


Swiss Federalism and the Conference of Cantonal Governments



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Visit of the NSW Treasurer

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Swiss federalism

The three political levels

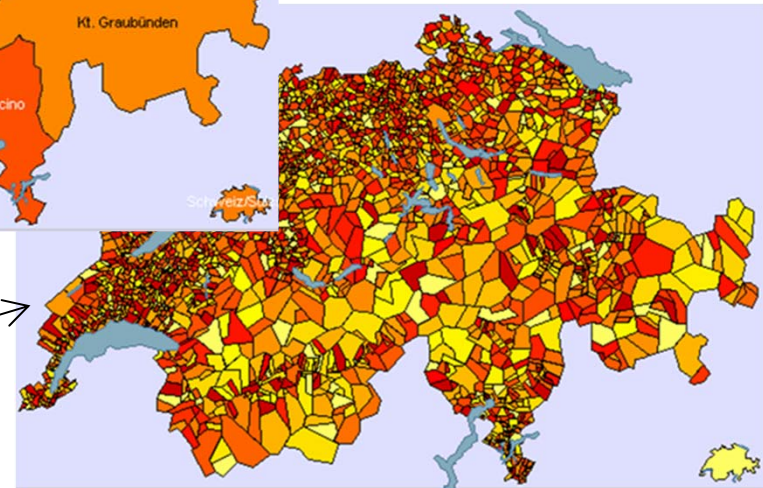


The Confederation

26 cantons



**2'223 communes
(01/04/2018)**



Core functions of federalism

- Federalism distributes political power to different levels of government (politics at grass-roots level)
- Federalism gives more organizational power and scope of action to minorities and regions (bottom-up state organization)
- Competition between cantons induces innovative ideas and leads to better solutions
- Fiscal competition keeps taxes at a lower level

The three guiding principles of Swiss Federalism

■ Subsidiarity

Every task shall be carried out at the lowest level possible

■ Fiscal equivalence

Each function of government should be financed at the level at which it is consumed, and decisions are taken by those who pay

■ Direct democracy

Elections / voting

Popular initiatives, referendums and petitions

Subsidiarity as a guideline for task allocation

- Between the public and private sector

- Tax-to-GDP ratio 2015: 27,6 % of GDP

The tax-to-GDP ratio measures the general government sector's total tax revenue (tax and social security contributions) in relation to nominal GDP.

