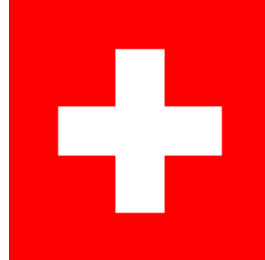


The structure of Government

Switzerland



Switzerland overview

Population 8.6 million¹
Population per sq km 215²

Government expenditure
as % of GDP 39%³

Place in World League
people's trust in government⁴ 1 (80%)
people's satisfaction with life⁵ 4 (75%)
GDP per capita⁶ 6
Legatum Prosperity Index⁷ 4
Freedom in the World⁸ 14

Note: all data in this report are pre-2020 to exclude the effects of Covid-19

Governance overview

Switzerland is a federal republic, structured according to the classical separation of legislative, executive, and legal powers: the Parliament, the Federal Council, and the Federal Court.

Switzerland has three tiers of governance in all Cantons: The Federal Parliament, Cantons, and Communes. Some Cantons also have Districts,⁹ a fourth level situated between the Cantons and the Communes.

The Swiss Parliament is not superior, but is on equal standing to the Cantons. Both have their own defined responsibilities laid down in the Constitution. These three facts illustrate the high standing of Cantons:

- Members of Parliament are part-time, receive only small salaries and sit for only 12 weeks a year.
- The Canton tier of government spends more than the Federal Government.
- The Cantons collect taxes not the Federal Government.

Switzerland practices more direct democracy, both at a national and local level, than any comparable nation. Referendums are commonplace.

- Referendums must be held to approve changes to the Constitution or for the country to pool sovereignty with another organisation (e.g. the European Union),
- or can be called if enough signatures are collected to oppose to a policy (50,000),
- or to introduce a new policy (100,000)

Electoral system

The Lower Chamber and most Cantons use a party-list system of proportional representation for the Lower Chamber and local elections. However, some of the smallest Cantons use first-past-the-post.

Members to the Upper Chamber are elected by the Cantons, not the public.

The Lower House elects the Executive. The make-up of the Executive is approximately in proportion to each party's representation in the Lower House. The Executive has nine members with different portfolios, and includes a President, elected by the Lower House, and a Vice-President.

Direction of devolution,

Top down: the powers and responsibilities of Communes are determined by the Cantons.

However, the ability of citizens to call for referendums probably makes the direction of devolution up neutral.

Political style

Switzerland practises multi-party politics. With representatives from different parties on the Federal Council, collegial decision-making is a fundamental aspect of Swiss politics.

Income equalisation¹⁰

The funding of income equalisation between the Cantons is shared by the Cantons and the Federal Government. It is based on the amount of tax each Canton is able to raise from income and corporate profits taxes, rather than the amount that it does raise.

This is to protect autonomy over fiscal policy and to ensure Cantons do not feel coerced into raising the maximum amount of tax.¹¹

There are two forms of equalisation.

- The main income equalisation measure is a guarantee that no Canton's income will fall below 85% of the average. This funded by the Federal Government and the richer Cantons.

- The second is effectively compensation for any greater expenses Cantons face because of their specific circumstances. This is funded by the Federal Government.

The Federal government contributes seven times more to income equalisation any Canton.¹²

Unusual features

- The equal standing of the Federation and Cantons
- Cantons collect taxes not the Federal Government
- Cantons spend 30% more than the Federal Government
- The Federal Parliament only sits for 12 weeks a year
- The frequency of referendums.

Federal Parliament

Parliament consists of a Lower House (National Council) and an Upper House (Council of States). The Lower House represents the totality of citizens and the Upper House the Cantons.

	Lower chamber	Upper chamber
Members	200	46
Population per member	43,000	178,000
Full or part time ¹³	part-time	part-time
Pay ratio to national average wage ¹⁴	1.2	1.2
Weeks of sittings per year ¹⁵	12	12

Elections

Electorate	national	national
Frequency	4 years	4 years
Turnout last time ¹⁶	48%	48%

Legislation process¹⁷

Members of either House or of the Executive, or members serving on committees, propose and draft most legislation. This is followed by a consultation period before the draft is formally submitted to Parliament. The two chambers then negotiate until it is accepted by both. The general public can also propose legislation to be put to a referendum by collecting 100,000 voters' signatures.

Legislation is passed once approved by a majority of both houses. However, there are thresholds for objections within Parliament and amongst the population that will also trigger a referendum.

Responsibilities¹⁸

Defence policy, environmental protection, forests, foreign relations, health and education policy (shared with Cantons), higher education, inter-cantonal relations, national

infrastructure, national security, national service, planning and infrastructure, research and innovation, water resources.

Some responsibilities overlap between the Federal Government and the Cantons, with responsibilities assigned to them jointly in the Swiss Constitution.

Of total government expenditure

spent at central government level 33%¹⁹

Source of funds²⁰

Raised locally 100%

Who decides

Tax type: Central government.

Tax rates: Central government.

The maximum rates of Federal income and corporation taxes, and VAT are specified by the Constitution.²¹ Any attempt to levy taxes beyond these maximums must be approved in a mandatory referendum. The Constitution also stipulates that the Federal Government has responsibility for ensuring a degree of tax harmonisation between Cantons.

