

MANAGING ACROSS LEVELS OF GOVERNMENT SWITZERLAND

Institutions and authority

1.1 Structures

Description of levels

The Swiss Confederation is a federal State -- with a total surface area of 41 300 km² and a population of 6 994 000 (1994 figures) -- which has three levels of government:

- federal level;
- canton level (23 cantons, three of which are divided into demi-cantons, bringing the total to 26);
- municipal level (just under 3 000 municipalities in 1996).

The official name of the country, the Swiss Confederation, can lead to some confusion since it is in fact a federal State. In 1848, its constituent member States decided to avoid the disruption of changing the country's name, particularly since the German title "*Eidgenossenschaft*" has no exact equivalent in French.

The present system of government in Switzerland developed from the bottom up. The cantons were originally sovereign States and they first set up the Confederation on the crest of a revolutionary wave. When discussing administrative management in Switzerland it is important to bear in mind that unlike most States which have decentralised their governments from the top down, Switzerland developed its structures from the bottom up. Central government has never derived its legitimacy from a monarch, and the cantons derive theirs from the people and the democratic process. The country has no head of State as such, instead, it has a government council, although in the early days this was composed of no more than about ten secretaries. The cantons are sovereign States within the Confederation as defined in Article 3 of the Swiss Constitution "The cantons are sovereign so far as their sovereignty is not limited by the Federal Constitution...".

Cantons. In terms of population size, the cantons vary widely. For instance, Appenzell Inner Rhodes has a population of 14 000, whereas Zurich has a population of over one million. They vary in area as well: for example Bagnes, the largest municipality in Switzerland (in the Valais canton), covers an area larger than the entire canton of Zug.

Municipalities. In 1995 there was a total of 2 973 municipalities in Switzerland. Like the cantons, they vary enormously in size, population and resources (see table 1). But where they differ most is in their statutes. They are subject only to the law of the cantons, which are the intermediate level between the federal government and the municipalities. The statutes of the municipalities vary widely, depending on the history and influence of the cantons to which they belong. Those belonging to cantons which operate along the lines of the Germanic corporation model are larger, richer and more powerful;

those belonging to cantons which have followed the French system are more numerous, smaller and less powerful.

Switzerland is unusual in that several types of “municipality” exist alongside each other within the same geographical boundaries in many of the cantons. First, there is the municipality proper -- the political and geographical unit -- and often (in twenty or so cantons), there is still a “Burgesses’ municipality” consisting of local townspeople, as well. Then there are parish “municipalities” set up by residents of the same religious denomination (in twenty or so cantons). There are school “municipalities” in six or so cantons. The result is that some cantons in German-speaking Switzerland (Saint Gall, for example) have up to five types of “municipality”, while in two cantons of French-speaking Switzerland (Geneva and Neuchâtel) there is only one type of municipality -- the political unit. These “special-purpose” municipalities are often attached to a particular area. The executive officers of these bodies and the officers of the municipality proper are elected by local residents in separate elections.

Table 1. Area and population of sub-national governments (1993)

	Cantons and demi-cantons		Municipalities	
	26		2 912 ⁽¹⁾	
	area (km ²)	population	area (km ²)	population
Maximum	7 105	1 179 044	87.97	365 043
Minimum	37	13 870		23

Municipalities ranked by size of population ⁽²⁾	
Population	Number of municipalities
under 100	204
100 - 199	299
200 - 499	717
500 - 999	578
1 000 - 1 999	502
2 000 - 4 999	452
5 000 - 9 999	159
10 000 and over	110

1. Political unit only

2. 1990 figures for a total of 3 021 municipalities

Source: Banque de données sur les structures des administrations cantonales (BADAC), Institut des hautes études en administration publique (IDHEAP), 1995.

Some cantons have established “arrondissements” or “districts” (such as *Bezirke* and *Kreise* in German-speaking Switzerland) forming an intermediate level between the canton and the municipalities. There are more than 200 districts throughout the country. Each is headed by a “Prefect” who is either elected by universal suffrage or appointed by the government.

Central government at sub-national levels

Switzerland has no official central government representation at canton or municipality level in the way that France’s “Prefects” represent central government. This can be explained by the way in which

government structures in Switzerland developed -- from the bottom up -- as previously mentioned. Since the cantons bear the main responsibility for the proper functioning of government, central government representation is considered unnecessary and largely irrelevant.

Central government is nonetheless a force through a number of laws which apply at canton level. The Federal Council is the federal organ responsible for supervising such legislation. However, the cantons may each incorporate federal legislation in different ways. Most federal laws that have to be implemented by the cantons require the introduction of enabling legislation, which must incorporate the administrative mechanisms provided for in federal laws into local administrative structures. Sometimes problems can arise, as there are important factors which have to be taken into consideration, such as: the degree of (de)centralisation between cantons and municipalities, which can vary a great deal; whether the laws are to be implemented by central government itself, by the municipalities, or even partly by the cantons and partly by the municipalities. Then, too, other criteria such as administrative procedures, appeals systems, and civil liability must be taken into account.

In addition Switzerland also has some decentralised federal authorities employing civil servants who, despite working outside the capital, are subject to federal statutes. This is the case mainly for its Postal and Telecommunications services (PTT), the Swiss Federal Railways (CFF) and the Customs and Excise service. For administrative purposes these decentralised services are divided into different "circles" or districts usually run by a district office.

Creation, elimination and restructuring

The Swiss Confederation was formed by an alliance of sovereign cantons, in accordance with Articles 1 and 3 of the Federal Constitution of 1874. Although the sovereignty of the cantons is in fact limited, this provision sheds light on one fundamental aspect of Swiss federalism: the confederation originated with the cantons, not the other way around. Furthermore, under Article 5 of the Constitution, the Confederation guarantees the territory and sovereignty of the cantons.

The federal government therefore has no powers to create, abolish or restructure the cantons, quite the reverse -- its role is to guarantee their sovereignty. The Jura crisis provides a good example of this. When the canton of Berne took constitutional steps to create a new canton (December 1969 amendment to the Constitution), the Confederation acted as referee and observer as well as guarantor of the legality of the process. The need to amend Article 1 of the Constitution and therefore to obtain the assent of the majority of the electorate and of the cantons, confirmed the Confederation's special role as *observer*. However, as the Jura case is still unresolved, many observers wish to see the Confederation more closely involved in the process.

