo bias. One observer has argued that the referendum has the function of a conservative upper house. For example, the delayed development of the Swiss welfare state or the belated enfranchisement of women are mainly due to the institution of direct democracy.
- Direct democracy creates incentives for politicians to compromise. This is a unique component of the Swiss political system: the threat of direct-democratic voting is meant to foster compromise in the pre-parliamentary stage and in parliament.
- Particularly in the recent past, direct democracy has created potential conflicts with human rights and international treaties.
- Direct democracy has been successfully used for populist mobilization, in particular recently. A telling example is a February 2014 initiative which led to a new constitutional amendment capping migration. This amendment cannot be reconciled with Switzerland’s bilateral agreement with the European Union on the free movement of labor. Swiss citizens are in favor both of a cap on

migration and continued good relations with the European Union. While political elites promised voters that the European Union would renegotiate the terms of this agreement, the European Union stated from the beginning that it would not renegotiate. As a result, the government and parliament have had to muddle through by not implementing the constitutional amendment.

- The learning capacity of voters is limited. After the failed implementation of a constitutional rule on mass immigration, a third of citizens would even now vote for this failed reform; notwithstanding that a large share of citizens trust that the government is properly handling EU-related matters.
- Frequently, popular initiatives approved by voters and the cantons are only partly implemented through parliamentary legislation.

Citation:

Rinscheid, Adrain and Rolf Wüstenhagen 2016: Meinungsbildungsprozesse bei energiepolitischen Volksabstimmungen. Erste Ergebnisse einer Längsschnittstudie, St. Gallen: Universität St. Gallen/Hochschule für Wirtschaft und Oekologie (https://iwoe.unisg.ch/de/iwoe-news/2016/20161215_ain_studie).

VOTO 2017: VOTO-Studie zur eidgenössischen Volksabstimmung vom 12. Februar 2017, Lausanne/Aarau/Luzern: FORS et al. (<http://www.voto.swiss/etudes-et-donnees/>)

Armingeon, Klaus and Philipp Lutz 2022: Citizens' response to a non-responsive government: The Case of the Swiss Initiative on Mass Immigration, unpublished manuscript.

Armingeon, Klaus and Philipp Lutz 2019: Muddling between responsiveness and responsibility: the Swiss case of a non-implementation of a constitutional rule, in: *Comparative European Politics*, First published online: April 24, 2019:<https://doi.org/10.1057/s41295-019-00185-2>

Armingeon, Klaus 2004: Direkte Demokratie und Demokratie in Europa, in: *LeGes – Gesetzgebung & Evaluation 3*, Bern: Schweizerische Bundeskanzlei, 59-72.

Heidbreder, Eva, Stadelmann-Steffen, Isabelle, Thomann, Eva, Sager Fritz 2019: "EU Referendums in Context: What can we learn from the Swiss Case?" *Public Administration*. <https://doi.org/10.1111/padm.12566>.

Milic, Thomas. 2015. "“For They Knew What They Did” – What Swiss Voters Did (Not) Know About the Mass Immigration Initiative." *Swiss Political Science Review* 21: 48-62.

Access to Information

Media Freedom
Score: 9

Public- and private sector media corporations are free from government influence. This is enshrined in the Swiss constitution. Although the federal government chooses the chairperson and some board members of the quasi-public non-profit radio and television organization, it exercises no influence over the organization's daily reporting or journalistic work.

Since 2014, journalists reporting on (illegal) financial activities face up to three years in prison if they use information that violates bank secrecy

regulations. Hence, no Swiss journalists took part in the “Suisse Secrets” investigations (NZZ 2022).

The Swiss government subsidizes media in various ways. It subsidizes delivery of subscribed daily and weekly newspapers, as well as of club and association magazines, so that all parts of the country and all language regions can be covered by the media. This applies in particular to daily newspapers in sparsely populated regions. Likewise, private local radio and regional television receive money from the government. More far-reaching subsidies were rejected in a recent popular vote on 13 February 2022. However, the government has no means to influence the contents of these media. To the best of our knowledge, there have been no attempts to use these subsidies to influence the work of journalists. Likewise, no scandals or conflicts have become public regarding the government’s choice of board members of the quasi-public media organizations.

Citation:

NZZ 2022: Suisse Secrets: Datenleck bei der Credit Suisse, available at <https://www.nzz.ch/wirtschaft/suisse-secrets-datenleck-bei-der-credit-suisse-ld.1670838#subtitle-warum-ist-kein-schweizer-medienhaus-beteiligt-second>

Media Pluralism
Score: 9

The most important electronic media organizations in Switzerland in terms of coverage and intensity of citizen use are publicly owned. Private sector television stations play only a small role in the country’s media landscape. These are largely regional stations. 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 privately owned newspapers, with a highly decentralized system of regional concentration. However, a strong tendency toward centralization has weakened the regional newspaper market. This has been amplified by the strong growth of free papers for commuters such as 20 Minuten in the morning (similar publications exist in the French-speaking part of Switzerland). These newspapers have crowded out the readership of traditional newspapers which are collectively suffered from a decline in subscriptions. The number of independent newspapers has also been on the decline as media concentration continues. In parallel, online media consumption is outgrowing print media consumption.

In a popular vote in March 2018, a proposal for a constitutional article on public radio and television was rejected by a large majority of 72%. The proposed article would have prohibited the federal government from subsidizing or running radio and television stations. This would have implied the abandonment of public radio and television. Although rejected, the debate on the initiative triggered reform processes within public radio/television, such as increasing efficiency and resources.

In February 2022, a referendum rejected a bill to increase and expand public subsidies for media, which aimed to ensure broad coverage of various media across the country. This represents a threat to smaller, regional media channels, as well as for the pluralism of media and media ownership in Switzerland.

Citation:

<https://www.medienmonitor-schweiz.ch/>

<https://www.bfs.admin.ch/bfs/de/home/statistiken/kultur-medien-informationsgesellschaft-sport.gnpdetail.2019-0244.html>

<https://www.bfs.admin.ch/bfs/de/home/statistiken/kultur-medien-informationsgesellschaft-sport/medien/medienangebot-nutzung/printmedien/angebot-print.assetdetail.5586416.html>

Access to
Government
Information
Score: 9

Swiss authorities pursue very open strategies of information release. For example, the website of the federal administration offers access to major sources of political information.

Article 16 of the constitution, dealing with the issue of freedom of opinion and information, states that: “(1) The freedom of opinion and information is guaranteed; (2) Every person has the right to form, express and disseminate opinions freely; (3) Every person has the right to receive information freely, to gather it from generally accessible sources and to disseminate it.”

The Federal Law on the Principle of Administrative Transparency (Loi sur la Transparence, LTrans) was approved in December 2004 and took force in July 2006. The law gives any person the right to consult official documents and obtain information from authorities. The authorities must respond within 20 days. If a request is refused, a citizen can seek redress from the Federal Delegate for Data Protection. However, this law’s coverage is limited, applying to federal public bodies, other organizations and persons who make decisions under the Administrative Procedures Act, and parliamentary services. The Suisse National Bank and the Federal Commission on Banks are exempted. The law also 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. Consumer organizations have argued that the law contains too many exceptions.

Given these qualifications, it is noteworthy that this law has gained some influence, since the Federal Supreme Court has interpreted it in a liberal way.

In systems of direct democracy, federal governments bear a particular burden in terms of ensuring proper information is provided for referendums. In spring

2019, the Federal Supreme Court overturned a national referendum on how couples should be taxed because the information provided by the executive proved to have been incorrect. In its decision, the Court pointed out that the information provided by the administration on the alternatives in referendums needs to be improved.

Citation:

Eveline Huegli, Marius Féraud (2014). Evaluation des Bundesgesetzes über das Öffentlichkeitsprinzip der Verwaltung (BGÖ). Schlussbericht im Auftrag des Bundesamts für Justiz. Bern: Büro Vatter.

Civil Rights and Political Liberties

Civil Rights
Score: 8

Civil rights are guaranteed by the constitution. However, the country does not have a classic Constitutional Court able to monitor the conformity of federal laws with the constitution outside the context of a particular case. Federal laws are binding for the federal courts. In contrast, the Federal Supreme Court in Lausanne monitors the conformity of federal regulations and cantonal laws with the constitution. With respect to basic civil rights, the European Court of Human Rights complements the Swiss Federal Supreme Court.

In December 2012, a parliamentary attempt to give the Federal Supreme Court the right to abstain from applying federal law if the federal law was incompatible with the constitution failed. The main argument was that in a direct democracy, the Constitutional Court should not be authorized to declare federal laws void as a whole. Thus, Switzerland, for different reasons but in a manner similar to the Scandinavian countries, the Netherlands and United Kingdom, does not possess a comprehensive judicial power of constitutional review.

Conflicts between human rights and direct democracy have emerged, particularly in recent years. One such concern was represented by the successful 2004 popular initiative for the life imprisonment of particularly dangerous criminal offenders without any opportunity for re-examination. This conflicts with the European Convention for the Protection of Human Rights and Fundamental Freedoms. This convention guarantees periodic reviews in which the necessity for continued imprisonment can be evaluated.

Likewise, there have been conflicts between popular votes on naturalization and the call by foreign-born individuals for fair and transparent treatment, and the opportunity to appeal naturalization decisions. Some observers have argued that the current naturalization procedure fails to conform to the standard of human rights set out in the constitution. The Federal Supreme

Court decided in 2003 that naturalization procedures previously established by popular vote were unconstitutional, since they violated constitutional norms of non-discrimination and the right to a lawful legal procedure.

The ban on the construction of minarets, approved in a popular vote in 2009, represents a particularly problematic decision. The basic claim of proponents was that minarets signify the potential aggression and power claims of Islam, which need to be suppressed as a strategy for keeping the peace. However, it is evident that the popular initiative was clearly aimed against Islam and the Islamization of Europe. Legal scholars tend to argue that the decision violates the freedom of worship and the non-discrimination rule. Another initiative launched by the People's Party, which prohibits Muslim women from covering their faces in public, was accepted in June 2021. Once again, Muslims were targeted and their right to self-determination was challenged or even withdrawn completely.

The acceptance in 2009 of an initiative to deport foreign criminals is also seen as problematic in terms of respect for fundamental rights.

