
Original Article

Swiss federalism in a changing environment

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Abstract Switzerland is a prime example of a starkly decentralized federation. Apart from its decentralized structure, direct democracy and consociational governance are the defining features of the Swiss political system. Within that broader institutional context, we evaluate the three hypotheses of this special issue by discussing empirical research covering various policy areas. In line with the theoretical expectations, our findings support the notion that multilateral coordination dominates inter-cantonal relations and that the Swiss federal system is based on the principle of symmetric vertical competence allocation. However, our analysis does not confirm the third expectation of the theoretical framework, namely that in Switzerland inter-governmental cooperation is driven by partisan connections among ministers. Instead, we argue that the power-sharing mechanism of consociational democracy limits partisan dynamics and shifts the focus from intra- to inter-party coordination.

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Introduction

To evaluate the three hypotheses of this special issue for the Swiss case, it is worth emphasizing the key elements of the Swiss polity. First, Switzerland is well-known for its federal structure. Indeed, comparative analysis shows that Switzerland scores high on all standard fiscal and policy decentralization measures (Thorlakson, 2007, 2009). In Switzerland, the Federal Constitution guarantees the autonomy of the cantons; the principle of subsidiarity ensures that all tasks that are not explicitly assigned to the federal level are in the responsibility of the cantons; and cooperative executive federalism, in which cantons are in charge of the implementation of federal law, makes the cantons important actors even in federal policy areas. This highly



decentralized federal set up has proven to be effective in protecting cultural, confessional and linguistic differences (Linder, 1999). Apart from the federal structure, direct democracy is the second defining element of the Swiss political system. The use of the optional referendum transformed the Swiss political system into a 'consociational democracy' (Neidhart, 1970; Linder, 1999). In this article, we discuss the three hypotheses of this special issue within the broader Swiss context of direct democracy, consociational governance and the stark emphasis on decentralization.

Empirically, we discuss research from various policy fields and we analyze more specific elements of the Swiss system, such as concordats between cantons and the recently accepted comprehensive reform of Swiss federalism, the so-called NFA¹ which reinforced the symmetric competence allocation in Switzerland. The theoretical framework elaborated in this special issue is built on the notion that constitutional rules shape both, the nature of inter-governmental coordination and the power balance between the federal government and the sub-national units. In a federal system, where the center and the sub-units share sovereignty and have constitutional status, the mode of coordination is expected to be dominated by multilateralism, with sub-national units equally involved in collective problem solving. Moreover, the constitutional status of the sub-national units is expected to lead to a symmetric competence allocation in the long run. Finally, the theoretical framework hypothesizes that in federal systems government cooperation is strongly driven by partisan dynamics.

In this article, we evaluate these hypotheses for the Swiss case. The findings largely confirm the theoretical expectations. Our analysis of decision making in the areas of taxation, education and health politics shows that inter-cantonal cooperation and multilateralism are the main modes of interaction in Swiss federalism and that effective coordination of the common cantonal interests is essential for cantons to limit federal influence. Furthermore, our brief historical analysis of vertical competence allocation shows that the constitutional setting has constrained centralization dynamics and reinforced the symmetry in the competence allocation. The NFA reform is the most recent example of this general pattern. However, in contrast to the theoretical expectation of this special issue, the empirical evidence discussed in this article does not confirm the hypothesis that inter-governmental cooperation would be starkly driven by partisan dynamics in the Swiss case. We argue that in a consociational democratic system the effects of intra-party linkages are largely neutralized.

Multilateral Inter-Cantonal Policy Coordination

According to the comparative federalism scenario, the mode of coordination in federalized systems is expected to be dominated by multilateralism, with sub-national units being equally involved in collective problem solving. The Swiss case is in line with this expectation. The federal government and the cantons do share



sovereignty, and multilateralism is the main mode of interaction in modern Swiss federalism. The following paragraphs provide an overview of the nature of coordination that shapes vertical and horizontal cooperation in Switzerland, showing that the extensive horizontal coordination of cantonal interests is an essential element that is used to contain federal influence.

The prime goal of the recent major reform, the NFA, was the strengthening of the cantons' autonomy. Cantons have established regional systems to regulate shared provision of public goods, mainly because small cantons cannot efficiently exercise all of their constitutionally assigned powers. The NFA seeks to support such cooperation by introducing an enforcement mechanism: if cantons sign an inter-cantonal agreement, a majority of 18 cantons can ask the Federal Assembly to transfer the agreement into binding law. However, this general bindingness of inter-cantonal agreements is applicable only in nine defined policy fields, and the decision of the Federal Assembly is subject to a facultative referendum.² Although it includes a coercive instrument, the enforcing mechanism mainly aims at reinforcing the cantons' autonomy by constraining the centralization of cantonal competences (Steinlin, 2011).

