

## Switzerland: Cooperative Federalism or Nationwide Standards?

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In many respects, Switzerland owes its identity to its political institutions. In 1848 the founders of the Swiss nation state were not able to build on a common culture, but were faced with the peoples of 25 cantons with different historical backgrounds, speaking four languages, and following different religions. The solution proved to be a combination of democracy and federalism, which still today are at the centre of the Swiss political system. While this institutional design has proved to be rather successful for the past 150 years, it faces new challenges today.

The core element of Swiss federalism was and is the autonomy provided to cantons for organizing their own affairs. It allows the cantons to consider specific cantonal matters and to solve problems on their own. As a consequence, the differences among the cantons are substantial, involving political institutions, the interaction among political actors, and the output resulting from these political contests. For example, there are significant differences in tax burdens and income levels. However, this high degree of cantonal diversity is being questioned today for several reasons.

First, some cantons call the decentralized structures basically inefficient, in the sense that they are too small to undertake large projects on their own. Some economists and political scientists believe that the major problem is not the fact that there are too many cantons, but that they are very unequal in size. This leads to a different level of service and infrastructure. For example, a small canton does not have the capacity to provide complex services such as universities or specialized medical centres. Often smaller cantons have arrangements with bigger cantons who provide them with the more complex services of education or health. In other areas like culture or family policy, however, smaller cantons have lower levels of infrastructure and poor cost/benefit ratios for some of their services.

If the federal level provided a policy or at least general standards, it could help to equalize the costs from and the supply of public services between the cantons. However, this would encounter a lot of opposition, as there is no consensus on what would be centralized. Furthermore, cantonal governments insist on their quasi-statehood, and they protect not only their own political organization but also their own political autonomy. **So for the time being, it appears that the majority of politicians and people still prefer the decentralized solution, demanding cantonal autonomy and accepting the possible disadvantages of diversity.**

The second point focuses on the relationship between the cantons and the federation. Historically the distinction and division of power between the federation and the cantons was clear. Today the complexity of modern infrastructure, society, and economy makes it necessary to cooperate. Most of the federal legislation is implemented by the cantons, accompanied by extensive cost and revenue sharing. However, this “cooperative federalism” is not free from problems. On the one hand, the implementation of federal policies increases the canton’s political influence and weight. On the other hand, cantons feel their autonomy is in danger if the federal legislation gets too extensive, giving no cantonal leeway and thus leading to an informal centralization. The cantons are very skeptical about uniform policies, because it is the ability to live differently from each other that has made the federal union successful.

A third area of contention deals with the political relations between the cantons and the federation. At the beginning of the Swiss federation in 1848, it was essential to integrate the cantons into the federal decision-making system and to give them a voice in national affairs. This

was accomplished by setting up two chambers of parliament, with a Council of States (the *Ständerat*) where each canton has two seats independent of its size, and a National Council (the *Nationalrat*), directly elected by proportional representation. To become binding, a law has to be accepted by both chambers.

However, this influence of the cantons in national affairs is still controversial. Some say that the small cantons – profiting from their more-than-proportional representation – have too much influence on federal policies. Others complain that the Council of States is not a truly federal chamber, because it votes along the same lines of interest – and party – affiliation as the National Council. The cantons are therefore demanding more influence at the national level, be it in matters of cooperation with the central government or even in questions of foreign policy.

One of their most successful actions has been the creation of a “Conference of the Cantonal Governments.” In the last 10 years, this body has become not only a successful lobby by the cantons, but also an important partner in dialogue with the central government. The Conference of the Cantonal Governments has certainly strengthened the voice of the cantons – but only in areas where there are common cantonal interests. However, the legitimacy of this body is often criticized. The Conference is based only on the collaboration of cantonal government leaders, while cantonal legislatures, representing the people, do not participate. Inter-cantonal cooperation among parliaments is therefore an important issue on the federal agenda.

The federal structure was established 150 years ago as a political compromise between the progressive, mostly Protestant radicals that wanted a strong nation state and the rural, mostly Roman Catholic conservatives that wanted no federation at all. It was therefore a key to nation-building and to the development of a Swiss identity. Since then, Switzerland has developed into a modern society, in which most historical conflicts have vanished. Still, the peoples in the cantons want to be different from each other: cantonal autonomy and self-determination are highly praised values. This helps people to overlook the severe shortcomings of some federal structures and procedures. In this sense, Switzerland’s symbolic and integrating values have become strong barriers to institutional reforms, even though many might make sense from a rational point of view.