The major underlying problem is the claim by many political actors that the people have an unrestricted right to decide any matter through popular vote. This conflicts with the basic rule of any liberal democracy that there are limitations to the will of the majority, such as human rights standards and protections for minorities. Switzerland's public debate on the limits to majority rule (through popular vote) shows little cognizance of these traditional limitations to majoritarian rule. This has become very obvious in recent debates over the conflicts between international law and Swiss citizens' decision-making rights in popular votes. Although anxiety over the ebbing of popular sovereignty extends beyond conservatives, this latter group in particular feels uneasy with the internationalization of law and some recent interpretations of human rights that have been made by professional lawyers. In the right-wing populist and conservative view, the internationalization of law and international court decisions against the results of Swiss referendums contradict Switzerland's legislative culture, which is characterized by the principle of subsidiarity and guided by the idea that popular decisions have the highest degree of legitimacy. Consequently, in the summer of 2016, the country's strongest political party, the Swiss People's Party, had collected sufficient signatures for an initiative aiming to give federal law precedence over international law. This initiative was rejected on 25 November 2018.

Switzerland proved to be particularly resilient in terms of upholding political rights and democratic standards. The Pandemic Violations of Democratic Standards Index by the V-Dem projects ranks Switzerland second out of 144

countries with regard non-violations of democratic standards during the pandemic (measured for March 2020 – June 2021) (Edgell et al 2021, 2022).

However, the acceptance in June 2021 of the Federal Act on Police Measures to Combat Terrorism represents an additional threat to civil rights in Switzerland. This law gives the federal police (“fedpol”) the power to issue, outside of any judicial decision, several preventive measures in order to prevent a “potential terrorist” from acting in the future. What exactly is considered a terrorist is not defined clearly within the framework of the law, which opens the door to potential abuses. In addition, it directly targets children from the age of 12, in violation of the rights of children enshrined in the Convention on the Rights of the Child. The preventive measures consist, for example, of electronic monitoring, contact ban, perimeter ban and house arrest. The bar association of the canton of Geneva released a statement against this law, arguing that it represents a clear violation of many fundamental rights as well as international conventions, such as the U.N. Convention on the Rights of the Child and the European Convention on Human Rights. Many human rights associations, such as Amnesty International, have also explicitly opposed the law, and underlined its threat to civil liberties, activism and basic human rights.

Citation:

Amnesty International (2021): Ordonnance relative à la Loi sur les mesures policières (MPT): une surveillance encore plus intrusive. <https://www.amnesty.ch/fr/pays/europe-asie-centrale/suisse/docs/2021/ordonnance-relative-a-la-loi-sur-les-mesures-policieres-mpt-une-surveillance-encore-plus-intrusive>.

Edgell, Amanda B., Jean Lachapelle, Anna Lührmann, Seraphine F. Maerz, Sandra Grahn, Palina Kolvani, Ana Flavia Good God, Martin Lundstedt, Natalia Natsika, Shreeya Pillai, Paul Bederke, Milene Bruhn, Stefanie Kaiser, Cristina Schaver, Abdalhadhi Alijla, Tiago Fernandes, Hans Tung, Matthew Wilson, and Staffan I. Lindberg. 2022. Pandemic Backsliding: Democracy During Covid-19 (PanDem), Version 6. Varieties of Democracy (V-Dem) Institute, www.v-dem.net/en/our-work/research-projects/pandemic-backsliding/.

Edgell, Amanda B./Lachapelle, Jean/Lührmann, Anna, et al. (2021): Pandemic backsliding: Violations of democratic standards during Covid-19, in: Social Science & Medicine 285, 114244.<https://www.sciencedirect.com/science/article/pii/S0277953621005761>

Moekli, Daniel. (2011). Of Minarets and Foreign Criminals: Swiss Direct Democracy and Human Rights, in Human Rights Law Review, 11(4), pp 774–794, <https://doi.org/10.1093/hrlr/ngr02>

Ordre des Avocats de Genève (2021): Prise de position contre la Loi la fédérale sur les mesures policières de lutte contre le terrorisme (MPT). https://www.odage.ch/medias/documents/determination-oda/2021.05.12_Prise_de_position_MPT.pdf

Political Liberties
Score: 9

Switzerland is in many ways a role model for the exercise and protection of political liberties. However, the November 2009 adoption of a ban on constructing new minarets must be considered a serious political signal against the right to freely worship, even if, in practice, the law means little for the free

exercise of religion. Before the decision, there were only four minarets in Switzerland.

At the same time, Switzerland proved to be particularly resilient in terms of upholding political rights and democratic standards during the pandemic (see “Civil Rights”).

The new anti-terror law can be considered a threat to political liberties and civil rights, as it enables authorities to take preventive action against so-called dangerous persons outside of criminal law. The new law creates a legal basis for preventive measures such as house arrest and contact bans. Amnesty International Switzerland writes that the anti-terror law is a dangerous breach of the principles of the rule of law. The law is not only directed against so-called terrorist threats, but can also be used to prosecute legitimate political protests. The vague definition of terror opens the door to police arbitrariness.

Citation:

https://www.swissinfo.ch/ger/abstimmung-schweiz-13-juni-2021_-resultate-anti-terror-gesetz/46694058

<https://www.amnesty.ch/de/laender/europa-zentralasien/schweiz/polizeigesetz>

Non-
discrimination
Score: 8

In Switzerland, constitutional law and a consociational political system ensure the autonomy, freedom from discrimination, and rights to political participation of Swiss linguistic, ethnic and religious minorities. 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 convictions, or because of a corporal or mental disability. Men and women have equal rights.” Comparatively, support for the non-discrimination of foreigners is very strong, with only the Scandinavian countries showing stronger support. The acceptance of gays and lesbians corresponds to the average across European countries.

Nonetheless, a number of problems with regard to discrimination exist. The sheer size of the foreign population and its contribution to the wealth of the nation brings up the question of whether withholding political rights such as voting from this population might be regarded as an indefensible variety of discrimination. However, Switzerland’s conception of non-citizen voting rights is similar to that of other Western democracies, and undoubtedly protects the civil and human rights of foreigners without discrimination. The Swiss People’s Party, currently the strongest party in the country, has repeatedly resorted to openly xenophobic and Islamophobic discourse, which has resonated well within the population, and several initiatives discriminating against foreigners and Muslims have been adopted by a majority of voters. Although gender-based discrimination is illegal, women continue to face

considerable economic and social discrimination with regard to wage equality and equal career opportunities.

Social discrimination in higher education persists, as it does not attract political attention. Children with weak socioeconomic backgrounds have considerably lower chances of gaining access to higher education, and little progress has been made in the last decades.

Citation:

Klaus Armingeon and Sarah Engler 2015: Polarisierung als Strategie. Die Polarisierung des Schweizer Parteiensystems im internationalen Vergleich, in Markus Freitag und Adrian Vatter (Hrsg.): Wahlen und Wählerschaften in der Schweiz, Zürich: Verlag Neue Zürcher Zeitung, 355-379, 467-469. ISBN: 978-3-03810-098-0

Rule of Law

Legal Certainty
Score: 9

Switzerland's federal government and administration act predictably. This predictability is partially reduced by the very pragmatic administrative culture at the cantonal and local levels. The country's division into small administrative districts, the tradition of decentralized local government and a partially non-professional administration system ("Milizverwaltung," militia administration: referencing the non-professional army) provide for a substantial amount of leeway in Switzerland's public administration activity. 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 judicial system is guided by professional norms without political interference. The judicial system is based on professional training, though a mixture of lay and professionally trained judges serve at the local level in many cantons. Decisions by these judges are subject to review by higher professional courts. The Swiss judicial system varies substantially between cantons. This is due to Swiss federalism, which gives cantons great leeway in cantonal lawmaking and hence also in cantonal administration of justice. This also includes variations in the rules and examinations with regard to lawyers' admission to the bar.

The Swiss Federal Supreme Court is the highest judicial authority in Switzerland. It adjudicates, in last instance, appeals of rulings of the high cantonal courts of appeal, the Federal Criminal Court, the Federal Administrative Court and the Federal Patent Court. The concerned areas of law are civil law, criminal law and administrative law. Violations of federal law, international law, inter-cantonal law or constitutional rights can be invoked. The Federal Supreme Court's jurisprudence ensures the uniform application of federal law throughout the country. The other courts and the

Appointment of
Justices
Score: 6

administrative authorities comply with the Federal Supreme Court's case law and adopt its principles. The Federal Administrative Court rules on the legality of rulings issued by the federal administration. The court also adjudicates on appeals against certain decisions of the cantonal governments, for example, in the area of health insurance.

The judges of the Federal Supreme Court are elected for a period of six years in a joint session of both chambers of parliament, with approval requiring a majority of those voting. A parliamentary commission prepares the elections by screening the candidates. Unwritten rules stipulate a nearly proportional representation of the political parties then in parliament. By tradition, judges voluntarily pay part of their salary to the political party to which they are affiliated. This is considered a tax on their salary, which they would not have without the support of their party. In 2017, a committee of the Council of Europe criticized this arrangement and recommended: "the system should be backed up by safeguards to ensure the quality and objectivity of the recruitment of federal judges. Once judges have been elected it is important to sever the ties with the political powers by doing away with the practice whereby judges pay part of their salary to their party" (GRECO 2017:4).

Another unwritten rule demands representation of the various linguistic regions. There is no special majority requirement.

Comparative analyses found that Swiss Federal judges are at the bottom of international rankings with regard to formal independence, but at the top with regard to actual independence.

In 2021, a popular initiative aiming to have federal judges selected by lottery rather than through election in parliament was rejected in a popular vote.

Also in 2021, parliament started to discuss the legitimacy of contributions of federal judges, which they have to make to the parties that nominated them.

Citation:

Group of States against Corruption (GRECO/Council of Europe) 2017: Fourth Evaluation report. Corruption prevention in respect of Members of Parliament, Judges and Prosecutors. Switzerland, GRECO: Strasbourg, <https://www.coe.int/en/web/greco/evaluations/switzerland>

Adrian Vatter and Maya Ackermann 2014: Richterwahlen in der Schweiz: Eine empirische Analyse der Wahlen an das Bundesgericht von 1848 bis 2013, *Zeitschrift für Schweizerisches Recht*, 133, 517-537.

Corruption
Prevention
Score: 9

Corruption in Switzerland is rare according to international rankings. Indeed, Switzerland is consistently rated as being among the most successful countries with respect to corruption prevention. It is governed by the rule of law, offers high wages to public officials, and is based on a decentralized democracy with parties that efficiently control and audit public officials.

