INTRODUCTION

Switzerland is a small country in Western Europe with 7.8 million inhabitants. With its 41,285 square kilometres, Switzerland accounts for only 0.15% of the world’s total surface area. It borders Germany in the north, Austria and Liechtenstein in the east, Italy in the south and France in the west. The population is diverse by language as well as by religious affiliation. Its historical roots date back to 1291, whereas the modern nation state was founded in 1848. Switzerland’s population is 1.5% of Europe; however, the country is economically comparatively strong.

FEDERAL SYSTEM

Switzerland is a federation; the territory is divided into 26 cantons. The cantons themselves are the aggregate of 2,600 municipalities (cities and villages).

ELECTIONS AND DIRECT DEMOCRACY

The political system is strongly influenced by direct participation of the people. In addition to the participation in elections, referenda and initiatives are the key elements of Switzerland’s well-established tradition of direct democracy.

CONSENSUS DEMOCRACY

The consensus type democracy is a third characteristic of Swiss political system. The institutions are designed to represent cultural diversity and to include all major political parties in a grand-coalition government. This leads to a non-concentration of power in any one hand but the diffusion of power among many actors.

COMPARATIVE PERSPECTIVES

After the elaboration of these three important elements of the Swiss political system, a comparative perspective shall exemplify the main differences of the system vis-à-vis other western democracies.

CONTENTS

PUBLICATION DATA
Switzerland is a federal state with three political levels: the federal government, the 26 cantons and around 2,600 municipalities.

- An important element of the Swiss federal system is the non-centralised division of powers.
- At the same time, the Swiss federal system is characterised by several forms of vertical and horizontal cooperation between the different levels.
- The traditionally strong position of the cantons is also mirrored in the institutional provisions how they can influence the decision making at the federal level, among which the most typical is the second chamber of parliament.
- Within the constitutional framework of the cantons, also the municipalities retain a strong position in the federal system, based on the bottom-up development of the federation.

- The decentralised division of powers is also mirrored in the fiscal federal structure giving the cantonal and municipal level own tax bases.
- An important reason for a federalist nation building in the 19th century lies in the fact that the Swiss society is composed of different religious and linguistic groups. Federalism promised to combine national unity with multicultural diversity.
- Because of globalisation and internationalisation, the Swiss federal system faces several problems and reform needs, which are however difficult to achieve.
DECENTRALISED DIVISION OF POWERS: BOTTOM UP

Because of the historical development of the federation, the cantons retained important powers of their own and a non-centralised distribution of responsibilities is in place. All new powers are vested with the cantons and when the division of powers is changed, cantons enjoy a kind of veto power. This distribution and the attempt to solve issues at the lowest possible level – known as the subsidiarity principle – are the cornerstones of Swiss federalism.

Distribution of powers and responsibilities

Municipalities have exclusive powers in local service delivery (building and surveillance of local roads, gas, electricity and water supply, removal services, election of teachers and building of schools). Cantons especially retained powers that are important for their identity (culture, education, languages, religion) but also issues related to social policy (health and social services). In policy areas that either directly concern national sovereignty (army, monetary policy, or external relations) or require special co-ordination (social security, environment, energy, or infrastructure), the federal level has exclusive powers or can promulgate framework legislation. All three levels, the federal, the cantonal and the municipal level, have the right to raise taxes and thus have a certain level of financial autonomy.

Change in distribution of powers

In Switzerland, as in other federal states, centralisation or decentralisation of responsibilities is a constant political issue that prompts ideological, social and economic conflict. By constitutional rule, the Swiss government can assume new responsibilities only if the double majority of the people and the cantons agree in a popular vote. This has two consequences. Firstly, it is the cantons who are responsible for
any new tasks in the first place. Secondly, the constitutional rule protects the autonomy of the cantons. In the past, many projects for a new responsibility of the Federal Government failed in the first run of a popular vote, and one of the strongest arguments was opposition against centralisation. In these cases, the bill passed in a second vote if central government presented a modified, less centralising project.

**Subsidiarity principle**
The Swiss federal system exhibits a marked preference for extensive cantonal and local autonomy that is based on the idea of subsidiarity. The idea of subsidiarity proposes that a central authority should perform only those tasks which cannot be performed effectively at a more immediate or local level. In Switzerland, this idea had a long tradition, already before subsidiarity has become a constitutional guideline in 2000. In fact, surveys show that Swiss citizens expect less responsibilities to be taken by the state than do citizens from neighbouring countries, and that they prefer decentralised solutions whenever possible. The strong autonomy of the cantons and their communes therefore still corresponds to the preferences of Swiss citizens today.
The 26 Swiss cantons and their capitals

Abbreviation for Canton / Name of Canton / Year of entry into the Confederation

AG Aargau (1803)
AI Appenzell Ausserrhoden (1512)
AR Appenzell Innerrhoden (1513)
BE Bern (1291)
BL Basel-Landschaft (1501)
BS Basel-Stadt (1501)
FR Fribourg (1481)
GE Genève (1815)
GL Glarus (1302)
GR Graubünden (1603)
JU Jura (1797)
LU Luzern (1332)
NE Neuchâtel (1615)
NW Nidwalden (829)
OW Obwalden (1703)
SG St. Gallen (1693)
SH Schaffhausen (1501)
SG Solothurn (1481)
SZ Schwyz (1353)
TG Thurgau (1405)
TI Ticino (1803)
UR Uri (1798)
VD Vaud (1803)
VS Valais (1813)
ZH Zürich (1351)

As at 5 December 2000

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Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione svizzera
Confederation suiza

Eidgenössisches Departement des Innern EDI
Département fédéral de l'intérieur DFI
Ufficio federale dell'interno OUI

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CO-OPERATIVE FEDERALISM

During the first years of the modern federation, a clear distinction and division of powers between the federal level, the cantons and the municipalities was in place. This clear division of responsibilities, however, has subsequently been overruled by the mechanisms of intensive co-operation between the three levels of the federal system. The complexities of modern infrastructure, economic intervention and social programmes stimulated the completion of federal legislation by the cantons, the implementation of federal programmes by cantonal and local authorities, and extensive finance and revenue sharing. Thus, a net of vertical and horizontal co-operation between and among the three levels has been established.

Implementation

Most federal policies are implemented by the cantons and the communes. Thus, the cantons do not only have their own powers and responsibilities, but they have also the possibility to influence the implementation of federal policies. No parallel federal administration with its own agencies or courts has been established. This form of co-operation between the federation and the cantons is controversial. In the past, federal legislation was of a rather general nature, leaving considerable discretion for cantonal implementation. Today, when uniform implementation is required, federal legislation is more detailed, and cantonal actors have to report to federal authorities on its implementation. Therefore, cantons typically take the view that their autonomy is endangered if federal legislation is too detailed, giving them no leeway in implementation and therefore leading to informal centralisation. Cantons consider the right to be different as a central element of federalism.

EXAMPLE

Swiss asylum policy
**Vertical co-operation**

Besides the vertical co-operation between the federal and the cantonal level through implementation of federal laws through the cantons, there are further forms of vertical co-operation. As a consequence of internationalisation and globalisation, foreign relations have become an important example of vertical co-operation between the cantons and the federal authorities. Lately, new forms of co-operation have been introduced, comprising all three levels of government: the Tripartite Agglomerations Conference is a political platform of the federation, the cantons and the cities. It is designed to prepare political solutions to the problems of cities, especially big agglomerations like Zurich and Geneva, which are outreaching cantonal or even national borders.

**Horizontal co-operation**

The cantons have the right and are encouraged to co-operate amongst each other. Today, there are more than 700 intercantonal treaties in different policy fields; however, most of these are concluded between two cantons only. They concern mainly finances and taxes, education, police, infrastructure and health. For these specific policy areas, different conferences of ministers of the cantons (e.g. education, police, health, finances) have been established already a long time ago. A younger institution of horizontal co-operation is the Conference of the Governments of the Cantons, a conference of all executives of the cantons. Its aim is amongst others to develop common cantonal positions vis-à-vis the federal authorities, especially in questions of foreign policy. As the conference cannot issue binding guidelines but only recommendations, it relies on consensus among the cantons.
CANTONAL PARTICIPATION IN FEDERAL DECISION MAKING

Besides the non-centralised distribution of powers, the cantonal participation in the decision-making process at the federal level is another important characteristic of Swiss federalism. The most important formal institutions for this are the second chamber of parliament, the double majority of cantons in a popular vote and the possibility for cantons to use the instruments of cantonal initiative and referendum. Moreover, the informal process of pre-parliamentary consultation has become an important instrument of influence. Through this process, cantons have a strong voice in the decision-making process when a new law is designed.

Second chamber of parliament
Cantons are represented in the second chamber, the Council of States. Following the federal principle of equal representation of all cantons, it is composed of one member from the cantons Basel-Stadt and Basel-Landschaft, Obwalden and Nidwalden, Appenzell Innerrhoden and Appenzell Ausserrhoden and two members from each of the other 20 cantons so that there is a total of 46 members. The members of the Council of States are not bound to any mandate by the canton. The cantons themselves determine the modes of election of their representatives. The composition of the second chamber leads to a strong overrepresentation of the small cantons: the fourteen smallest cantons represent less than 20% of the people but can, with 23 votes, block every decision in the Council of States.

Double majority of cantons in popular vote
In addition to the second chamber, the Swiss cantons have further possibilities to influence decision making at the central level. For every constitutional amendment (mandatory referendum or popular initiative) the approval of a majority of the people but also of a majority of the cantons is required. For the majority of the cantons, Basel-Stadt and Basel-Landschaft, Obwalden and Nidwalden, Appenzell Innerrhoden and Appenzell Ausserrhoden count half a
vote while the remaining 20 cantons count one vote. Thus, for the majority of the cantons 12 of 23 cantonal votes are required.

Instruments of direct democracy
Every canton is entitled to hand in proposals for a federal bill. This is called the right of cantonal initiative. The proposal has to be approved by the Federal Assembly, and if it is rejected by one of the chambers it fails. In addition a collective of eight cantons has the right to demand a popular vote on every bill passed by the Federal Assembly. This provision was used for the first time in 2003 when cantonal governments were strongly opposed to a new federal tax bill.

EXAMPLE
First cantonal referendum 2003

Pre-parliamentary consultation process
Cantons can influence decision making during the pre-parliamentary consultation process. It is the most usual way of cantonal influence rather than in later decisions of parliament or popular vote. However, the cantons are not the only actors that are given a voice in the consultation; the associations and the political parties take part, too. Often, the cantons retain the most influence when they are responsible for the implementation of a law.
THE IMPORTANCE OF LOCAL GOVERNMENT

Swiss municipalities, about 2,600 in number, differ strongly in geographical dimension and population size. Not only the cantonal but also the municipal level is constitutionally protected. Communes have the right to choose their local political organisation within the boundaries of the cantonal legislation and they have the right to impose municipal taxes and decide on the tax rates. Municipalities are closest to the people and often develop solutions that are tailor-made for local problems.

Constitutional guarantees
Within the limits of cantonal organisation, the municipalities have a constitutional right to exist, including the freedom to merge with other municipalities or to remain independent, which cannot be withdrawn by the cantons. This means that the reform of local government “from above”, as can be observed in other federations when small municipalities are for example forced to merge, would be rather impossible in Switzerland. Indeed the number of communes (about 3,000 until the early 1990s) had barely decreased for decades. Since then, about 400 municipalities have merged into larger units, which is not astonishing because more than half of the Swiss municipalities count approximately 500 inhabitants. The following figure shows the geographical borders of the municipalities in Switzerland.

Political organisation
The municipalities have the freedom to choose, within the boundaries of cantonal legislation, an adequate political structure and administration. There are cantons with numerous small municipalities and others with fewer but larger ones, and the degree of autonomy of the municipalities varies from canton to canton. In small municipalities, local government consists of a few elected part-time officials who are poorly remunerated. The larger cities have a parliamentary coun-
cil and a full-time political executive heading professional services. This leads to somewhat strange proportions: the 20,000 local government officials in Zurich, the country’s largest city with about 385,000 inhabitants, outnumber the total population of the smallest canton, Appenzell Innerrhoden, which has 15,500 inhabitants.

Local taxes
The municipalities have the right to impose taxes and to decide the rates by themselves. This is certainly the most important element in assuring the autonomy of local government. Fiscal autonomy not only allows municipalities to decide on local infrastructure, services, land-use planning or other public utilities according to their own preferences. It also establishes responsibility on both sides of local government: authorities are held responsible for using their resources according to the people’s needs, and citizens have to contribute with their taxes to the services they demand. Thus, decentralised governance brings the state closer to the people. With more than 30% in the long-year average, the proportion of the municipalities of total revenue and expenditure of the three federal levels is considerable.

EXAMPLE
Drug policy in Swiss cities
FISCAL FEDERALISM IN SWITZERLAND

Each level of government in Switzerland is attributed with several revenue sources, even though the cantons collect some taxes for the federal level. Based on the autonomy of the cantons, they have also the possibility to determine their tax rates freely, which leads to tax competition. However, possible negative effects of this competition are mostly cushioned by several instruments of a financial compensation. Overall, even though the aim of the fiscal federal system is not to promote equality of living conditions it is still based on regional solidarity.