The cantons also have sovereign powers over the statutes of the municipalities. They are concerned about the size of the municipalities, which are so small as to be barely self-sufficient. To remedy the situation they are encouraging municipalities to merge. In Thurgau, for instance, the government wishes to halve the number of municipalities. In Fribourg there is roughly one merger per year. In Switzerland as a whole, the number of municipalities fell from 3 205 in 1850 to 2 973 in 1995 (a reduction of only 7 per cent over a period of 150 years). However, unlike many other countries, neither the cantons nor the Confederation have been able to restructure the municipalities and turn them into larger, stronger administrative units. Switzerland remains, together with France, the country with the smallest municipalities in all of Europe.

To offset the small size of some municipalities, municipal associations have been set up. The need for co-operation has led to the establishment of various types of inter-municipal organisation. In the

future, in some cantons, such organisations could form an intermediate level of government between the cantons and the municipalities. Fribourg's latest law on urban areas (entering into force on 1 January 1997) is one example of this trend.

Control bodies

Federal government exercises control over the actions of cantons through a system of prior approval. The constitutions of the cantons must have the assent of the Federal Assembly. Some laws passed by the cantons or certain of their provisions are subject to the approval of the federal government. To ensure that federal legislation is transposed into the law of the cantons, the latter are required to submit progress reports to the Federal Council and to its administration. Some laws even allow for inspectors to be sent to conduct inspections in the cantons. However, spot-checks of this type are very rare and are only ever used as a last resort.

As regards penalties in the event of failure to implement federal laws, there are many loopholes in the Constitution. In fact, no disciplinary action can be taken against the government of a canton or its staff; the threat of cuts in federal grants is never used and military intervention is the only measure that is provided for in extreme cases. The most effective sanction is still a Federal Council circular reminding cantons of their obligations and, on occasion, making public the state of progress on incorporating federal law into canton law. This suggests that the Swiss Confederation is coming closer towards the European Union's approach on implementing legislation than are some other European federal States.

We should add that the Federal Tribunal does, nonetheless, have powers to ensure the implementation of federal laws. However, these are limited to issuing administrative decisions, since court injunctions and orders of "mandamus" such as exist under Common Law systems do not exist in the Swiss Confederation.

The cantons supervise the actions of the municipalities through various authorities, including the Prefects (in a minority of cantons), the federal department responsible for the municipalities (generally the Home Affairs Department) and, ultimately, the cantonal government. Their supervisory powers are subject to judicial review by the Federal Tribunal. Unlike France, such controls are not confined to questions of law and *ultra vires*. Cantonal law may also provide for discretionary controls. Some cantons have made it possible to take disciplinary action against civil servants and even the chairmen of municipalities.

On budgetary matters, cantons have the power to conduct financial audits. In extreme circumstances, municipalities may be placed under administrative supervision, but this depends on the regulations applicable in the individual canton.

1.2 Powers

Nature of sub-national institutions

Cantons: Each canton has its own constitution, parliament, government, administration, courts and regulations, chiefly applicable to citizenship. Nevertheless, the sub-national institutions all have many features in common.

The cantons, like the Confederation itself, combine elements of direct democracy and representative democracy. On financial matters, for instance, some municipalities hold referenda on their

budget and finances. These give the local population a say in important issues such as road and school building, or whether to set up a cantonal university.

In most of the cantons, the supreme legislature is the canton parliament, which is always a single-chamber assembly. It is generally known as the Grand Council (*Grand Conseil*, *Grosser Rat*, or *Gran Consiglio* in Ticino), sometimes as the *Kantonsrat* or the *Landrat* in some of the German-speaking cantons and as the *Parlement* in Jura. Usually it is elected for a four-year term by a form of proportional representation, except in Apenzell Inner and Outer Rhodes and Grisons, which have a majority voting system.

The canton parliaments are responsible for a number of functions in all fields of government. They pass cantonal laws and legislation to implement federal laws, approve the government budget and accounts, grant pardons, authorise naturalisation, and sometimes appoint magistrates. They can also form parliamentary commissions of enquiry (the PUK -- *Parlamentarische Untersuchungs-kommissionen*). Nevertheless, they have to “share” these powers with the electorate of the canton to some extent, since there are many more institutions of direct democracy at cantonal than at federal level (legislative initiatives, referenda on finances or on administrative decisions).

Ticino and Zug have instituted proportional representation. Decisions by the canton government are only valid if voted by a majority of members, all with an equal vote. Each member heads a government department. The political accountability of the executive to parliament is limited, and it cannot be dismissed by a vote of censure. Some cantons have made provision in their constitutions for the dismissal of the government if a prescribed number of citizens call for a referendum. This ensures the independence of the cantons. There are no provisions for sanctions by the Confederation against a member of the canton government.

Executive and administrative powers in the cantons are vested in the State Council (*Conseil d'Etat*, *Conseil-executif*, *Gouvernement*, *Regierungsrat*, *Staatsrat*, *Standeskommission*, *Consiglio di Stato*) which is elected by the people by various majority voting systems for different periods of office, depending on the canton, but usually for a four-year term.

The State Council is organised along the same lines as the federal executive: its president changes every year (rotating presidency) and collegiality is the rule. The system is reminiscent of the Directory under the Second Republic in France. It is a non-hierarchical body and the ministries generally take it in turns to head the executive (except in Inner and Outer Rhodes). State Councils are composed of five to nine members (seven in over half of the cantons), each of whom heads one (or more) departments of the canton government. In 14 cantons, there are the same number of departments as “ministers”; in 12 there are more departments than ministers. In the vast majority of cantons, State Councillors are now full-time politicians unlike the case some decades ago, when many of them worked only part-time as Councillors. The president of the State Council, who changes each year as we have said, is nominated by the canton parliaments or the *Landsgemeinde*, a public assembly of all the electorate of the canton. As at federal level, most public functions are exercised by agencies directly responsible to the departments or by public corporations such as the cantonal banks.

The instruments of direct (or rather semi-direct) democracy vary from one canton to the next. In fact there are only limited federal requirements in this area, as the only rights accorded under Article 6 of the Federal Constitution are the right to a referendum on the constitution and the right to initiate amendments to the constitution if 50 per cent of the people so wish. In practice, the cantons are much more generous in the political rights they accord their populations. The constitutions of all of the cantons allow for referenda to be held to oppose laws, and for referenda on the canton’s finances and budget as

well as for citizens' initiatives to amend the constitution and to propose legislation (the latter does not apply at federal level), if enough signatures are collected -- the percentage is much lower than 50 per cent, around 1 to 3 per cent. Some cantons even provide for the right to convene or dismiss an authority (cantonal parliament or government) although these provisions are of limited effect in practical terms.

