

CONTEXT

LEGISLATURE: Bicameral

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

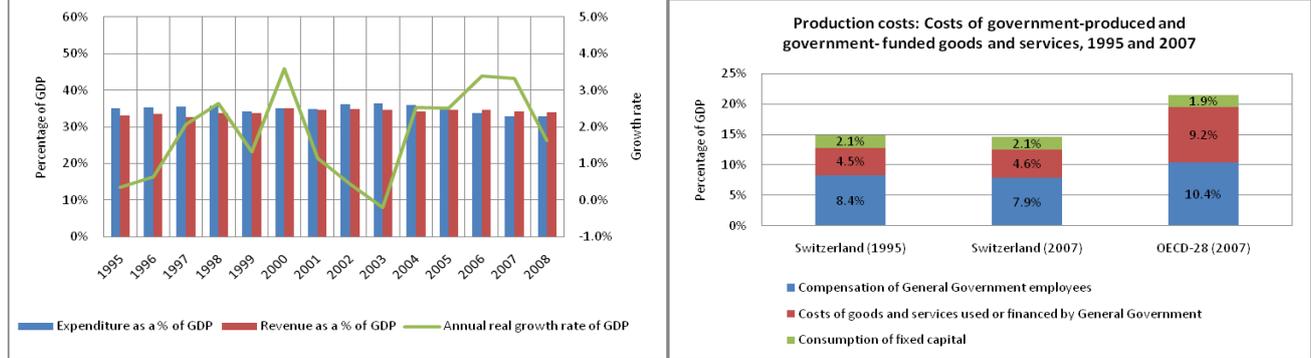
SYSTEM OF GOVERNMENT: Parliamentary

- No. of ministries: 7 (2008)
- No. of ministers: 7 (2008)

STATE STRUCTURE: Federal (26 cantons)

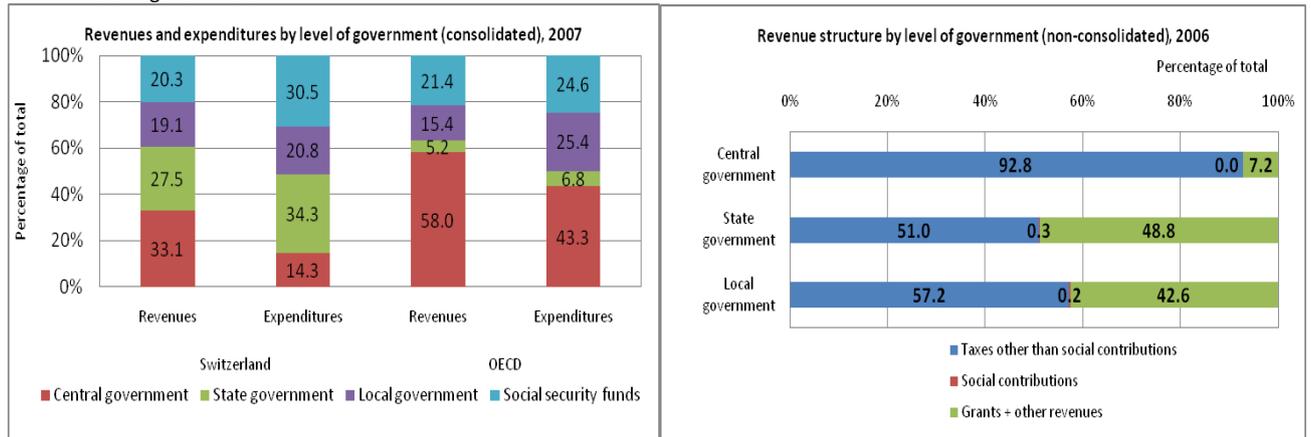
REVENUES AND EXPENDITURES

Revenues and expenditures have been mostly balanced over the past decade, and have hovered around 35% of GDP, one of the lowest levels among OECD countries. Expenditures as a share of GDP have decreased since 2003, resulting in an overall surplus over revenues in 2006 - 2008. Switzerland spends about 15% of GDP on providing public goods and services, much less than the OECD average. Scaled to GDP, these production costs of goods and services funded by government decreased slightly between 1995 and 2007. Slight decreases in production costs between 1995 and 2007 are the result of decreases in compensation costs of government employees as a share of GDP; the use of private actors in providing public goods and services remained relatively stable in terms of expenditures as a share of GDP.