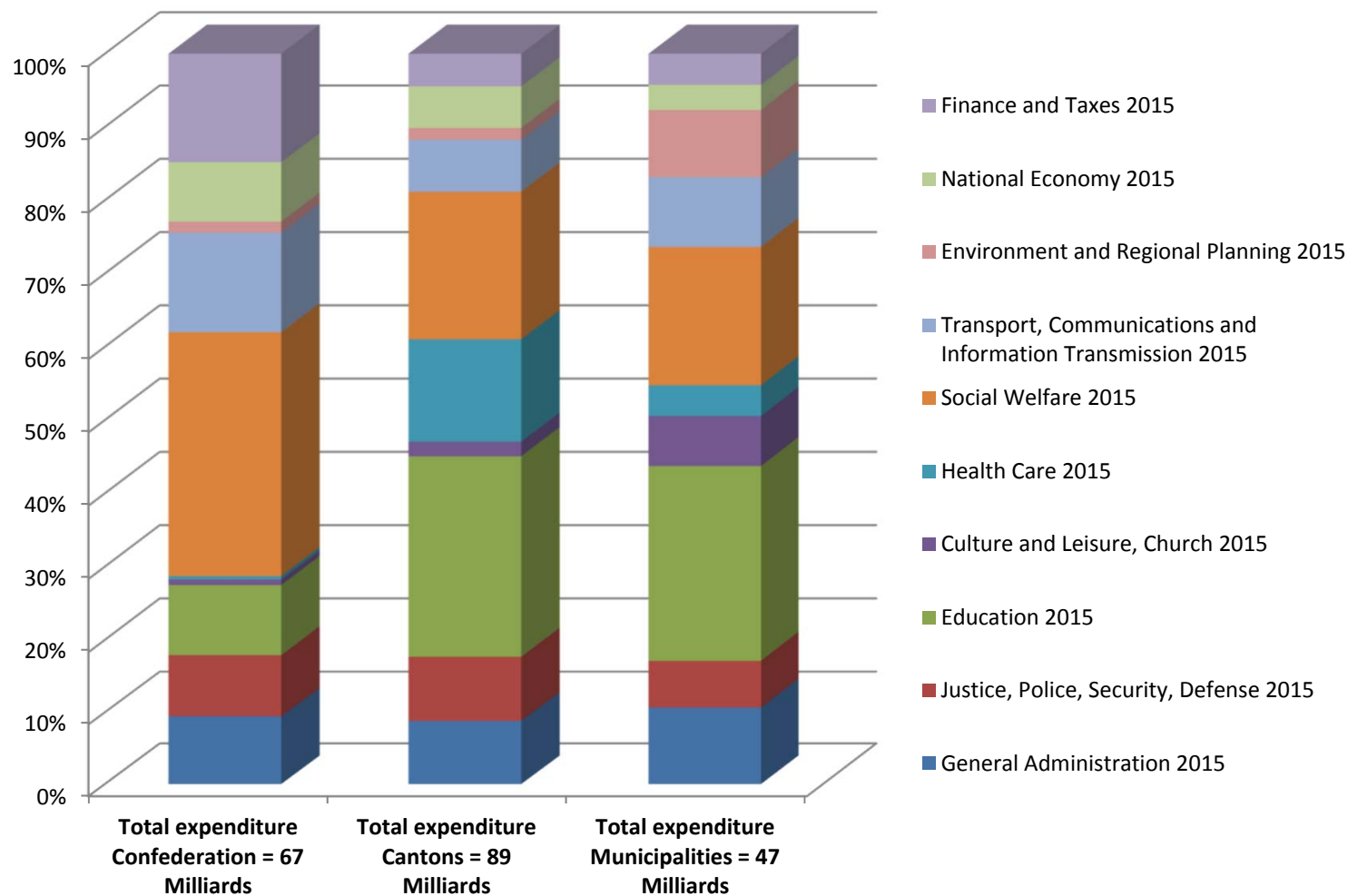
- Expenditure ratio 2015: 32,9 % of GDP

The tax-to-GDP ratio serves to finance the general government expenditure ratio, which is defined as total government expenditure in relation to GDP.