The administration of justice, rules of procedure, rights and duties of lawyers and notaries, enforcement provisions, prisons, etc. also come within the jurisdiction of the cantons. This means that there are major disparities between them, although there are some common denominators: there are generally three levels of jurisdiction, for example. With the globalisation of trade, such disparities have prompted the cantons to sign a number of co-operation agreements (called *concordats*) on mutual assistance on legal matters and enforcement.

Today, almost all of the cantons have instituted administrative tribunals, with which the public can file appeals. But these tribunals are regulated by the constitution of the canton, not by federal law. This said, the administrative structures of the cantons were standardised recently thanks to the increasingly stringent federal legislation, which has now been implemented by the cantons, on the procedures and establishment of administrative tribunals. Furthermore, Article 6 of the European Convention on Human Rights has also had a pronounced effect on the cantonal appeals system.

The most well-known of all of the institutions at canton level are the *Landsgemeinde*. These still exist in the two Appenzell demi-cantons (Inner Rhodes and Outer Rhodes), the two Unterwalden demi-cantons (Obwalden and Nidwalden) and in Glarus canton. Contrary to a popular misconception, this people's assembly does not replace the canton parliament, it supplements it. Combining as it does constitutional and legislative powers, the *Landsgemeinde* gives the electorate a direct means of expression since it assembles all voters once a year to vote on the issues laid before it by the canton parliament. The role it plays varies with the size of the five cantons. In Obwalden and Nidwalden (only very recently in the latter) it simply provides a forum for debate, as voting by a show of hands is considered a violation of the secrecy of the ballot. However, despite the fact that some people are opposed to them and that the *Landsgemeinde* have long since been abandoned by three cantons in Central Switzerland (Zug in 1840, Schwytz in 1848 and Uri in 1928) it is an institution that enjoys wide popular support in the five cantons where it still exists.

Municipalities: Although, here again, there are differences between the cantons, municipalities generally comprise two main bodies: a legislature and an executive. Some also have a local judicial authority and some have intermediate bodies such as the Municipal Commission (*Gemeindekommission*) in Rural Basel and Saint Gall, for example, or an extended executive body (*Gemeinderatskommission*) as in Solothurn and Grisons.

In four out of five municipalities, the legislature, in accordance with the tradition of direct democracy, is composed of an assembly of the people known as the municipal assembly. This is the supreme authority of the municipality and it meets regularly. In larger municipalities -- towns in particular -- this body may be an elected assembly, called the General Council. Its members are elected by either proportional representation or majority voting systems.

The executive is generally a collegial body, called the *Gemeinderat* or *Stadtrat* in German-speaking Switzerland; *municipalité*, *conseil municipal*, *conseil communal* or *conseil administratif* in French-speaking Switzerland and the *municipio* in Ticino. The council consists of three to nine members elected by universal suffrage, usually for a term of four years. The mayor (*Syndic*, *Gemeindepräsident*, *Stadtpräsident*, *Stadtammann* or *Sindaco* depending on the canton) is, in theory, merely the *first among equals* and is designated by his or her peers, by the electorate, or by the legislature. The mayor does,

however, play a more important role than the heads of the federal and cantonal executives in that he has special administrative and decision-making powers. Even in small municipalities this is often a full-time job.

Type and degree of autonomy

The different levels of government are independent in the exercise of their constitutional powers.

As sovereign States, the cantons exercise all those rights and powers which have not been delegated to the federal power (Article 3 of the Federal Constitution). They have powers to promulgate their own constitutions and legislation and over the administration of justice. As sovereign bodies, every canton has its own constitution which lays down the fundamental principles of government. They are all also free to set up an administrative tribunal or even an “ombudsman” (although only the Zurich Canton has an ombudsman at present).

In addition to deciding on the structure, procedures and responsibilities of the canton government, the cantons also organise their own internal structures. They decide on the structures of the municipalities, on the division of responsibilities between the cantons and the municipalities, and on regional powers, such as those of the Prefect in a few cantons.

The cantons have full jurisdiction over the main aspects of the structure and funding of the cantonal government, over procedural aspects and the terms of employment, pay and disciplinary sanctions that apply to civil servants and the administration. In other words, they are free to decide how far they will go with the introduction of new principles of administrative management. It should also be pointed out that the cantons are also completely free to opt for the privatisation of some areas of administrative management.

The restrictions on the cantons’ organisational autonomy are limited and aim to guarantee the democratic exercise of power. The cantons must “ensure the exercise of political rights according to republican (representative or democratic) forms” (Article 6.2b of the Federal Constitution), and consequently are free to choose between the different forms of representative and direct democracy. The constitutions of the cantons must also be approved by the people and it must be possible to amend them when a majority of the people so requests. The purpose is to guarantee a certain degree of direct democracy, but in reality the cantons have been much more generous in the rights of initiative that they have accorded to citizens, which require far fewer votes than an outright majority.

While it is true that the legislative powers of the cantons have been circumscribed by federal legislation, even in the increasing number of spheres in which federal laws have been passed the cantons have retained powers to draft the relevant enabling legislation. This situation, true for 90 per cent of all federal laws, means that federal and cantonal legislation are closely interlinked.

The cantons also have extensive constitutional powers over financial matters. Their parliaments set taxes, pass the budget, approve the accounts, decide on borrowing and, subject to financial referenda, vote on expenditure. As a general rule one can say that expenditure and income are split between the Confederation, the cantons and the municipalities on a one-third-each basis.

The cantons determine what types of institutions the municipalities will have and their degree of autonomy. The Confederation’s powers are now increasing at the expense of those of the cantons -- a development that may well affect the municipalities. However, the Federal Tribunal guarantees all local powers (constitutional or other) provided that the municipalities enjoy considerable autonomy in the

relevant sphere. This last provision is becoming very important as legislation is increasingly based on general rules and provisions, broad programmes or loose concepts, which leave the executive authorities quite a lot of discretion.

This said, the autonomy of the municipalities is purely formal. Its scope is not guaranteed at federal level, as it is in Germany's constitution, for example. It is the cantons that determine the extent of the autonomy enjoyed by their municipalities. This means that the cantons can also curtail that autonomy substantially or withdraw it altogether. The cantonal authorities are, however, required to obey the law and the Federal Tribunal is now assuming the role of the defender of municipal autonomy which is regarded as a fundamental, if unwritten, right.