Each level has its own financial resources

All three government levels, the federation, the cantons and the municipalities, raise direct taxes (taxes on income as well as profit of enterprises). Income is taxed by all three levels, the federation, the cantons and the municipalities. The right of the federal level to raise direct taxes, however, is based on only a temporary arrangement which has to be periodically renewed by the Federal Parliament. Other tax bases are exclusively attributed to one state level. The value added tax, certain consumption taxes as well as the stamp and withholding tax are attributed to the federal level. The cantons have the exclusive right to raise taxes on the capital of enterprises as well as other types of taxes within the limits of the Swiss Constitution, e.g. inheritance taxes. At the municipal level, besides direct taxation user fees on public services (e.g. water, sewage and purification plants or garbage collection) are the main sources of revenues.

Collection of revenues

Cantons collect cantonal taxes, and as a service to the centre, federal direct taxes as well as the federal withholding and stamp tax. All other – indirect – federal taxes are collected by the federal level itself. Municipalities sometimes collect taxes for the cantons besides their own taxes; however, in a majority of cantons the canton
collects the municipal taxes for the municipality. As a rule, each level of state receives the taxes it raised. Taxing is based on self-declaration of the citizens and not subtracted directly from the salary as in other European countries.

**Tax competition**
The cantons can determine their tax rates freely. This results in different tax loads in the cantons for the same revenue (see following graph), but also in tax competition among cantons. This competition could lead to a so-called “race to the bottom”, in which all cantons will find it more and more difficult to generate sufficient revenue. However, several mechanisms have a moderating effect on tax competition, mainly the system of financial compensation.

**System of financial compensation**
The Swiss cantons vary with regards to their size and topography, but also with regards to their number of inhabitants and the sociodemographic structure. To mitigate the resulting effects of lower capacities and of higher service costs of certain cantons, Switzerland introduced a system of fiscal equalisation. Both the federal as well as the cantonal level contribute to this equalisation. The aim is not the equality of living conditions but to compensate for differences of resources between the “rich” and the “poor” cantons. Besides these equalisation measures among all cantons, cantonal tasks which have spillover effects must be performed in contractual co-operation so that cantons that profit from services provided by another canton have to pay compensation to the service provider. Furthermore, some cantons are compensated for delivering services in the national interest.

**EXAMPLE**
**Impact of fiscal federal system**

- **Non-promotion of equal living conditions but regional solidarity**
  Swiss federalism does not promote equality of living conditions among the cantons. The price of diversity and autonomy is a certain degree of socio-economic inequality between cantons and communes which has to be accepted. Equality of living conditions would mean centralised policies and regulations, which would not be accepted by the majority of the Swiss. Even so, federal policies are characterised by the objective of regional solidarity. Thus, the federation guarantees minimum standards in public services, for example in primary schooling, or provides public transports not only between big cities but also up to remote mountain regions.
Distribution of profit from Swiss National Bank to the cantons

The Swiss National Bank conducts the country’s monetary policy as an independent central bank. Its primary goal is to ensure price stability, while taking due account of economic developments. In the distribution of profit, not only the federal level but also the cantons are included. One-third of the net profit is accrued to the federal government, two-thirds go to the cantons. The cantons receive their shares depending on the number of their inhabitants.
FEDERALISM IN A MULTICULTURAL STATE

Switzerland is composed of cantons of different languages and religions. Federalism is appropriate for these conditions, because it ensures cultural diversity of the cantons within the national unity. Federalism helped to mitigate conflicts between Protestants and Catholics and to prevent divisions between the language groups. Still, federalism was not always successful in integrating cultural and linguistic minorities. The canton of Jura is an example where integration failed. The Jura region seceded from the canton of Bern.

EXAMPLE

Dealing with the separatist issue

Multicultural society
64% of the Swiss population speak German, 20% French, 6.5% Italian, 0.5% Romansh and, due to immigration, 9% speak another language as their mother tongue (data of 2000 census). Linguistic groups are territorially concentrated. There are cantons with German-, French- respectively Italian-speaking populations. Most cantons are monolingual. Only three of the 26 cantons (Valais, Bern and Fribourg) are bilingual and the canton of Graubünden is trilingual. The Romansh-speaking community is the only one that does not form a majority in any canton. The two predominant religion groups are the Catholics (44%) and the Protestants (37%). Today, they are distributed more evenly than in the 19th century, when there were cantons of clear Catholic or Protestant majorities. However, even in cantons with religious and linguistic diversity most communes are relatively homogeneous.

Multicultural state
The Swiss nation does not consist of the ethnic or cultural unity of its people. Switzerland, from the very beginning, considered itself as a
multicultural state, recognising different languages and religious beliefs as equal. Thus, the constitution of 1848 stated that Switzerland consists of 25 cantons and their peoples. The identity of Switzerland does not consist in the affiliation of its people to the same ethnic group, religious belief or culture but relies on the identical citizenship within the same constitutional democracy. The political institutions helped to develop a common Swiss society which in 1848 did not exist yet.

Federalism and the overcoming of cultural cleavages

In the first decades of the Swiss federation, Protestants and Catholics were deeply divided on the question of the separation of the state and the church. Linguistic divisions also showed up, for instance at the beginning of World War I, when French speakers were on the side of France, German speakers on the side of the Germans. Overcoming these cultural cleavages was vital for Switzerland.

Despite federalism, countries like Belgium or Canada have serious conflict between their linguistic groups. Obviously, the integration of cultural minorities is difficult. The success of integration in the case of Switzerland had several reasons:

- Federalism granted high autonomy to the cantons, which allowed linguistic and religious minorities to foster their cultural particularities.
- Linguistic and religious minorities were given proportional representation in the Federal Council and other federal authorities, which was beneficial for their political integration.
- Most political parties did not evolve as regional but as national parties. In elections, national parties need votes from all over the country; therefore, they were not interested in blowing up
linguistic conflicts. This served national unity.

The constitution of 1848 united cantons of different language and religion. However, linguistic and religious cleavages did not coincide. Amongst the French-speaking cantons, we find some with a Catholic majority, while others are predominantly Protestant. This is an important feature. It led to changing majorities in parliament and popular votes: the minority of French speakers, when voting with the Protestant majority, had a chance to belong to the winners, and the same was true for Catholics voting with the German speakers. Consequently, linguistic and religious conflict could not escalate to one single and dominant cleavage.

The strong religious cleavage of the 19th century cooled down when the conservative Catholic party accepted the separation of church and the state as requested by the radical majority. The constitution defines German, French, Italian and Romansh as the four official languages of the country. Freedom of language gives the cantons the right to define their own official languages. Under these conditions, linguistic conflicts did not escalate. Even though, we find popular votes with different behaviour of French- and German-speaking cantons. A prominent example is the vote on the European Economic Area in 1992.

**EXAMPLE**

The popular vote on the membership of the European Economic Area (EEA)
In contrast to the German-speaking part of the country, French cantons are more inclined to support European integration, individual liberties or welfare politics but are more critical in questions of the army. Yet these differences are less important than the rising social cleavages between capital and workforce or between rural and urban populations.
CHALLENGES AND THE LIMITS OF SWISS FEDERALISM

Besides all the positive attributes of Swiss federalism, it is also faced with several challenges. Firstly, in a globalised world, the borders of the relatively small federal entities in Switzerland are challenged. Secondly, the overrepresentation of the smaller, more rural cantons leads to a strong imbalance of the political weight of a person’s vote. Thirdly, the question arises whether the many small cantons of Switzerland can survive in the long run. Fourthly, strong immigration of the last decades has led to new problems of multicultural integration. Federalism cannot offer solutions to these social problems.

Swiss federalism in a globalised world

Switzerland is one of the most decentralised and federalised countries in the world. However, the autonomy of the cantons as well as of the municipalities is challenged in an economy which becomes more and more globalised. In globalised politics, the federal government concludes international treaties which may fall into the responsibility of the cantons. The question is how to involve the latter in the decision-making process. Taking the example of the European Union, the cantons have taken their own initiatives. They have their own representative in the Swiss mission to the European Union in Brussels. Furthermore, cantonal delegates in several federal departments are concerned with EU policies. Finally, the Conference of the Cantonal Governments is channelling the opinion-making process among the 26 cantons so that they are able to speak “with one voice” when they enter a negotiation with the federal level. Internationalisation and Europeanisation of politics, however, lead to undeniable loss of political autonomy of the federation, the cantons and the communes as well.

How the vote of an Uri citizen outweighs 35 votes of a Zurich citizen

Democracy insists on the equal representation of every individual, that is, one person one
vote. Federalism guarantees equal representation to the member states of a federation, that is, one canton one vote. If the two modes of decision-making are used to decide the same question, they can lead to different results. This can happen not only in the two chambers of parliament but also in popular votes: a constitutional amendment can get the majority of the people but is rejected by the cantons or the reverse. The federalist veto then plays an important role: in theory, the smallest 13 cantons, with only 11% of the voters, can form a stalemate of 11.5 cantonal votes. This means that the “federalist veto”, representing only 11 of the voters, can block any constitutional amendment against the wishes of an 89% democratic majority. This federalist overruling, however, is rare. There have been eight cases only in the past 20 years, and the federalist veto represented between 20 and 25% of the voters. Even so, in every constitutional vote, one citizen from Uri may outweigh 35 citizens from Zurich. The Zurich citizen may say this is unfair while the Uri citizen will suggest that in all countries, correcting democratic majorities is downright the idea of federalism.

Are the federal boundaries still viable?
Most economic, social or environmental problems transgress the borders of Swiss cantons and their communes. Thus, there is a need for more cooperation in larger regions among municipalities and cantons, and also for cooperation with neighbouring countries in cross-border activities. During the last decades, different forms of vertical and horizontal co-operation have developed. Many of them are performing well. Their success is flawed, however, by the fact that they lack transparency, direct participation of the people or even adequate political control by parliament.

Territorial reform
Some experts criticise that the 26 Swiss cantons are too small and too many in number to successfully cope with most future problems. They propose a profound territorial reform: for instance merging the existing units into six larger cantons, each of them comprising a population of about one million inhabitants. Experts think that such a reform could make federalism more effective. Such propositions, however, would hardly be accepted by the people. In a popular vote in 2002, both the peoples of Geneva and Vaud rejected the ideal of merging their cantons. This is a proof for the findings of many surveys: a great majority of the Swiss citizens are strongly attached to their canton. Time for territorial reform of the cantons has not come yet. Authorities, therefore, are confined to further strengthening interstate co-operation. This situation differs from the one of the communes: the merging of municipalities has become frequent over the past decade.

EXAMPLE
Territorial reforms on municipal but not on cantonal level

New problems of social integration
Due to permanent immigration from many countries over the past 50 years, more than 20% of the resident population of Switzerland is of foreign origin. Today, more than 500,000 people speak a foreign mother tongue, and the religious communities of Muslims count about 400,000 people. This leads to new and severe problems of cultural integration. Can the new minorities profit from federalism, as did Swiss minorities in the past? For two reasons, the answer is no. Firstly, only a small part of immigrants acquires Swiss citizenship, which is a prerequisite for political participation. Secondly, federalism can protect minorities only under certain conditions: a minority must be locally concentrated in a sub-national unit, where it constitutes a political majority, as for instance the 6% minority of Italian speakers in Switzerland, who constitute a more than 90% majority in the canton Tessin. This is not the case of immigrants. To the contrary, they are geographically dispersed over the whole country. These are the limits of federalism
regarding minority protection. Social integration of immigrants must therefore be sought by other ways and means.
Elections in Switzerland take place at all federal levels. The most important are the ones to the Federal Assembly, the National Council and the Council of States as well as the popular votes of the cantonal governments.

Besides representative democracy, Switzerland has developed a system in which popular initiatives and referendums give citizens the opportunity to participate regularly in the political decisions of their parliament.

In Switzerland, popular votes are important and take place frequently. The voting campaigns give insights in the willingness and the competency of the voters to participate in politics. Direct democracy and representative democracy are not contradictory but complement each other.

Direct democracy is one of the most valuable parts of Swiss political culture and has made its proof for more than 150 years. For the future, there are still some challenges: can direct democracy survive and cope with the globalisation of politics?
ELECTIONS

The Federal Assembly is the highest political authority in Switzerland. It is composed of the National Council, representing the people, and the Council of States, representing the cantons. In contrast to the federal level, the executives of the cantons and the municipalities are elected by the people. At the cantonal level, there are only unicameral parliaments, and 80% of all municipalities don’t have a parliament, as a citizen’s assembly is the highest authority.

The Federal Assembly

Legislative power in Switzerland is exercised by parliament, the so-called Federal Assembly. It is a bicameral parliamentary body representing the people (National Council) and the cantons (Council of States). Both chambers have equal powers. The Federal Assembly exercises the supreme authority of the federation, having the legislative power to make all federal laws, and appointing the members of the Federal Council and the Federal Court, the military commander-in-chief (in times of war) and other major federal bodies. It supervises all authorities of the Swiss federal government, and approves the annual budget prepared by the Federal Council. The parliament meets four times a year for three weeks. If required, special sessions are called.

Part-time members of parliament

While in most countries the mandate of a parliamentarian is a full-time job, in Switzerland, most parliamentarians still have a profession aside being a parliamentarian. Therefore, the Federal Assembly is characterised as a semi-professional parliament. Members of parliament devote an average of 60% of their working hours to their parliamentary duties (sessions, preparation, commission or parliamentary group meetings). Because of the high workload, there are regular calls for a full-time organisation of
parliament. However, a semi-professional system allows parliamentarians to feel closer to their constituency and to bring their professional experience into parliamentary work. Also at the cantonal and the municipal level most politicians work on a part-time basis.