However, there are opportunities and incentives for political and societal elites to abuse their position for private interests. This is due to the country's small size and the correspondingly small number of persons interacting in elite positions; to the culture of amicable agreement; and to the very pragmatic problem-solving culture. In addition, holders of elite positions know that they are highly likely to meet again in the future (and probably in different roles). This creates opportunities for the creation of broad informal networks, a reluctance to engage in close mutual surveillance and incentives for the non-observance of formal rules.

Given the considerable overlap between economic and political elites, critics have pointed to processes in which politicians' economic interests may influence their decisions in parliament.

There are recurrent scandals about corruption. However, the level of corruption seems to be very low in Switzerland as compared to other countries. The problems listed above are clearly minor in international comparison.

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 5

Strategic planning is not given significant weight in Switzerland. It is further rendered difficult by the fact that the country has a quasi-presidential political system (meaning the government cannot be voted out of office by the parliament) with a collegial government, a strong non-professional element, a consociational decision-making structure, a strong corporatist relationship between a weak federal state and outside interest organizations, and considerable uncertainty deriving from the system of direct democracy. Compared with other advanced democracies, strategic planning in Switzerland is underdeveloped and, constrained by the governmental and federal structure and the logics of direct democracy, it is rather inefficient.

The Swiss government is not strictly speaking a parliamentary government and does not have a policy agenda comparable to a “normal” parliamentary government. Furthermore, all seven members of the government have equal rights and powers; there is no prime minister. The president of the government is *primus inter pares*. He or she is not leader of the government in the sense of a prime minister.

Strategic planning is the task of the Federal Chancellery, the central coordinating body of the federal administration. Strategic planning in this context involves: identifying the current legislative period’s major challenges; describing the legislative period’s major goals and instruments; specifying the goals for the current year; and exercising accountability by providing parliament with annual reports.

A recent review of the state of research finds that “in the context of a strongly federal and non-parliamentary system with extended direct democracy, the Federal Council usually fails to present – and implement – a forward-looking strategic management and coherent policy-planning with clear priorities” (Vatter 2020: 251).

Citation:

Schedler, Kuno 2019: Strategische Staatsführung und Steuerungsinstrumente –wie können Regierung und Exekutive strategisch führen?, in: Ritz, Adrian, Theo Haldemann and Fritz Sager (eds.): Blackbox Exekutive. Regierungslehre in der Schweiz, Zürich: NZZ Libro, 285-305

Vatter, Adrian. 2018. Das Politische System Der Schweiz. Grundlagen, Institutionen Und Vergleich, 3rd edition, Baden-Baden: Nomos (UTB).

Vatter, Adrian (2020): Der Bundesrat. Die Schweizer Regierung. Zürich: NZZ

Expert Advice
Score: 8

In the Swiss political system, the drafting of bills takes place primarily within extra-parliamentary and parliamentary committees. As of November 2019, 116 of these extra-parliamentary committees existed, with government-selected members that included academics, representatives of interest groups and parties, individuals with particular expertise and other such experts. While there are multiple criteria for selecting members, the government seeks a balanced representation of language groups, political parties and ideologies and other societal interests. Academics are selected on the basis of academic profile, but their allegiance to political parties or other societal interests may also be taken into account.

In December 2018, the Federal Council decided to reduce the number of committees by 13, but also to create two new committees.

Thus, while expert commissions and their members do have a dominant influence on governmental decision-making, the influence of academics per se is much more limited than is the influence of the politically constituted groups as a whole. In addition, the share of academics on these committees is rather limited, amounting to about 11% of all seats. However, the combined total of academics and high-level federal and canton civil servants (who usually have academic training) accounts for about half of all commission seats.

In Switzerland, public policies are regularly assessed by evaluators who have had academic training. According to a 2016 study by Pleger et al., about 50% of these evaluators felt influenced or pressured by stakeholders; about the same level as in the United States, but considerably less than in Germany and the United Kingdom (about 80%).

This finding underscores the importance of evaluations for policymaking. A 2017 large-scale cooperative research project by Sager et al. concluded that

policy evaluations not only play an important role for policymaking in the executive-administrative nexus but also contribute to decision-making in parliament and to a lesser degree in direct-democratic decision-making.

During the COVID-19 pandemic, the reliance on evaluation rather than organized expertise in external committees proved to be problematic. While the government established the Science Covid Task Force, it did not know how to handle the advice it received from the Science Task Force. It was evident that Swiss politics lacked a routine for integrating scientific advice into policymaking while pressure. This lack of routine culminated in the SVP's proposal to prohibit the Science Task Force from issuing public statements about the pandemic. Nevertheless, while the parliament rejected the proposal, it is evidence of the bumps in the science-policy interface that Switzerland will need to address in the aftermath of the coronavirus crisis (Hadorn et al. 2022; Sager et al. 2022). While Switzerland was arguable successful in dealing with the crisis, this was not due to a smooth exchange between science and politics.

Citation:

Hadorn, Susanne, Fritz Sager, Céline Mavrot, Anna Malandrino, Jörn Ege (2022). Evidence-based Policymaking in Times of Acute Crisis: Comparing the Use of Scientific Knowledge in Germany, Switzerland and Italy. *Politische Vierteljahresschrift*: forthcoming.

Lyn Pleger, Fritz Sager, Michael Morris, Wolfgang Meyer, and Reinhard Stockmann 2016: Are Some Countries More Prone to Pressure Evaluators Than Others? Comparing Findings from the United States, United Kingdom, Germany and Switzerland, *American Journal of Evaluation*, DOI: 10.1177/1098214016662907

Sager, Fritz (2017). "Evaluation and democracy: do they fit?" *Evaluation and Program Planning*. <https://doi.org/10.1016/j.evalprogplan.2017.08.005>

Sager, Fritz, Thomas Widmer und Andreas Balthasar (Hg.) (2017). *Evaluation im politischen System der Schweiz – Entwicklung, Bedeutung und Wechselwirkungen*. Zürich: NZZ Verlag, Reihe „Politik und Gesellschaft in der Schweiz“.

Sager, Fritz, Céline Mavrot, Johanna Hornung (2022). *Wissenschaftliche Politikberatungssysteme in der Covid-19-Krise: Die Schweiz im Vergleich mit Deutschland, Italien, Frankreich und Grossbritannien*. Bern: Untersuchung im Auftrag der Schweizerischen Bundeskanzlei.

https://www.admin.ch/ch/d/cf/ko/Statistik_AnzahlGremienAK.html

Interministerial Coordination

The Swiss political system does not have a prime minister or a prime minister's office. The government is a collegial body. However, there are several instruments of interministerial coordination and various mechanisms by which ministries' draft bills are evaluated. Departments engage in a formal process of consultation when drafting proposals, the Department of Justice

provides legal evaluations of draft bills, and the Federal Chancellery and Federal Council provide political coordination. In particular, the Federal Chancellery has gained its reputation as the central institution for interministerial planning (Vatter 2020: Chapter 7).

Due to the double role of the Federal Council as a collegial unit with the task of producing widely acceptable proposals, and individual federal councilors as heads of departments with the task of satisfying their parties' programs and their department policies, coordination becomes more difficult with the increasing political polarization between government parties

Citation:

Vatter, Adrian 2020: Der Bundesrat. Die Schweizer Regierung. Zürich: NZZ

Line Ministries
Score: 7

Switzerland's government consists of only seven ministries, each of which has a broad area of competency and is responsible for a large variety of issues. There are no line ministries. However, there are federal offices and institutions connected to the various ministries. These work closely with the minister responsible for their group. Since ministers must achieve a large majority on the Federal Council in order to win support for a proposal, there is strong coordination between offices. Indeed, political coordination among the high ranks of the administration can be rather intense, although the limited capacity and time of the Federal Council members, as well as their diverging interests, create practical bottlenecks.

There is a tension, however, between the consensus principle in the Federal Council that demands a common solution supported by all seven ministers, and the departmental principle that enables ministers to pursue their party line within their departments which, in turn, allows them to satisfy party members as they secure support for consensus-derived government solutions. Increasing polarization in parliament strengthens the departmental principle and renders consensus-driven solutions within the Federal Council more difficult to achieve. Nonetheless, the Federal Council so far managed to balance the two principles (Sager and Vatter 2019).

Sager, F. & Vatter A. (2019). „Regierungshandeln im Spannungsfeld von Partei- und Exekutivpolitik am Beispiel des Bundesrats“, in Blackbox Exekutive. Eds. A. Ritz, T. Haldemann & F. Sager. 195-211. Zürich. NZZ Libro.

Cabinet
Committees
Score: 2

Not surprisingly, given the small number of ministries, there are no cabinet committees in Switzerland's political system. However, there is considerable coordination, delegation and communication at the lower level of the federal government. Every minister is in a sense already a "ministerial committee," representing the coordination of numerous cooperating departmental units.

Ministerial
Bureaucracy
Score: 10

The federal government deliberates behind closed doors, and minutes of these meetings are not public. A leading expert on government decision processes has estimated that in most decision-making processes, “either the preliminary procedure or the co-reporting procedure leads to an agreement.” The preliminary procedure consists of interministerial consultations at the level of the federal departments. After the departments have been consulted, the co-reporting procedure begins. The Federal Chancellery leads the process by submitting the proposal under consideration as prepared by the ministry responsible to all other ministries. These then have the opportunity to submit a report or express an opinion. A process of discussion and coordination ensues, designed to eliminate all or most differences before the proposal is discussed by the Federal Council.

Two instruments, the large and the small co-reporting procedures, are specifically designed to coordinate policy proposals between the ministries. 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.

Citation:

Vatter, Adrian (2020): Der Bundesrat. Die Schweizer Regierung. Zürich: NZZ

Informal
Coordination
Score: 9

Given the small size of the federal administration and the country’s tradition of informal coordination, there is a continuing presence of strong and effective informal coordination. According to Mavrot and Sager, informal coordination not only takes place among administrative units in the seven departments, but also between the respective administrations at the different federal levels.

Citation:

Mavrot, Céline, and Fritz Sager (2018). Vertical epistemic communities in multilevel governance. *Policy & Politics*, Volume 46, Number 3, pp. 391-407.