The executive does not have the right to interfere with the autonomy of the municipalities unless there is constitutional or legal authority for so doing. The same safeguards apply to the implementation of federal and cantonal laws by the municipalities, inasmuch as some leeway is left to the latter. So, control mechanisms become necessary solely in cases where only limited autonomy has been left to the lower authority.

The degree of "centralisation" varies substantially from canton to canton. Briefly, one can say that municipalities in the German-speaking cantons and Grisons have more autonomy than those in the French-speaking cantons. In Bern, for instance, municipality staff account for 60 per cent of all public sector employees, as opposed to only 30 per cent in Vaud. As regards elections to municipal councils, some cantons have instituted standard ballot procedures while others allow more local variation.

However, municipal assemblies, in rural areas in particular, have extensive decision-making powers in budgetary and fiscal spheres and in matters including building and town-planning regulations, primary schools, and social assistance.

Nevertheless the cantons can restrict the actions of the municipalities. The methods used are: information gathering, withholding approval and direct intervention. Information is gathered mainly through reports drafted following inspections of municipal activities or in response to requests. Some decisions by the municipalities are subject to the approval of the relevant authority at canton level, principally regulations, accounts, loans and property transactions. Intervention can range from simply issuing a recommendation to carrying out a task in the name of the municipal authority when it fails to do so (direct administration).

The municipalities also have real fiscal powers which allow them to set taxes within a scale established at canton level as a percentage or by specific amounts. The borrowing capacity of the municipalities is subject to review by a federal commission.

Given the foregoing, it is clear that Switzerland's cantonal systems differ greatly in terms of the powers and responsibilities of the municipalities, inter-cantonal structures, geographical area and finances.

Where taxes are concerned, the Swiss system allows a great deal of importance to the political rights of its citizens. At federal level, taxes and maximum rates applicable are specified in the Constitution. Since a referendum is compulsory before any amendments can be made to the Constitution, amendments relating to types and rates of taxes are only adopted if they are voted by both a majority of cantons **and** a majority of voters. At canton level, referenda are also held on expenditures (financial referenda).

1.3 *Responsibilities*

The division of responsibilities among the municipalities, the cantons and the Confederation is guided by the subsidiarity principle. In fact, the cantons have ceded functions to federal authorities only as far as necessary to ensure their own survival and in order to ensure recognition as a sovereign State at the international level.

In the 150 years of its existence, the process of centralisation has been very slow in the Confederation. The electorate has put a brake on the transfer of functions. The governments of the cantons have often been ready to hand over some onerous and complex tasks to the Confederation, but the electorate has fiercely opposed such moves, for fear that democratic control would slip out of its hands.

Distribution of responsibilities

The division of responsibilities between the cantons and their municipalities varies considerably from canton to canton. Most public duties, however, are carried out by all three levels jointly. Institutional practice, as established by the 1874 Constitution, particularly in Article 3, has gradually resulted in an extremely complex division of responsibilities. The cantons have retained their sovereignty in the areas of police, culture, education, public health, roads and social services.

The division of responsibilities between the levels of government has its basis in the Federal Constitution. Article 3 in particular stipulates that every responsibility of the federal government must be stipulated in the constitution (as is the case with the constitutions of Germany and the United States, but not those of Canada and Belgium). This has major consequences since the Constitution has to be amended every time a new function is added. In other words the assent of the majority of the electorate and of the cantons has to be obtained. As a result, more than 100 amendments have been made to the Federal Constitution, almost all of which relate to the assignment of new responsibilities to federal government.

These amendments often run counter to citizens' initiatives. They contain concrete directives for the legislature and the Federal Council, directives which have usually been part of parliamentary party programmes. The logical conclusion is that the federal and democratic systems have gradually changed the very function of the Swiss Federal Constitution.

Furthermore, it should be pointed out that free trade is protected under the Federal Constitution. This is rarely the case in the constitutions of other States. The Swiss Constitution stipulates the extent to which the legislature can intervene in the market, i.e. the cyclical and protective measures that it may have to take when necessary. Any exceptions to the principle of free trade of course require an amendment to the Federal Constitution.

Although this is one of the most difficult areas of Swiss constitutional law, we must confine ourselves here to a brief outline of five broad functions that are either totally the responsibility of the cantons or totally the responsibility of federal government.

- First, areas in which the federal government has no powers whatsoever. These include public order, Church/State relations, public education, arts and culture, building legislation, civil engineering, public health, the police and fire services. Here, the cantons have the sole legislative power.

- Second, areas in which federal government functions mirror those of the cantons: for example, taxes, civil and criminal proceedings, and the organisation of the State. In these cases both the federal government and the cantons have the power to legislate.
- Third, areas in which federal government has concurrent legislative powers but which are limited to general provisions in some areas. For example, the federal government has the power to pass framework legislation on forestry, hunting and fishing, and regional development. The cantons still have the power to legislate in these areas but only on the detailed provisions.
- Fourth, areas in which the federal government has concurrent powers which are not limited to framework legislation: i.e. civil law, copyright, suits for debt and bankruptcy, criminal law, and labour law. The cantons' individual powers to legislate cease where the federal government has passed "comprehensive" legislation covering an issue. In the absence of such comprehensive legislation, the cantons retain limited powers to legislate where an issue has not been fully covered.
- Fifth, areas in which the federal government has exclusive legislative powers. These include national defence; customs and excise; railways; post, telegraph and telephone services; the minting of coins and issuing of banknotes; and foreign affairs. In all of these areas, the cantons have no powers.

With the current budget constraints, many Bills relating to the division of responsibilities between the public authorities, particularly where the responsibilities of the municipalities are concerned, are in the pipeline, although this is an area that is proving extremely difficult to manage. Hopes that had been raised by a federal Bill proposing a new division of functions between the federal and canton levels, have now been dashed.

Swiss federalism has three levels of government, but the separation of functions between the cantons and municipalities is not based on the optimisation principle. It has evolved as a result of historical, political, socio-cultural, ethnic and geographical factors. Consequently any proposals to modify the status quo are resisted, often regardless of the merits of the case. This makes it exceedingly difficult to decide what political level should be responsible for a new duty and, perhaps even more so, to transfer a duty normally carried out at one level to another.

After lengthy studies, which took over a hundred laws into account, a first draft Bill was presented in the form of framework legislation stipulating three lists of basic responsibilities to be attributed to municipalities and cantons. While the basis was technically sound, the cantons ultimately decided not to adopt the overall framework legislation, opting instead for sectoral changes. A first draft relating to ten or so cantonal laws was submitted in August 1995.