National Council
The National Council represents the people. The elections of its 200 members are held in 26 electoral districts, since every canton forms a separate electoral district. Each canton is entitled seats proportional to its population. The canton Zurich, which has the biggest population, is represented with 34 seats, Bern has 26 and small cantons like Appenzell Innerrhoden or Uri have just one seat. In the most populous canton of Zurich, a political party can gain a seat in the National Council with less than 3% of the cantonal votes, while in small cantons like Schaffhausen or Jura with two seats 33% of the votes at least are needed to have a seat for sure.

Voting procedure
The electoral system is an open list proportional system and each canton is an electoral district. Voters have different possibilities how to choose candidates. They can freely write the name of their preferred candidates on a blank list or use a preprinted list of candidates provided by a party. If they choose the second option, there are three different possibilities how to amend the list: firstly, candidates can be struck off the list; secondly, candidates can be replaced by a candidate from another list/party and thirdly, a candidate can be put on a list twice to enhance his or her election prospect.

Council of States
The Council of States consists of 46 members. Every canton is represented by two members, with the exception of Basel-Stadt and Basel-Land, Obwalden and Nidwalden, Appenzell Innerrhoden and Appenzell Ausserrhoden all represented by one seat. The election to the Council of States is a cantonal matter. All cantons introduced direct elections and all, except for the canton of Jura, apply the majoritarian system. As a rule, in a first round, each of the two candidates per canton must receive an absolute majority of votes; in the second round, a rela-
The canton of Geneva forms an exception: in the first round, a relative majority of more than a third of the votes suffices.

**Cantonal elections**
In contrast to the federal level (where the government is elected by parliament), in the cantons, the government is elected directly by the people (see table). In most cantons, the election of these governments is based on the majoritarian system, although the cantons of Zug and Ticino elect their government members according to the proportional system. Another distinction to the federal level is that in the cantons, there is only one chamber of parliament. Similar to the National Council, a majority of cantons elect their representatives to the cantonal parliament based on the proportional system.

**Municipal elections**
In the municipalities, the executives are also elected by the people. Only about 20% of all municipalities, especially the cities, have an executive majority is sufficient.
elected parliament. In the other municipalities, the citizen’s assembly is the highest political authority, so aside the Municipal Council, no elections take place. With regards to the Municipal Council, both majoritarian and proportional electoral processes are in place. Even though most municipalities elect their Municipal Council in a majoritarian process, 30% of all Swiss municipalities opted for an election of the executive in a proportional system. Especially bigger municipalities tend to opt for the second option, to have a better representation of the smaller political parties.
DIRECT DEMOCRACY

Direct democracy is one of the most important features of the Swiss political system. It allows the people to have the last word on important decisions of parliament or to formulate propositions of law. Since the building of the modern nation state, at the municipal, the cantonal as well as at the federal level, different instruments of direct democracy have been introduced. The most frequent instrument at the national level is the mandatory referendum, meaning that every constitutional change requires a popular vote. The other two instruments that citizens can initiate themselves are the optional legislative referendum and the popular initiative. Fundamentally, direct democracy is a permanent control of political elites and gives important political decisions higher acceptance and legitimacy. As an indirect effect we note that direct democracy helped to transform the political system from a majoritarian democracy to a democracy towards compromise and consensus.

Relevance of direct democracy

Direct democracy allows people to have the last say on important parliamentary decisions or to propose new projects of law. Direct participation has not replaced the parliamentary process but is an important corrective of parliamentary decisions and a permanent control of the political elites. By means of the referendum and the popular initiative, the people participate on all federal levels. The decisions subject to a popular vote are defined by the constitution, and the people’s decisions are binding. Direct democracy, by its nature, is an instrument of the opposition, cuts back the political elites to modest policy innovation and incremental change. Moreover, direct democracy has profoundly transformed the Swiss system from a winner-take-all democracy into a system where decisions by mutual accommodation and compromise have most chances to be accepted by the people.

Relevance of representative democracy

Even though referendums and popular initiatives constitute an important element of Swiss democracy, they have neither produced revolutions nor resulted in “people’s legislation”. The crucial players in the political decision-making process in Switzerland are still parliament and the government. By far the greatest number of simple decisions of parliament and the Federal
Council, those with a more limited scope, are not subject to referendum. In this regard, the Swiss system functions like any other parliamentary democracy.

**Historical development**
Forms of the referendum and the popular initiative were used in the cantons as early as the 1830s. In 1848, when the modern nation state of Switzerland was founded, the constitution included only the mandatory referendum for constitutional amendments. It was complemented by the optional referendum for parliamentary law in 1874, and by the popular initiative in 1891. The referendum on international treaties was introduced in 1921 and extended in 1977 and 2003. Besides these instruments, several other kinds of referendums and initiatives have been introduced (see table). At the municipal and cantonal levels, a variety of further instruments have been developed, such as the referendum in financial matters, road planning or important infrastructure projects.

**The mandatory or constitutional referendum**
Any constitutional amendment proposed by parliament has to be approved by a majority of the people and the cantons. It means that the pro-

### TYPES OF REFERENDUM AND POPULAR INITIATIVE (FEDERAL LEVEL)

<table>
<thead>
<tr>
<th>Type, year of introduction and of eventual revisions</th>
<th>Requirements for application</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutional referendum (1848), membership to supranational organisations (1921, 1977)</td>
<td>None (mandatory)</td>
<td>In cases of revision of the constitution, in cases of amendments and, since 1977, in decisions concerning membership to supranational organisations. All mandatory referenda must win a double majority- more than 50 % of the votes nationwide and a majority of votes in a majority of cantons.</td>
</tr>
<tr>
<td>Legislative referendum (1874), referendum on international treaties (1921, 1977, 2003)</td>
<td>Optional: 50,000 signatures or proposition of 8 cantons</td>
<td>Any law of the Federal Assembly and any important international treaty may be challenged. If a popular majority votes no, the law is nullified.</td>
</tr>
<tr>
<td>Abrogative Referendum I (1949)</td>
<td>Optional: 50,000 signatures</td>
<td>“Urgent” laws become immediately valid but may be challenged by way of an optional referendum during the first year after enactment.</td>
</tr>
<tr>
<td>Abrogatives Referendum II (1949)</td>
<td>None (mandatory)</td>
<td>“Urgent” laws without constitutional base become immediately valid but have to be submitted to a mandatory vote within one year. They are abrogated if the law is not accepted by the double majority of the people and the cantons.</td>
</tr>
<tr>
<td>Popular initiative for constitutional amendments (1891)</td>
<td>100,000 signatures</td>
<td>Citizens’ proposal for a constitutional amendment. Government and parliament propose to reject or endorse the popular initiative. It is accepted if it gets the majority of the people and the cantons.</td>
</tr>
<tr>
<td>Popular initiative for the total revision of the constitution (1848)</td>
<td>100,000 signatures</td>
<td>The proposal is submitted first to the people. If a popular majority agree, parliament is dissolved and a new one is elected to draft a new constitution. The draft will then be submitted to a referendum, in which it must gain a double majority. This process has been launched once, in 1935, by the so-called Frontist Movement, and the first proposal was rejected.</td>
</tr>
</tbody>
</table>
Proposal must be accepted by the people (the majority of the valid votes cast in the whole country) and by the cantons (voters must accept the proposal in a majority of the cantons). The majority of the cantons is calculated as follows: The popular majority of each of the cantons counts as one vote, with the exception of Basel-Stadt and Basel-Land, Obwalden and Nidwalden, Appenzell Innerrhoden and Appenzell Ausserrhoden counting a half vote. Thus, a constitutional bill proposed by parliament has to get the majority of 12 of the 23 votes. 11.5 votes of the cantons, however, can block a constitutional amendment even if the people accept in their majority.

As any new competency of the federation has to be enshrined by a constitutional amendment, mandatory referendums are frequent. From 1848 to 2009, 187 amendments went to a vote, and 139 were accepted (see table). The many defeats of government and parliament show the “breaking effect” of the referendum. Sometimes, the government and the parliament are defeated in votes on important issues. An illustrating example is the vote on the European Economic Space in 1992.

The optional legislative referendum
A group of citizens may challenge a law that has been passed by parliament through an optional legislative referendum. They have to gather 50,000 signatures against the law within 100 days after it has been passed. If they have been successful, a national popular vote is scheduled in which a simple majority of voters decide whether to accept or reject the law. Eight cantons together can also call such a referendum.

Compared with the number of all parliamentary bills passed, the optional referendum is rare: in only about 8% of the 2,260 laws from 1848 to 2006, the referendum was taken by opposition groups. If the referendum challenge is realised, however, the chances of the opposition are high: over 40% opponents were successful and defeated the government (see table). In all, however, 97% of all laws of parliament pass.

Effect of the constitutional referendum
In the long run, direct participation in constitutional affairs had a considerable influence on the development of the Swiss state. It has slowed down centralisation, has confined the development of the welfare state, and led to modest public expenditure and a small bureaucracy.

### Success of Referenda and Popular Initiatives (1848–2009)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Number</th>
<th>Accepted</th>
<th>Refused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Popular initiative</td>
<td>169</td>
<td>16</td>
<td>153</td>
</tr>
<tr>
<td>Mandatory referendum</td>
<td>187</td>
<td>139</td>
<td>48</td>
</tr>
<tr>
<td>Optional referendum</td>
<td>164</td>
<td>91</td>
<td>73</td>
</tr>
</tbody>
</table>

Source: www.swissvotes.ch

### Example

**Cantonal referendum**

Compared with the number of all parliamentary bills passed, the optional referendum is rare: in only about 8% of the 2,260 laws from 1848 to 2006, the referendum was taken by opposition groups. If the referendum challenge is realised, however, the chances of the opposition are high: over 40% opponents were successful and defeated the government (see table). In all, however, 97% of all laws of parliament pass.

**Effect of the optional referendum**

Political elites anticipate all possible referendum challenges in their legislative policy. By negotiation, they try to find compromises that satisfy all interest groups and parties. Thus referendums are prevented in most of the cases. Swiss politicians have the discretionary power neither to make an issue subject to a referendum nor to delete a vote from their list. Parliament cannot
circumvent referenda, even though for some decisions it may be particularly difficult to obtain a majority. New taxes, for example, are not very popular in any state.

**EXAMPLE**

**Introduction of new taxation**

The obstacles for success are high, not only for amendments of the constitution where the double majority of the people and the cantons is required. In ordinary lawmaking, the parliament can never rule out that its decision will finally be challenged by a referendum and is therefore bound to be cautious in lawmaking. For these reasons, the referendum is an instrument of the opposition and favours the status quo.

**The popular initiative**

Contrary to the referendum, where citizens intervene at the end of a decision-making process, the initiative forms its point of departure. It enables citizens to put new proposals on the political agenda, which might have been neglected by the political elite. To do so, they propose a constitutional amendment which has to be signed by 100,000 citizens within 18 months. After deposition of the necessary signatures, the government and the parliament discuss the initiative and advise the people to accept or – as in most cases – to refuse it. Government and parliament are not allowed to change the text of an initiative; however, they may make a counterproposal (direct or indirect) to the initiative which is then at the same time submitted to the popular vote. The popular initiative is restricted to constitutional amendments. In practice, this does not exclude any political
issue – from most important ones such as the abolition of the Swiss army down to speed limits. But, as constitutional amendments, any popular initiative needs a double majority of the people and the cantons to be accepted. Only about 10% of all popular initiatives pass the hurdle of the popular vote.

**Effect of the initiative**

Despite their low success, popular initiatives influence the shaping of policy. This is due to four reasons: Firstly, the popular initiative can be an instrument for the minority groups in parliament. The latter hope that their issue will be popular enough to find the majority in the vote. Secondly, federal authorities pick up ideas from the initiatives by drafting a counterproposal or simply by fitting them into a current legislative bill. This way the long shots of popular initiatives are transformed into proposals that are more in line with conventional wisdom and therefore stand a better chance of being accepted. Thirdly, initiatives widen the political agenda and give voice to problems that remain non-issues as far as the elites’ policy is concerned.Fourthly, political parties and social movements use the popular initiative as a platform for electoral success.

**EXAMPLE**

**Abolition of the Swiss army**
VOTERS AND CAMPAIGNING IN DIRECT DEMOCRACY

As in other countries, not all citizens participate in votes. People with higher education and income, men, and older people participate generally more in votes than their counterparts. In the average, approximately 40% of the people participate in votes; however, participation varies strongly depending on the issue. The voters form their opinion during campaigns. Their decision is influenced by several factors such as tradition, self-interest and political values. An important question is how propaganda can influence voters. Popular votes in Switzerland include a very broad range of issues, from the abolition of the army to the change in the health care system. The system in Switzerland shows that both direct and representative democracy can complement each other.

Who is allowed to vote?
“The people” comprises all adult men and women who hold a Swiss citizenship, including those who live abroad. People under the age of 18 and foreign nationals have no political rights at the federal level. In the cantons of Neuenburg and Jura, also foreign nationals are allowed to vote on the cantonal and municipal level. The cantons of Vaud and Fribourg introduced this right only at the municipal level. Additionally, there are some individual municipalities that introduced the right for foreigners to vote in the cantons of Appenzell Innerrhoden and Graubünden. Women have the right to vote at the federal level since 1971. The last canton to introduce women’s right to vote was the canton of Appenzell Innerrhoden in 1992, obliged to do so by a decision of the Federal Court.

Who does vote?
As in other countries, people with higher education or income are more likely to vote than their less educated or working-class counterparts. Besides education and income, there are other sociodemographic characteristics that influence political participation: younger citizens, women, and non-married or divorced people participate less than their counterparts. Moreover, some political characteristics make a difference: people with no party affinity, with no confidence in
the authorities participate less, and the most important single factor that determines participation is political interest.