Who collects tax²²

The Cantons, a responsibility laid down in the Constitution.²³

Cantons

Governance

Cantons are the level below Parliament. They are central to political life. The Constitution states: "The Cantons are sovereign except to the extent that their sovereignty is limited by the Federal Constitution."

Cantons have the same standing as and are not subsidiary to Parliament. Some Cantons share their responsibilities with the Federal Government or with their Communes.

Cantons	average	low	high
Number	26		
Population	330,000	16,000	1.5 million

Members	77	50	180
Electors per councillor	1,100	300	5,000
Full or part time ²⁴	part time		
Pay ratio to national average wage	Varies ²⁵		

Elections

Electorate	local
Frequency ²⁶	4-5 years

Turnout 30%²⁷-54%²⁸

Legislation process²⁹

Each Canton has its own Parliament and its own executive council, typically consisting of five to seven members and elected directly by the local electorate.³⁰ The executive council's members generally have portfolios and direct the legislation that is approved or rejected by the Parliaments.

Direct democracy is more common at a cantonal than at the Federal Level.³¹ The rules for triggering referendums vary across the Cantons depending on their constitutions, but citizens in most Cantons can expect to be offered the option to vote on different policy issues multiple times each year.

Two Cantons still practice a specific form of direct democracy, called Landsgemeinde, which involves eligible citizens attending an assembly in a town square, electing members of the Canton's executive and shaping legislation by a show of hands.³²

Responsibilities³³

Education, health, infrastructure, justice, local government, and tax collection. They are, however, not limited to these subjects, and are only limited by the Constitution and their own decisions to devolve power.

Expenditure as % of total government expenditure³⁴ 43%

Main taxes

Income tax, corporation tax, value added tax, property tax, wealth tax and in some Cantons a poll tax and church tax.

Source of funds³⁵

Raised locally	57%
Block grants	31%
Mandated grants	8%

Who decides

Tax type: Cantons, with some Constitutional restrictions and harmonisation between Cantons which is managed at the Federal level.

Tax rates: Cantons.

Cantons' tax-raising powers are less restricted than the Federal Government's. The average income tax (including the federal income tax) is around 34%, and corporation tax about 17%.³⁶

Who collects tax³⁷

Cantons are responsible for assessing, collecting and distributing taxes to the Federal Government and to the Communes.

Districts

Governance

Districts are a level below Cantons in 17 Cantons. They have no recognition in the Constitution.³⁸

Districts are little more than subdivisions for the collection of data on population, employment, housing and other statistics. They have tax-raising powers in only two Cantons. Many operate without political representation, elections, or democratic assemblies.

Districts ³⁹	average	low	high
Number	123		
Population	60,000	2,300	415,000

Responsibilities

Some exist only as subdivisions for the collection of data. Many are subdivisions of Cantonal education or judicial systems and have few policymaking powers.

Expenditure as % of⁴⁰

No data is not available.

Communes

Governance

The number of Communes (sometimes referred to as municipalities) per Canton varies significantly: two have just three, while Bern has 347. Large Communes are rare, and there are only ten with populations of over 50,000.⁴¹ In recent years, some of the smallest Communes have been merged by Cantons to produce more viable and governable territories.⁴²

Some Communes pool responsibilities with neighbouring Communes. Around two-thirds of Communes do this in at least one area of policy.⁴³

Many Communes are so small that only around a fifth of them have councils with a parliamentary model, i.e. a governing coalition and an opposition. Smaller Communes, have a single executive council of directly-elected members. Each member functions as a portfolio holder and one of them acts as leader, president or mayor.⁴⁴

Communes	average	low	high
Number ⁴⁵	2,212		
Population	4,000	13	400,000

Communal government

Members ⁴⁶	7	3	125
Councillors per population*	550	4	3,300
Full or part time ⁴⁷	part time		
Pay ratio to national average wage ⁴⁸	varies		

Elections

Electorate	local		
Frequency	4-5 years		
Turnout ⁴⁹	38%		

Legislation process⁵⁰

Most legislation is proposed by councillors, but amendments and motions can be proposed by opposition councillors.

In some smaller Communes, town councils, made up of the general public, propose legislation and carry out the function of scrutiny.

Responsibilities

Emergency services, local planning issues, primary education, social and cultural property, social care, and support for local people with complex needs.

Some larger Communes have a greater deal of autonomy and spending power, and play a significant role in the provision of local services, especially education and health care.

Expenditure as % of

total government expenditure	24% ⁵¹
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Main taxes

Income tax, corporation tax, value added tax, property tax, inheritance tax, stamp duty.

Source of funds⁵²

Raised locally	68%
Block grants	12%
Mandated grants	17%

Who decides

Tax type: Cantons⁵³

Tax rates: Communes have varying levels of autonomy, at the discretion of the Cantons.

Who collects tax⁵⁴

Cantons

Further reading

Local and regional democracy in Switzerland: Council of Europe <https://rm.coe.int/local-and-regional-democracy-in-switzerland-monitoring-committee-rappo/1680750d61>

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