

SYSTEM OF GOVERNMENT: **Parliamentary**

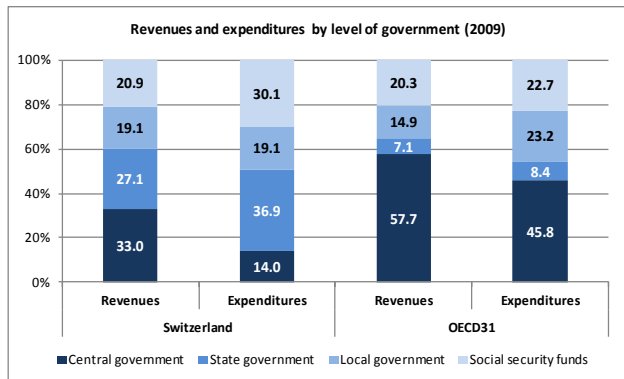
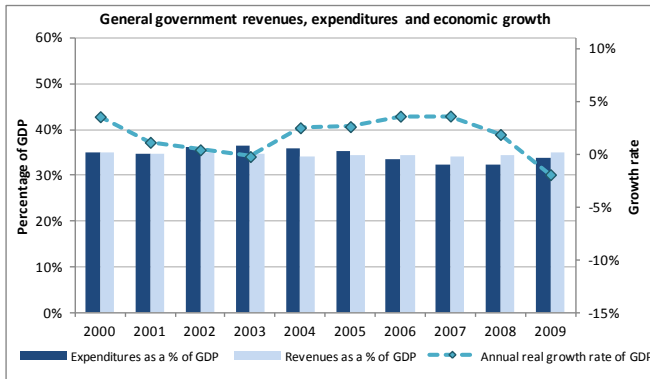
- No. of ministries: 7 (2010)

STATE STRUCTURE: **Federal** (26 Cantons)

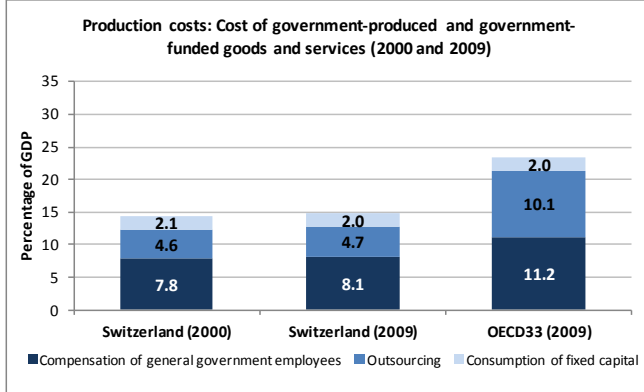
LEGISLATURE: **Bicameral**

- Upper house: elected
- Lower house: elected using Semi-Proportional Representation

Government revenues have hovered around 35% over the past decade, with expenditures fluctuating between 32% and 36%. Switzerland has operated at a budget surplus since 2006, which it maintained even when the economy went into recession in 2009. The role of the federal (central) government is small in Switzerland compared to other OECD countries. The federal government collects one-third of all revenues and accounts for 14% of total expenditures. Local governments collect almost 50% of revenues in the form of taxes, suggesting a high level of fiscal autonomy.

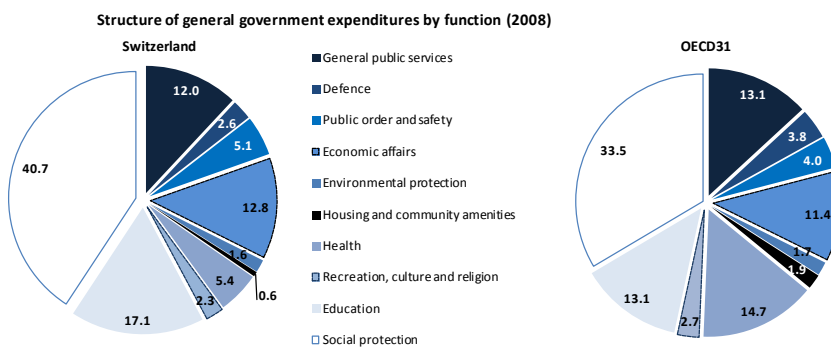


Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]