Digitalization for
Interministerial
Coordination
Score: 7

The Federal Council has developed a strategy for information and communication technology in the Federal Administration. It uses digital technologies effectively to support interministerial coordination. The development and use of IT in the Federal Administration has, however, experienced challenges with regard to efficiency and the appropriate use of fiscal resources. For example, the development of software for use in tax policy and administration has been heavily criticized by the Swiss Federal Audit Office.

As for the cantons, Schmid et al. developed a digitalization index for each canton and found that a high level of e-government and digitalization can be

found in cantons with strong financial resources (i.e., wealthy inhabitants and a strong economy). The cantons of St. Gallen, Aargau, Zug and Neuenburg score highest in this index.

In cross-national comparison, Switzerland receives medium to low scores on e-government issues. The European Commission's e-Government Benchmark 2021 report, which examines progress in the digitalization of administration, has been summarized by the government in the following way:

“Despite the increase in overall performance, Switzerland still ranks low (in international comparison):

“With an overall performance of 52.3% (EU 67.9%), Switzerland ranks a low 32nd out of 36, down from 49.9% (EU 62%) two years ago ... Switzerland also compares poorly with neighboring countries that also have a federal structure, such as Austria (84.1%) and Germany (62.1%) ... When it comes to the use of basic services, the majority of European countries are significantly more advanced than Switzerland (CH 34%; EU 65.2%). Switzerland has not yet established a state-recognized e-ID that can be used for digital identification in the processing of e-services. Pre-filled forms with data from sources such as basic registers (authentic sources) exist in only 12% (+4%) of the e-services examined (EU: 61.5%). Automatically pre-filled forms with data that the authorities already have from certain sources would significantly reduce the effort for the user (no multiple entries, “once-only” principle) and the administration (increase in data quality).

“In the area of transparency of e-services, Switzerland continues to develop (+3.5%) and is approaching the benchmark average (CH 43.8%; EU 64.3%). In terms of the traceability of service provision (completion of forms until receipt of the service), Switzerland is clearly behind the EU average (62%) at around 22%. The report places a great deal of emphasis on information regarding deadlines for the provision of benefits. Here, Switzerland performs poorly. Switzerland has made progress (approx. +10%) in terms of transparency with regard to the personal data used by the authorities. Users can manage their personal data themselves in around 42% of the e-services examined.

“The report shows that Swiss authorities need to improve, especially in citizen-related online services (marriage, birth, death, work, study, etc.). Here, basic services are missing, such as pre-filled forms, or the process of handling services is not transparent. Swiss authorities are more progressive when it comes to business-related services and information, such as starting a business.

“In the area of user-centeredness, Switzerland can keep up with the EU average. About 80% (EU: 87.2%) of the government services and information examined are available online on government websites. Almost nine out of 10 of the websites surveyed also offer online support, help functions and feedback mechanisms and are mobile-enabled.”

Citation:

<https://www.bakom.admin.ch/bakom/en/homepage/digital-switzerland-and-internet/strategie-digitale-schweiz.html>

Schmid, J., Urben, M., & Vatter, A. (2018). Cyberföderalismus in der Schweiz: Befunde zur Digitalisierung kantonaler Verwaltungen. *Yearbook of Swiss Administrative Sciences*, 9(1), 12–24. DOI: <http://doi.org/10.5334/ssas.116><https://www.egovernment.ch/de/>

<https://www.egovernment.ch/de/aktuelles/medieninformationen/e-government-benchmark-der-eu-2021/>

Evidence-based Instruments

RIA Application
Score: 8

There is no formal institution responsible for ex ante impact assessment in Switzerland. Article 170 of the constitution states that “(t)he federal parliament shall ensure that the efficacy of measures taken by the confederation is evaluated.” In some ministries such as the Department of Economic Affairs, individual units occasionally perform systematic and encompassing ex ante impact assessments. Furthermore, ex ante evaluations by the administration always include checks for consistency with existing law (performed by the Department of Justice), compatibility with EU regulations, and if necessary, analyze budget implications, probable administrative costs and personnel requirements. Ex post evaluations have also been strongly developed; however, it is unclear whether the results of these analyses have any substantial effect on implementation.

In a 2011 study, Sager and Rissi argue that “the meager impact and success of the RIA is due to its institutional context, namely Swiss semi-direct referendum democracy. Direct-democratic involvement and the division of power in the course of consensual government are both great barriers for effective policy appraisal.”

Beyond these processes, functional equivalents of impact assessments do exist. First, expert commissions that draft or suggest laws also evaluate alternatives, while examining the potential impacts, benefits and problems associated with proposed solutions. Second, and probably more important, is the so-called consultation procedure derived from Article 147 of the constitution. This article stipulates that “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.” As a consequence, all those who are affected by a planned law have a constitutional right to give their opinion as to its pros and cons. This has been emphasized recently in a report written by collaborators of the OECD (Arndt-Basacle et al. 2022).

From a comparative perspective, Switzerland was a relative latecomer to performance-management policies, as were Germany and Austria. It was only in 2011 that the Federal Administration decided to implement some form of performance management on a consistent basis.

In 2016, a report by the Federal Audit Office criticized RIA praxis in Switzerland arguing that it did not fully comply with the formal requirements for RIA. This critique led to a political debate about whether the Federal Administration had deliberately misinformed the parliament. In the course of this debate, the widespread neglect of RIA by politicians was largely ignored. In December 2018, the Federal Council emphasized the need to improve RIAs by optimizing existing processes without creating new institutions. In a recent report, the OECD notes that, while there is no major significant improvement, recently Switzerland has also made some adjustments by reforming “its regulatory policy framework in 2019, in particular through the issuing of new regulatory impact assessment (RIA) directives by the Federal Council. The requirement for RIA to be conducted for all regulations in Switzerland has been refined with a ‘quick check’ procedure and additional consideration for proportionality; however this does not mean that RIA is done in an encompassing and systematic manner. All regulations must undergo a preliminary RIA, which will allow identifying regulations to be subject to an in-depth assessment. A threshold test, based on quantitative and qualitative criteria, is applied to determine whether a regulation should be subject to a simplified or full RIA. The obligation to quantify regulatory costs has been extended and systematized, such as for all new regulations which cause additional regulatory costs for more than 1,000 companies or which place a particular burden on an economic sector. Switzerland focuses less on quantifying benefits and costs of regulations to citizens” (OECD 2021: 286; Arndt-Basacle et al. 2022).

Citation:

Arndt-Basacle, Christiane and Paul Davidson, Marie-Gabrielle de Liedekerke 2022: Wie man schlaue Regulierungen findet, *Die Volkswirtschaft* 1–2 / 2022, 39-42.

EFK [Eidgenössische Finanzkontrolle] (2016). *Prognosen in den Botschaften des Bundesrates, Evaluation der prospektiven Folgenabschätzungen von Gesetzesentwürfen*, Bern.

OECD 2021: *Regulatory Policy Outlook 2021*, Paris: OECD.

Fritz Sager/Christof Rissi 2013: The limited scope of policy appraisal in the context of referendum democracy – the case of regulatory impact assessment in Switzerland, *Evaluation: The International Journal of Theory, Research and Practice* 17(2): 151-164.

Fritz Sager (2017). „Regulierungsfolgenabschätzung (RFA): Prognosen und Kompromisse“, *Neue Zürcher Zeitung*, 14. Februar 2017, S. 9.

Quality of RIA
Process
Score: 7

While stakeholder participation in regulatory impact assessment (RIA) procedures is a particularly strong point in Switzerland, communications processes vary between regions and policy fields. For in-depth RIA, an extended version of standard RIA, Rissi and Sager show how procedural assessments used to be the most prominent form of RIA utilization in Switzerland. RIA are often outsourced to independent research companies, though this does not affect utilization. In the course of the debate about the Federal Audit Office report on the quality of RIA, an independent Regulation Assessment Unit was demanded by some politicians. However, the proposal is yet to be made concrete.

Citation:

Rissi Christof and Fritz Sager (2013). “Types of Knowledge Utilization of Regulatory Impact Assessment (RIA). Evidence from Swiss Policymaking,” *Regulation & Governance* 7(3): 348–364.

Sustainability
Check
Score: 7

The government conducts effective sustainability checks within the framework of RIA. Given the decentralized political and administrative system of Switzerland, however, they are only used in few departments.

The Federal Office for Spatial Development uses the Sustainability Impact Assessment (Nachhaltigkeitsbeurteilung, NHB) and the Federal Office for the Environment uses the Economic Impact Assessment (Volkswirtschaftliche Beurteilung, VOBU). There is no social impact assessment at the federal level.

Quality of Ex
Post Evaluation
Score: 9

Article 170 of the constitution states that “(t)he federal parliament shall ensure that the efficacy of measures taken by the confederation is evaluated.” Ex post evaluations have been strongly developed and are, to varying degrees, standard in most policy fields. Evaluations are best established in the fields of development cooperation, public health, education and economy. Ex post evaluations are a most important source of information for the revision and development of policies when used by the administration. Administration experts draft laws and reports based on the available empirical evidence, which mostly consists of policy evaluations. However, the administration formulates drafts that are subject to pre-parliamentarian and parliamentarian policymaking processes that include many relevant actors that do not prioritize evidence. The main goal of policymaking in Switzerland is acceptance rather than evidence-based policy. However, as many evaluations focus on learning

within the administration rather than executive control and new legislation, the impact of evaluations remains significant in Switzerland. The Swiss evaluation community is one of the most professional in Europe and evaluations are of good quality. The role of ex post evaluations in Switzerland can thus be considered important.

Citation:

Fritz Sager, Thomas Widmer, Andreas Balthasar (eds.) 2017: *Evaluation im politischen System der Schweiz. Entwicklung, Bedeutung und Wechselwirkungen*, Zürich: NZZ Verlag

Societal Consultation

Public
Consultation
Score: 10

Policymaking in Switzerland is strongly based on public consultation with interest groups. Traditionally, in the Swiss liberal-conservative political system, business and employer interest groups have more influence and power than trade unions or non-producer interests. The latter, however, has enjoyed a significant increase in its political influence recently (Kriesi 1980; 1982; Häusermann et al. 2004; Armingeon 2011; Sciarini et al. 2015; Eichenberger 2020; Mach et al. 2020).