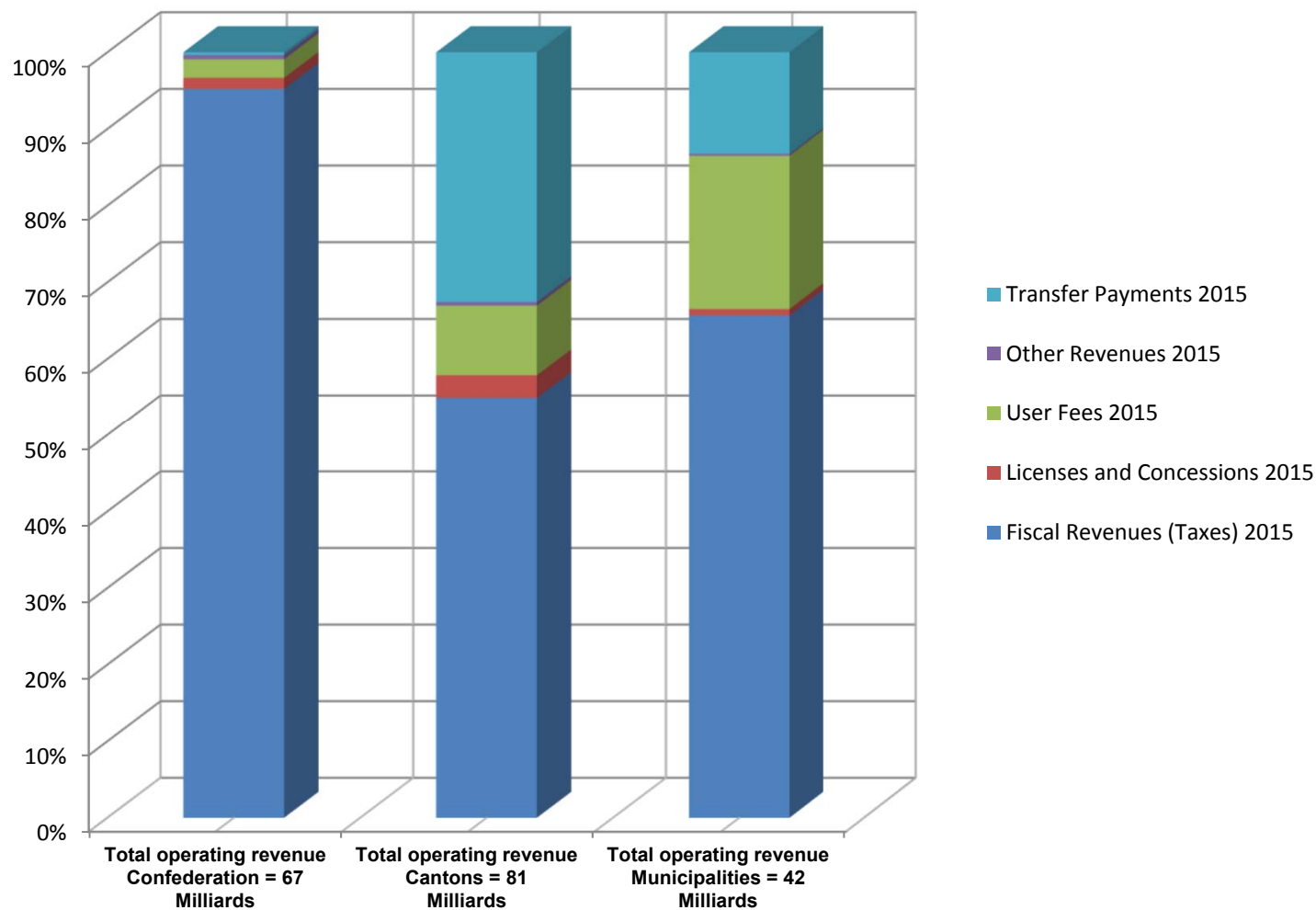
- Between the three levels of the federal state

- Regional and local problems have to be solved at the cantonal or communal level
 - National concerns require national solutions

Public sector expenditure 2015



Public sector revenue 2015



Fiscal equivalence

- Links cost to benefit
- Leads to congruence between deciding on expenditure and financing
- Prevents free riding

The Instruments of Direct Democracy

■ Elections

- Members of Parliament on both cantonal and federal level
- Members of Cantonal Governments

■ Voting on substantive issues

■ Popular Initiatives

■ Referendum (mandatory and optional)

■ Right of petition

Direct democracy in public spending

■ On the federal level

- Tax sources and maximum tax rates fixed in constitution
- «brake on debt» forces parliament to restrict spending
- No budget and specific financial referendum

■ On the cantonal level

- Different forms of budget and financial referenda

■ On the communal level

- Fixation of tax rates and user fees by the citizens
- Mandatory budget referendum in most communes

Cooperative federalism

■ Horizontal cooperation

- Concordats (Art. 48 Const.): regional and nationwide; within their fields of competence, e.g. in the domains of education or police
- Intercantonal cooperation with cost compensation (Art. 48a Const.): e.g. metropolitan transportation, cantonal universities, cultural institutions

■ Vertical cooperation

- Mutual support (Art. 44 Const.)
- Participation in federal decision-making (Art. 45 and 55 Const.)
- Implementation of federal law (Art. 46 Const.)