The federal government's main spheres of intervention are the traditional public services such as national defence, foreign affairs and social security. However, it should be noted that the cantons retain some very limited powers in all of these areas either through international treaties or in the implementation of legislation. The federal government also has substantial powers in agricultural and national transport matters.

The cantons have the main say in education and health matters. There is no federal minister for these areas, only federal offices at sub-ministerial level. The cantons are also responsible for the operation of the judiciary. Federal and cantonal laws are separate. The fundamental provisions of civil

and criminal law are the same, while the administration of justice and associated rules of procedure are the responsibility of the cantons.

Important functions of the municipalities include environmental protection and water and energy supply, maintaining public order in the widest sense (municipal property, health and sanitation, construction, civil defence) and public transport. The duties delegated to the municipalities are determined by the cantons, except for those duties that have been delegated to them by federal government: registry duties, for example.

Mandatory, optional and shared responsibilities

Of the 160 areas of responsibility that have been identified in Switzerland, two-thirds are shared by the federal government. In accordance with the “executive federalism” principle, the federal authorities issue general regulations which are then implemented by the cantons. The result is a complex intermixing of the activities assigned to the different levels of government. The more extensive the services to be provided, the more complex the mix. In some essential areas, the federal government can take direct action. This applies, for example, to education. Although the cantons are chiefly responsible for education and the country’s eight universities are therefore run by the cantons, the federal government has set up two federal polytechnics, more or less equivalent to universities, for technical studies.

The cantons are sometimes called upon to share their responsibilities with semi-public bodies. For example, although the cantons are theoretically the main authority for public health matters, the country’s AIDS policy has been spear-headed by the semi-public sector on a purely national basis.

Among the services provided jointly by the cantons and the municipalities, in accordance with the executive federalism principle (this time at canton/municipal level), are the police, regional development and social services.

Some duties that have to be carried out by the municipalities, but on a scale that is beyond the means of the average municipality (for example the provision of schools for primary and secondary education, old people’s homes, water and sewerage) have prompted the establishment of numerous municipal associations.

2. Management functions

2.1 Policy-making and co-ordination

Coherence, consultation and conflict resolution

Under the principle of executive federalism, federal laws are generally implemented by the cantons, except, of course, in the areas of responsibility reserved for the federal level. Consequently, federal legislation only has an indirect impact on the lives of citizens, although it plays a fundamental role. Moreover, some canton provisions for implementing federal laws must be approved by the federal government.

The cantons participate in the preparation of federal laws. The federal legislative procedure provides for a consultative phase, during which the cantons, as well as other partners, may express their views. Constitutional amendments, moreover, must be approved by the majority of cantons in addition to a majority of the popular vote. Nevertheless, the role played by cantons in the federal legislative decision-making process should not be overestimated. Before the cantons are consulted, committees of experts

made up of numerous federal officials and representatives of major associations and interest groups have already done much to set priorities and determine the content of Bills.

The Council of States, the upper chamber of the federal parliament, is the body through which the cantons participate directly in the decisions of the Confederation. Each canton is equally represented within this Council, a system similar to that of the United States.

However, in the National Council, which is the lower chamber of the federal parliament, the cantons are only represented indirectly. The deputies of the National Council, who are nominated by political parties for popular election, reflect the political preferences of the moment and, above all, the differing interests of cantons.

There is also considerable co-operation at the administrative level. For example, there is close co-operation between chemists working in canton administrations, and between the heads of public education boards. However, there are no centralised institutions responsible for the general and continuing training of civil service staff as in France, nor is there an inter-cantonal training body. Each canton takes responsibility for training its own staff.

The federal government and the cantons co-operate actively in order to ensure the consensus without which the Swiss State could not survive. This co-operation has become even closer in recent years. When conflicts arise between the federal government and the cantons, there are no institutional means for settling such matters. Instead, close personal or official ties make it possible to settle conflicts through negotiation rather than through coercive measures.

What is more, the system of direct democracy gives such legitimacy to the decisions of the federal government and the cantons that they are normally accepted by all concerned. Popular initiatives at the national or canton level, or the referral of conflicts to popular vote, are also important means of solving conflicts through democratic decision-making.

By law, any contact between the federal government and municipalities must be preceded by consultations with the cantons.

Formal and informal mechanisms

In many cantons, the establishing of co-operation mechanisms between various levels of government is hindered by the very strong attachment to the principle of local autonomy. The lack of such mechanisms is all too evident in sectors in which there is a strong need for co-ordination, such as environmental protection or public transport.

The Federal Constitution lays down the procedures for co-operation between cantons in cases in which they need legal or military assistance, or if they must request the help of the police forces of other cantons to maintain law and order. Although the Constitution does not require them to do so, the cantons also co-operate in many other fields, such as transport, physical planning, energy, education, and finances. The main mechanisms for this co-operation are the Regional Conferences of Canton Governments; the National Conferences of the Directors of Canton Departments; and, since 1993, the Conference of Canton Governments, which brings together cantons at the highest level and whose secretariat is provided by the CH Foundation for Confederal Co-operation. However, the number of high-level inter-cantonal conferences is limited, as there are only five governmental conferences and 17 ministerial conferences. Conferences of officials below the ministerial level, though, are far more numerous.

The recently created Conference of Canton Directors is a new instrument for horizontal relations between cantons. There are also conferences of the directors of various canton departments in fields including education, public health, welfare, justice and police, and construction. All canton governments are collegial, like the Federal Council, and are therefore divided into a number of departments (types of “ministries” such as education, health care, justice, and agriculture), each of which is headed by a councillor of State, who is a member of the canton government. These individuals meet in conferences that bring together all the heads of the same departments, such as the conferences of canton directors of health care, public education, justice and police, and finances. There are ten or so such conferences, which make it possible for cantons to harmonise their positions *vis-à-vis* the federal government.

Within canton governments, the scope of co-ordination mechanisms varies, primarily depending on the size of cantons. The cantons with the largest population and the strongest economy (Zurich, Bern or Vaud, for example) have large administrative staffs responsible in particular for questions of information and co-ordination.

As regards co-operation between municipalities, in addition to associations of municipalities, which have institutional status and legal personality, there are also agreements between municipalities and inter-municipal associations aimed at implementing common policies in specific fields, such as water supply, physical planning, environmental protection or sewerage. However, co-operation with other municipalities varies enormously from one canton to the next. If the canton of Bern is compared with the canton of Vaud, each of which has a similar number of municipalities (401 municipalities in the canton of Bern and 385 in the canton of Vaud), the former has 315 associations of municipalities as compared with 54 in the latter.