Within Switzerland's corporatist system, which links organizations of labor, capital and the state, there are numerous pre-parliamentary procedures and committees focused on consultation with various societal groups. One of the main ones is the consultation procedure, which enables invited (communal and cantonal umbrella organizations, relevant interest groups) and uninvited parties to submit statements in a preliminary legislative procedure. These instruments are designed to prevent government proposals from failing in parliament or in referendums, and to offer solutions that benefit all parties. However, research shows that the degree of corporatist integration has declined in recent years. This is in part attributable to the growing intensity of conflicts between the social partners, as well to the influence of European integration and internationalization. If judged from a comparative perspective, the level of corporatist integration remains very high in Switzerland, but from a historical perspective it is low. During the pandemic, corporatism has proven to be very resilient and efficient for swift socioeconomic policymaking, although this corporatist coordination happened very silently, while lobbying was much more in the focus of the mass media (Armingeon and Sager 2022). In any case, direct democracy offers interest groups major influence by threatening to trigger a referendum. This offers strong incentives for political elites to incorporate major interest groups in policy development. On the other hand, the federal government has become stronger in domestic politics due to the consequences of European integration.

Citation:

ARMINGEON, Klaus. 2011. A prematurely announced death? Swiss corporatism in comparative perspective. In: TRAMPUSCH, C. & MACH, A. (eds.) *Switzerland in Europe: Continuity and Change in the Swiss Political Economy*. London/New York: Routledge.

Armingeon, Klaus and Fritz Sager 2022: *Muting Science: Input overload versus scientific advice in Swiss policymaking during the COVID-19 pandemic*, unpublished paper.

EICHENBERGER, S. 2020. The Rise of Citizen Groups within the Administration and Parliament in Switzerland. *Swiss Political Science Review*, 26, 206-227.

Fischer, Manuel and Pascal Sciarini (2019): *Die Position der Regierung in Entscheidungsstrukturen*, in: Ritz, Adrian, Theo Haldemann and Fritz Sager (eds.): *Blackbox Exekutive. Regierungslehre in der Schweiz*, Zürich, NZZ Libro, 49-64.

HÄUSERMANN, S., MACH, A. & PAPADOPOULOS, Y. 2004. From Corporatism to Partisan Politics: Social Policy Making under Strain in Switzerland. *Revue Suisse de Science Politique*, 11, 33-59.

KRIESI, H. 1980. *Entscheidungsstrukturen und Entscheidungsprozesse in der Schweizer Politik*, Frankfurt am Main, New York, Campus.

KRIESI, H. 1982. The Structure of the Swiss Political System. In: LEHMBRUCH, G. & SCHMITTER, P. C. (eds.) *Patterns of Corporatist Policy-Making*. London, Beverly Hills: Sage.

Lexicon of parliamentary terms (2022). Consultation procedure. <https://www.parlament.ch/en/%C3%BCber-das-parlament/parlamentsw%C3%B6rterbuch/parlamentsw%C3%B6rterbuch-detail?WordId=225>

MACH, A., VARONE, F. & EICHENBERGER, S. 2020. Transformations of Swiss neo-corporatism: From pre-parliamentary negotiations toward privileged pluralism in the parliamentary venue. In: CAREJA, R., EMMENEGGER, P. & GIGER, N. (eds.) *The European Social Model under Pressure*. Wiesbaden: Springer Fachmedien Wiesbaden, https://doi.org/10.1007/978-3-658-27043-8_4.

SAGER, F. & MAVROT, C. 2020. Switzerland's COVID-19 policy response: Consociational crisis management and neo-corporatist reopening. *European Policy Analysis*, 6, 293-304.

SCIARINI, P., FISCHER, M. & TRABER, D. (eds.) 2015. *Political Decision-Making in Switzerland. The Consensus Model under Pressure*, Houndsmill, Basingstoke: Palgrave Macmillan.

Sciarini, Pascal, Manuel Fischer and Denise Traber (eds) (2015): *Political decision-making in Switzerland: Challenges to consensus politics*, Basingstoke/New York: Palgrave Macmillan

Policy Communication

Coherent
Communication
Score: 8

Government communications have professionalized in recent years. In the 1940s and 1950s, the chancellor (and thus the government spokesman) used to tack a note “There is nothing to report from today’s Federal Council meeting” on a blackboard. By 1997, a new law states that the Federal Council “shall report to the public in a timely and comprehensive manner on its activities” (Vatter 2020: 271-280).

Switzerland’s government acts as a collegial body. All members of the government have to defend the government’s decisions, irrespective of their

own opinion. However, in the 2003 to 2007 period, when the Swiss People's Party's (SVP) Christoph Blocher participated in government, communication was less coherent than before and afterward, and the country's politics shifted, taking a more populist, aggressive and confrontational tack. Although the current government is much more consistent in its public statements, coherence has not yet returned to the level reached in the 1970s through the 1990s. The government includes two SVP members who have little incentive to increase communication coherence. The following factors have contributed to this decline in the coherence of government policy communications:

- the structure of the collegiate body itself, which makes it difficult to speak with one voice in the mass media age;
- political polarization, even among the members of the broad coalition government;
- the systematic distortion of the Federal Council's communication leaks on the part of some aggressive media outlets; and
- the Federal Council's lack of authority or capacity to punish and deter communication leaks, and its inability to manage its communication policy effectively.

Having said this, it needs to be emphasized that in international comparison (e.g., in comparison with the German or Austrian federal governments) Switzerland's federal ministries are most of the time highly successful in aligning their communication with government strategy.

Overall, as digital transformation proceeds, government communication is increasingly influenced by and conducted through various media forms, including social media.

Citation:

Hinterleitner, M. & Sager, F. (2019). „Krisenmanagement und Risikovermeidung“, in *Blackbox Exekutive*. Eds. A. Ritz, T. Haldemann & F. Sager. 409-427. Zürich. NZZ Libro.

Raupp, Juliana and Jan Niklas Kocks (2019): *Regierungskommunikation*, in: Ritz, Adrian, Theo Haldemann and Fritz Sager (eds.): *Blackbox Exekutive. Regierungslehre in der Schweiz*, Zürich, NZZ Libro, 373-388.

Vatter, Adrian 2020: *Der Bundesrat. Die Schweizer Regierung*. Zürich: NZZ

Implementation

The Swiss polity contains many different potential veto points, including political parties, cantons that have veto power in the second chamber, and interest groups with the power to trigger a referendum. Thus, the government must hammer out compromises carefully when drafting legislation. This is

Government
Effectiveness
Score: 9

done in the pre-parliamentary stage of legislation. Once a bill is introduced into parliament, many of the necessary compromises have already been reached. For this reason, a substantial number of bills are passed in parliament without being modified, although the parliament tends to gain in strength, and thus intervene more and more in the parliamentary phase.

Actual implementation then takes place at the cantonal level. The cantons formulate and decide upon an implementation act for each federal law, a process very similar to the EU transposition process and in which cantons enjoy large discretion. The actual policy delivery for almost all policies is in the hands of the cantons.

It needs to be emphasized that the federal government in Switzerland does not correspond to the idea of government based on the logic of opposition and government, or on the notion that those political parties that obtain a majority of votes have a mandate to pursue their programs as a single party or minimal winning coalition. Rather, in Switzerland, federal government always means broad coalitions with the inclusion of almost all major political actors. Therefore, any governmental policy is a result of encompassing negotiations and compromises, which also address potential opposition to its implementation on the cantonal level. It comes as no surprise, therefore, that there is no such thing as a “government program” or a “coalition treaty” with clearly laid out policy objectives. But of course, as comparative analyses show, these limitations do not imply that such types of governments are less effective, at least over the medium to long run.

Citation:

Sager, F., & Thomann, E. (2016). “A Multiple Streams Approach to Member State Implementation Research: Politics, Problem Construction and Policy Paths in Swiss Asylum Policy,” *Journal of Public Policy*, 37(3): 287-314. doi: doi.org/10.1017/S0143814X1600009X

Sager, F., Ingold, K. & Balthasar, A. (2017). *Policy-Analyse in der Schweiz. Besonderheiten, Theorien, Beispiele*. Zürich: NZZ Verlag, Reihe „Politik und Gesellschaft in der Schweiz“.

Sciarini, Pascal. 2014. „Eppure si muove: the changing nature of the Swiss consensus democracy.“ *Journal of European Public Policy* 21 (1): 116–32. <https://doi.org/10.1080/13501763.2013.822822>.

Ministerial
Compliance
Score: 8

Government in Switzerland is not (primarily) party driven. Ministers are expected to work together as a collegium, and to abstain from any politics or policies that benefit their party or themselves as individual politicians. In general, this worked quite well so long as all members of government felt bound by the rules of collegiality. In recent years, due to growing political polarization and an attack on consociational politics by the right-wing populist party, there have been some deviations from this course. However, even in periods of polarized politics, the Swiss government and its policy implementation is much less driven by the interests of individual politicians or parties than is typically the case for parliamentary governments. In the current

review period, ministerial compliance and cooperation were much more pronounced than between 2003 and 2007.

In the Swiss federal system, implementation is first the task of the cantons and even the municipalities. Implementation therefore must be seen as a multilevel process. According to Sager and Thomann, implementation varies among the cantons and is determined by political party government composition, policy pressures and bureaucratic preferences at the cantonal level.

Citation:

Sager, Fritz, and Eva Thomann (2016). "A Multiple Streams Approach to Member State Implementation Research: Politics, Problem Construction and Policy Paths in Swiss Asylum Policy," *Journal of Public Policy* 37 (3): 287–314.

Monitoring
Ministries
Score: 9

Switzerland's government features neither a prime minister's office nor line ministries, but does offer functional equivalents. Given the rule of collegiality and the consociational decision-making style, as well as the high level of cooperation at lower levels of the Federal Administration, there is little leeway for significant deviation from the government line. Monitoring is built into the cooperative process of policy formulation and implementation.

Monitoring
Agencies,
Bureaucracies
Score: 6

Switzerland's governance system offers considerable flexibility in implementing decisions. The central administration is very small; this does not prevent bureaucratic drift, but in all likelihood the opportunities for such drift are much smaller than in huge administrations.

A number of factors mitigate for close coordination between the federal government and the Federal Administration. The country's direct democracy means that citizens have the ability to limit the maneuvering room of both government and administration. In the collegial governmental system, coordination is essential to success, and government and administration alike depend on efficient collaboration given the reality of parliamentary control. There is little evidence of an administrative class that acts on its own; moreover, administrative elites perceive themselves to be politically neutral.