What is subject to a vote?
As there are no restrictions on the issues or topics that the Swiss people can vote about, one can find a broad range of subjects of past popular votes (see table).

What is the voting procedure?
There are two possibilities for voting: on the one hand, by personally putting the ballot paper in a box on the day of the vote, on the other hand by postal voting. Almost half of the voters make use of this second possibility and do not go to the ballot stations themselves. There are now pilot projects concerning electronic voting in the cantons of Geneva, Neuchâtel and Zurich. These projects show that the interest in e-voting is high among the citizens. Future will show if the costs and the opposition against a centralised electronic register are not too high to introduce e-voting at the federal level.

Level of participation in direct democracy.
Only about one-quarter of the voters are regular voters, while about half of them occasionally go
to the ballot, and a good 20% are non-voters. At an average about 45% take part in popular votes. This seems to be very low, but participation in direct democracy is very demanding. Voters in Swiss democracy are supposed to vote on issues that are sometimes complicated. To read the official documentation on several proposals takes time. Together with votes on cantonal and local affairs, a voter is supposed to give his or her preference on up to 20 or 30 issues a year. However, in controversial issues participation is much higher than average, as in the vote on the EEA treaty (79%) or on UN-membership (58%).

The deciding majority and its democratic legitimacy
The proportion of qualified voters in Switzerland is about 65% of the total population. Those under the age of 18 and foreign residents are not allowed to vote. Then again not all those who do qualify take part in a vote. If voters are split roughly 50:50, the deciding majority becomes rather small, about 15%. Figure 1 shows the deciding majority in federal votes as a percentage of the total Swiss population since 1880. It accounts for the facts that women were not allowed to vote until 1971, that participation varies between 20 and 80% and that majorities differ from vote to vote.

Even so, direct democracy decisions are considered to be of the highest democratic legitimacy. The reason for this is simple: direct democracy is not so much about the majority of a demographic survey but about direct participation of active citizens in a binding procedure, giving their decision credibility as an act of self-determination.

Campaigning: can votes be bought?
Weeks before the vote, interest groups, political parties, and the authorities try to mobilise and to convince voters for a “yes” or “no” to the proposal at stake. Out of the mixed chorus of propaganda, party slogans, newspaper editorials, workplace discussions, TV appearances by politicians, and government information brochures the citizens have to make up their own minds. Today, campaigning has become highly professionalised, and budgets are uneven: sometimes, one side can raise twenty or even thirty times more money than the other. Can votes therefore be bought? Current studies indicate that indeed, under certain circumstances, money and one-sided propaganda can be a deciding factor. This is the case if a narrow result is expected and big money is put into propaganda. However, money is just one factor among many having an impact on the voting result.

Semi-direct democracy – an exceptional system
The Swiss system is at odds with mainstream political thought. It contradicts theories of representative democracy that consider the people’s capacity too limited for reasonable direct choice. Switzerland illustrates that intensive political
participation beyond occasional election of a political elite is possible and can play an important role. Direct participation has neither led to unreasonable choices, nor has it derogated the functioning of parliamentary politics. Rather, parliament and the people are complementary actors: they share decision making in the important political issues. Therefore, we can call this system a “semi-direct democracy”, a system in which political elites still shape the policies but must be sensitive to the people’s preferences and needs. It has made its proof in the past, but we mention a few challenges for the future.
CHALLENGES OF DIRECT DEMOCRACY

As can be shown for the Swiss case, one should not underestimate the general capacity of ordinary citizens to directly decide on questions of high politics. Thanks to political parties which in the past renounced from populism, direct democracy was able to overcome even deep conflict. The hope is that this will last in the years to come. Finally, globalisation and the internationalisation of politics constitute a challenge and some new risks for direct democracy.

Are ordinary citizens capable to decide high politics?

It is often argued that ordinary citizens can elect authorities but are unable to decide high politics. Studies show, indeed, that many voters do know little about the issue they vote upon. However, they are able to form a rational choice. They rely on party recommendations or slogans of propaganda - which simplify the question. However, voters do not blindly follow cues but also follow rational arguments of the political elite and make intelligent use of heuristics. The ability of voters to assess political issues in a rational way should not be underestimated.

Depending on the issue to be decided, people’s political behaviour is more influenced by traditional social ties, by self-interest or by social values suggesting solidarity or altruism. There is thus no general answer to the question whether the Swiss vote more with their hearts, their purses or on the basis of traditional ties.

The lure of populism

With regard to societal conflicts, direct democracy is ambiguous. On the one hand, the people’s vote has high legitimacy, is a final decision and ends conflicts. On the other hand, it gives political opposition a privileged stage for permanently articulating social conflicts and divides. Political parties, in the past, have made use of “issuewise
opposition" occasionally and in a rather restrain-
ing way. Direct democracy, in the 20th century,
was able to deal with salient conflicts, thanks
to political parties that renounced on populism.
The hope is that this will last in the 21st century.

Direct democracy in international affairs
As mentioned earlier, direct participation was
gradually extended in international affairs. 
Today, every important international treaty is
subject of a mandatory or an optional referen-
dum. In domestic affairs, defeat in a popular
vote is not a problem because the authorities
can present a better project in a second vote.
If an international treaty is rejected in a popular
vote, however, this is not guaranteed: the inter-
national partner is not bound to co-operate and
may prefer not to negotiate a new treaty. Thus,
direct democracy in growing international affairs
bears an additional risk: the Swiss government,
if it cannot guarantee the acceptance of its
negotiation treaties, may lose credibility in the
international arena.
Switzerland is a consensus democracy. Its most important characteristics are the government coalition composed of all big political parties, the cooperation of these parties in parliament and the political decision-making by negotiation and compromise.

The seven members of the Federal Council (federal executive) form a permanent grand coalition. The major political parties proportionally share the seats in the executive body according to their electoral strength.

Power sharing in the executive is only one element of consensus democracy. Co-operation of political parties in a grand coalition can also be observed in parliament.

The aim of consensus democracy is to let participate all important political actors in federal politics. The development of Swiss consensus democracy was influenced by the cultural diversity of the country, by federalism, by the voting system and by direct democracy.

The policy-making process is characterised by negotiation and compromise. This is an essential difference to majoritarian democracy.

Consensus democracy bares lights and shadows. For a good functioning of a consensus democracy, there are favourable and unfavourable conditions. Current changes in the party system and growing political polarisation cause challenges for Swiss consensus democracy.
THE FEDERAL COUNCIL

The Swiss executive is a body of seven members elected by parliament. According to constitutional provision, care must be taken to ensure that the various geographical and language regions of the country are appropriately represented. Political criteria are even more important: the strongest political parties are represented in the Federal Council proportionally to their electoral power, and lately gender representation has become an issue, too. The executive is organised as a collegiate body: all seven ministers take the important decisions collectively. There is no prime minister with prerogatives. The function of the president, who rotates every year and acts also as the head of the state, is purely formal. Finally, each federal councillor is the head of one of the seven ministries.

Election of the Federal Council

The members of the Federal Council are elected by the Federal Assembly for a full term of four years. There is no vote of no-confidence; thus, the Federal Council need not resign when it is defeated in parliament, or in a referendum. This means that the Federal Council’s policy is rather independent from parliament. But also parliament is independent from the Federal Council, it can refuse governmental drafts without consequences. Until recently, the members of the Federal Council were re-elected after four years without exception so that the average term of office is more than two full terms, around nine years. Nonetheless, the informal rule of re-election of incumbent members of the Federal Council as a routine started to change in the last years, which might lead to more changes in the body of the Council.

EXAMPLE

The voting out of federal councillors and the “crisis of consensus democracy” in 2008

From a one-party government to the grand coalition

Today, the Federal Council is composed of a grand coalition. This is not regulated by law but the result of a long historical process of politi-
cal integration. During the first fifty years, the Federal Council was dominated by the Radicals. In 1891, the first member of the Catholic Conservative Party (today Christian Democrat People’s Party) joined the government and more than twenty years later, it received a second seat. In 1929, the first member of the Farmers Party, today the Swiss People’s Party, was elected. The Social Democrats, despite being the biggest political party in the 1930s, were excluded from participation in the government until 1943. In 1959, full proportional representation, the “magic formula” was agreed amongst the parties. The four governmental parties are represented according to their electoral strength. For more than 40 years, the Federal Council was composed by two Radicals, two Christian Democrats, two Social Democrats and one representative of the Swiss People’s Party, which represent together about three-quarters of the voters.

Reasons that led to a grand coalition
Three factors favoured the transformation of the majoritarian regime into a power-sharing system. The first one is federalism. The small, mostly catholic cantons had a veto position in federal decision-making right from the beginning. This forced the ruling radicals to make political compromises. The second is the introduction of a proportional electoral system in 1918, which was the success of a coalition of Catholic conservatives and social democrats fighting the radical predominance. As a consequence, the radicals lost their majority in parliament, and the party system became fragmented in the following elections. The third and most important factor is direct democracy. The referendum, in the period after World War II, has become a strong incentive for the major political parties to co-operate in an oversized coalition because otherwise the risk of defeat in the popular vote is too high.

Regional, linguistic and gender representation
Aside the claim of proportionality of the parties, there are other formal and informal rules about the composition of the Federal Council. Article 175 of the constitution states that “in electing the Federal Council, care must be taken to ensure that the various geographical and language regions of the country are appropriately represented”. Thus, linguistic and regional representation remains an important element in government elections. Since 1848, the three linguistic regions have been fairly represented according to the population size of German, French and Italian speakers. The three largest cantons, Zurich, Bern and Vaud, have had virtually permanent representation in the past. Religion no longer plays a role in the election of a federal councillor. Thirteen years after the introduction of women’s voting right, the first woman, Elisabeth Kopp, a Radical Democrat, was elected in 1984. In 2010, we found four women in the Federal Council.

Functioning along the principle of collegiality
According to the constitution, the Federal Council reaches its decisions as a collegial body. Thus, it is collectively responsible for its activities and decisions. Even though unanimity cannot be reached in every case, intensive discussions and preliminary consultation often guarantee consensus among all members. All federal councillors have the same legal rights. The president of the Confederation rotates every year. He chairs the Council but does not have special powers and the office is limited to representative functions.

Organisation along seven ministries
The constitution states that “for the purposes of preparation and implementation, the business of the Federal Council shall be allocated to its individual members according to department”. Because the Federal Council consists of seven members, seven departments have been set up (see figure on page 42). As all government action is organised in seven ministries, a member of the Swiss government is responsible for more policy areas than his counterparts in other European countries. For example, one minister is responsible for energy, transport and envi-
Environmental protection, while another is responsible for culture, education and research, as well as health and social insurance. This leads to high exposure of the members of the government, especially in international co-operation. Even though several reforms for this problem have been proposed, none of them has been successful.

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Departmental Structure of Federal Administration 2011

**Organisation of the Federal Administration**
Where the 35,800-strong federal staff work

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The colour-coded organisational units are mostly independent, which is why information on their staff, revenue and expenditure is not included in the respective department figures.
Risk aversion against successful referenda led to permanent co-operation of political parties in government and in parliament. The four governmental parties – the Swiss People’s Party, Radicals, Christian Democrats and Social Democrats, representing about 80% of the electorate – try to find compromises in all their decisions. However, compromise can fail. It may be even a governmental party which, opting for an issuewise opposition, calls a referendum. Even so, the politics of compromise is successful. While most constitutional amendments are accepted by the people and the cantons, few legislative bills are challenged by a referendum. Changing coalitions among different parties engender mutual trust and respect with all different partners of the grand coalition.

Integrating the main political parties into a governmental coalition was important. Co-optation, however, was not a free lunch but a deal. The new members of the government coalition were also expected to co-operate in parliament, supporting legislative compromises strong enough to have success in a referendum. In earlier times, this was not always the case, and the lack of co-operation between government and parliament as well as missing willingness to find compromises led even to a crisis of the Swiss political system.

In the ideal case, all governmental parties support a legislative project unanimously in a consensus. This ideal situation, however, is relatively rare. More frequently, the political elites are split: one or more of the political parties defect and play the game of an issue-specific opposition. This may happen already during parliamentary proceedings, or later by decision of the political parties, which not always back the position of their own
parliamentary faction. In all these cases the risk of defeat for the government increases considerably. In earlier times the center-right coalition, as a natural majority after all, was able to win two out of three votes against left-wing opposition. Today, with the Swiss People’s Party seeking a stronger right-wing profile by way of issue-specific opposition, the center-right coalition is often split, which puts the government project at risk. If two parties leave the consensus, defeat of the governmental project is predictable with a high probability.

The importance of changing coalitions
Changing coalitions that differ from issue to issue are important for the culture of negotiation and compromise. Political actors, opposed today on a particular issue, may find themselves as coalition partners tomorrow on a different issue. The parliamentary factions of Social Democrats and Christian Democrats, today opposed in financial policy, may be the core coalition in welfare policies the other day. Every political party has to get acquainted to find itself in the role of both the winner and the loser. This favours mutual respect. Changing coalitions in parliament are an important reason why consensus democracy still works, despite growing polarisation.

The weak spot is, however, that conditions for changing coalitions are not always given. In the 1980s, for instance, the three parties of the centre-right alliance regularly overruled the green-left coalition in the major issues of public finance, energy or environment. The ruling majority refused accommodation and compromise, and was not exposed to the risk of losing power through competitive elections as in a majoritarian system. Thus, as the big change of opposition and government parties is missing in the Swiss political system, the small changes in the issue-specific coalitions between the different parties is all the more important.