A large set of bilateral, regional and nationwide inter-cantonal cooperations have evolved over the last century. According to Bochsler and Sciarini (2006), horizontal cooperation among cantons mainly aims at exchanging experiences, coordinating cantonal activities and representing cantonal interests *vis-à-vis* federal representatives. Institutionalized inter-cantonal cooperation mainly takes three forms. The first form is common facilities, such as medical facilities or universities of applied sciences, shared between cantons. The second form consists of concordats, which are intergovernmental treaties that, once ratified by the cantonal parliaments involved, become legally binding (Bochsler and Sciarini, 2006; Bochsler, 2009; Uhlmann and Zehnder, 2011). Although some concordats include all cantons, the vast majority of today's roughly 760 concordats are treaties between two and six cantons. With the new Federal Constitution of 1999, cantons are given the right to conclude inter-cantonal treaties without the authorization of the federal government (Abderhalden, 1999). The third form involves the conferences of cantonal executives and cantonal officials, both organized at the regional and the federal level (Trees, 2005; Bolleyer, 2006a; Gilardi and Wasserfallen, forthcoming). Besides being a discussion platform for cantonal policy makers, these conferences play an important role in the coordination of concordats, as illustrated below with the examples of education and health politics. Furthermore, inter-cantonal conferences can be channels for policy diffusion, and they can enhance policy learning (Füglistner, 2012).

Given that cantonal representatives are not mandated with specific positions, ministers have important leeway in terms of negotiations in inter-cantonal conferences. Except in a few specific fields, in which they enact binding norms, the conferences merely release recommendations. In contrast to the concordats, the decisions are not ratified by the cantonal parliaments and are not legally binding. The central inter-cantonal coordinating body is the Conference of Cantonal Governments (CCG).



It was founded in 1993 to ensure that cantonal interests are considered in the Europeanization process. Since then, the CCG has enlarged its sphere of activity, for example, by successfully defeating a fiscal reform proposed by the federal legislature and by acting as critical player in the negotiations of the NFA (Braun, 2004).

Apart from the CCG, 16 specialized conferences coordinate specific policy fields. Among other activities, specialized conferences play an important role in the implementation of the NFA. Although some of these policy-specific conferences have long histories and are highly institutionalized, such as the Conference of Cantonal Ministers of Public Health, founded in 1919, other policy-specific conferences have been established more recently and are equipped with more modest administrations. However, over the last two decades, a professionalization of the activities of all conferences can be observed, which is illustrated by the large investment in better representation (Sciarini and Bochsler, 2006). Since 2008, the secretariats of the general and most policy-specific conferences are located in one building in the center of Berne, the federal capital. Since the conferences share the same location, they are able to enhance their visibility, better coordinate their activities and more strongly position themselves to lobby for cantonal interests *vis-à-vis* the federal level.

All three forms of intergovernmental cooperation have been strengthened, the number of shared facilities and concordats has increased, more nation-wide concordats, such 'Harmos' in education policy, have been negotiated, and the conferences have become indispensable partners in the enactment of the NFA. This strengthening of inter-cantonal cooperation has indirectly reinforced the symmetrical distribution of power between the federal and the cantonal level. The intensification of inter-cantonal cooperation does, however, not come without criticism. The financial costs of horizontal coordination, as well as the question of a possible democratic deficit of inter-cantonal cooperation due to the curtailed role of the cantonal parliaments, are subjects of discussions.³ Despite the criticism and although inter-cantonal cooperation is already widespread, cantons still face pressures to enhance collective action in controversial matters. Whether the cantons will successfully master this task remains to be seen. Empirical evidence is mixed so far, as we will illustrate in the following discussion of three policy areas.

In the case of finance and taxation, the Conference of Cantonal Finance Directors coordinates cantonal positions. Particularly, inter-cantonal tax competition is a hot topic in Swiss politics. Gilardi and Wasserfallen (forthcoming) investigate inter-cantonal tax competition in detail, showing that joint membership in the regional conferences of finance directors mitigates, through socialization, tax competition dynamics among cantons. Another important fiscal aspect of inter-cantonal fiscal politics is the negotiation and implementation of agreements that regulate the shared financing of provision of public goods with regional importance. The NFA stipulates that the cantons should intensify efforts in that respect. Yet the realization of such cooperation is cumbersome. For example, the electorate in the canton of Obwalden



and the canton of Basel country recently rejected, in cantonal referendums, payments to cultural institutions with regional importance, which shows that the use of direct democratic rights can block inter-cantonal cooperation.