Source: OECD National Accounts and Economic Outlook. [Revenues](#) [Expenditures](#) [Production costs](#)

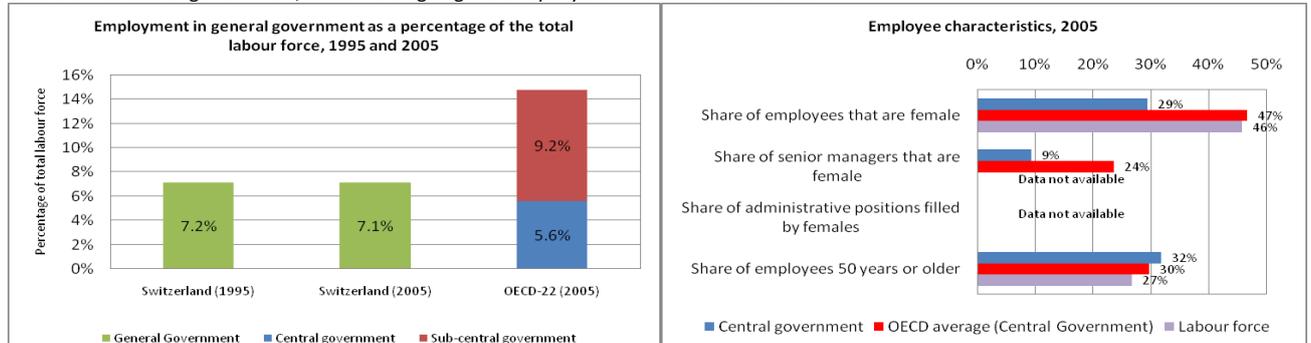
The role of the federal (central) government is small in Switzerland compared to other OECD countries. The federal government collects one-third of all revenues and accounts for less than 15% of total expenditures. Local governments collect well over 50% of revenues in the form of taxes, suggesting a high level of fiscal autonomy. Tax rates are often controlled through the exercise of direct democracy and tax competition among sub-federal levels of government.



Source: OECD National Accounts [Revenues](#) [Expenditures](#)

GOVERNMENT EMPLOYMENT

The Swiss government employs about 7% of the total labour force, and this share has remained stable between 1995 and 2005. The share of general government employment is notably lower than OECD average (14%), being among the lowest in OECD countries. Females represent a smaller proportion of the federal (central) government workforce than the general labour force, and the share of females in government is also below the OECD average of 47%. Within federal government, females hold just over 10% of senior managerial posts. An ageing workforce remains a challenge for the Swiss federal government, as staff are ageing more rapidly than the total labour force.



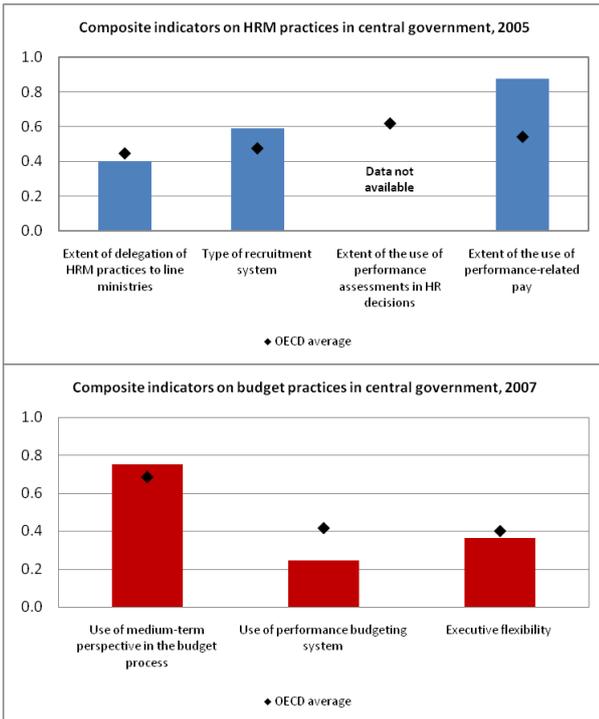
Source: OECD Comparison of Employment in the Public Domain Survey and Labour Force Survey

Source: OECD Strategic HRM Survey and Labour Force Survey

[General government employment](#) [Distribution by level](#)

[Female participation](#) [Ageing](#)

COMPOSITE INDICATORS: PUBLIC MANAGEMENT PRACTICES



In the Swiss federal government, the extent of delegation of HRM responsibilities to line ministries is close to the OECD average. Recruitment to the civil service is relatively open, with many positions available to both internal and external candidates. Performance-related pay is used extensively, to a larger extent than in many other OECD countries. Switzerland does not have a formal group of senior civil servants that are managed separately.

Source: OECD Strategic HRM Survey
[\[Delegation\]](#) [\[Recruitment\]](#) [\[Performance management\]](#)

The Swiss federal government budget consists largely of transfers to cantonal and local governments. Switzerland produces medium-term expenditure estimates at an aggregate level that cover a period of 4 years and are updated annually, but does not use ceilings. Performance measures and evaluations are generally not used in the budget process and are used only in a limited way in programme management. Only a limited number of government agencies (23 out of 70) are managed by a performance mandate and have a high level of flexibility. These are mainly agencies producing measurable services. Agencies with strong participation in policy preparation and formulation do not get this status. It is typically the line department that generates performance measures and conduct evaluations.