Compromise in parliament and direct democracy
Less than 10% of law projects passed by parliament are challenged by an optional referendum. If the parliament seems to have a good flair for avoiding the referendum risk, this is due to several factors. The draft coming from the pre-parliamentary procedures has a story to tell: parliament knows which issues were controversial and which were accepted unanimously, and they are familiar with the positions of the important interest groups and of the Federal Council. Parts of the members of parliament have intense relations to interest groups whose points they support. The modifications of all phases of the procedure are documented for every article of the new bill. Thus, the members of parliament and the factions know all about the difficulties and fragilities of any compromise that has been reached, and about the robustness of a solution. Parliament’s factions, too, try to avoid the risk of a referendum being called, and look for a compromise that is supported by as many parties as possible.

Semi-direct democracy: the interaction of representative and direct democracy
Most decisions in Swiss politics are taken by the parliament and the executive as in any other representative system. In cases, however, defined by the constitution, the people have the last word on the decision. To put it simply, we may say that for the most important issues (constitution) it is always the people, for important issues (laws) it may be the people, and for all decisions of lesser importance it is the parliament or the executive who have the last word. This is why the Swiss system is referred to as a “semi-direct democracy”, which means that the decision-making system is composed of elements of representative and direct democracy as well.
THE POLITICAL DECISION-MAKING PROCESS AND ITS ACTORS

Federalism, power sharing and direct democracy let a multitude of actors participate in the political process. In contrast to parliamentary democracy, which concentrates most power in the majority of parliament and its executive, we can find four different arenas where decision-making takes place, in which one particular actor plays a leading role: these are the Federal Council, the interest groups, the parliament, the people and the federal administration. On the one hand, decision-making by negotiation and compromises takes more time and allows less innovation than decisions by simple majority. On the other hand, political decisions are accepted also by the political and societal minorities. This allows for political stability, unity and integration.

The Federal Council in the decision-making process
The main function of the Federal Council is the steering of the entire political process. Giving the go-ahead for most formal steps of decision making, setting priorities in substance and time, the Federal Council has a substantial influence on the political agenda. It disposes of all the professional resources of the administration, which allow it to prepare its own policy projects. Political leadership of the Federal Council is restricted, however, for two main reasons: First, consensus in the all-party government is limited. Second, parliament is not obliged to support the government because there is no vote of confidence. Therefore, it can always turn down the propositions of the Federal Council. In foreign policy, however, the position of the Federal Council paramount: the Federal Council leads the proceedings of international diplomacy while parliament is restricted to accept or to reject international treaties as a whole.

Interest groups in the decision-making process
The prime arena of influence of interest groups (associations, NGOs, environmental organisations) is the pre-parliamentary procedure, which was institutionally formalised after World War II. They have more influence than pre-parliamen-
tary lobbying to be found in other countries. The high bargaining power of interest groups lies in the fact that they can use the referendum threat as a pawn. Moreover, interest groups play an important role in “semi-private” or “para-state” arrangements. Social partnership between labour and capital, or public-private partnerships once played a predominant role with the design and the implementation of economic and social policies and are still important. The pre-parliamentary procedure, sometimes preceded by deliberations of expert committees, serves the objective of integrating group interests, so as to reduce the risk of a future referendum.

The parliament in the decision-making process
The parliament’s main function is law making. Besides deciding the budget it has many instruments at hand to move new projects, to influence the agenda in domestic politics, and to supervise the administration. However, its freedom of action is restricted by direct democracy, by the interest groups who intervene in the pre-parliamentary process, and by the Federal Council and its administration who largely control the agenda of foreign policy.

The people in the decision-making process
The people intervene in two ways. Firstly, using the referendum, they can defeat projects of the political elites. In contrast, if the project is accepted by the people, the bill has the high legitimation of democratic self-rule. Secondly, using the popular initiative, the people can propose constitutional amendments, a way to bring issues on the political agenda which have been neglected or rejected by government and parliament.

The federal administration in the decision-making process
With the growth of social and economic activities of the central government after World War II, the federal administration has acquired greater political influence for two reasons. First, it has its own experts, who often direct the pre-parliamentary process. Second, it has all the feedback knowledge of implementation, which often stimulates proposals for legislative reform. The administration plays an important role in the definition of problem solving as well as in the promotion of its own interests.
THE POLICY CYCLE

The law-making process can be shown as an ongoing process of problem solving or policy cycle. It starts with the first ideas and propositions for a new law or a constitutional amendment. In parliament, each project has to find a majority of both chambers. However, parliamentarians and the government know that every decision can be challenged by a referendum. If a proposition has passed parliament without a vote or has been supported by the people, the government starts implementation, a process carried by administrations of the federation and the cantons as well. At every stage of the policy cycle, negotiations result in modifications, radical changes or even the abandonment of the project. If the new programme enters the phase of implementation, this is not the end of the process: sooner or later the experience of implementation will lead to propositions for a new reform, and a second round of the policy-making process begins.

Pre-parliamentary arena

The process starts with propositions for a new law or a constitutional amendment. It can be handed in by ways of a popular initiative, a parliamentary motion, or by the administration which is the informal gateway for pressure groups seeking reform. If the Federal Council carries the proposition, it organises the pre-parliamentary stage of the process. According to the situation, it charges the administration or mandates an expert committee to draft a first project. The subsequent consultative process involves further organisations, who each try to formulate a position that represents the view of their members. When evaluating the results of the consultative procedure, the administration seeks to maintain only those reforms that have found sufficient support. The Federal Council then proposes this to the parliament.

Parliamentary arena

Each project has to find the majority of both chambers. If proceedings in the Council of State and the National Council end up with a difference in substance, negotiation procedures between the chambers are organised to align on the same solution. If this is not possible, the project has failed. Only about 7% of law projects passed by parliament are challenged by an optional referendum. This means that the cham-
bers seem to have a good flair for avoiding the referendum risk. This is due to several factors. The draft coming from the pre-parliamentary procedures has a story to tell: parliament knows which issues were controversial and which were accepted unanimously, and they are familiar with the positions of the important interest groups and of the Federal Council.

**Direct democratic arena**
The most important case is the referendum challenge by a governmental party, when the four partners of the grand coalition have not reached consensus. If one party sees too much damage for the interests of its voters, it practises issuewise opposition. Social Democrats and the Swiss People’s Party do this more often than the centrist parties of the Radicals and the Christian Democrats. Small political parties, too, interest groups or even grass-roots movements are able to launch a referendum, and in rare cases they may even be successful. Finally, if the consensus of the political elites is fragile, a small outsider can trigger a chain reaction in which other actors or even a governmental party defect the compromise and join the referendum.

Therefore, the political elites can never rule out the possibility of a referendum, and they accept occasional defeat of their projects. The verdict of the people is binding and has immediate effect. In cases of referenda, the project is enacted or has failed.

**Implementation arena**
Once a law project has passed the parliament’s decision or got the majority in a popular vote, it comes into effect. The implementation is an important part of the policy cycle. In many
cases, policy programme for proper implementation have to be developed or revised. As most programme are implemented in co-operation with the cantons, negotiations with their administrations take place. It is one of the characteristics of federalism that the federal authorities have little means of coercion and thus have to respect the autonomy and the preferences of the cantonal authorities in the implementation process. Resistance from the cantons may impede implementation. Conversely, negotiation and compromises may lead to intense co-operation, which facilitates implementation of federal policies. Thus, we may speak of a form of vertical power sharing.
FAVOURABLE AND UNFAVOURABLE CONDITIONS FOR CONSENSUS DEMOCRACY

Consensus democracy is more than a political style. Its institutions are different from those of majoritarian democracy, as shows a comparison between Switzerland and Great Britain. Consensus democracy is demanding. The possibility to establish consensus may be difficult. It depends, among others, on the economic situation and the issue at stake. Therefore, consensus democracy needs political elites that are able to reach compromise and consensus also under difficult conditions.

Main characteristics of powersharing
The entire political process aims at the achievement of a political compromise. Instead of a majority that imposes its solution to a minority, we find mutual accommodation: no single winner takes all, everybody wins something (see Consensus democracy). Some people attribute this behaviour to a specific peculiarity of Swiss culture. From a political science perspective, however, the effect of institutions seems to be paramount. The referendum challenge, the strong influence of the cantons and the multi-party system are veto points that do not allow for majority decisions and compel political actors to cooperation and compromise. The upcoming table shows the differences between Great Britain, a typical majoritarian democracy with opposition and government, and Switzerland, an example of consensus democracy.

Consensus depends on economic situation
The idea that “no single winner takes all, everybody wins something” has not always worked out. Mutual adjustments were most successful in the period up to the 1970s, when economic growth also allowed the distribution of more public goods. Optional referenda were few and the success rate of obligatory referenda was high. Consensus became more difficult after the recession of the 1970s. With lower economic...
growth after the first oil crisis, there was less surplus to distribute. Political redistribution became a zero-sum game, spending more money for one group meant giving less to another. Ecological sustainability became a political issue and prompted new conflicts. The party system fragmented and new social movements arose. At the end of the 1980s important legislation failed or remained incomplete. In the last two decades, globalisation functioned as pressure from the outside, leading to quicker and larger steps of political innovation, but also to higher polarisation, to winners and losers of globalisation and Europeanisation, and to the deepening of old cleavages.

Consensus depends on issue
The feasibility of the idea “no single winner takes all, everybody wins something” also depends on the issue. In financial affairs, consensus can be found easily by compromise: if proponents for a 100-Swiss-franc raise of rents face an opposition that wants no raise, a 50-Swiss-franc raise may be a compromise that is accepted by both. Yet, there are indivisible public goods, for which consensus becomes difficult. In 1977 the Federal Council proposed to introduce daylight saving time as many Western European countries were doing at the time. Farmers were opposed to put their clocks one hour forward in the spring and then back again in the autumn, claiming that cows would give less milk. A compromise of putting the clocks 30 minutes forward would have helped nobody. Thus, the farmers’ opposition led to an outright refusal of daylight saving time. However, living on a “time isle” in the centre of Europe did not prove to be very practical, and daylight saving time was introduced two years later. Similarly, compromise can be difficult in issues involving fundamental values such as abortion. Whether or not a woman should be given the right to have an abortion is considered by many people to be a question of principle. In Switzerland reform of the abortion law led to a long-lasting debate and to several popular votes.

Political elite in a power-sharing system
Power sharing engenders strong formal and informal contacts amongst the entire political elite. This gives rise to criticism that power sharing leads to a cartel of “the political class”, which neutralises electoral competition and democratic
control. In the Swiss case it may be argued that indeed elections do not lead to a change of roles between government and opposition and therefore play a minor role for democratic control. Direct democracy, however, leads to a permanent control of the elites. Every political party and its leaders have to defend their compromises in the people’s vote. Direct democracy imposes limits to elitism. Institutions of power sharing can engender mutual trust amongst the political elites. There is one thing, however, which depends on the elites themselves. It is the “spirit of accommodation”. It means the will of politicians to develop a common way of problem solving, leading to creative compromise. Success of consensus democracy depends on politicians willing to develop perspectives reaching beyond the interests of their clientele.
PROBLEMS AND PROSPECTS OF CONSENSUS DEMOCRACY

Consensus democracy cannot guarantee equal chances of political influence to all interest groups. Chances of influence in political negotiation are unequal because they depend on resources. The influence of many powerful interest groups has no democratic legitimation. Consensus democracy favours the status quo; therefore, Swiss politics have to content themselves with incremental steps of innovation. During recent years, the Swiss system has become more polarised – this also showed the fragility of consensus democracy. Still, the model of consensus democracy seems to be able to face all these challenges.

Inequality of political influence

Consensus democracy cannot guarantee fair competition in the sense that all interest groups and political parties have equal chances of influence. In negotiations and lawmaking by mutual adjustment, the haves are better off than the have-nots, whose refusals have no trade-in. Moreover, organisations defending exclusive and short-term benefits for their members are likely to be stronger than those promoting general and long-term interests. Environmental groups for instance face the problem of having to fight for a long-term public good. They are popular and outnumber the biggest political parties in membership. Faced with vested industrial interests, however, they are not able to articulate comparable threats, and consumers’ willingness to renounce on the cheap gasoline in favour of ecology is limited. One may object, however, that these inequalities are not a peculiarity of Swiss consensus democracy. In fact they are a flaw of all pluralist and democratic systems.

Political influence of interest groups

Interest groups are able to organise referenda. Using this possibility as a threat or as a pawn in negotiation gives them additional influence in all matters of legislation. Thus, direct democracy, instead of being the voice of the people, has partly become the instrument of vested
interests. Indeed, this critique has some strong arguments, especially for the long period of time when the Swiss Parliament was weak and often adopted the pre-parliamentary compromise between the interest groups without major modification. Today, however, the image of a state of vested interests that dominate parliament may less correspond to political realities for several reasons. Not only has parliament become stronger in shaping legislation, but the administration can also be a strong counterpart. Eventually, the strength of some interest groups is fading. With the process of globalisation, some of the strongest interest groups of the domestic market, such as those of agriculture and industries, have significantly lost political influence, and many traditional coalitions, such as those of industries or between employers and unions, are split today, thereby neutralising each other. In contrast, globalised industries such as the pharmaceutical lobby or the banks seem to gain additional influence.

**Lack of innovation**

Negotiation and compromise have provided important advantages. In the absence of electoral change, there are no abrupt discontinuities in federal policy. The sobering effect of negotiation cools down ideological exaggeration and promotes pragmatic solutions. The elites’ cooperation in committees, in government and in parliament leads to mutual adjustments where learning processes occur over the substantive issues of legislation. However, elections do not provide the possibility of the government and the opposition changing places the way they do in parliamentary democracies. Therefore the Swiss system also lacks the larger innovatory process brought about by changes of power in parliamentary democracies. It has to rely on incremental reform.