In other controversial policy fields, cantons have organized collective action only after strong pressure from federal representatives, as the following two examples of education and health politics illustrate (both are highly decentralized policy fields in which the cantons have the constitutional obligation to coordinate their actions). In education, inter-cantonal coordination is based on a constitutional article that was accepted in a referendum in 2006 by all cantons and an overwhelming majority of the population (86 per cent of the votes). The purpose of the new article is the harmonization of cantonal education systems without totally standardizing the 26 cantonal systems. It mandates the cantons to coordinate elementary and higher education. If such coordination fails, the federal legislature has the power to introduce common standards.⁴ As with the introduction of the enforcement mechanism in the NFA, the explicit threat of intervention introduces an important paradigm shift in Swiss federalism (Fischer *et al*, 2010, p. 761). However, as stated previously, in lieu of the actual use of this new instrument, the mere threat of federal intervention is expected to lead to more coordination among the cantons. For example, the cantons have anticipated this pressure and worked out a plan to harmonize elementary school curricula.

The inter-cantonal concordat on the harmonization of elementary school, called ‘HarmoS’, was elaborated by the Conference of Cantonal Directors of Education and passed in 2007.⁵ After the concordat had been accepted in 10 cantons, the agreement came into force in 2009. The cantons joining the concordat agree upon a harmonization of the age of school enrollment and the number of years of education provided by elementary schools, and they have adopted federal education standards. In several cantons, the ratification of the concordat met with fierce criticism and was countered by cantonal referendums.⁶ The successful use of the optional referendum has become a sticking point for the timely introduction of the concordat. As in the previously discussed case of shared financing agreements, this example also indicates that the use of direct democratic rights might become a major obstacle for inter-cantonal cooperation. It is still too early to assess whether the federal legislature will intervene in this case and, if so, how. The enforcing mechanism established with the NFA reform is applicable only for special schools and involves direct financial equalization among cantons.

Finally, health is another example of a highly decentralized policy field in which cantons are supposed to coordinate. In this field, it is striking how conflicting cantonal interests slowed down the process of coordination. While health-care provision is under the control of the cantons, the NFA identified highly specialized services as one sector to be organized at the inter-cantonal level. In addition, with a legislative change on the financing of hospitals in 2008, cantons have been mandated to provide a nationwide plan for the provision of highly specialized services. In the absence thereof, the planning will be delegated to the Federal Council. In anticipation



of a possible centralization, the Conference of Cantonal Directors of Public Health (CCDPH) elaborated an inter-cantonal agreement. Highly specialized intervention would, accordingly, be concentrated in five university hospitals, yet none of which could offer all services.⁷ The concordat was accepted in a plenary session of the CCDPH in 2004. However, conflicting cantonal interests delayed the ratification procedure for several years. The canton of Zurich refused the ratification of the concordat because its university hospital would lose the very prestigious specialization of heart transplantation.⁸ The CCDPH then suspended the ratification procedure and developed a new version of the concordat. Later on, the planning and coordination of highly specialized medicine was delegated to a newly founded decision-making body of the CCDPH in which the largest cantons were better represented. The creation of such a decision-making body is a novelty in Swiss federalism. The concordat was finally accepted by all cantons in 2008 and entered into force in 2009, while the final agreement is still pending.⁹ Although the general decision to concentrate heart transplantations in two sites has been taken, the three hospitals currently providing this service are engaged in legal procedures on the final allocation. Whether the agreed-upon schedule for the inter-cantonal decision-making body can be met, or whether the federal government will intervene remains, at the time of writing, an open question.

In sum, inter-governmental relations in Switzerland are dominated by multi-lateralism. Inter-cantonal coordination has become much more intense in the last two decades; several examples document the efficiency of horizontal coordination. However, especially through the use of direct democratic rights, inter-cantonal agreements have also been successfully blocked, while the cantons face pressures to enhance inter-cantonal coordination. The future will tell whether or not cantons will be able to work out further inter-cantonal agreements in controversial matters. Success in that regard is in the cantons' self-interest because if they fail, centralization attempts will gain support.

Symmetric Competence Allocation Reloaded

The Swiss polity is a textbook example of a system with symmetrical formal competence allocation. The symmetry has historical origins and was recently reiterated with the adoption of the NFA reform. After the federal state was founded in 1848, the radical Protestant cantons pushed for more federal competences, which contrasts the last two decades, during which no strong political organization has actively advocated more centralization as a general solution for problems of Swiss federalism. Striking, from a historical perspective is that the cantons have, overall, been remarkably successful in retaining their autonomy. The cantons have effectively defeated centralization attempts partly with the above discussed system of inter-cantonal cooperation.