Cooperative federalism II

Zusammenarbeit im Bundesstaat

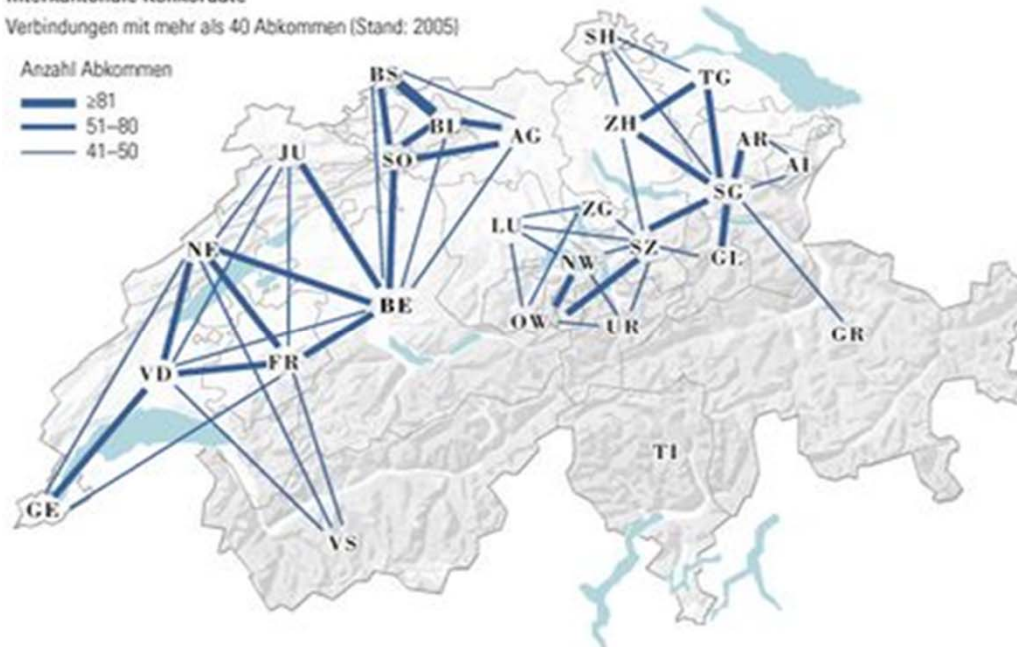
Der Schweizer Föderalismus



Interkantonale Konkordate

Verbindungen mit mehr als 40 Abkommen (Stand: 2005)

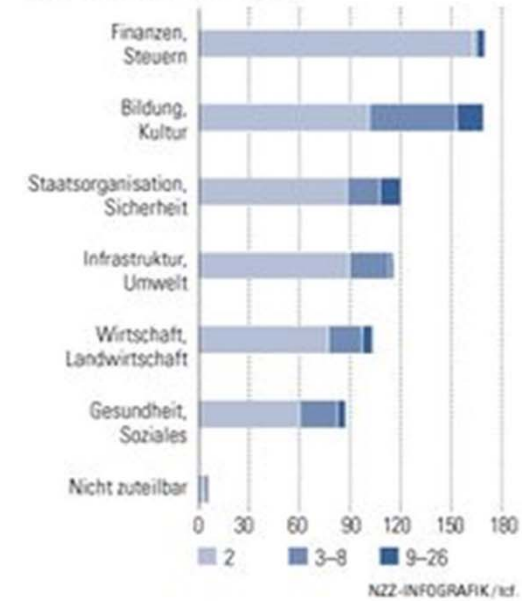
Anzahl Abkommen
 — ≥81
 — 51–80
 — 41–50



QUELLEN: UNIVERSITÄT ZÜRICH / CENTER FOR COMPARATIVE AND INTERNATIONAL STUDIES (CIS)

Inhalte der Konkordate

Anzahl Abkommen nach Politikbereich und nach Anzahl beteiligter Kantone (Stand: 2005)



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Conference of Cantonal Governments (CCG)