Source: OECD International Budget Practices and Procedures Database.
[\[Medium-term\]](#) [\[Performance budgeting\]](#) [\[Executive flexibility\]](#)
 OECD Journal on Budgeting: www.oecd.org/gov/budget/journal

INTEGRITY

Types of information central government decision makers are required to disclose and level of transparency, 2009

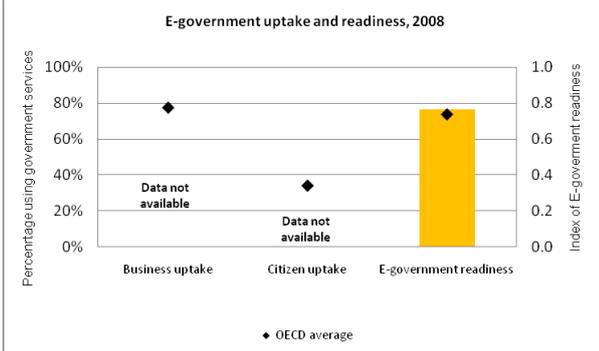
Requirements for disclosure	President	Minister	Lower House Legislators	Upper House Legislators
Assets and liabilities	ND	ND	ND	ND
Loans	ND	ND	ND	ND
Sources and level of income	ND	ND	ND	ND
Outside positions	NA	NA	DP	DP
Gifts	ND	ND	ND	ND
Previous employment	ND	ND	ND	ND

D= Disclosed; DP= Disclosed and publicly available; ND= Not disclosed; NA= Not applicable.

The Swiss federal government is relatively small, with only 7 ministries, and in general decision makers are not required to disclose potential conflicts of interest which stands in contrast to many OECD countries. Members of Parliament are not "professional" politicians, but rather assume their parliamentary duties in addition to their regular occupations. As such, legislators must disclose outside positions. However, members of the Executive branch are prohibited from holding jobs outside of government.

Source: OECD Survey on Integrity
[\[Disclosures\]](#)

E-GOVERNMENT



Overall, Switzerland exhibits a high-degree of e-government readiness driven by a well-educated population and a well-developed communications infrastructure. The Swiss e-government strategy was officially launched in November 2007 and sets common objectives for the central, state and local governments.

Source: United Nations E-Government Readiness Knowledge Base, Eurostat.
[\[Readiness\]](#) [\[Uptake\]](#)
[\[OECD E-Government Publications\]](#)

REGULATORY MANAGEMENT	Requirements for Regulatory Impact Analysis (RIA) processes used by central governments		
		2005	2008
	Quality reviewed by body external to Ministry preparing rules	Yes	Yes
	Required for draft primary laws	Always	Always
	Required for draft subordinate regulations	Always	Always
	Required to quantify costs	No	In selected cases
	Required to quantify benefits	No	In selected cases
	Required to publicly release results	No	In selected cases
	Extent of programs for reducing administrative burdens at the central level of government		
		1998	2005
Explicit programme exists	Yes	Yes	Yes
Includes quantitative targets	No	No	No

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations; and the design of programs to reduce the costs of administrative activities on business and citizens.

Between 2005 and 2008, Switzerland took steps to increase the comprehensiveness of its RIA system. Since 2007, an in-depth analysis has been conducted for selected regulatory projects (3-5 every year). The analysis attempts to quantify as many potential impacts as possible. The results are published, with intermediate results being used in consultation documents. Since the 1990s, the reduction of administrative burdens has been a core element of the economic strategy to revitalise the Swiss economy. Switzerland reports that recent reforms in specific sectors saved several hundred million Swiss Francs. For instance, Switzerland estimates saving about 50 million Swiss Francs by reducing burdens in the area of worker safety.

Source: OECD Survey on Regulatory Management.

[\[RIA\]](#) [\[Administrative simplification\]](#)

Regulatory Management Indicators: www.oecd.org/regreform/indicators

EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15

Background reports on Regulatory Reform: www.oecd.org/regreform/backgroundreports

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, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Employment characteristics: The OECD averages refer to the following number of countries:

- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

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 at: www.oecd.org/gov/indicators/govataglance.

- The **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, 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 **Type of recruitment system index** includes policies for becoming a civil servant in general (*e.g.* competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- The **performance assessment index** indicates the extent to which it is 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 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.

Budget 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 at: www.oecd.org/gov/indicators/govataglance.

- The **medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- The **performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- The **executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies' ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive's ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

E-Government:

- The **UN e-government readiness index** ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-thirds weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat's annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat's annual Model Survey on ICT Usage and E-commerce in Businesses.