**Consensus democracy in a polarised system**

Polarisation, stimulated by the political parties of the right and of the left, leaves its traces in political culture. Pluralism, positive belief in compromise and co-operation, tolerance towards differences, or willingness to accept adverse decisions are declining among parts of the political elite and of the electorate as well. Adherents of the Swiss consensus democracy worry about the loss of the “spirit of accommodation”. As a strategy towards majoritarian politics, however, the politics of confrontation would not be enough. Reducing the veto points of federalism and of direct democracy would be necessary. Even gradual transformation towards majoritarian politics seems feasible only under electoral change which sees a leading party capable to formulate a convincing political programme but also to carry the necessary institutional reforms.

**Prospect of the Swiss powersharing system**

Since the 1990s, pressure from the outside – globalisation and Europeanisation – stimulates innovation. Power sharing, despite growing polarisation, is working. The grand government coalition is sometimes defeated in referenda, but not more often than in earlier times. In parliament, one sees growing antagonism between the conservative right and the welfare factions of the left. Yet, compromise still happens in changing issue-specific coalitions in which the political centre plays an important role. The partial break-up of the bourgeois camp has made this possible. Under the conditions of a tripartite system of the right, the centre and the left, consensus democracy has the chance to work even better than in the 1980s when the bourgeois majority made the left a permanent loser. Consensus politics may change, but the popular rights still urge the important political actors to practice co-operation and compromise.
In this chapter, the three main elements of the Swiss political system are presented in a comparative perspective.

- Federalism in Switzerland guarantees “unity in diversity” and is a safeguard for cultural minorities. Other countries have different meanings of federalism. There is a variety of “federalisms”.
- Direct democracy is not only used in Switzerland, but also in many other countries. However, Swiss citizens are the only ones having the right of direct participation at all levels of government.
- The Swiss system of consensus democracy contrasts sharply with the model of majoritarian democracy as known for instance in Great Britain. Consensus democracy can be an appropriate way to resolve problems in multicultural societies.
- The Swiss system, facing Europeanisation and globalisation, has to deal with multiple challenges, not only with regard to the relations to the European Union but also with regard to internal social conflict.
The most important function of Swiss federalism was the overcoming of cultural cleavages between different segments of society and the linguistic regions of the country. Can federalism protect minorities also in other countries? Comparative studies show that structures, processes and the culture of federalism vary significantly. Not all countries practise federalism with the objective of guaranteeing cultural diversity, and the experience with regard to minority protection. A way to protect minorities without territorial segmentation is non-territorial or corporate federalism. Federalism can interfere with the democratic principle of “one person, one vote”.

Federalism – a structure, a process and a political culture
Federalism is more than a structure. Besides varying structural settings, the political process, too, can be organised in different ways. Moreover, different equilibriums of power imply different appropriate behaviour, which may crystallise into political cultures: the USA and Switzerland are similar in structure. Both developed
by a bottom-up process, the subnational units keeping much of their “sovereign” rights as formerly independent states. The political culture, however, is different. The main aim of American federalism is not the protection of cultural minorities but above all the separation and control of state power. In Switzerland, the canton’s high veto power has engendered a non-hierarchical co-operation between the national and the subnational level. The process of accommodation of the federal authorities with the subnational units is an appropriate behaviour to find solutions. It has become an element of political culture, mostly informal, and just occasionally prescribed as a legal procedure.

Federalism as a guarantee for cultural difference and diversity

Federalism is sometimes used as a synonym of the guarantee for cultural difference and diversity, regardless of history or socio-economic circumstances. But is federalism really capable of protecting cultural difference and diversity, if this is the project? The experience is mixed. In South Africa, federalism seems to play an important role for the consolidation of a deeply divided society. Under the common roof of India’s or Nigeria’s immense cultural diversity are some shadows: In-depth studies provide evidence that in situations of serious crisis federal structures in both countries are not used to ease a conflict. In Belgium, which grants its two segments of French and Flemish speakers utmost autonomy, national unity is said to be fading. In any case, to achieve effective minority protection, federalism must be embedded in other institutional devices such as a non-religious, non-ethnic concept of the central state, a strong and effective tradition of human rights, and institutional elements of political power sharing.

Non-territorial federalism

Non-territorial or corporate federalism allows a minority to maintain its own public institutions without territorial segmentation. Religious communities, for instance, can be given the right to have their own schools. This raises two questions. The first is: what are the limits of cultural minorities’ right to run their own public institutions? This eventually depends on the concept of the state, of the constitution and on a society’s idea of pluralism as well. The second question deals with the consequences: can non-territorial federalism keep the balance of unity and diversity, or do parallel institutions, exclusively reserved to cultural minorities, lead to deeper social divide and undermine unity? The discussion remains controversial: while some observers fear the latter, others see non-territorial federalism as a promising approach to “identity politics”.

Federalism and democracy

Democracy, basically, is majority rule founded on the number of votes cast, each vote having equal weight, whereas federalism implies equal representation of uneven units. Inevitably votes of individuals or representatives of member states with a small population are weighted more heavily than those of large member states. They can organise a veto to block democratic majorities. Federalism interferes with democracy. It has, however, two main advantages that can compensate for this cost. First, once conflicts arise, federalism is a constraint that “forces” democratic majorities to bargain with federal minority, and therefore encourages constructive compromise. Second, costs of federalism at the central level can be compensated for by democratic gains in the subnational units, where the political rights of the citizens have a much greater significance.

EXAMPLE

Non-territorial federalism in Belgium
DIRECT DEMOCRACY COMPARED

Switzerland is the country holding the most popular votes but not the only country to practice direct democracy. On the subnational level, many countries show examples for the intensive use of direct democratic devices. Direct democracy in the US states shares many similarities with the Swiss practice. Direct participation by the people is possible in many different ways.

Experiences of direct democracy compared
In a majority of countries all over the world nationwide popular votes were held sometime or other. The distribution of votes that have ever taken place, though, is very uneven. In most of the countries the number is below ten, while more than half of the nationwide votes have been held in Switzerland. Concerning the issues of votes, one can distinguish three general categories. The first one comprises the establishment or secession of a state, of a new constitutional order or regime. A second category, relatively new, comprises decisions on membership in transnational organisations or changes of the status of membership. The third category deals with important national policy decisions for which a government wants to be given additional legitimacy. All in all there is a vast variety of occasions on which people are able to express their preferences. The following table shows a classification of direct democratic devices.

The practice of direct democracy in the US states and Switzerland – similarities and differences
US direct democracy is fundamentally different from Switzerland’s in one point: it is limited to state or local level. Yet, the US states’ and Switzerland’s experience of direct democracy are the richest; the instruments of the referen-
A CLASSIFICATION OF DIRECT DEMOCRATIC DEVICES

<table>
<thead>
<tr>
<th>Main characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binding and non-binding referenda</td>
<td>It is obvious that binding referenda have a higher impact than non-binding votes which are merely consultative or advisory.</td>
</tr>
<tr>
<td>The authority empowered to call a popular vote</td>
<td>With regard to who has the authority to demand that a popular vote be held, we can distinguish four basic types of participation: • government-controlled referenda • constitutionally required referenda • referenda called by the people • popular initiatives</td>
</tr>
<tr>
<td>National and subnational referenda</td>
<td>While in Switzerland direct democracy is known on all federal levels, some other countries practise direct participation only on the subnational levels (e.g. USA, Germany).</td>
</tr>
</tbody>
</table>

Du-m and the popular initiative are practically the same, and one can find many similarities in their use. Examples for similarities are the facts that direct democracy can influence the political agenda in favour of issues important to less well organised interests, that campaigns and propaganda influence the outcome of a vote and that direct democracy is an additional control of political elites. As an important difference to Switzerland, direct democracy in the US states is not an element of political power sharing and has not led to co-operation between political parties.

**Direct democracy on subnational level**

While in Switzerland direct democracy is known on all federal levels, some other countries practise direct participation only on the subnational levels. This is the case, for instance, in Germany where votes are held in some Bundesländer and their municipalities or, as already mentioned, in the US states where direct democracy is as widely institutionalised and used as it is in Switzerland. In all US states, with the exception of Delaware, any amendment of the constitution requires a popular vote. In about half of the states we find one or another type of referendum for parliamentary laws, often complemented by a financial referendum. Moreover, citizens in many states can propose legislation by means of the popular initiative, or initiate a “recall”, which allows voters to remove or discharge a public official from office. In no other part of the world but California have citizens had so much opportunity to express their political preferences: from 1884 to 2003, Californians voted on nearly 1800 issues.

**More direct democracy – a worldwide trend**

The idea of direct democracy is spreading out all over the world. Numerous referenda have been held during regime changes and the build-up of democracy in Central European countries. Moreover, plebiscites on EU affairs have become more and more frequent both in old and new member states.

**EXAMPLE**

**The Irish votes on the Lisbon treaty**

New social movements, grass-roots politics, non-governmental organisations, and new information technologies have made civil society more active in daily politics. They claim more and better influence on politics. New instruments of direct participation, especially at the local and the subnational level, developed in many forms.
CONSENSUS DEMOCRACY COMPARED

The Swiss system widely corresponds to an ideal type of consensus or power-sharing democracy, in contrast to majoritarian democracy. In multicultural societies, consensus democracy can be a better device to resolve political conflict than majoritarian democracy.

Majoritarian and consensus democracy – a comparison

If there is a continuous thread in Swiss political history it is probably the desire to prevent winners from taking all, leaving losers with nothing – or in other words, power sharing. Yet, power sharing is practised not only in Switzerland but also in Belgium, the Netherlands, Northern Ireland, South Africa or India. Power-sharing or consensus democracy distinguishes them fundamentally from the type of majoritarian democracy, which can be found in Great Britain or New Zealand. Arend Lijphart, a prominent scholar comparing political institutions, has called this “consociational”, “power sharing” or “consensus” democracy, in contrast to the type of “majoritarian” or “Westminster” model of democracy. The two models of democracy represent coherent and therefore ideal polities maximising the basic ideas of either enabling decision by majority or decision by consensus. Next table shows a direct comparison of majoritarian and consensus democracy. It is easy to identify Switzerland and Great Britain as two polities that correspond to most criteria of one of the models.

Democratic power sharing – a key to resolving conflicts in multicultural societies

The predominant model of democracy is majoritarian. In multicultural societies, how-
ever, majoritarian democracy may encounter serious difficulties. Cultural values, beliefs and languages are not only heterogeneous, but may lead to different political preferences that do not change. In case of conflict, minorities have no voice or are even permanently excluded from political influence and power. Consensus democracy, in contrast, gives societal minorities a chance to participate in political power and have a voice in the policies of the government, which cannot be overheard. By mutual agreement and compromise, societal divides may be eased or even overcome. An example for this is Northern Ireland. For decades, the majoritarian Protestant regime, excluding the Catholic minority from power, could not prevent violent conflict and the divide of society. Recently, the two parties agreed on a power-sharing government, hoping to overcome societal division and political conflict.

### The culture of power sharing

How can trust between political opponents in multicultural societies develop? It is obvious that there is a vital need for co-operation, which can be driven or even forced. Proportional representation is a universal key to power sharing. Its effects are the chance of mutual recognition of even antagonistic actors as equal partners. Under these conditions accommodation becomes feasible. If none of the partners of a grand coalition has a majority position, rotation of majorities for different issues become likely. This stimulates mutual respect and prevents minorities abusing their veto. Permanent cooperation in political decision making enables elites of different cultures, language or religion to overcome mutual prejudices and to deal better with their differences. Once the political elites have developed better mutual understandings, such a culture can trickle down to larger parts of society. Also under favourable conditions, development of mutual trust and of a culture of accommodation take time. The process is vulnerable and can fail. The institutions of power sharing are not a guarantee for overcoming societal division and deep conflict. However, they offer better chances for political integration than majoritarian democracy.

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**LIJPHTAR’S TYPES OF MAJORITARIAN AND CONSENSUS DEMOCRACY**

<table>
<thead>
<tr>
<th>1. Executive</th>
<th>Concentration of power in one-party and bare-majority cabinet</th>
<th>Power sharing in broad coalition cabinet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Relations executive / parliament</td>
<td>Cabinet dominance</td>
<td>Balance of power</td>
</tr>
<tr>
<td>3. Political parties</td>
<td>Two-party system</td>
<td>Multiparty system</td>
</tr>
<tr>
<td>4. System of elections</td>
<td>Majoritarian and disproportional</td>
<td>Proportional representation</td>
</tr>
<tr>
<td>5. Influence of interest groups</td>
<td>Pluralism</td>
<td>Corporatism</td>
</tr>
<tr>
<td>6. Government structure</td>
<td>Unitary and centralised</td>
<td>Federal and decentralised</td>
</tr>
<tr>
<td>7. Parliament</td>
<td>Concentration of legislative power in unicameral legislature</td>
<td>Strong bicameralism</td>
</tr>
<tr>
<td>8. Type of constitution</td>
<td>Flexibility, simple procedure of amendment, or unwritten constitution</td>
<td>Rigidity, complex procedure of amendment</td>
</tr>
<tr>
<td>9. Judicial review</td>
<td>Absent or weak</td>
<td>Strong</td>
</tr>
<tr>
<td>10. Central bank</td>
<td>Controlled by executive</td>
<td>High degree of autonomy</td>
</tr>
</tbody>
</table>
EPILOGUE – THE SWISS SYSTEM
IN THE FUTURE

Switzerland is exposed to the dynamics of Europeanisation and globalisation, which provoke conflicts in the interior. The country is divided on the question of European integration. Rising polarisation between the right and the left makes power sharing more difficult. Swiss democracy is not an export model. Its experience, however, can serve as an example to other countries looking for their own way of federalism, power sharing or direct democracy.