The conflict between the conservative Catholic cantons of the ‘Sonderbund’ and the radical Protestant cantons dominated the first period of the Swiss federal state. In 1848, the Swiss federal system was founded after radicals won a short civil war. The Federal Constitution established the Swiss federal state, but did not transfer important powers to the federal level. In the following years, the winning coalition of radical German-speaking cantons kept pressuring for more centralization. The conservative cantons opposed these attempts. The total revision of the Federal Constitution in 1874, mainly triggered by the external pressure of the French-German war, modified the Swiss polity substantially. Overall, however, the amended Federal Constitution guaranteed the basic federal structure, which has, as a fundamental framework of the Swiss political system, not changed to date.¹⁰

Switzerland, with its four official languages, lacks a clear-cut national identity. Swiss people strongly identify themselves with the regions and the cantons in which they live. Within that cultural context, the constitutional safeguards of keeping authority on the sub-national level were, and still are, fundamental elements of the Swiss political system. The cantons are in multiple ways the critical political units in the Swiss polity (Vatter, 2007). The constitutional principle of subsidiarity ensures that any power not explicitly assigned to the federal level remains within the jurisdiction of the cantons. Even in the areas in which the federal level has assigned powers, the cantons are powerful in every step of the policy cycle: they formulate their interests in the pre-parliamentary phase, exert influence in the legislation process and implement federal policies. The institutional setting empowers the cantons further, given that amendments to the Federal Constitution must earn a majority of the people and of the cantons, which makes it practically impossible to shift responsibilities to the federal level against an organized opposition of the cantons. The Swiss decision-making system is blocked if the cantons collectively contest constitutional changes (Scharpf, 1988).

The federal authorities are in charge of foreign affairs, national defense, the national economy, transportation, infrastructure and social security, while the cantons are decisive in policy areas, such as justice, education, health and police. Illuminating in respect to the power balance between the federal and the cantonal level is the public revenue side. The prerogative to tax is in the hands of the cantons, which predominantly tax income and wealth, whereas the federal government relies mostly on consumption taxes and modest income taxation (Gilardi *et al*, 2013). Yet the federal government’s constitutional right to tax is only temporary.¹¹ After World War II, the federal government’s share of total public revenue declined from 40 per cent to about 30 per cent, and has remained quite constant on that level. The municipalities obtain a little more than 25 per cent of total public revenue and the cantons more than 40 per cent. These shares have not changed substantially over the last 70 years. If anything, the already heavily decentralized system has become even more decentralized. To be clear, important public tasks shifted to the federal level, not least because of wars and crises in other



countries around Switzerland. The security threat of the two world wars strengthened the federal government; an additional centralization force was the rise of complex public tasks that could not be meaningfully handled on the cantonal level (Neidhart, 2002). Nevertheless, most striking in historical perspective is that the cantons have successfully retained their autonomy.

Over time, the overlap of competences between the federal government and the cantons strongly increased. Following the principle of subsidiarity, officials from the federal government and the cantons reorganized in the recent NFA reform the allocation of competences and basically consolidated the symmetric competence allocation. The disentanglement of shared responsibilities in the NFA reaffirmed the decentralized structure of the Swiss polity, as most of the policy areas that were under federal and cantonal authority were transferred to the exclusive competence of the cantons. Although the Swiss constitutional set up constrains centralization attempts, dynamics from outside and the growing complexity of public tasks continue to pressure Swiss federalism. Most important in that regard is the pressure from European integration. The federal government is in a constant dialogue with the EU, in which various issues are discussed that are in the jurisdiction of the cantons. After the majority of the cantons and 50.3 per cent of the people rejected accession to the European Economic Area in 1992, the cantons strengthened their institutional capacity *vis-à-vis* the federal level to better voice cantonal interests in the bilateral relations with the EU. The creation of the CCG in 1993 was the most visible step thereof.

In sum, the Swiss case supports the theoretical expectation of this special issue, namely that the Swiss federal constitutional setting fosters a symmetric competence allocation. Through intense inter-cantonal cooperation, cantons have successfully retained their autonomy in the course of the recent major federal reform, which has revitalized the decentralized structure of the Swiss system.

Party (in)congruence and Consociational Democracy

The theoretical framework elaborated in this special issue theorizes that in federal systems government cooperation is strongly driven by partisan dynamics. The argument is based on the premise that governments on both levels can, in principle, try to expand their autonomy due to their protected rights, which might be damaging for the system as a whole. This temptation to pursue self-interested goals at the expense of others is hypothesized to be more pronounced in the incongruence scenario, in which case governments are controlled by rival parties (Swenden, 2002; Bolleyer and Bytzek, 2009). Underlying the argument is the idea that joint partisanship (that is, party congruence) has a strong integrative effect because of communication channels within parties and because party colleagues share political ideologies and pursue similar policy goals. Thus, governments controlled by ministers who are



members of the same parties are expected to better coordinate government activities. Before discussing the effect of party linkages on intergovernmental cooperation in the Swiss case, we briefly outline in the following the typical government compositions in Switzerland. On the federal level and in most cantons, multiple parties are represented in the government. The multiparty composition of Swiss governments is the most visible characteristic of consociational governance. We believe that it is crucial to analyze the effect of party linkages in Switzerland within the broader context of consociational democracy.