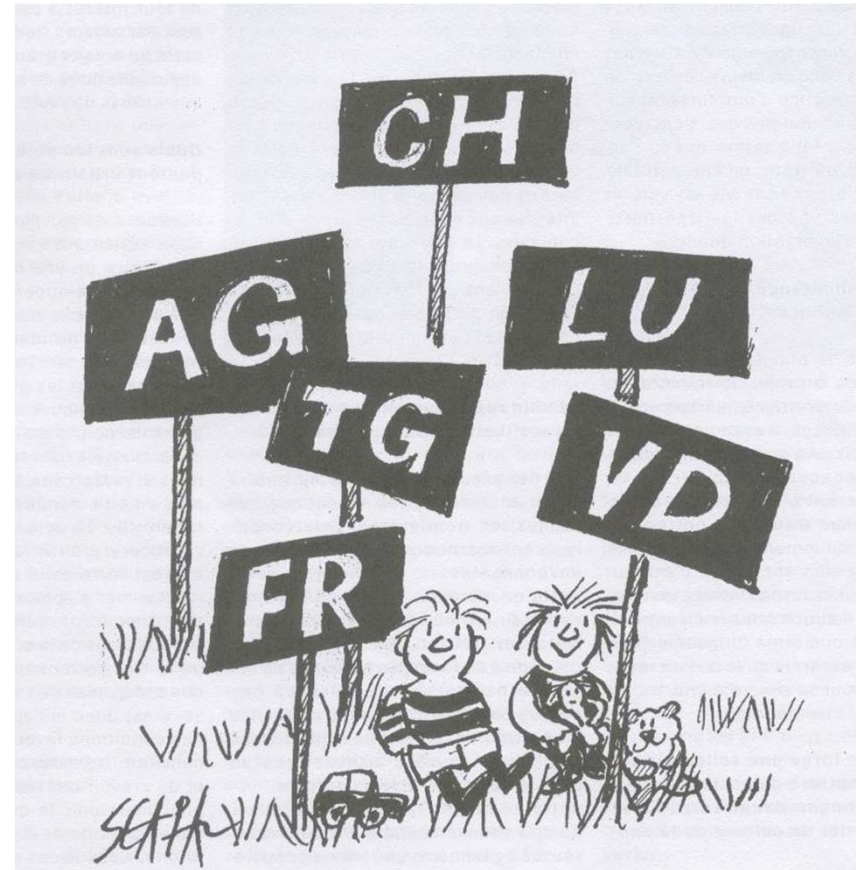
Inter-cantonal conferences: overview

At regional level

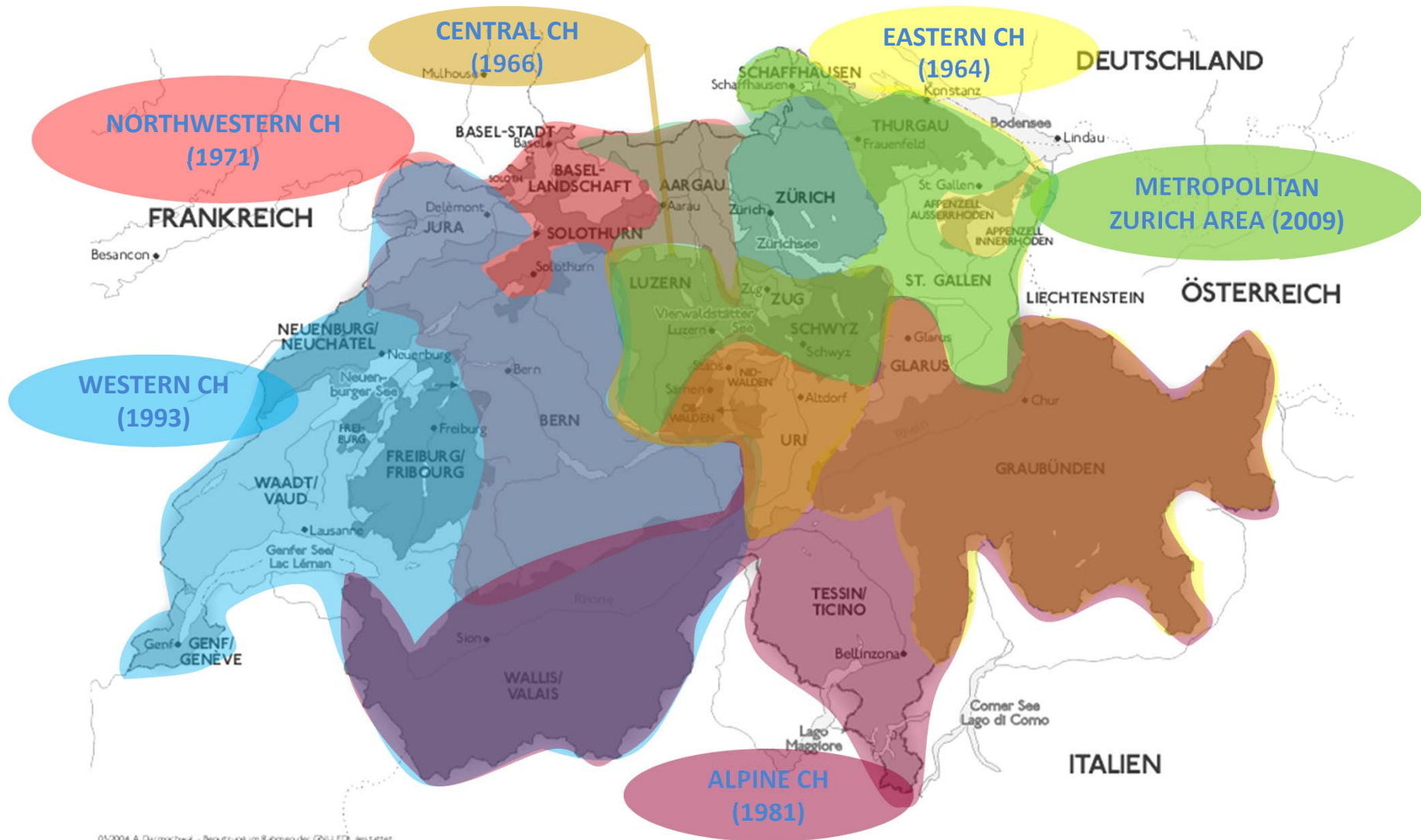
- Conferences of cantonal governments
- Conferences of cantonal ministers