In addition to co-operating through associations governed by public law, municipalities also co-operate by establishing associations or companies governed by private law. For example, public limited liability companies have been created to manage waste disposal and electricity. However, it must not be forgotten that this co-operation among municipalities is the responsibility of the cantons and that legislation may therefore vary significantly from one canton to another.

2.2 *Financial management*

Sources of revenues

Each level of government (federal, canton, municipality) finances the expenditures necessary to carry out its respective responsibilities through tax revenues and through complementary sources of financing such as various other levies and transfers from one level to another. In theory, indirect taxation was originally the responsibility of the federal government, while income and wealth tax were reserved for sub-national levels, but in reality the federal government also levies direct taxes (advance taxes, direct federal tax), a portion of which is transferred to cantons. The municipalities also receive a portion of some canton tax receipts.

The financial transfers from the federal government to the cantons and from the cantons to the municipalities are a major source of revenue for sub-national levels of government. There has been no move to consolidate appropriations, and these transfers are still divided into a large number of specific appropriations. This type of contribution accounted for slightly less than half of the overall revenues of cantons and municipalities in 1992 (see Table 2).

The resources of municipalities vary from one canton to another. Their revenues derive mainly from taxes that are also levied at the canton level (with different levels and rates), such as income tax and

wealth and inheritance tax. Municipalities also receive interest, annuities and dividends from State-owned enterprises, electricity companies and commercial or savings banks. All these revenues account for slightly less than two-thirds of their current receipts (see Table 3).

Table 2. Main sources of revenue of cantons (1985, 1990, 1993)

(in millions of Swiss francs)

	1985 ⁽¹⁾	1990	1995
Taxes:			
income and wealth taxes	15 187	19 907	23 251
property and sales taxes	1 050	1 213	1 485
Patents and concessions	--	459	550
Income from property	--	1 268	1 914
Current account:			
contributions	--	5 400	7 482
shares, non-earmarked contributions	1 633	2 492	3 164
grants and indemnities	--	6 357	9 304
Capital account:			2 733
grants	--	2 353	739
other capital receipts	--	112	
TOTAL⁽²⁾	29 420	39 264	50 147

-- Not available.

1. A new statistical definition was introduced in 1990.

2. Double counting between cantons not included in the total.

Source : Federal Administration of Finances.

Table 3. Main sources of revenue of municipalities (1985, 1990, 1992)

(in millions of Swiss francs)

	1985 ⁽¹⁾	1990	1992
Current receipts:			
Taxes	8 538	14 763	15 912
Patents and concessions	--	70	122
Income from property	--	1 884	2 324
Shares and non-earmarked contributions	465	1 086	1 116
Contributions	--	6 571	8 104
Subventions	--	4 084	4 967
Capital receipts:			
Grants	--	1 331	1 174
Other capital receipts	--	392	529
TOTAL⁽²⁾	22 230	29 423	33 339

-- Not available.

1. A new statistical definition was introduced in 1990.

2. Double counting between municipalities not included in the total.

Source : Federal Administration of Finances.

Expenditure responsibilities

The federal government, the cantons and the municipalities each finance virtually equal shares of consolidated general government spending. As Table 4 shows, in 1993 the expenditures of cantons were greatest in the field of education, which accounted for between one-fourth and one-third of the total. Other expenditures that accounted for more than 10 per cent of the total were, in decreasing order, spending on health care, social services and transport.

Municipal spending in the field of education was also the largest budget item, although it was proportionately smaller (approximately one-fourth of total spending), followed by health care and social services expenditures. Municipalities also differ from cantons in the relatively large amounts they spend on environmental protection and physical planning (see Table 5).

Table 4. Expenditure of cantons (1985, 1990, 1993)

(millions of Swiss francs)

	1985 ⁽¹⁾	1990	1993
General administration	1 463	2 211	2 670
Justice, police	2 421	3 368	4 113
National defence	478	540	487
Education	7 980	11 023	13 477
Culture, recreation	712	966	1 068
Health care	4 988	7 241	8 436
Social services	3 471	4 829	8 567
Transport	3 465	4 604	5 104
Environmental protection and physical planning	790	1 199	1 511
State-owned enterprises	1 546	2 567	3 437
Finances and taxes	1 846	2 569	3 524
TOTAL	29 158	41 116	52 392

1. Figures adjusted in line with the new statistical definition of 1990.

2. Since 1990, without double counting between cantons.

Source: Federal Administration of Finances.

Table 5. Expenditure of municipalities (1985, 1990, 1993)

(millions of Swiss francs)

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	1985	1990	1992
General administration	2 060	2 873	3 249
Justice, police	990	1 360	1 610
National defence	417	560	490
Education	4 962	6 673	8 213
Culture, recreation	1 427	1 988	2 141
Health care	3 217	4 826	5 958
Social services	2 110	3 365	4 209
Transport	2 056	2 642	2 952
Environmental protection and physical planning	2 377	2 782	3 234
State-owned enterprises	589	1 022	1 105
Finances and taxes	1 887	2 154	2 808
TOTAL ⁽¹⁾	22 089	30 245	35 968

1. Double counting between municipalities not included in the total.

Source : Federal Administration of Finances.

Balance between discretion and control

The autonomy of cantons can be seen clearly in the field of finances. Some two-thirds of Swiss general government expenditures and revenues are the responsibility of cantons and municipalities. However, these resources are distributed very unequally among cantons; for example, the expenditures of the canton of Zurich are nearly a hundred times greater than those of the canton of Appenzell Inner Rhodes. A federal system of equalisation is aimed at ensuring that cantons have the necessary resources to carry out their functions without imposing an excessive tax burden on their citizens. The first aspect of this equalisation of financing consists of providing cantons with a portion of federal revenues based on their financing capacity, which is reassessed every two years. The second aspect is the proportional adjustment of federal aid to the investments and current expenditures of canton authorities, again based on their financing capacity. Most cantons have their own internal systems of financing equalisation, which compensate for imbalances between municipalities. However, this practice is not found in French-speaking Switzerland, since there is no internal equalisation system in the cantons of Vaud or Geneva.

The level of transfers received by municipalities depends on their financing capacity and the interest shown by the federal government or the cantons in developing a specific service. It also varies depending on the overall number of programmes each municipality has. As a result, the largest transfers are mainly in fields such as education, health care or social services. Except for certain areas in which specific transfers are made, municipal financial decisions are generally not subject to supervision by other levels of government, other than the basic review of their legality and the auditing of accounts.