In Switzerland, the typical government has ministers from all major parties. Multiparty governments are a consequence of the extensive direct democratic institutions in the country. To be more precise, they have resulted from the successful use of the optional referendum. On the federal level, the optional referendum was introduced in 1874. The constitutional right that 50 000 voters can ask for a referendum in order to veto legislation of the federal parliament became an extremely powerful opposition tool that transformed the political system into what some call a 'negotiation democracy' (Neidhart, 1970) and others a 'consociational democracy' (Linder, 1999). After the introduction of the optional referendum, the Catholic Conservatives started attacking the ruling Radical Protestant by using the optional referendum and successfully blocking important federal legislation. Shortly after that, this strategy paid off: in 1891, the first representative of the Catholic Conservatives was elected in the federal government. Over time, the use of the optional referendum greatly increased (Trechsel, 2000). As a consequence of enhanced direct democratic participation, all relevant political forces have been integrated in the political decision-making process. Since 1957, the four major Swiss parties have been represented in the Federal Council, which is the most stable democratic government worldwide. In the cantons, in which forms of direct democracy existed before they were introduced on the federal level, the dynamics were similar. As on the federal level, the optional referendum was the critical factor for the formation of multiparty governments. Table 1 shows the government composition on the federal and cantonal levels in the 1990s and 2000s in detail.

On the federal level, the four major parties in Switzerland – the Social Democrats (SP), the Liberals (FDP), the Christian Democrats (CVP) and the National Conservatives (SVP) – formed, over the course of 40 years, a federal government by following the so-called 'magic formula', which assigned to the three biggest parties two seats each and one seat to the smallest one. This government composition formula was never official law, but has become the most visible characteristic of Swiss consociational democracy, which, at its core, is about integrating all relevant voices in policy making. After the Swiss People's Party (SVP) won the largest proportional vote in the 2003 federal elections, the Federal Assembly replaced Ruth Metzler (CVP) with Christoph Blocher, the controversial longstanding leader of the SVP. After the 2007 federal elections, the Federal Assembly replaced Christoph Blocher, in the midst of furious protests from the elite of the Swiss People's Party's,

**Table 1:** Cantonal and federal government compositions in the 1990s and 2000s

		<i>SVP</i>	<i>FDP</i>	<i>CVP</i>	<i>SP</i>	<i>other</i>
Federal	1959–2003	1	2	2	2	0
	2003–2007	2	2	1	2	0
	2008–2011	1	2	1	2	1
Zurich	1991–1995	1	2	1	2	1
	1995–2003	2	2	1	1	1
	2003–2005	2	2	0	2	1
	2005–2007	1	2	1	2	1
	2007–2010	2	2	1	2	0
Bern	1991–2006	3	2	0	2	0
	2007–2008	2	1	0	3	1
Lucerne	1991–2003	0	2	4	1	0
	2003–2004	0	1	3	1	0
	2005–2006	1	1	2	1	0
	2007–2011	0	1	2	1	1
Uri	1992–2000	0	2	4	1	0
	2000–2004	0	2	4	0	1
	2004–2008	0	2	3	1	1
Schwyz	1992–2004	0	2	4	1	0
	2004–2008	1	2	3	1	0
Obwalden	1991–1995	0	2	4	0	1
	1996–2001	0	2	3	0	2
	2002–2009	0	1	2	0	2
Nidwalden	1990–1995	0	4	5	0	0
	1996–1997	0	3	6	0	0
	1998–2001	0	2	4	0	1
	2002–2007	0	3	3	0	1
Glarus	1990–1994	2	2	2	1	0
	1994–1998	2	2	1	2	0
	1998–2002	2	3	1	1	0
	2002–2006	1	3	1	2	0
	2006–2007	1	2	1	1	0
Zug	1991–1998	0	2	3	1	1
	1999–2006	1	2	2	1	1
	2007–2009	1	2	2	0	2
Fribourg	1992–1996	1	0	3	2	1
	1997–2011	0	1	3	2	1
Solothurn	1990–2008	0	2	2	1	0
Basel	1993–1996	0	2	1	2	2
	1997–2000	0	2	0	3	2
	2001–2004	0	1	1	2	3
	2005–2011	0	1	1	3	2
Basel District	1991–1995	1	2	0	2	0
	1995–1999	0	2	1	2	0
	1999–2010	1	2	1	1	0