Furthermore, Switzerland's model of federalism implies that cantons have considerable responsibility for implementing policy, while the federal state has a subsidiary role. According to Article 3 of the constitution: "The cantons are sovereign insofar as their sovereignty is not limited by the federal constitution; they shall exercise all rights which are not transferred to the confederation." Even in areas in which the federal state has tasks and powers, such as social insurance, environmental protection or zoning, implementation is carried out by the cantonal and sometimes municipal administrations. These bodies have considerable flexibility in performing their work, and implementation of federal guidelines frequently varies substantially between cantons. Zoning

policy has offered examples in which the same federal regulation has led to opposite outcomes in different cantons. In addition, much implementation is carried out by interest organizations through the corporatist channel.

A 2016 study by Fritz Sager and Eva Thomann on cantonal asylum policies showed that implementation was mainly dependent on the extent of the problem, politicization and partisan power distribution in the respective canton as well as the previous policy. This analysis allows for many different constellations, which can explain the large variation in cantonal implementation of federal laws.

Federal agencies are monitored by the Swiss Federal Audit Office and the Parliamentary Control of the Administration; public and semi-public enterprises are monitored by various independent regulatory agencies.

Citation:

Fritz Sager and Eva Thomann: Multiple streams in member state implementation: politics, problem construction and policy paths in Swiss asylum policy. *Journal of Public Policy*, Available on CJO 2016 doi:10.1017/S0143814X1600009X

Task Funding
Score: 9

In Switzerland, cantons and municipalities levy most of the country's tax revenues. They determine local tax rates and decide how tax revenues will be distributed. Between 2004 and 2007, Switzerland passed a rather successful reform of its financial federalism, which has now taken effect. The basic idea was to establish a clear division of tasks between the federation and cantons as well as create transparency with regard to the flow of resources between the federal state and cantons. In this reform, the basic principle of fiscal equivalence was strengthened. This means that communes, cantons and the federation each are responsible for the funding of their own tasks, and for the balance of their own budgets. The fiscal equalization scheme has been retained, as it is necessary to reduce certain geographical, economic and social disparities, but the danger of providing badly aligned incentives through earmarked subsidies is eliminated through the use of grants. Funds thus continue to flow vertically (from the federal state to the cantons and vice versa) as well as horizontally (between communes and cantons). Nonetheless, it remains to be seen whether the new fiscal equalization scheme will help cantons that have serious problems in fulfilling their tasks or in meeting their goals due to their small size, lack of resources or other reasons. In any case, there is a divide between those cantons that pay more and those receiving payments.

Constitutional
Discretion
Score: 10

Municipalities and cantons have a high degree of autonomy, while the federation has only a subsidiary role. The central government has little opportunity to counter decisions made by cantonal parliaments or governments. Municipal discretion in policymaking is a constitutional norm.

Article 50 of the constitution states: “(1) The autonomy of the municipalities is guaranteed within the limits fixed by cantonal law. (2) In its activity, the confederation shall take into account the possible consequences for the municipalities. (3) In particular, it shall take into account the special situation of cities, agglomerations and mountainous regions.” The municipalities and cantons make use of their competences to the maximum extent possible.

The main competences for public policies are with the cantons. The implementation of federal policies in Switzerland is strongly shaped by the institutional setting. According to Vatter, “While the Federation holds the legislative power in many areas, responsibility for implementing federal policies resides to a large extent with the cantons.” Therefore, in a great number of policy domains, the federal level is dependent on the cantons for the implementation of federal legislation. Due to the high degree of legislative autonomy of the Swiss cantons, the delegation applies not only to the actual implementation of federal laws (i.e., the right to act) but also to the adaptation of these provisions to the local situation (i.e., the right to decide). The cantons are not only implementing, but also programming authorities. According to Sager et al., the complexities of modern infrastructure, economic intervention and social programs have stimulated mechanisms of intensive cooperation between the three levels of the federal system.

Sager et al. (2019) show how the cantons use their discretionary power to complement federal policies in order to achieve their stated objectives.

Citation:

Sager, F., Ingold, K., & Balthasar, A. (2017). *Policy-Analyse in der Schweiz: Besonderheiten, Theorien, Beispiele. Politik und Gesellschaft in der Schweiz*. Zürich: NZZ.

Sager, Fritz, Christian Rüeßli and Eva Thomann (2019). « Fixing Federal Faults. Complementary Member State Policies in Swiss Health Care Policy », *International Review of Public Policy* [Online], 1:2 | 2019, Online since 20 November 2019, connection on 04 December 2019. URL : <http://journals.openedition.org/irpp/426>

Vatter, A. (2007) ‘Federalism,’ in U. Klöti et al. (eds), *Handbook of Swiss Politics*, 2nd edn, Zurich: Neue Zürcher Zeitung, 77-99.

National
Standards
Score: 7

The Swiss political system is one of the most decentralized systems in the world. Cantons and municipalities enjoy very substantial autonomy not only in terms of organization but also in terms of policy. Within the scope of their quite significant competencies, it is up to the cantons and municipalities to decide what public services they want to offer, to what extent and at what level of quality. Therefore, there are no national standards for public services except with regard to those limited parts of the administration that implement federal law. However, all public services must comply with the rule of the law and the human rights set out in the constitution. A comparatively small number of issues (i.e., social policies) are decided at the federal level, and are thus subject

to national standards. In these cases, federal laws are implemented by cantonal administrations, which have to follow national norms.

Multilateral agreements between some or all cantons (“Konkordate”) for common standards of public services can be seen as a functional equivalent to national policy standards.

As member-state implementation in all policy sectors leads to marked differences in both conformance and performance compliance, the federal government increasingly employs non-binding policy programs instead of legal acts to steer the cantons and secure distributive justice in service delivery. These programs often take the form of financial incentives or funding schemes for the achievement of given policy goals. They rest upon deliberative action rather than hierarchical coercion.

Citation:

Ritz, M., Neumann, O. and Sager, F. (2019), Senkt New Public Management die Verwaltungsausgaben in den Schweizer Kantonen? Eine empirische Analyse über zwei Dekaden. *Swiss Polit Sci Rev.* 25(3): 226–252 doi:10.1111/spsr.12381

Effective
Regulatory
Enforcement
Score: 6

In Switzerland, there is a very limited likelihood that regulations contradict the interests of powerful groups, considering the numerous opportunities to articulate private interests in policy development. A case in point is agricultural policy: farmers are very effective in impeding regulations given their political power in parliament.

In addition, implementation – even of federal regulations – is almost exclusively done by cantonal and local administrations. Frequently, they apply federal law in a very pragmatic way, tailored to the needs of local and cantonal interests. Hence, if federal rules are in direct conflict with powerful vested interests, they are likely to be implemented in a way that minimizes the disadvantages for the powerful vested interests on the cantonal or local level.

Moreover, vested economic interests are very powerful in the implementation process of public policy. Obvious examples are federal rules which were agreed upon in popular votes but violated major economic interests. In 2017, the government and parliament avoided implementing a constitutional rule constraining the inflow of foreign workers. The government and parliament feared that the rule would entail massive economic disadvantages and were supported in their view by economic interest organizations – ranging from trade unions to employers’ associations – and individual firms. Likewise, the strict implementation of a constitutional rule limiting the construction of vacation homes was considerably modified due to powerful cantonal and local economic interests.

Discretion is a necessary condition for implementation, be it by interest groups or cantons. The main goal of federal legislation is the formulation of policy proposals that are accepted in a referendum. This is only possible by granting discretion in the implementation of policies: allowing implementing agents to adjust federal policy. As the federal government depends on implementing agents for basically all policies, there are strong reservations against strict enforcement of compliance. This is a deliberate consequence of the Swiss institutionalized emphasis on policy acceptance rather than outcomes.

Adaptability

Domestic
Adaptability
Score: 6

Switzerland directly implements international treaties which today account for about half of the federal legislation. Whenever Switzerland agrees to cooperate with other countries or international organizations, it attempts to meet all the requirements of the agreement, including implementation of the necessary administrative reforms.

With regard to the European Union, however, the adaptation is idiosyncratic. On the one hand, the government cannot in a self-executing way update domestic legislation to EU rules, as most Swiss do not want to join the European Union and have expressed in several referendums their skepticism toward the European Union. On the other hand, adaptations to EU law reach beyond these treaties and comprise also large parts of (domestic) economic law. The strategy of bilateral treaties has been placed in jeopardy following the passage of the popular initiative capping mass immigration. The parliament solved the problem by paying lip-service to the constitutional amendment while drafting an implementation law that does not correspond to the wording and the spirit of the popular decision (“implementation light”). Moreover, there are serious concerns as to whether the “strategy of bilaterals” is sufficient or sustainable. Conflicts between the European Union and Switzerland have escalated since 2008, with the European Union demanding that institutional solutions be developed to address the bilateral system’s weaknesses. Specifically, the European Union has called for self-executing rules enabling bilateral treaties to be updated as well as independent institutions for the settlement of conflicts arising from the bilateral treaties. Switzerland has opposed these proposals. There is strong domestic opposition against any such institutional framework agreement, while the European Union is not willing to continue the previous case-by-case updating of bilateral agreements nor the unanimous adjudication of conflicts by a joint committee of the European Union and Switzerland. Switzerland has tried to wait out the decision, but the European Union has threatened and then executed sanctions. Given the long list of unresolved issues touching the interests of diverse groups such as trade

unions and right-wing populist politicians, the Swiss political system has been unable to adapt to these external challenges. Instead, the executive and most political parties procrastinated and muddled their way through. Finally, in spring 2021, the government terminated any development of an institutional agreement with the European Union having failed to find consensus within the government or win over a clear majority of voters and interest groups for the draft agreement that had been hammered out over the previous years. The left, and in particular the trade unions, feared becoming victims of the liberalizing negative integration which is spurred by the rulings of the European Court of Justice. The right-wing populist party took an oppositional approach as a matter of principle.

Hence, relations between the European Union and Switzerland have stalled at the time of writing. In principle, the European Union has made any update to and extension of its bilateral treaties with Switzerland conditional on a sufficient institutional agreement that defines the dynamic updating of the bilateral treaties and dispute settlement, and a central role for the European Court of Justice. Some Swiss actors, on the other hand, believe that in the end the European Union will agree to a gradual process of updating of the treaties because of Switzerland's importance to the European Union. This is the position of the party with the largest vote share in Switzerland, the Swiss People's Party. Other major parties see the need to respond to the EU demand for an institutional arrangement, but are far from finding consensus on what such an arrangement might look like.