It should be emphasized that the powers of the federal government to levy direct taxes and capital gains taxes are limited in both time and amount since the Constitution imposes time limits as well as ceilings on the percentage rate of taxes. Thus, at the end of each decade the federal government is required to ask the people and the cantons to agree to new taxes. Swiss tradition requires that the federal government's proposal must lay down, firstly, that a portion of its revenues will be allocated to cantons; secondly, that there will be a balance between indirect taxes (which is in the interest of parties on the right) and direct taxes (in the interest of parties on the left); and, thirdly, that its power will be limited in time. In practice, this has the result of giving a right of veto to small cantons, which can use this to block the entire funding system to the detriment of large cantons.

The people's funding powers have a direct impact on the financing of Swiss government. The democratic control of the spending of cantons and municipalities prevents certain abuses sometimes found in countries with parliamentary systems. For example, a party in power will not be able to undertake ill-advised expenditures in order to try to remain in power at upcoming elections.

2.3 *Performance management*

Mechanisms

At the beginning of the 1980s (in 1982 in the canton of Ticino), reforms were implemented at different levels of government with a view to rationalising public spending and responding to requests from citizens for improved public services. In a number of cities and cantons, reforms are aimed at making the heads of the largest administrative units more accountable for their management. The goals set only concerned provision of services. A consolidated budget was also implemented on a trial basis in 1995. The following are some examples in this field:

- In the canton of Valais, a general process of reform of the public sector was launched in 1994, leading to a reduction in government jobs (the "Government 2000" project).
- In the canton of Bern, steps were taken to introduce practices in line with "new public management" (separation of administrative and policy functions, delegation of decision-making, greater accountability and monitoring, subcontracting of some services to the private sector).
- The canton of Zurich is trying to reform its social welfare and health care policy by setting up a system of agencies and of consolidated budgets.
- In 1995, the canton of Solothurn also undertook reforms; primarily aimed at reducing the size of the public sector (*Schlanker Staat* project).
- The city of Bern has also introduced pilot projects with a view to reorganising public services based on principles of new public management. These projects include taking into account user satisfaction in each service.

A number of other cities, such as Lucerne, Zurich or Winterthur, are preparing similar reforms. Moreover, it must be emphasized that since the beginning of the crisis in the early 1990s virtually all cantons have had to take steps to rationalise their administrations. The common features of these measures are the desire to develop agencies, to renew financial management practices by consolidating budgets and to modernise personnel management.

Quality standards

Improvement of quality is at the heart of the efforts being made to implement a new style of public management. Given the experimental nature of these projects, no quality standards have yet been issued, and this matter is still at the discussion phase.

2.4 Human resources management

Statutory distinctions: Compared to the other Member countries of the OECD, regulations governing civil servants are kept to a minimum in Switzerland. At the three levels of government, the public sector and private sector are in principle governed by separate legislation. The main differences concern the right to go on strike (see later), methods of recruitment, remuneration and methods of terminating contracts. The latter point is especially important, since the government cannot terminate a civil servant's contract under Swiss civil law governing work contracts; the terms of termination are laid down by public law and are highly favourable to civil servants. Currently, there is a trend towards eliminating the special status of civil servants in order to meet the needs of new public management.

Although the statutory rules governing the civil service vary from one canton to another, all legislation shares certain common features. The personnel employed in the civil service includes civil servants and other staff categories (permanent and temporary employees). Civil servants are generally appointed for four years, but in practice they are usually reappointed until they retire. The elimination of this four-year rule is being considered with a view to making personnel management even more flexible. As explained above, Switzerland has become concerned -- albeit only recently -- with keeping special regulations for civil servants to a strict minimum.

Civil servants do not have the right to go on strike, except in the canton of Jura. In some cantons teaching staff and some categories of government employees are selected by popular vote.

Despite the differences from one canton to another, there is generally very considerable autonomy in the field of human resource management. Even in the most centralised cantons, such as the canton of Geneva, municipalities are free to recruit and pay personnel as they see fit. For example, they are free to implement systems of merit pay (this option is currently being discussed in many cantons).

Table 6. Structure of government employment by level of government (1985, 1991, 1995)

	1985	1991	1995
Federal government ⁽¹⁾	133 009	138 918	131 810
Canton governments	148 806	162 198	158 137
Local governments	102 589	131 496	115 202
Other	46 472 ⁽²⁾	14 518 ⁽³⁾	22 094
TOTAL	430 876	447 130	427 243

1. Includes the Postal and Telecommunications Services and the National Railways.

2. Includes public corporations, public foundations, State-owned co-operatives and the Foreign Service.

3. Includes public corporations and official churches.

Source: Federal Office of Statistics, Bern.

Mobility: In Switzerland, civil servants are highly mobile, especially the most highly qualified among them. No level of government is considered to be significantly more prestigious than another, and as a result wage competition is the dominant means of attracting skilled staff. This is all the more true given that for many years economic prosperity led to a relative shortage of civil servants in Switzerland. Highly qualified civil servants have often held jobs in the various levels of government:

2.5 *Management and regulatory reform*

Some cantons have launched initiatives aimed at limiting the proliferation of regulations. This is an area in which it is difficult to draw general conclusions. In the canton of Vaud, for example, a “Deregulation Committee” was established, but was later renamed the “Re-regulation Committee”. Its aim is first to reduce the number of regulations and then to improve their quality. This same canton is also endeavouring to rationalise the internal instructions of its administration.

3. Trends in redistributing authority across levels of government

3.1 *Evolving tendencies*

Switzerland has been a federal State since 1848, and its fundamental principles have remained unchanged though, as in most federations, there has been a general trend towards centralisation. For example, the federal government has become involved in an increasingly broad range of fields, so that it is now nearly impossible for cantons to pass legislation without taking into account the provisions enacted at the national level. In addition, the social changes due to technological progress and the population’s rising living standards and greater mobility have contributed to this centralising trend. In many fields, however, the federal government has only limited influence. For example, the relative share of sub-national levels of government in public spending has risen steadily over the past 40 years, while the federal government’s share has declined. However, concerning the financial contributions of the federal government to cantons, it can be said that the federal government is increasingly interfering in canton matters through tied transfers (grants and refunds), which have admittedly increased. Finally, the share of federal government employees in general government employment is diminishing (it is slightly more than a quarter today, as compared with half at the beginning of the century).