**Table 1:** (Continued)

		<i>SVP</i>	<i>FDP</i>	<i>CVP</i>	<i>SP</i>	<i>other</i>
Schaffhausen	1993–2000	1	2	0	2	0
	2001–2004	1	2	0	1	1
	2005–2011	2	2	0	1	0
Appenzell Outer-Rhodes	1991–1993	0	6	0	0	1
	1994–1997	0	5	0	1	1
	1998–1999	1	4	0	1	1
	2000–2002	1	5	0	1	0
	2003–2006	2	5	0	0	0
	2007–2011	2	4	0	1	0
Appenzell Inner-Rhodes	1990–1995	0	0	9	0	0
	1996–1998	0	0	7	0	0
	2000–2009	0	0	5	0	2
St Gallen	1992–1996	0	3	3	1	0
	1996–2000	0	2	3	2	0
	2000–2004	0	3	3	1	0
	2004–2008	0	3	2	2	0
Grisons	1991–1998	2	1	2	0	0
	1999–2008	2	1	1	1	0
Aargau	1993–2000	1	2	1	1	0
	2001–2007	1	1	2	0	1
	2008–2011	1	1	1	1	1
Thurgau	1990–2011	2	1	1	1	0
Ticino	1991–1995	0	2	2	1	0
	1995–2010	0	2	1	1	1
Vaud	1990–1994	1	3	0	2	1
	1994–1998	1	2	0	2	2
	1998–2002	1	2	0	1	3
	2002–2010	1	2	0	2	2
Valais	1993–1997	0	1	4	0	0
	1997–2011	0	1	3	1	0
Neuchâtel	1993–2008	0	1	0	2	2
Geneva	1993–1997	0	2	2	0	3
	1997–2001	0	2	1	2	2
	2001–2005	0	0	2	2	3
	2005–2009	0	1	1	2	3
Jura	1991–1994	0	1	2	1	1
	1995–2002	0	1	3	1	0
	2003–2006	0	0	2	2	1
	2007–2010	0	1	2	1	1

The cantons are listed in the order of the Federal Constitution.

Abbreviations: CVP, the Christian Democrats; FDP, the Liberals; SP, the Social Democrats; SVP, the National Conservatives.

Sources: Bochsler (2011), Gilardi and Wasserfallen (forthcoming) and *année politique suisse* (various issues).



with Evelyne Widmer-Schlumpf, a more moderate exponent of the SVP. As a reaction to her acceptance of the election result, the federal party leadership excluded her from the party. She then founded, together with other marginalized exponents of the SVP, a new party. That is why one seat in the Federal Council has belonged to the 'other' category since 2008.

On the cantonal level, multi-party governments dominate as well. Yet cantonal party systems vary substantially, as they have regional and cantonal origins. Swiss parties are quite heterogenous and decentralized organizations (Ladner, 2004; Bochsler and Wasserfallen, 2013). One could, thus, at length, discuss the peculiarities of each cantonal party system. For example, the canton of Appenzell Outer-Rhodes has traditionally been dominated by the Liberals (FDP), while its neighboring canton, Appenzell Inner-Rhodes, has always been exclusively governed by the Christian Democrats (CVP). However, single-party or two-party coalitions are clearly the exception in modern Switzerland. In 23 out of the 26 cantons, three of the four major parties have mostly been represented in the government over the last 25 years. Often, a seat shifts after cantonal elections from one party to another, but overall government changes have been marginal, and they usually have not starkly influenced the political direction of a canton. Prime examples of consociational multiparty compositions are the governments of the cantons of Aargau, Thurgau and Glarus, in which all four of the major parties in Switzerland are represented in almost equal strength. Table 1 lists the cantonal and federal government compositions in the 1990s and 2000s.

We do not discuss the peculiarities of the Swiss cantonal party systems in detail here. What is of importance for the purpose of this article is the general observation that almost all cantons are governed by multiparty governments and that the formation of Swiss multiparty governments is not required by formal rules, but is a consequence of the institutions of direct democracy that transformed the Swiss system into a consociational democracy (Neidhart, 1970; Linder, 1999; Neidhart, 2002; Papadopoulos, 2005).¹² All parties that can successfully block legislation with the use of the optional referendum are typically represented in governments. Neidhart (1970) analyzed, as first scholar, the transformative effects of the optional referendum. The main point is that the interests of all political forces that are strong enough to run a potentially successful referendum have to be incorporated into legislative efforts in order not to risk its failure in a popular vote. Another institutional characteristic of this form of consociational governance, apart from multiparty government composition, involves the extensive pre-parliamentary consultation procedures established to integrate conflicting interests in the drafting of legislation. Eventually, finding widely supported common denominators has become the defining feature of Swiss policy making.

Within this broader context of consociational democracy, it might not come as a surprise that the cantons coordinate extensively with one another (see the section 'Multilateral inter-cantonal policy coordination'). Intercantonal cooperation indeed



fits within the broader notion of cooperative behavior (Armingeon, 2000), and extensive comparative research has shown that Switzerland stands out for its high level of institutionalized intergovernmental arrangements (Bolleyer, 2006a, b, c). According to Bolleyer (2006c), power-sharing multiparty governments facilitate the institutionalization of intergovernmental arrangements, while the dominance of majoritarian single-party cabinets, which is, for example, typical for Canadian provinces, complicates the establishment of stable intergovernmental arrangements. One of the mechanisms put forward to explain this pattern is the stability of interest configurations among governments in systems with stable multiparty governments.