Switzerland in the process of globalisation
Since 1992, when the Swiss people, in a popular vote, turned down membership of the European Economic Area (EEA), the Swiss government and the EU have managed to find another way to develop their relations: the “bilateral way”.

EXAMPLE
The bilateral treaties between Switzerland and the European Union

It has led to a number of treaties between the EU and Switzerland, which were all accepted in popular votes. They give Switzerland partially access to the European market, under condition that EU regulations apply on the Swiss market. Swiss authorities pretend that the bilateral way best serves the autonomy of the country. However, Switzerland is fully exposed to the dynamics of Europeanisation and globalisation as well. This not only creates new winners and losers but widens the divide between liberal pro-Europeans and conservative nationalists. Swiss politics have become much more polarised. The old cleavages between capital and labour, and between urban and rural regions, are becoming more salient. Polarisation, the strategy of both the right and the left, makes
consensus more difficult and is detrimental to the spirit of accommodation.

EXAMPLE
Internationalisation of law

The future of the bilateral way
Future success of the bilateral way is uncertain. If bilateralism does no longer guarantee national autonomy, the question of EU membership will have to be put on the political agenda again. Yet, the majority of Swiss voters consider the European Union as an elitist project, bureaucratic and centralistic. EU-membership would not stand a chance in a popular vote. Direct democracy, while being the main obstacle for membership, is at the same time the most robust political institution that holds the Swiss together. It forces the political elite to share power, maintain co-operation, negotiation and compromise despite all other transformations of the Swiss polity, despite growing divides, and despite the ongoing difficulties induced by Europeanisation.

Swiss democracy – not an export model but subject of dialogue
Every country has to find its own way of developing its political institutions on the basis of its cultural heritage, history, economic and social situation. This is the reason why the “Swiss model of democracy” cannot be exported one-to-one – neither to industrialised nor to developing countries. So, if the Swiss want to aid democracy, they should choose a way of dialogue. Partners interested in the Helvetic model of democracy will find out that the Swiss system is unique as is their own system. However, the concepts of federalism, power sharing or direct democracy are not: they can be realised in different countries in specific ways. So far, partners may find the Swiss experience useful for their own way.
A Swiss citizen has a triple citizenship, the one of a municipality, of a canton and of the federation. If non-natives want to acquire Swiss citizenship, they have to start with the local citizenship. The latter must be acquired before one can apply for the cantonal, and then for the federal citizenship. The procedure is burdensome, and the highest hurdle is at the local level. Applicants must have lived a number of years in the same commune. A local commission demands proof that the applicant speaks one of the Swiss languages and has a basic knowledge on the Swiss political system, history and society. Furthermore, in smaller communes of some cantons, the citizens’ assembly finally decides on the applications in a direct democratic vote. In the late 1990s, when discrimination happened against applicants from certain countries, the Supreme Court intervened, defining standards of fair procedure for the people’s assembly. While this decision was acclaimed by the liberal side, it was criticised by conservatives: in their eyes, the courts’ instructions were an offence against the liberty and the sovereignty of the local people.
Asylum policy is one of the examples of co-operative federalism where the federal level sets the law and the cantons implement the policy. The federation and the cantons co-finance the asylum relief. In 1998, it was decided to shorten the allowance for asylum seekers to reduce the financial burden. The cantons had two possibilities how to reduce their costs, either to repatriate asylum seekers more quickly and thus shorten their stay in Switzerland or to raise the number of asylum seekers that are allowed to work. Both possibilities were used extensively and thus, the cantons implemented different practices. Urban and Latin speaking cantons preferred the second option, rural cantons the first. Still, the problem remains that there is no equal treatment for all asylum seekers in all Switzerland.
At the beginning of the 1980s, there were so-called "open drug scenes" in several Swiss cities, such as Zurich, Bern, Olten and Solothurn. As a consequence, the miserable state of drug addicts was becoming increasingly visible. That’s why every city developed its own public and social services to help the addicts and protect them against HIV and Aids. The Swiss Federal Office of Public Health supported many of these services. Because of the different experiences that the cities made with their own programme, in the 1990s, Switzerland introduced new measures to reduce the problems associated with drug use and adopted a new national drug strategy. Only because of the local experiences, successes and failures, it was possible to elaborate an innovative and coherent federal strategy. It consists not only of repressive measures, but also of prevention, harm reduction and therapy. Important international agencies, then focused on repression, were sceptical about the Swiss strategy. By now, however, the Swiss drug policy has won international recognition.
What is the relevance of this system for the Swiss citizens in their daily life? The differences in taxes can be shown with an example of a family with two children and a taxable income of 1–50,000 Swiss francs. In 2003, in Delémont, the capital of the canton of Jura, such a family had to pay approximately 24,000 Swiss francs in cantonal and local taxes. That same family would have paid less than half of this amount, only 10,000 Swiss francs, in the canton of Zug. At the same time, because of the equalisation system, the families have more or less equal living standards in their cantons and the same possibilities with regards to schooling and infrastructure.
The canton of Jura represents an exception to Swiss integration of cultural minorities. The Jura region, which is mainly Catholic and French-speaking, was incorporated into Protestant, German-speaking Bern in 1815. As a minority located at the northern periphery of the canton, the people of Jura felt they were being discriminated against both politically and economically. An escalation of political clashes after Second World War gave rise to a separatist movement, which triumphed in 1978 when the new Jura canton was created.

Things were complicated by the fact that the population of Jura was itself divided: three southern districts had been Protestant since the 16th century, were economically better off and had traditionally better relations with the old canton. Thus the deepening conflict was not only between Jura and Bern, but also between “separatists” and (Bernese) “loyalists” within the Jura. The government of the canton of Bern therefore proposed a procedure which allowed the districts to decide by popular majority whether they wanted to stay with Bern or join the new canton. In 1974 and 1975 the people of Jura then voted according to this procedure which was first accepted as a constitutional amendment to the Bernese constitution.

In the first vote the inhabitants of all the Jura districts voted 37,000 for and 34,000 against independence. The cleavage between separatists and loyalists was clear: the northern districts voted for separation by three to one, whereas the three southern districts voted by almost two to one to stay with the old canton. Two of the three districts confirmed their preference to stay in the canton of Bern in the second vote in 1975, but in one of the southern districts the vote was split. Here a third vote was held: Moutier, the main city of the district, decided to stay with Bern whilst some northern municipalities in the district chose to join the new canton. After these votes the boundaries of the new canton, Jura, were known, and in 1976 its people elected a constituent assembly which then drew up a draft constitution for the new canton. The constitution was accepted by the people of Jura in 1977, and one year later the Swiss people and the cantons accepted Jura as the twenty-sixth canton of the federation.

Sooner or later, the Jura question will come up again. Indeed, a popular initiative in the Jura of 2004 charges the cantonal parliament with working out a constitutional framework for a “United Jura” which includes the southern districts. Bern authorities, so far, follow a different path: they propose a status of partial autonomy for the southern districts.

The case of the Jura secession is relevant for several reasons. Firstly, the procedure of separation had to be invented at a time when the conflict was escalating. Its success is rather astonishing. The people of Bern canton conceded a right for secession to the Jura people, and the Swiss people, in the last vote, accepted the Jura as a new canton. Federalism made a successful proof. Secondly, the separation was not based on the grounds of ethnic affiliation but on principles of direct democracy: the popular majority of each district decided on secession. Thirdly, the Jura case had its particular historical backgrounds. But it shows also the risks of conflict if several cleavages coincide: the northern part of the Jura felt discriminated as a linguistic and
religious minority, and as a poor region as well. This situation was exceptional and can hardly be found in other regions. This may have saved problems of secession to other cantons.
An initiative to merge the cantons of Geneva with the canton of Vaud had no chance in a popular vote in 2002. The voting campaign was intense but it soon became visible that the idea of a merger was merely academic and had no backing in the population. The initiative was turned down in both cantons with a high majority of over 70%. In contrast, on the municipal level, territorial reforms are common. During the 1990s, the number of municipalities decreased from over 3,000 to approximately 2,600 and is still decreasing. The most prominent example is the canton of Glarus: in 2006 its people decided to reduce the number of its communes from 25 to three. ■
In a democracy where people can challenge any law through a referendum, the government has to find encompassing majorities. One policy area that exemplifies this problem are taxes. If the government needs more revenue it must theoretically encounter tax resistance from all citizens. However, it may propose a solution that gets a majority of voters, for instance reducing the tax burden for a majority of modest-income households by a small amount and raising taxes for the smaller group with higher incomes. By doing so the government may expect a political majority for its project of a net fiscal gain. However, these hopes may be dashed: Firstly not only higher income groups affected by higher taxes might vote against the bill but also two other groups, namely lower-income groups voting as if they are of higher income status (an often observed situation). Secondly, voters of all income groups may agree that higher taxes are unavoidable but prefer cantonal taxes for regional public goods. In practice, the federal authorities in Switzerland were able to raise revenue in the past but seemed to be aware of these difficulties: consumer taxes, disliked by most households, are lower than in other countries, and federal revenue relies much more on income than on consumer taxes. Progression of income tax is high – a minority of people with high income contribute much more to federal revenue than all other households. Finally, a good part of federal revenue is paid back to the cantons in the form of transfers.
On 6th December 1992 the Swiss people, in a popular vote, turned down membership of the European Economic Area (EEA) which would have brought economic integration in a European market without responsibilities and rights of membership in the EU. Whereas the other members of the European Free Trade Association (EFTA) – Austria, Finland, Iceland, Norway, Sweden and Liechtenstein – decided to become integrated into the European market, Switzerland chose to remain outside. The result of the vote was already obvious in the early afternoon, when only the small cantons have been counted. Already 30% of the overall votes were enough to turn down the vote because of the missing majority of the cantons. Finally, 19 cantons rejected the treaty. Also the people rejected the adhesion, but only with a very small majority of 50.3%.

No other political decision since World War II has been of such crucial importance to Switzerland than this decision. This policy change was highly controversial, and the popular vote of December 1992 left behind a divided nation. Whereas the treaty was of immediate economic importance, its significance went far beyond economics. Many people feared for the country’s political neutrality, direct democracy and sovereignty. The referendum, therefore, was a vote on Switzerland’s political future and national identity.
This possibility has never been used by the cantons until 2003, when the cantons joined together to fight budget cuts implied by a new federal law. For the first time, the cantons have been successful in calling a nationwide vote challenging a decision of parliament. The cantons of Vaud, Basel-Stadt, Bern, St.Gallen, Graubünden, Solothurn, Valais and Obwalden supported the referendum. The aim was to prevent a federal tax reform, as it would have been a great financial burden for the cantons. The people supported the cantons in the referendum and voted against the federal law in May 2004.
On 27 November, 1989 the New York Times reported the following news from Switzerland: “Switzerland today voted to keep its army as the best way of maintaining its neutrality. An initiative to abolish the army was turned down by a margin of almost two to one. ‘A majority of the states rejected it’, a government spokesman said. Only in Geneva and Jura did the majority vote in favour of the proposal. The initiative, forced by a petition signed by 111,300 citizens, set off a fierce national debate on the usefulness of an army in a small neutral country.” The initiative on the abolition of the Swiss army is a prominent example for mobilising effect of initiatives. From the very beginning, the proponents of this initiative were aware that they would not win a majority of the vote but used the four years’ discussion to change political attitudes on the formerly taboo subject of Swiss military and peace politics, with considerable success.
The old rule of re-election of incumbent federal councillors has been broken in recent times. In the parliamentary election of 2003 the Swiss People’s Party had become the strongest party, while Christian Democrats were amongst the losers. Christoph Blocher was elected as the Swiss People’s Party’s second representative, while incumbent Federal Councillor Ruth Metzler from the Christian Democrats was not re-elected. However, in 2007, a coalition of Social Democrats, Christian Democrats and Greens, opposed to his politics, successfully boycotted Blocher’s re-election and brought another member of the Swiss People’s Party, Eveline Widmer-Schlumpf, into office. The Swiss People’s Party did not accept this manoeuvre and expelled Widmer-Schlumpf as well as Samuel Schmid, the second representative out of the party. As a consequence, the Swiss People’s Party was divided and the two federal councillors joined a new party. The Swiss People’s Party, no longer represented in the Federal Council, declared the end of the grand coalition and announced its determination to practise fundamental opposition because they didn’t feel represented in government. One year later, however, Ueli Maurer – the official candidate of the Swiss People’s Party – was elected as the successor of outgoing Samuel Schmid.

This episode shows two things: First, the “crisis of consensus democracy” was very short. The Swiss People’s Party soon realised that political chances of permanent opposition of one single party against a coalition of three are not favourable. The governmental parties, on their side, were also interested in restoring the grand coalition. The election of Maurer was the first step.