This is due, among other reasons, to the general increase in the number of tasks performed by government, combined with the system of executive federalism. Since all levels of government have more tasks to perform, these are “theorised” (i.e. defined and legislated) at the federal level, but are still implemented at the canton level. This explains the relative increase in the number of civil servants at the canton level.

In addition, the system has become increasingly interdependent as shared responsibilities (concurrent or parallel) have increased. The overlapping of laws, funding and institutions is one of the major trends of Swiss federalism. Since the 19th century the federal government has progressively emerged as a powerful actor, but this has not prevented the cantons from continuing to exercise their government prerogatives.

There were attempts to renew Swiss federalism during the 1980s, and projects aimed at establishing a new distribution of responsibilities had already been proposed in the 1960s. The main goals of this movement were to improve co-operation between the federal government and the cantons, to achieve a better distribution of responsibilities and a more effective distribution of financing. But although many goals and proposals were set out, they ultimately came to nothing since the federal government and the cantons were unable to agree on a clear direction for reform. Despite the many proposals made, there was no substantial change in the distribution of responsibilities between the federal government and the cantons, which continue to operate as in the past.

This attempt at reform has been described as a “storm in a teacup”. Nevertheless, the idea of eliminating overlapping functions is more timely than ever, especially since a new system of equalising financing is being introduced.

3.2 *The current debate*

Nevertheless, a comprehensive approach aimed at simplifying the Swiss system remains a timely subject, given the overlapping of responsibilities described above. A motion proposing a “renewal of federalism” has been tabled in the Federal Assembly (the Engler/Cottier motion). The overlapping of responsibilities could be eliminated as part of the complete revision of the Federal Constitution, which is currently under way, but this revision must remain formal in scope. Bearing in mind the interminable and ultimately fruitless discussions to which the 1977 project of constitutional revision gave rise, it is likely to be extremely difficult, if not impossible, to redesign the system. The fact of the matter is that the federal government and the cantons sometimes have very different interests. Most often, significant reforms can only be achieved if there is a consensus, given the constraints of the specific rules of Swiss democracy. The “double majority” system is a case in point, since a proposed referendum can only be passed if a majority of both voters *and* cantons vote in favour of it. This means that a minority is able to defeat a referendum. Voters representing a majority in the 12 least populated cantons amount to roughly 15 per cent of the total population, but this minority is sufficient to “block” a referendum.

The Swiss system is also characterised by its high level of decentralisation, which means that there must be effective co-ordination to achieve reforms. Moreover, it functions based on the principles of *executive federalism*, which means that the federal government is dependant on canton governments to implement federal measures and that canton authorities have considerable discretion in interpreting these measures.

The federal system can play an important role in government reform. The high level of decentralisation of government in Switzerland makes it possible to motivate judges, civil servants and even private individuals, who may be entrusted with important responsibilities. For example, individuals may participate in municipal commissions and contribute the personal knowledge and experience they have gained in the private sector. Civil servants at the municipal level are also in closer touch with citizens, making it possible to avoid to a great extent the risks of growing State supervision, which is seen by some as synonymous with the bureaucratisation of government. The driving force of this type of highly decentralised government is often, above all, the motivation of civil servants. Another asset of this federal system is that it permits stringent control of finances. It is normally easier to ensure the transparency of public finances at the municipality level than at the federal level. It may be argued that it is easier to undertake administrative reforms by beginning at the most local (i.e. municipal) level, since it can be more flexible than the federal level.

Within cantons, better co-operation among urban municipalities on the one hand, and between municipalities and cantons on the other, is sometimes presented as a way of dealing better with the problems shared now by all conurbations (drug addiction, and the environment, for example). However, the municipalities remain torn between their desire to solve these problems and the fear of losing their autonomy.

The idea of more mandatory horizontal co-operation between municipalities or cantons is also discussed as a way of requiring the financial participation of those cantons and municipalities that are “free-riders”, i.e. that benefit from the policies implemented by their neighbours without having to bear the costs.

A major project is currently under consideration, although it is too early to say if it will produce results. It is aimed at completely redesigning the system of equalisation of financing between the federal government and the cantons, since the present system is far from clear and leads to unnecessary costs. In mid-1994, the Federal Council decided to undertake a process of reform. A working group composed of representatives of the federal government and the cantons was established jointly by the Federal Department of Finances and the Conference of Canton Directors of Finance. The following five “strategic” objectives were set by the Federal Council, aimed at guaranteeing the principle of subsidiarity and strengthening the financing capacity of cantons:

- Canton functions must in principle be financed by cantons, and federal functions by the federal government.
- When the services of one canton benefit a number of cantons (spillovers), these cantons must contribute to more appropriate (i.e. fair and balanced) joint financing by compensating other cantons for the costs incurred.
- In cases in which co-operation between the federal government and cantons is indispensable, each level must play the role it has been assigned so that tasks are carried out effectively. Such tasks should be performed using as few resources as possible by establishing appropriate financing mechanisms between the federal government and cantons.
- Federal grants based on financing capacity should be replaced by non-earmarked resources, some of which would be non-productive.
- lastly, it is necessary to implement a politically manageable system of equalising resources among cantons, which is more effective and makes it possible to monitor disparities in the financing capacity of cantons.

In February 1996, the Working Group submitted a proposal for reform. It suggested that the overlapping of certain functions be eliminated to the greatest possible extent by assigning them either to the federal government or to the cantons alone. It anticipated that this would lead to the disappearance of numerous earmarked financial flows, which would be replaced by discretionary resources. In the fields in which a complete elimination of overlapping is impossible, the Working Group suggested a new and clear definition of the roles of each partner. This revised distribution of responsibilities should enable cantons to use their financial resources more freely, to make equalisation more effective as regards the fair redistribution of resources to the poorest cantons and to realise substantial savings.

A reform of the way in which the executive levels of governments operate also seems to be mooted with increasing frequency. This aims at making them less collegial by introducing some hierarchy to promote a more effective decision-making process.

3.3 *Driving forces*

Since Switzerland is governed in a collegial and decentralised manner, it is rather difficult to identify an overall policy impetus underlying different sectoral trends. Similarly, it is difficult to measure the impact of budgetary issues on the relationships between levels of government. Admittedly, there is a wish to control public spending in Switzerland (for example, it is estimated that better management of the federal taxation system would make it possible to realise annual savings of some 3 billion Swiss Francs),

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but the country's budgetary situation remains relatively enviable in comparison with many other countries.

In the future, reconciling the specificities of Swiss federalism with the emerging practices of "new public management" -- if it was decided to implement them -- might lead to significant administrative reforms both at the federal and sub-national levels.