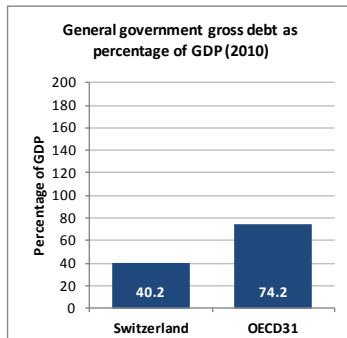
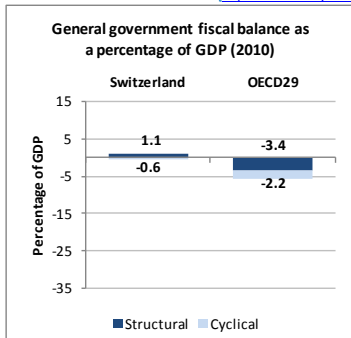
Source: OECD National Accounts. [Production costs]

Switzerland spends about 15% of GDP on providing public goods and services, much less than the OECD average. Production costs remained relatively stable from 2000 to 2009, with compensation costs increasing slightly more than outsourcing. The Swiss government relies slightly more on capital and its own employees in the production process compared with other OECD countries.



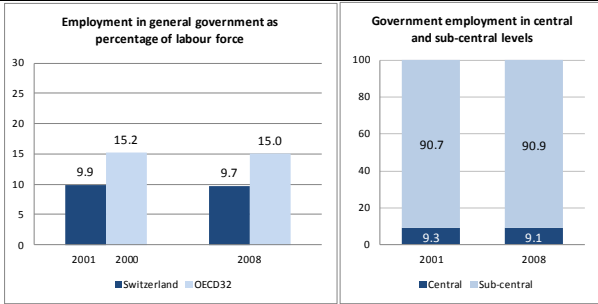
Source: OECD National Accounts. [Expenditures by function]

The Swiss central government spends the most on social protection (above 40% of general government expenditures), the second most for education (17%) followed by economic affairs (12.8%). In all three areas Switzerland spends above the OECD average, while it spends much less on health (5.4%) due to the prevalence of private health care insurance.



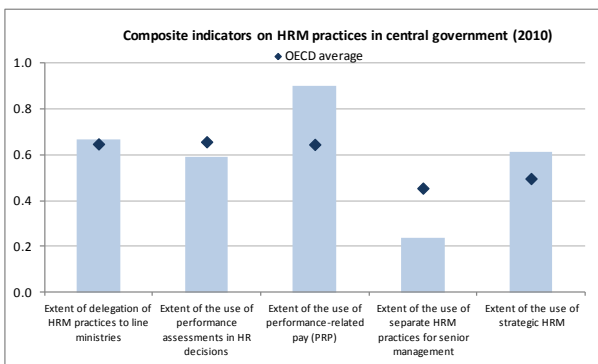
Source: OECD Economic Outlook 89. OECD average refers to the unweighted average [Fiscal balance] [Debt]

The Swiss general government had an overall positive fiscal balance in 2010. Switzerland employs a fiscal "debt-brake" rule that requires the federal government to balance its budget over the business cycle. The gross debt was 40.2% of the GDP in 2010, much smaller than the OECD average of 74.2%.



Government employment as a share of the labour force is quite low in Switzerland, at 9.7% in 2008. This is well below the OECD average of 15% and at the lower end of the OECD spectrum, which ranges from 6.7% to 29.3%. The Swiss government plans to further reduce this share through restructuring, although no specific replacement ratio has been set for departing staff. Public employment is also highly decentralised in Switzerland, with almost 91% of staff working at the sub-central level.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)



In the Swiss central government's HRM system, the only function that is delegated solely to line ministries is the decision about the number and types of posts in the organisation. All other HRM decisions are a shared responsibility between the Centre and the line ministries. While performance assessments are used somewhat less than on average in other OECD countries, performance pay is rather prevalent, both in terms of pay increments based on performance as well as bonuses. Legally the maximum ratio of pay tied to performance is 15%. There is a separate senior civil service cadre in Switzerland, although access to careers in senior management is open to all qualified persons, thereby following an open concept. There is a relatively well developed strategic use of HRM, both in terms of a general accountability framework for senior and middle managers and proper workforce planning.

Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

### Transparency in public procurement (2010)

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	Yes	No	Yes	No	97%
Selection & evaluation criteria	Yes	No	Yes	No	97%
Tender documents	Yes	No	Yes	No	82%
Contract award	Yes	No	Yes	No	100%
Justification for award	Yes	No	Yes	No	59%
Tracking procurement spending	No	No	No	No	32%
Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".					

Achieving greater transparency in public procurement is important, especially given that Switzerland spent an estimated 6% of GDP on procurement in 2008.

Like the majority of OECD countries, Switzerland publishes most public procurement information on its central procurement website: [www.simap.ch](http://www.simap.ch). According to Switzerland, Simap also fulfills the role of a domestic printed or electronic journal.

Currently, Switzerland does not publish information on procurement plans of anticipated tenders or contract modifications and does not allow tracking public procurement spending on line. This is done by 9%, 42% and 32% of OECD member countries, respectively.

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

### REGULATORY GOVERNANCE

#### Regulatory governance mechanisms (2008)

Functions of the oversight body	Year	Percentage of OECD countries responding "yes"	SWITZERLAND
Consulted as part of process of developing new regulation	2005	73%	Yes
	2008	82%	Yes
Reports on progress made on reform by individual ministries	2005	43%	No
	2008	56%	Yes
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	43%	Yes
	2008	50%	Yes
Conducts its own regulatory impact analysis	2005	43%	Yes
	2008	47%	Yes
<b>Anticipating compliance and enforcement</b>			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	57%	Yes
	2008	70%	Yes
Guidance for regulators on compliance and enforcement	2005	37%	Yes
	2008	47%	Yes
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

There is no central oversight body for regulatory management in Switzerland as in some other OECD countries, and several departments and units play an important role in promoting regulatory quality in the government.

The State Secretariat for Economic Affairs (SECO), in the Federal Department of Economic Affairs, is in charge of regulatory impact analysis and administrative simplification policies. The Federal Office of Justice in the Federal Department of Justice and Police contributes to the quality of legislation, in close co-operation with the Federal Chancellery, which has a coordinating and strategic function in the government. The Integration Office, jointly managed by the Federal Department of Foreign Affairs and the Federal Department of Economic Affairs, monitors the European integration process.

In the Swiss federal system, cantons are the main implementing authorities. Instruments of surveillance are described in the Legislation Guide and the guidelines on regulatory impact analysis specify the need to assess enforcement capacities. In a 2008 circular, the Swiss Federal Audit Office has encouraged all federal offices to apply an enforcement concept with risk analysis as one of three key elements. Corresponding training has been offered.

Source: OECD 2008 Survey on Regulatory Management; OECD (2006), *Switzerland: Seizing the Opportunities for Growth*, OECD Reviews of Regulatory Reform, OECD Publishing, Paris. [\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

### OPEN GOVERNMENT

#### Disclosure of public sector information (2010)

Types of information disclosed	Proactive disclosure		
	Switzerland	OECD32	Publication channels
Budget documents	⊙	94%	CP, MA
Audit reports	⊙	72%	CP
List of public servants and their salaries	○	28%	Not published
<b>Sharing of administrative data</b>			
Administrative data sets	○	66%	Not published
Requirements on publishing in open data formats	No	53%	–
<ul style="list-style-type: none"> <li>● Required to be proactively published by FOI laws</li> <li>⊙ Not required by FOI laws, but routinely proactively published</li> <li>○ Neither required nor routinely published;</li> </ul> <p>CP= central portal; MA= ministry or agency website; OW=other website            OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Although not required by the Swiss Freedom of Information legislation (which includes such provisions as the FOI ACT and FOI Ordinance), the federal government proactively publishes budget documents and audit reports through central portals or ministry or agency websites. Administrative data sets and lists of public servants and their salaries are not disclosed, nor are there requirements in place for the use of open data formats which can promote the re-use of public information.