At national level

- Conference of Cantonal Governments
- Conferences of cantonal ministers



Inter-cantonal conferences at regional level



Conferences of cantonal ministers at national level

Institutionalised cooperation among cantonal ministers of the same sector policy.

Most important policy areas (cantonal responsibilities):

- Education (since 1897)
- Police and justice (1903)
- Health (1919)
- Construction, spatial planning and environment (1922)
- Finance (1929)
- Social affairs (1943)
- Public transport (1992)

Objectives of conferences of cantonal ministers

- Exchange of information and experiences (good practice)
- Development of standard solutions in policy areas involving cantonal responsibilities
- Definition of binding standards in policy areas involving cantonal responsibilities
- Joint fulfilment of cantonal responsibilities / tasks (economy of scales)
- Joint defence of cantonal interests and responsibilities with respect to federal policies

Conference of Cantonal Governments (CCG)

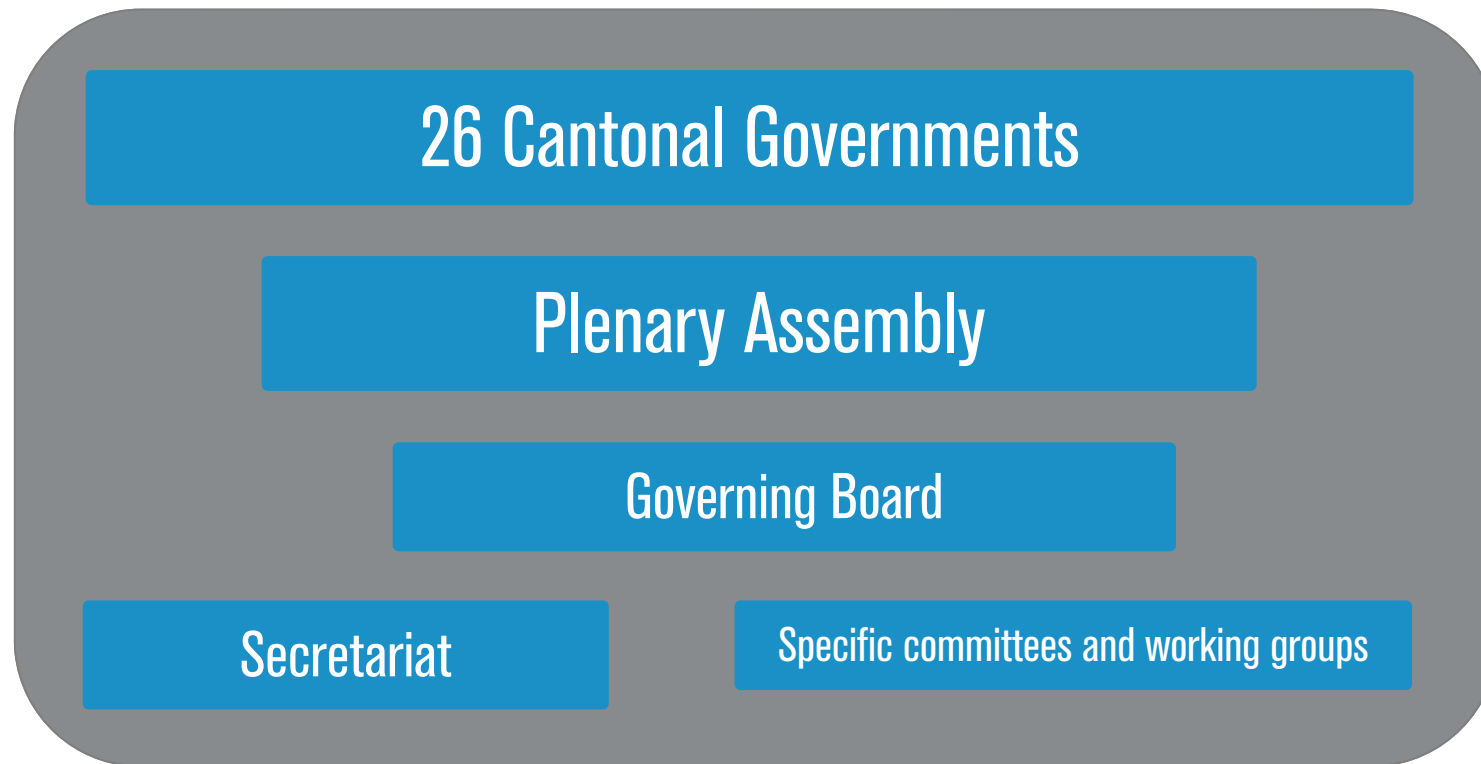
- Established: 1993
- Legal basis: agreement between the 26 cantonal governments
- Trigger: preparations in view of Switzerland's joining the European Economic Area (EEA)
- Basic problem: insufficient participation for the cantons in decision-shaping and decision-making processes at federal level

Objectives of the CCG

The CCG promotes cooperation among the cantons in their areas of responsibility and ensures the coordination and briefing of the cantons in federal affairs with cantonal relevance. Primarily in:

- the renewal and development of federalism;
- the allocation of tasks between the Confederation and the cantons;
- opinion-shaping and decision-making procedures at the federal level;
- the implementation of federal tasks by the cantons;
- foreign and European policy as well as migration & integration policy.

Organization of the CCG



Functions of the CCG

Main functions