Another mechanism explaining intergovernmental cooperation focuses on programmatic overlap between governments and party linkages among governments. This mechanism has gained attention in more recent research and is of special interest in this special issue. Bolleyer and Bytzek (2009) argue that the extent of programmatic differences among governments affects their ability to form intergovernmental arrangements. Compared with other subnational governments, programmatic differences between Swiss cantonal governments are low because of the multiparty consociational government compositions, in which parties with vastly different programs participate. Important to note, however, is that consociational governments typically lack a distinct program. While coalition governments in other countries are typically based on a contract outlining the policy goals to be achieved in the upcoming legislation period, a specific programmatic consensus is, in the Swiss case, often practically impossible because the parties represented in government advocate vastly different positions. On the federal level and in some cantons, National Conservatives govern together with Social Democrats, which means that two parties participate in the government that disagree on almost every policy issue.

Accentuating her research on inter-governmental coordination, Bolleyer (2011) claims that party linkages help to foster intergovernmental coordination because they provide communication channels and because members of the same party share common ideological ground. She argues that Swiss parties document how this partisan mechanism facilitates inter-governmental coordination because '[p]arty linkages make each minister responsible to his or her party (and its respective program), which reduces the disaggregation of cantonal executives' (Bolleyer, 2011, p. 487). In contrast to this analysis, recent studies focusing on Switzerland have not found empirical support for the party linkage hypothesis.

Empirical research investigating inter-cantonal cooperation in the form of concordats and in specialized inter-cantonal tax and health conferences has not found systematic effects of party linkages (Bochsler, 2009; Füglister, 2012; Gilardi and Wasserfallen, forthcoming). We believe that the mechanics of consociational governance largely explain why empirical research analyzing inter-cantonal cooperation in various policy areas has shown that party linkages play, if at all, a very minor role in explaining the intensity of inter-cantonal cooperation. In Switzerland, joint partisanship is not a critical coordination facilitator in inter-governmental



cooperation because the consociational form of governance generally downsizes the effectiveness of partisan connections. Given the constraints of consociational governance, cantonal ministers have only limited leeway to pursue party political agendas. Furthermore, Swiss parties are heterogenous and decentralized organizations that do not provide institutionalized channels, which could be used to coordinate the activities of cantonal governments (Ladner, 2004; Bochsler and Wasserfallen, 2013).

In more general terms, the power-sharing mechanism of consociational democracy constrains the partisan room of ministers and government majorities to maneuver. Unlike their colleagues in other systems, Swiss ministers cannot, after they have been elected, implement their party manifestos because they are held accountable by interest groups, the other members of the government, the parliament and the electorate. If anything, partisan projects are, in the Swiss case, unlikely to succeed, given that the basic idea of consociational governance is that ministers form coalitions beyond their own parties. It is not uncommon for Swiss ministers to advocate solutions and policies that are opposed by their own parties (and sometimes even by themselves), as they have to follow the mandates given by their parliaments and the majority of the government. Overall, consociational democracy absorbs partisan divides and shifts the focus from intra- to inter-party coordination.

If inter-cantonal cooperation does not depend on party linkages, what other explanatory factors explain the pattern of inter-cantonal cooperation? The case of the NFA shows that inter-cantonal collaboration was driven by rational self-interests (Braun, 2009). One pillar of the NFA was the reform of the inter-cantonal fiscal equalization system. In the negotiations, the net-payers, the rural and the urban cantons aligned with one another to maximize their financial shares. The discussion of the case of highly specialized medical services has also shown that special cantonal interests can temporarily block inter-cantonal coordination processes. Apart from such basic rational reasons, geographic closeness is another powerful predictor of inter-cantonal coordination patterns. For example, in the case of tax politics, the most important networks of communication between finance ministers are specialized regional conferences (Gilardi and Wasserfallen, forthcoming). In general, spatial structures of coordination are critical in all policy areas because the jurisdictions of many Swiss cantons are very small, which means that the efficiency of public good provisions is greatly enhanced when cantonal governments cooperate with neighbors and proximate cantons (Bochsler, 2009). Finally, in the case of the subsidy system on health insurance premiums, the CCDPH provides platforms for effective policy learning, which does not unfold along party lines (Füglistler, 2012).

In sum, our assessment of the recent empirical literature does not support the expectation of this special issue that in Switzerland inter-governmental relations are starkly influenced by partisan dynamics. We argue that, conceptually, this non-finding is largely explained by the specific nature of consociational governance.



Conclusion

Following the framework of this special issue, we have discussed each of the three hypotheses within the specific context of the Swiss polity. In line with the theoretical expectation, the empirical evidence from the Swiss case illustrates that constitutional rules shape the vertical power balance. We have documented the symmetric allocation of competences and shown that vertical and horizontal intergovernmental cooperation are critical elements of Swiss policy making. Important in respect to the vertical dimension is that the Swiss constitutional set up puts the cantons in an overall strong position. Apart from the subsidiarity principle, the federal government's power is even restricted in some policy areas that are in the federal sphere of influence, as the cantons implement many federal policies.