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

### E-GOVERNMENT

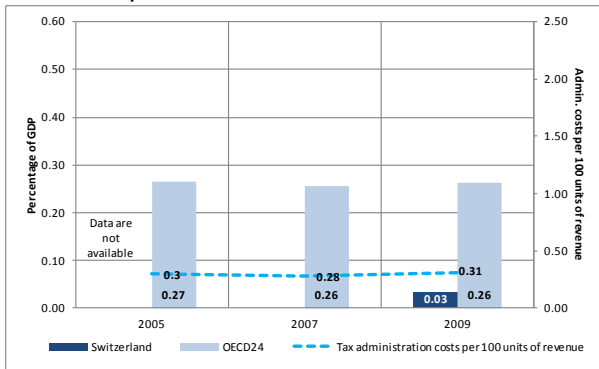
#### E-Government building blocks and e-procurement (2010)

e-enabling laws and policies	Switzerland	OECD25
Recognition & use of digital signature	●	100%
Electronic filing within the public sector	●	88%
Administering PPPs for e-government projects	●	64%
<b>Services offered on single-entry procurement website</b>		
Tender searches	●	62%
Tracking of outcomes of contracts	●	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Similar to most OECD countries, Switzerland has laws and/or policies in place to promote the use of digital signatures and electronic filing in the public sector. Switzerland also administers public-private partnerships for e-government projects which can help increase innovation in public administrations through greater knowledge-transfers and exchange of best practices between the public and the private sectors. Like most OECD countries with a single-entry public procurement website, Switzerland allows businesses to perform tender searches, and is among a small group of countries that allows users to track the outcomes of contracts on the website, making the procurement process more transparent. The use of the national platform for public procurement, simap.ch, is mandatory for all federal and cantonal authorities.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

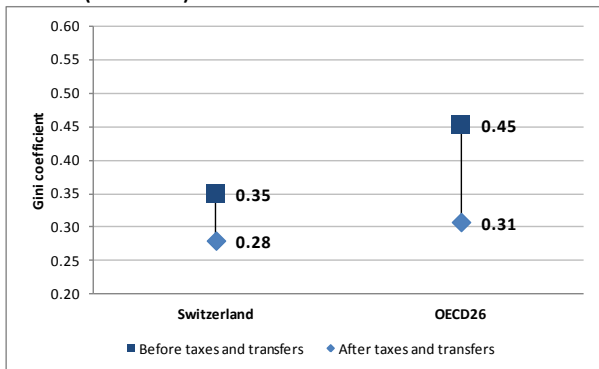
### Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Switzerland, the administration costs of collecting 100 units of revenue have been relatively stable, increasing only slightly between 2007 and 2009, most likely due to drop in revenues following the crisis. Total revenue body expenditure as a percentage of GDP is considerably below that of the OECD average.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

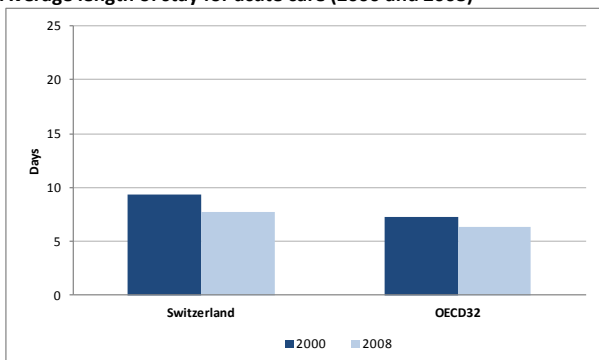
### Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



One method of evaluating the effect of government tax and transfer policies on income inequality is by assessing a country’s Gini coefficient before and after taxes and transfers. The effect of government redistributive policies on income inequality is lower in Switzerland than the OECD average. Switzerland achieved a 0.07 point reduction in the Gini coefficient following its tax and transfer policies, compared to an average 0.14 point reduction as an average in OECD countries. Overall, however, income inequality as measured by the Gini is lower in Switzerland compared with the OECD average.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

### Average length of stay for acute care (2000 and 2008)



The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. Similar to other OECD countries, in Switzerland the ALOS decreased between 2000 and 2008 (from 9.3 days to 7.7 days, respectively). This decrease is however considerably higher than the OECD average where the reduction was by about one day over roughly the same period. Nonetheless, the ALOS remained above the OECD average, and this can be partly explained by the predominant bed-day payments in Switzerland which have encouraged long stays in hospitals.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

**Production costs** are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

**Structure of government expenditures:** Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2011*.

**“Gross general government debt”** refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

**HRM Composites:** The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available in Annex E at: [www.oecd.org/gov/indicators/govata glance](http://www.oecd.org/gov/indicators/govata glance).

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay (PRP) index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

**Regulatory governance:** The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

**Tax efficiency:** Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

**Differences in income inequality pre- and post-tax and government transfers:** The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).