- Opinion-shaping among the cantonal governments
- Safeguarding the interests of the cantons at the federal level

Opinion-shaping

CCG as a political forum of the cantons

- Coordination of the participation in decision making at the federal level: consolidated statements
- Basis of CCG-decisions: decisions of the cantonal governments (required quorum: 18 cantons)
- Possibility to express deviating opinion remains

Defending the interests of the Cantons at the federal level



During the pre-parliamentary process

- „Federalism Dialogue“, “European Dialogue” with the Federal Council
- Periodic contacts with the bureau of the Council of States
- Consultation procedure (Art. 147 Const.)



During the deliberations in the federal parliament

- Hearings by parliamentary commissions
- Representation of interests



Ultima ratio

- Referendum by the cantons

Milestones

- Reform of the Federal Constitution
- Reform of financial equalization and task allocation between the Confederation and the cantons
- Federal law on the participation of the cantons in foreign policy
- Referendum of the cantons against the „tax package“
- House of Cantons
- Tripartite Conference on Agglomerations (TCA)

Last but not least... The House of Cantons



- Enhances visibility and presence of the cantons
- Improves coordination of activities among different inter-cantonal conferences
- 13 conferences and 14 associated organizations
- About 200 workplaces
- Infrastructure: over 1500 meetings per year
- Costs: about 25 Mio. Swiss Francs per year

03

Concluding remarks

Concluding remarks

- Favoring federalism means accepting differences
- The principle of subsidiarity moves political decisions closer to the citizens
- Fiscal equivalence ensures that those who decide have to bear the financial consequences of their decisions
- Direct democracy guarantees direct government accountability to citizens



Thank you for your attention!



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