Second, non re-election of incumbent federal councillors might recur in the future. This can be seen as a loss of stability of the government, but also as a chance for more personal change in the Federal Council.
In the period of worldwide economic depression in the 1930s the bourgeois coalition not only came under pressure from the political left but also from their “own” interest groups who challenged bills put forward in the federal chambers. Moreover extremist forces, impressed by Nazi and fascist propaganda in Germany and Italy, tried to undermine trust in democracy and parliamentary institutions. Their so-called “Frontist Initiative”, which proposed a new political order, was overwhelmingly rejected in a popular vote, but the legislative process became blocked by referenda challenges from all sides. The Swiss political authorities had to learn that the referendum could also be successfully used by small groups, and that it was difficult to obtain a sufficient majority even with the support of interest groups and parties. In the years before the Second World War the Federal Council and the parliament extensively used an “urgency clause” of the constitution, allowing to enact laws without a referendum. Direct democracy was practically suspended. After World War II, measures were taken to avoid the collapse of the legislative process in the future: urgency legislation was restricted and a consultation process was introduced to give cantons and interest groups the possibility to articulate their interests before the parliamentary process.
Since many years, the Swiss invalidity insurance has had considerable financial problems. Thus, the insurance has been reformed several times. Every time, discussions in parliament were highly controversial. Right-wing politicians, above all the Swiss People's Party, and economic associations wanted savings by cutting back the benefits, while left-wing politicians, above all the Social Democrats, and unions were fiercely opposed to all cutbacks. Consensus was found but the measures were modest, far from resolving the financial problems of the insurance.

Not only in parliament, but also in the population, discussions about invalidity insurance were controversial. Twice in the last ten years, there was a popular vote on a revision of the invalidity insurance. In 1999, the Swiss people rejected saving measures adopted by parliament. Organisations of disabled people, with the support of left parties, had challenged the revision by optional referendum. In 2007, there was another referendum vote on a revision of the invalidity insurance. Again, the organisations of disabled people could not support the cutback of benefits. This time, the parties on the right succeeded and the bill was adopted by the people. This means that the departure from the status quo must remain very small and only incremental reforms have a possibility to succeed.
Belgium is the most prominent example where federalisation since 1970 has taken territorial and corporate forms as well. The country is divided into the regions of Flanders, Wallonia and Brussels. But Belgium is also divided into a Flemish-speaking community (comprising both the geographically defined area of Flanders and the corporately defined group of Flemish speakers in Brussels), a French-speaking community (comprising both the region of Wallonia and Francophone Bruxellois), and a German-speaking community (Eupen/Malmédy).
Ireland held two referenda on the European Union’s Lisbon treaty in 2008 and 2009. The Irish people had to decide whether to accept or to reject the provisions of the treaty. On 13th June 2008, 53.4% of Irish voted “no”, and the rejection of the treaty plunged the EU into a crisis. Its political elites became aware that their decisions, even the most important ones, do not always correspond with the people’s preference and that the popular vote of a single country can block the institutional mechanisms of the EU. The Irish government decided to hold a second vote which took place on 2nd October 2009. This time an overwhelming majority of 67.1% approved the treaty. The Irish vote was the last big hurdle for the treaty and soon afterwards it could come into effect.
As a consequence of the people’s “no” to the EEA in 1992, the Swiss government decided to suspend the negotiations for membership of the European Union. But, in order to develop their relations, Switzerland and the EU in 1994 started negotiations about issues for bilateral treaties. The Swiss aim was to ensure a partial economic integration in the European market without membership in the EU and maintaining the political autonomy. In 1999 and 2004, two series of bilateral treaties were concluded. Regulations bear on subjects of traffic, public procurement, scientific and technical co-operation, free movement of persons, public security (Schengen) as well as agriculture and environment. The “Bilaterals” include about 20 main and 100 subsidiary agreements between Switzerland and the European Union.

The treaties were passed by parliament and by the people in referendum votes. There are serious doubts about future success of the bilateral way. For practical reasons, Switzerland is bound to accept large parts of EU law and it has to accept unilateral adaptation of the treaties if the EU’s “acquis communautaire” is subject to change.

EXAMPLE
The bilateral treaties between Switzerland and the European Union
Switzerland’s exposition to Europeanisation and globalisation is mirrored in the internationalisation of law. Growing international interdependence leads to an increase of international law adopted by Swiss authorities and directly applicable in Switzerland, compared to original national law. Until the 1990s, the proportion of national law was clearly higher than the part of international law. In the meantime this has reversed: in 2007, 53% of all Swiss law were in line with international law.
At least eight cantons have to join together to call a cantonal referendum – a democratic instrument that has existed since 1874 and has never been used until 2003. In that year, however, the cantons decided to make use of this instrument: apart from canton Vaud the cantons of Basel-Stadt, Bern, St.Gallen, Graubünden, Solothurn, Valais and Obwalden have supported the referendum. They were opposed to plans of a fiscal reform of the federation which would have charged the cantons with an additional tax burden of 500 million Swiss francs. The referendum was successful. The late “discovery” of the cantonal referendum shows that federalism is not a frozen framework but flexible and open to new modes of action by political actors.
According to the census of 2000, 64 % of the Swiss population speak German, 20 % French, 6.5 % Italian, 0.5 % Romansh and, due to immigration, 9 % speak another language as their first language. These linguistic groups are territorially concentrated and most cantons are monolingual. Of the 26 cantons only three are bilingual (Bern, Fribourg, Valais) and one (Graubünden) is trilingual. The Romansh-speaking community is the only one that does not form a majority in any canton. With regards to the main religions, Catholics represent 44 and Protestants 37 % of the population. Religious groups are slightly more dispersed than linguistic groups. However, even in cantons that are faced with religious and linguistic diversity, at least municipalities are relatively homogeneous.
In 1291, Switzerland was created as a confederation of three independent states, mainly for the purposes of defence against outside enemies. The confederation evolved slowly, new states were included with new treaties. The French Revolution ended the “old order” of the confederation. French troops invaded the Swiss cantons in 1789. Napoleon installed a centralised regime. When it proved to be not effective, Napoleon reformed it, re-installing the cantons. In 1815, after the defeat of the French, Switzerland returned to a confederal organisation. With the industrialisation and nation-building in the surrounding states, confederal arrangements became too inflexible. The following decades were characterised by democratisation in certain cantons, disputes over the future organisation, and religious conflicts, which culminated in a short civil war between Catholic and Protestant cantons in 1847. The victory of the liberal Protestant side opened the way for installing a democratic federal state in 1848. The procedure for adopting the constitution made sure that only a compromise between opponents and supporters of a federal union could succeed. The major principles of state organisation remained the same since then, even though many smaller and two total revisions (1874 and 1999) of the constitution took place.
Swiss economy is highly globalised. It is based on a highly qualified labour force producing quality products. The main areas include microtechnology, high-tech equipment, biotechnology and pharmaceuticals, as well as banking and insurance. Most of Swiss manpower is employed by small and medium-sized enterprises, which play an extremely important role in the Swiss economy. In the 1990s, it was hit by a recession which led to the highest unemployment ever seen in Swiss industry. Even though, Swiss economy today is internationally highly competitive, performing better than most OECD countries.
Until today, the official name of the Swiss federal state is in Latin “Confoederatio Helvetica” or Swiss Confederation. This traditional name derives from the historical origins. Today, still, the abbreviation CH for ‘Confoederatio Helvetica’ is the Swiss country code found on motor vehicles and Internet domains.

In English, however, the term “Swiss Confederation” is somehow misleading. Switzerland, today, is a “federation” since 1848, and no longer a “confederation”, a term to characterise a loose association of otherwise independent states.
Romansh is one of the four official languages of Switzerland. It is a Latin variety with regional particularities. Romansh is predominant in the south-eastern trilingual canton of Graubünden, besides German and Italian. According to the census of 2000, only about 0.5% of the Swiss population still speak Romansh. The language is spoken in a number of closely related dialects. The language has been recognised as one of the four national languages in 1938 and was declared an official language in 1996. As a consequence, Romansh speakers may use it for correspondence with the federal government.
The word federalism comes from the Latin word “foedus”. This expression was used for personal bandages and treaties between peoples in the middle age. Federalism defines a state in which (1) at least two levels of government rule the same land and people, (2) each level has some area of action in which it is autonomous, (3) sub-national units participate in important decisions of the central government. The last point marks the essential difference of federalist in contrast to decentralised systems.
According to official statistics more than 70% of the Swiss population live in agglomerations. However, there is no political organisation for the common needs of their inhabitants. Central cities in Switzerland, after years of unsuccessful negotiations, have achieved success in the formation of a Tripartite Agglomeration Conference, a political platform of the federal level, the cantons, the cities and the municipalities. It was founded in 2001 by the Federal Council, the Conference of the Cantonal Governments, the Swiss Association of Municipalities, and the Swiss Association of Cities. The aim of the conference is that all federal levels work more closely together to find viable solutions for the border-crossing problems of agglomerations.
After the negative popular vote on Switzerland joining the European Economic Area (EEA) in 1992 the cantonal governments were looking for ways how to improve the co-operation between the cantons and the federal level. This led to the foundation of the Conference of the Governments of the Cantons in 1993. The aim of the conference is the co-operation among the cantons and with the federal level. More specifically, the aim is to ensure the timely and encompassing information on international or European policies that would impact the powers and responsibilities of the cantons.
DEFINITION
Consensus democracy

A consensual system is characterised by political decision making in an oversized majority including all relevant actors. This requires a permanent process of negotiation and accommodation in order to achieve a political compromise. The idea of seeking a far-reaching consensus – instead mere majority decisions – has historical roots and is deeply embedded in the Swiss political culture. It is characterised by institutions different from majoritarian democracy as we find in most countries of the Anglo-Saxon world.
Composition and election of the Federal Council
1 The Federal Council shall have seven members.
2 The members of the Federal Council shall be elected by the Federal Assembly following each general election to the National Council.
3 They shall be elected for a term of office of four years from all the Swiss citizens who are eligible for election to the National Council.
4 In electing the Federal Council, care must be taken to ensure that the various geographical and language regions of the country are appropriately represented.
Principle of collegiality and allocation to departments

1 The Federal Council shall reach its decisions as a collegial body.

2 For the purposes of preparation and implementation, the business of the Federal Council shall be allocated to its individual members according to department.

3 Business may be delegated to and directly dealt with by departments or their subordinate administrative units; in such cases, the right to legal recourse shall be guaranteed.
With judicial authorities on the municipal, cantonal and federal level, the judicial organisation follows the idea of federalism. At the top, as highest authority and court of last resort, there is the Federal Court. It is composed of 35–45 full-time judges and a similar number of part-time judges. On the base of the revised constitution of 2000, a Federal Criminal Court and a Federal Administrative Court have been established as an additional instance before the Federal Court. Additionally there are certain specialised courts, e.g. the Federal Insurance Court or the Military Criminal Court.

The Federal Court acts in all areas of Swiss law but in very different functions, depending on the specificity of the case. The Federal Court decides on conflicts between the federation and the member states and on conflicts among the cantons. It is empowered to review legislative and executive acts of the cantons and guarantees the constitutional rights of the citizens. However, the Federal Court does not have the power to rule on the constitutionality of federal laws.
The social cleavages and antagonistic political interests in the second half of the 19th century led to three main tendencies in Swiss political life: liberalism, conservatism and socialism. These tendencies crystallised in the four governmental political parties of Radicals, Christian Democrats, Social Democrats and the Swiss People’s Party. Federalism and proportional representation, however, led to a highly fragmented multiparty system. The profiles of the Swiss political parties and their share of votes (in the 2007 national elections) are as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Share of Votes (2007)</th>
<th>Profile and Affiliations</th>
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<tbody>
<tr>
<td>Radicals</td>
<td>15.8 %</td>
<td>Regards itself as the heir to nineteenth century liberal ideas; enjoys close relations with business and industry and is highly influential in economic matters. It is the political representative of independent professionals, entrepreneurs and the middle class.</td>
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<tr>
<td>Christian Democrats</td>
<td>14.5 %</td>
<td>Successor to the Catholic conservative movement. With a bourgeois and a trade-union wing, it thus tries to integrate the opposing interests of entrepreneurs and employees.</td>
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<tr>
<td>Social Democrats</td>
<td>19.5 %</td>
<td>In former times it was periodically a radical-left movement. Today it is a moderate party standing for social, ecological and economic reforms. Enjoys close relations with trade unions. Most of its supporters are in urban, industrialised regions, but it draws on all social groups.</td>
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<tr>
<td>Swiss People’s Party</td>
<td>28.9 %</td>
<td>Once a conservative party appealing mainly to farmers, craftsmen and independent professionals, it has more than doubled its electoral force in the last 15 years and become the biggest political party. Defending Swiss sovereignty and neutrality, it is today situated at the national-conservative right.</td>
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<tr>
<td>Greens</td>
<td>9.8 %</td>
<td>Party of the ecology movement; has drawn from left parties as well as from new social movements.</td>
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<tr>
<td>Green Liberals</td>
<td>1.4 %</td>
<td>Split from the Green Party in 2007 to address centre-oriented ecologists.</td>
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<tr>
<td>Liberals</td>
<td>1.9 %</td>
<td>Dates back to the 19th century; represents a right-wing secession from the radicals. Strongest affinity of all Swiss parties to neoliberal ideas. Represents the upper middle class and independent professionals. In 2009 merger with the Radicals.</td>
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<tr>
<td>Protestants</td>
<td>2.4 %</td>
<td>Counterpart of the Christian democrats, but without its electoral success.</td>
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<tr>
<td>Alternative Left</td>
<td>1.1 %</td>
<td>Successor of former radical left parties (mainly the Communist Labour Party and progressive organisations) that have almost disappeared. Non-dogmatic, social and ecological orientation.</td>
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<tr>
<td>Bourgeois-Democrats</td>
<td></td>
<td>Split from the Swiss People’s Party in 2008, with five members of parliament and one member of the Federal Council, which was elected in 2007 against the official candidate of the Swiss People’s Party. Participates in national elections in 2011 for the first time.</td>
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