Over recent decades, the Swiss government adapted its government structures to increasing European integration. There is a desk on European integration (which has had various names and various ministry assignments) in the federal government. There is a leading federal officer for European Affairs (who has sometimes even been granted the competencies of a state secretary, which is just below the level of a federal minister). Meanwhile, with respect to European politics, power has shifted somewhat from interest associations and a pre-parliamentary commission to the national parliament and particularly the federal government. Finally, cantons have far-reaching powers and participate accordingly in the formulation of Switzerland's European policy when their interests are affected. The cantons determine their positions in the Conference of Cantonal Governments (KdK), which is represented at the Swiss Mission to the European Union.

Citation:

Armingeon, Klaus/Lutz, Philipp (2020): Muddling between responsiveness and responsibility: the Swiss case of a non-implementation of a constitutional rule, in: *Comparative European Politics* 18, 256-280. <https://doi.org/10.1057/s41295-019-00185-2>

Armingeon, Klaus and Philipp Lutz 2022: Citizens' response to a non-responsive government: The Case of

the Swiss Initiative on Mass Immigration, unpublished manuscript

DARDANELLI, Paolo and Oscar Mazzoleni eds 2021: *Switzerland-EU Relations. Lessons for the UK after Brexit?*, London: Routledge.

Lauener, Lukas/Emmenegger, Patrick/Häusermann, Silja, et al. 2021: Torn Between International Cooperation and National Sovereignty: Voter Attitudes in Trade-off Situations in Switzerland, in: *Swiss Political Science Review*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/spsr.12484>

Wasserfallen, Fabio 2021: *Die Europäische Union und die Schweiz*, in Bernauer, T. et al.: *Schweizer Aussenpolitik*, Zürich: NZZ-Verlag.

International
Coordination
Score: 5

Switzerland is a fairly active member of the United Nations, the IMF, the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe and most of the other important international organizations. Swiss foreign economic policy works actively to defend the interests of its export-oriented economy, as for instance in the context of the WTO.

However, the policy of neutrality and the objective of safeguarding national autonomy set clear limits to the country's international engagement in the past, and direct democracy further reduced the scope of action in international affairs. During the growing polarization witnessed in Swiss politics over the past 20 years, together with the associated decline in consociational patterns of behavior, right-wing politicians have emphasized the notion of a small, neutral and independent nation-state surviving on the basis of smart strategies in a potentially hostile environment. Large portions of the population support these ideas. Popular skepticism toward European integration has mounted over the course of the last years.

The country concentrates its efforts in areas where it can realistically have some influence, such as economic matters or technical organizations dealing with issues such as transport, ecology or development. This said, there is a clear gap between the government's stated goals in terms of international cooperation and the resources – institutional or otherwise – that it has at its disposal for these tasks

Organizational Reform

Self-monitoring
Score: 8

Self-monitoring takes place as a part of the political process, which includes numerous private and public actors. It is not institutionalized outside the context of the evaluation of policies (as by implication, policy evaluation leads indirectly to the monitoring of the institutional framework for these policies). The major actor in self-monitoring is the Parliamentary Control of the Administration (PCA), an evaluation service of the Federal Assembly which, on behalf of the Control Committees (“Geschäftsprüfungskommissionen”), conducts studies on the legality, expediency and effectiveness of federal

authorities' activities. When commissioned to do so, the PCA can also scrutinize the effectiveness of federal government measures on behalf of other parliamentary committees. In addition, the various federal offices conduct internal evaluations that they trigger themselves. The nature of these self-evaluations varies and depends on the activity of the respective evaluation unit.

In general, according to Sager et al., evaluation activity in Switzerland is high and evaluations form an important part of political life in Switzerland.

Citation:

Sager, Fritz, Thomas Widmer und Andreas Balthasar (Hg.) (2017). Evaluation im politischen System der Schweiz – Entwicklung, Bedeutung und Wechselwirkungen. Zürich: NZZ Verlag, Reihe „Politik und Gesellschaft in der Schweiz“.

<https://www.parlament.ch/en/organe/committees/parliamentary-control-administration-pca>

Institutional
Reform
Score: 5

The federal government has sought to improve its institutional arrangements through the adoption of new administrative techniques (specifically, new public management practices) and a number of other organizational changes. However, whenever the central government has sought to engage in substantial change through institutional reform (e.g., through reorganization of the Federal Council and the collegiate system), it has met with resistance on the part of the public and the cantons, which do not want more resources or powers to go to the federal level. This has limited the range of feasible institutional reforms.

While the basic structures of federalism and direct democracy are very robust, and direct democracy provides incentives for political parties to cooperate within the context of power-sharing structures, lower-level government structures are subject to constant change. Recent examples of such change have affected parliamentary practices, fiscal federalism and the judicial system, canton- and communal-level electoral systems, communal organization and public management. Nevertheless, one of the most important reforms, the reorganization of the Federal Council and its collegiate system, has failed despite several attempts. While the Federal Council is not prone to institutional reforms, the administrative body undertakes reforms quite frequently, not least as a substitute for a lack of government reforms.

The subnational units are more open to reform and display great variation in their administrative and institutional forms.

Citation:

Ritz, M., Neumann, O. and Sager, F. (2019), Senkt New Public Management die Verwaltungsausgaben in den Schweizer Kantonen? Eine empirische Analyse über zwei Dekaden. *Swiss Polit Sci Rev.* 25(3): 226–252 doi:10.1111/spsr.12381

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 8

There is some debate as to whether citizens are well informed in Switzerland. One of the first studies on the issue, based on surveys conducted after popular votes, found that only one out of six voters had a high level of policy knowledge. Studies based on larger data sets and relating to more recent data have showed that about 50% of citizens have good knowledge on public policy issues (i.e., they know the issue at hand and can provide reasons for their decisions). A recent study concluded that roughly equal shares of the citizenry lack civic competences, have medium competence and have a high level of competence. In cases where the public feels insufficiently informed, it votes against change. The power of a “no” heuristics was demonstrated by the 2017 vote on tax reform in which three-quarters of respondents said they had difficulties understanding the proposal (which was of eminent importance to the economy) and a third of those who voted “no” cited their lack of knowledge as a reason for voting against the proposal. The intensity of a campaign is another key factor in the extent to which the public is informed of a bill's content and in explaining their voting behavior on the relevant issue.

Another recent study found that just 42% of Swiss citizens knew how many parties were in the government (which at the time of the survey had not changed during the previous five decades). Moreover, 36% knew how many signatures were needed to trigger a referendum, and about 45% knew the number of EU member states. A survey in 2017 showed that 35% of all respondents were able to choose the correct answer about the goal-setting institution of the European Union from a list of four possible answers.

Stucki et al. (2018) show that voters are willing and able to actively seek information in making their decision. Thus, in general it seems fair to say that Swiss citizens are as well informed about policies as citizens in other mature and wealthy democracies. An analysis by Colombo (2016) found that Swiss citizens have considerable political knowledge and – in particular – are able to logically explain their vote choice. However, the extent and depth of their political sophistication remain unclear.

There are limitations to cue-taking as an effective means of political decision-making. For example, since 2014, a large share of citizens believes claims by

right-wing populist politicians that the European Union is so invested in Switzerland, that it must renegotiate the bilateral agreements to allow for the constitutional amendment limiting immigration. Based on this argument, a majority of citizens supported the new constitutional amendment. From the very beginning, however, the European Union made clear that it would not enter negotiations over the free movement of labor. Notwithstanding these clear messages, in 2017, 56% of Swiss citizens thought that the Swiss government could have brokered a better deal in negotiations with the European Union. Hence, limited political knowledge on the part of citizens (common to all democracies) and ideological contentions by political elites (trusted as reliable cues by knowledge-poor citizens) may lead to political dead ends in a direct democracy.

With regard to subjective knowledge, about 28% of Swiss citizens claim to be very or quite interested in politics, as well as being at least quite able to take an active political role in a political party and to be at least quite confident in their own ability to participate in politics. This percentage is similar to that found in neighboring Germany (31%) and Austria (27%), but clearly more than that seen in France (16%) or Italy (16%) (European Social Survey 2018).

Citation:

ARMINGEON, Klaus and Philipp Lutz 2022: Citizens' response to a non-responsive government: The Case of the Swiss Initiative on Mass Immigration, unpublished manuscript

Colombo C (2016) Partisan, not Ignorant – Citizens' Use of Arguments and Justifications in Direct Democracy. Florence: Unpublished PhD thesis.

Colombo C (2018) Justifications and Citizen Competence in Direct Democracy: A Multilevel Analysis. *British Journal of Political Science* 48(3): 787-806.

De Angelis A, Colombo C and Morisi D (2020) Taking cues from the government: heuristic versus systematic processing in a constitutional referendum. *West European Politics* 43(4): 845-868.

European Social Survey 2018, 9th wave, published November 2019

KRIESI, Hanspeter 2005a: Argument-Based Strategies in Direct-Democratic Votes: The Swiss Experience, *Acta Politica* 40: 299-316.

KRIESI; Hanspeter 2005b: *Direct-Democratic Choice. The Swiss Experience*. Lanham: Rowmann & Littlefield.

Morisi D, Colombo C and De Angelis A (2019) Who is afraid of a change? Ideological differences in support for the status quo in direct democracy. *Journal of Elections, Public Opinion and Parties*. DOI: 10.1080/17457289.2019.1698048. 1-20.

VOTO 2017: VOTO-Studie zur eidgenössischen Volksabstimmung vom 12. Februar 2017, Lausanne, Aarau, Luzern: FORS et al..

Stucki, I., Pleger, L., & Sager, F. (2018). "The making of the informed voter: A split-ballot survey on the use of scientific evidence in direct-democratic campaigns," *Swiss Political Science Review*: 24(2): 115–139. doi: <https://doi.org/10.1111/spsr.12290>

Open
Government
Score: 9

The government and its institutions – in particular the Federal Statistical Office – pursue a highly user-friendly policy of internet-based access to information. Any citizen interested in public policy and having access to the internet will find a large body of qualitative and quantitative data. The transparency act (Bundesgesetz über das Öffentlichkeitsprinzip der Verwaltung, BGÖ) ensures full access to public documents apart from classified information.

The official information bulletin is the most important source of information for citizens to make decisions in direct-democratic votes. Overall, government information policy can be considered comprehensive and enables citizens to fully inform themselves about most aspects of the political system and its policymaking.