The cantons have also successfully organized themselves during the negotiations of the NFA reform, which reallocated competences and reaffirmed the symmetric vertical competence allocation. This is just one example showing that, on the horizontal dimension, cantons are able to extensively coordinate. The cases of tax, education and health politics further indicate that the cantons have established and refined various inter-governmental arrangements in order to exchange information, to coordinate the provision of public goods and to define common interests. Overall, the cantons have shown to be remarkably successful in defending their autonomy. The various platforms of inter-cantonal coordination have shown to be critical in that regard.

The NFA has consolidated the strong position of the cantons and the symmetric form of competence allocation, which is in line with the theoretical framework of this special issue. Other measures, such as the right to conclude concordats or the strengthening of intergovernmental cooperation, have further enhanced the position of the cantons. However, as seen with the introduction of the reinforcing mechanisms in the NFA, the federal authorities have been given instruments to enforce some harmonization of specific cantonal policies. This puts more pressure on the cantons to further coordinate their policies. We have documented the extensive inter-cantonal cooperation arrangements that are dominated by multilateralism, which is, again, what the theoretical framework of this special issue hypothesized for a federal system. As long as the cantons agree on major issues, they can effectively constrain centralization via inter-cantonal cooperation. However, the discussion of cooperation in tax, health and education politics has also pointed to some stumbling blocks of inter-cantonal coordination. If the cantons want to maintain their autonomy, they must continue making an effort to coordinate their activities.

Finally, our analysis does not confirm the third theoretical expectation of this special issue, namely, that in federal systems, inter-governmental cooperation is strongly driven by partisan connections. The argument that joint partisanship has a strong integrative effect because of communication channels within parties and because members of the same parties pursue similar policy goals is not applicable in the case of Swiss consociational democracy. On the federal and the cantonal level,



large multi-party governments dominate. They represent the most visible element of consociational governance. Overall, the power-sharing mechanism of consociational democracy limits the room to maneuver of cantonal ministers and shifts the focus from intra- to inter-party coordination. More recent empirical research covering various policy areas has supported this interpretation by showing that party linkages play, if at all, a very minor role in explaining the patterns of inter-cantonal cooperation.

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Notes

- 1 NFA is the acronym for the technical title 'Neugestaltung des Finanzausgleichs und der Aufgabenteilung zwischen Bund und Kantonen', which can be translated as 'the reorganization of the fiscal equalization system and the responsibilities between the federal government and the cantons'.
- 2 Up to now, the enforcement mechanism has never been applied. The critics of the instrument mainly argue that the instrument conflicts with the principles of Swiss federalism, such as the autonomy and equal rights of the cantons, and that it creates a new legislative level. In 2010, the General Assembly discussed a parliamentary initiative proposing the elimination of the article from the Constitution. The initiative was rejected.
- 3 Some view the limited involvement of cantonal parliaments in inter-cantonal coordination as a threat to democratic principles and, in addition, criticize that intergovernmental conferences lack transparency and formalization. For a detailed discussion, see Iff *et al* (2010) or Vatter (2005).
- 4 Articles 62 and 63a of the Federal Constitution.
- 5 Conference of Cantonal Directors of Education (2011): *Die interkantonale Vereinbarung über die Harmonisierung der obligatorischen Schule (HarmoS-Konkordat) vom 14. Juni 2007*. Kommentar, Entstehungsgeschichte, Ausblick und Instrumente. Bern: Schweizerische Konferenz der kantonalen Erziehungsdirektoren.
- 6 The concordat was rejected via referendums in the cantons of Uri, Zug, Luzern and Nidwalden.



- 7 Conference of Cantonal Directors of Public Health (2008): *Interkantonale Vereinbarung zur hochspezialisierten Medizin*. Erläuternder Bericht. Bern: Plenarversammlung der Schweizerischen Konferenz der kantonalen Gesundheitsdirektoren, 14 March 2008.
- 8 *Neue Zürcher Zeitung*, 16 February 2008, p. 19.
- 9 *Neue Zürcher Zeitung*, 28 May 2010, p. 13.
- 10 For a comprehensive discussions of Swiss federalism, see Vatter (2014, pp. 427–475), Linder (1999, pp. 135–189), Neidhart (2002, pp. 238–281), and Kriesi and Trechsel (2008, pp. 34–48).
- 11 In 2004, the electorate extended the federal authority to tax income and consumption until 2020. In a couple of years, the electorate will have to extend that authority again. Although critical state activities could not be implemented without these federal taxes, the federal power to tax remains *de jure* temporary.
- 12 For recent contributions about governments compositions and consociational governance in Switzerland, see *Neue Zürcher Zeitung*, 1 February 2011, p. 13; 2 March 2011, p. 15; or 7 April 2011, p. 25.

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