However, as the case in 2019 of the Supreme Court overturning the outcome of a popular vote makes clear, this information policy is not flawless and is subject to close scrutiny in a direct democracy. The mistakes made by the Federal Council in delivering erroneous information regarding a vote on the taxation of couples compelled the Court to annul the referendum.

Legislative Actors' Resources

Parliamentary
Resources
Score: 5

The Swiss parliament is not broadly professionalized. Officially, it is still a militia parliament, meaning that legislators serve alongside their regular jobs. However, this is far from reality (Vatter 2018a: 283). Almost 90% of members use more than a third of their working time for their political roles. Legislators' incomes have also been increased over time. On average, the various components of remuneration total more than CHF 100,000 annually (about €85,000). Because of this, fewer and fewer members of parliament have other professional activities beside their political mandate (or external mandates paid or otherwise, but related to their activity as a politician). In other words, an increasing number of members of parliament can be considered "professional politicians." The parliamentary system is, therefore, often described as semi-professional now.

However, legislators do not have personal staffs, and the parliamentary services division offers only very limited research services, though legislators do have access to the parliamentary library. Thus, from a comparative perspective, the resources available to members of parliament are very limited.

Citation:

Bieri, Niklaus. (2018): Das Parlament und die Vernehmlassung. Der Wandel der parlamentarischen Rezeption des Vernehmlassungsverfahrens als Hinweis auf die Erstarkung des Parlaments nach den Parlamentsreformen der frühen 1990er-Jahre. in *Traverse – Zeitschrift für Geschichte / Revue d'histoire* 2018 (3): 33–45. <https://boris.unibe.ch/127608/>.

Bütikofer, Sarah. 2014. Das Schweizer Parlament. Eine Institution auf dem Pfad der Moderne, Baden-Baden: Nomos

SRF News (2019): Im neuen Nationalrat sitzen noch mehr Berufspolitiker. <https://www.srf.ch/news/schweiz/die-jobs-der-neugewaelhten-im-neuen-nationalrat-sitzen-noch-mehr-berufspolitiker>

Vatter, Adrian 2018a; Das politische System der Schweiz. 3rd edition. Baden-Baden: Nomos (UTB)

Vatter, Adrian (Hrsg.) 2018b: Das Parlament in der Schweiz. Macht und Ohnmacht der Volksvertretung, Zürich: NZZ Libro

Obtaining Documents
Score: 10

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

Summoning Ministers
Score: 10

Parliamentary committees can summon ministers for hearings. Formally, this request is not binding. However, for political reasons, ministers typically respond to these requests, and answer the committees' questions.

Summoning Experts
Score: 10

Parliamentary committees are free to invite experts to provide testimony at hearings. This right is actually used. For example, in the summer of 2018, the National Council's Foreign Policy Committee decided that it would publicly hear experts on the outcome of the negotiations on the institutional agreement between Switzerland and the European Union. The committee set the relevant hearings for the afternoon of 15 January 2019, which were then broadcast live over the internet.

Task Area Congruence
Score: 8

The Swiss government has only seven ministries, and all attempts to enlarge this number has failed due to political opposition within parliament. Hence, most of the seven ministries have responsibility for many more issue areas than in other democracies. Both the first and the second parliamentary chambers have nine committees dealing with legislation and two committees with oversight functions (e.g., the Finance Committee, which supervises the confederation's financial management). Four other committees have additional tasks (e.g., the Drafting Committee, which checks the wording of bills and legal texts before final votes). Thus, the task areas of the parliamentary committees do not correspond closely to the task areas of the ministries. Nonetheless, this does not suggest that the committees are not able to monitor the ministries. As the mismatch between ministerial committees and ministries is a function of how the federal government is organized, it does not impair parliament's oversight function. The congruence between the task areas of parliamentary committees and ministries therefore is largely suited to the monitoring of ministries.

Media

Media Reporting
Score: 9

Radio and television programs are of high quality in Switzerland. With very few exceptions, radio reports are reliable, and analyses are conducted by independent and professional journalists. Some television programs, however, are trending toward infotainment and the personalization of politics.

On 4 March 2018, voters rejected a popular initiative (“Ja zur Abschaffung der Radio – und Fernsehgebühren”) aiming to eliminate per capita fees for the Swiss public broadcaster (SRF). A strong majority of 71.6% and all cantons voted against the initiative, signaling a strong commitment to public media. In spite of this strong showing, the SRF responded to the aggressive campaign with a downsizing project that aimed to dismantle the radio station in the Swiss capital, Bern. This, in turn, led to public protest faulting the SRF for violating its mission to cover the federalist cultural diversity of Switzerland. In November 2019, a decision was reached to keep the editorial desk for foreign and domestic politics in Bern.

In February 2022, a popular vote rejected a law increasing and enlarging subsidies for media, which might undermine information quality and diversity in the future. This law proposal was a response to declining revenues from advertising and a perceived need to provide media coverage even for smaller/regional groups of readers. The proposal was supported by the Social Democrats and Greens, but was opposed by the Liberal Party (FDP) and the Swiss People’s Party.

Citation:

<https://www.admin.ch/gov/de/start/dokumentation/abstimmungen/20180304/volksinitiative-ja-zur-abschaffung-der-radio-und-fernsehgebueh.html>

<https://www.admin.ch/gov/en/start/documentation/votes/20220213/measures-to-benefit-the-media.html>

Parties and Interest Associations

Intra-party
Decision-Making
Score: 6

Party decisions and party lists are formally produced at conventions of party members or delegates. A 1999 analysis of local party organizations found that Swiss parties – with the exception of the Green party – prioritized party leaders’ strategic capabilities over membership participation. This tendency has increased in recent years.

However, these oligarchic tendencies are arguably not the primary problem with regard to inclusion in Swiss parties. The decline in party membership and party identification – particularly in the case of the Radical and Christian Democratic parties – along with the low level of party resources, may be even

greater problems since party decisions are being made by an increasingly shrinking active party membership base.

Citation:

Tresch, Anke, Lauener, Lukas, Bernhard, Laurent, Lutz, Georg and Laura Scaperrotta 2020. Eidgenössische Wahlen 2019. Wahlteilnahme und Wahlentscheid. FORS-Lausanne. DOI: 10.24447/SLC-2020-00001

VATTER, Adrian 2018: Das politische System der Schweiz. 3rd edition. Baden-Baden: Nomos (UTB), chapter 3

Association
Competence
(Employers &
Unions)
Score: 7

Employers' organizations and trade unions in Switzerland are pragmatic and avoid rigidly ideological stances. Of course, the major interest organizations do have their ideologies, but this does not prevent them from entering rational discussions with other organizations and political parties. Furthermore, interest organizations in general have access to more substantial professional resources and often have a better-informed view of problems than do political parties. Thus, despite the defense of their own interests, associations often provide better policy proposals than do parties.

The influence of employers' organizations has declined as single firms or small groups have elected to engage in their own lobbying activities. Internal differences have also split these organizations.

Association
Competence
(Others)
Score: 6

Noneconomic interest groups are very heterogeneous in Switzerland. Some, such as environmental groups, undertake cooperative efforts with academic bodies, offer reasonable proposals and feature considerable capacity for political mobilization.

Recent research emphasizes the growing importance of citizen groups such as the WWF (Ecihenberger 2020; Mach et al. 2020).

Citation:

EICHENBERGER, S. 2020. The Rise of Citizen Groups within the Administration and Parliament in Switzerland. *Swiss Political Science Review*, 26, 206-227.

MACH, A., VARONE, F. & EICHENBERGER, S. 2020. Transformations of Swiss neo-corporatism: From pre-parliamentary negotiations toward privileged pluralism in the parliamentary venue. In: CAREJA, R., EMMENEGGER, P. & GIGER, N. (eds.) *The European Social Model under Pressure*. Wiesbaden: Springer Fachmedien Wiesbaden, https://doi.org/10.1007/978-3-658-27043-8_4.

Independent Supervisory Bodies

Audit Office
Score: 9

Switzerland's Audit Office is an independent and autonomous body. It supports the Federal Assembly and the Federal Council through the production of analyses and reports. The chairman of the Audit Office is elected by the Federal Council; this election must be confirmed by the Federal Assembly. In administrative terms, the Audit Office falls under the authority of the Department of Finance.

The Audit Office acquired a very independent and self-confident role in the case of the politically controversial export of arms to war-prone regions (NZZ 4 September 2018). It has harshly criticized the Federal Administration as being insufficiently critical and working too closely with representatives from the arms industry.

Citation:

NZZ 4. Sept. 2018

<https://www.efk.admin.ch/de/>

Ombuds Office
Score: 2

There is no ombuds office at the federal level in Switzerland. However, some cantonal administrations do have an ombuds office.

Data Protection
Authority
Score: 10

Article 13 of the constitution establishes that every citizen must be protected against the abuse of data. Data protection legislation has been in force since 1993. The Federal Data Protection Law was revised in 2020, taking into account the General Data Protection Regulation of the European Union, a regulation that Switzerland had already signed. There is the Federal Data Protection and Information Commissioner (Eidgenössischer Datenschutz- und Öffentlichkeitsbeauftragter, EDÖB), which had 32 employees in 2020/2021 (EDÖB 2021: 101). A 2011 evaluation of the Federal Data Protection Law attests to the effectiveness, independence and transparency of the EDÖB.

Citation:

<https://www.edoeb.admin.ch/edoeb/de/home/datenschutz/ueberblick/datenschutz.html>

Christian Bolliger, Marius Féraud, Astrid Epiney, Julia Hänni (2011). Evaluation des Bundesgesetzes über den Datenschutz. Schlussbericht im Auftrag des Bundesamts für Justiz. Bern/Freiburg: Büro Vatter/Institut für Europarecht, Universität Freiburg.

EDÖB, 2021: 28. Tätigkeitsbericht 2020/21. available at <https://www.edoeb.admin.ch/edoeb/de/home/dokumentation/taetigkeitsberichte/28-taetigkeitsbericht-2020-2021.html>

EDÖB, 2021: The new Data Protection Act from the FDPIC's perspective. https://www.edoeb.admin.ch/dam/edoeb/en/dokumente/2021/revdsg.pdf.download.pdf/revDSG_EN.pdf

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Armingeon K., Sager F. & R. Zohlnhöfer (2022).
Switzerland Report. Sustainable Governance Indicators.
Bertelsmann Stiftung: Gütersloh.
<https://doi.org/10.11586/2022120>

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