



Switzerland

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Local governments play an important role in Switzerland.¹ Despite their small size and their high number, municipalities are quite autonomous and fulfil key functions in the provision of tasks and services. What is especially noticeable is their fiscal and financial autonomy. Municipalities are regulated through cantonal constitutions and laws, which, from a federalist perspective, leads to remarkable diversity among the cantons. At the same time, the growing complexity of the policy landscape necessitates cooperation between municipalities and between different levels of government. Municipalities strive to avoid being reduced to simple

¹ This chapter draws upon the author's new research as well as earlier published articles that describe Switzerland and its municipalities. These include Andreas Ladner, 'Local Government and Metropolitan Regions in Federal Systems: Switzerland', in Nico Steytler (ed) *Local Government and Metropolitan Regions in Federal Systems* (McGill-Queen's University Press, 2009) 329–362; Andreas Ladner, 'Intergovernmental Relations in Switzerland: Towards A New Concept for Allocating Tasks and Balancing Differences', in Michael J Goldsmith and Edward C Page (eds) *Changing Government Relations in Europe: From Localism to Intergovernmentalism* (Routledge/ECPR Studies in European Political Science, 2010) 210–227; Andreas Ladner, 'Switzerland: Subsidiarity, Power

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agencies that execute tasks for the cantons and the national government without being involved on an equal basis in decision-making in questions that concern them. Formally, they all have the same status and competences, but time will tell whether this can continue or if more asymmetrical solutions will become necessary.

I COUNTRY OVERVIEW

With 8.633 million inhabitants in 2020 and a territory of only 41,000 km², Switzerland is a small and densely populated country. It is also heterogeneous, both geographically and culturally, with significant differences existing between its various language areas, as well as among its two different denominations and the growing number of people who belong to no specific church.

Institutionally, the territory is divided into 26 cantons. Compared to local governments in other countries, Switzerland's cantons and municipalities—but so too its cities, agglomerations and metropolitan regions—are rather small. The federal office of statistics counts fifty agglomerations. In 2019, the largest city, Zurich, had 420,000 inhabitants, followed by Geneva (204,000 inhabitants on Swiss territory), and Basel (173,000 inhabitants on Swiss territory). About 75 per cent of the Swiss population live in agglomerations. Out of 26 cantons, eight have less than 100,000 inhabitants.

Federalism and local autonomy have been useful in accommodating the country's diversity. Most cantons and municipalities are more homogeneous than the country as a whole (incongruent federalism), which facilitates local self-government. There are only a few bi- or trilingual as well as denominationally mixed cantons—in these cantons, homogeneity is found at a local level. Another beneficial characteristic is the existence of cross-cutting cleavages. Language, denomination, and economic wealth are not mutually reinforcing there are wealthy cantons to be found in

Sharing and Direct Democracy', in J Loughlin, F Hendriks, and A Lidström (eds) *The Oxford Handbook of Local and Regional Democracy in Europe* (Oxford University Press, 2011) 196–220; and three open access chapters: Andreas Ladner, 'Society, Government, and the Political System', 'The Organisation and Provision of Public Services' and 'The Characteristics of Public Administration in Switzerland', in Andreas Ladner, Nils Soguel, Yves Emery, Sophie Weerts, and Stephane Nahrath (eds) *Swiss Public Administration: Making State Work Successfully* (Palgrave, 2019) 3–42.

each language area, and religious denomination does not coincide with language.

Switzerland can doubtlessly be considered a prosperous country that offers its citizens a high standard of living. The tax burden is comparatively low, and the rate of unemployment usually lower than in neighbouring countries. In the past few years, the rate has varied between 2 per cent and 4 per cent. How these statistics change, however, will depend strongly on the impact of the Covid-19 pandemic. The country's economy is based on a well-qualified labour force performing highly skilled work. The main sectors include microtechnology, biotechnology, and pharmaceuticals, as well as banking and insurance. Most businesses, though, are small or medium-sized.

Switzerland has a high rate of immigration. In addition to the cultural diversity that stems from the existence of different language areas, there is a large and heterogeneous population of non-Swiss residents, one which accounts for about 25 per cent of the country's population.² Most of the immigrants moved to Switzerland for occupational reasons or because of their proximity to it, and hail mainly from Germany, Italy, France, and Portugal.³ There are no important groups of culturally rather different immigrants living in parallel societies.

Switzerland's political system is unique. At the core of this system is the concept of power-sharing, which, as we will see, is not only foundational to federalism and decentralisation at large but also both part and parcel of the way government and decision-making are organised and the means of direct democracy.⁴

All major parties are represented in government. The party composition of the government is not changed easily and remains fairly stable even after elections with major shifts in party strength. From 1959 to December 2003, for example, the four major parties represented in the Federal Council were the Liberal Democrats (FDP),⁵ Christian

² See <https://de.statista.com/statistik/daten/studie/293698/umfrage/auslaenderan-teil-in-der-schweiz/> (accessed 21 January 2021).

³ See www.bfs.admin.ch/bfs/de/home/statistiken/bevoelkerung/migration-integration/auslaendische-bevoelkerung.html (accessed 21 January 2021).

⁴ In Arend Lijphart's comparative study, *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries* (Yale University Press, 1999), Switzerland is the ideal type of a consensus democracy.

⁵ The acronyms of parties and movements refer to their German names.

Democrats (CVP) and Social Democrats (SP)—with two representatives each—and the Swiss People’s Party (SVP), with one representative. Currently, the SVP, as the strongest party, holds two seats, and the CVP (recently renamed ‘*Die Mitte*’), only one.

The governmental system is a hybrid that combines elements of parliamentary and presidential systems.⁶ A top executive body consisting of seven members, each of whom is responsible for a ministry, forms the collective head of state, called the Federal Council. Its members are individually elected by the Federal Assembly (Parliament) for a four-year mandate and cannot be impeached or dismissed; nor are there—should their proposals not find a majority in Parliament—new elections or possibilities to form a new government. The President of the Confederation is replaced annually and is elected by Parliament from among the seven federal councillors. He or she assumes special representative functions for a one-year term.

The power to legislate is in the hands of the parliament, which consists of two chambers with equal powers in all respects, including the right to introduce legislation. The Council of States (chamber of the cantons) has 46 representatives, with two from each of the 20 cantons and one from each of the six half-cantons mostly elected in a majoritarian voting system (Neuchâtel and Jura use a PR system). The strongest parties in the Council of States were, after the 2019 elections, the CVP with 13 seats, followed by the FDP with 12 and the SP with nine. The National Council (the People’s Chamber) consists of 200 members elected in a proportional-representation (PR) system. The number of seats of the cantons varies according to their populations: the canton of Zurich, for example, has 34 seats, while Glarus has only one. The strongest party in the National Council after the 2019 elections was the SVP with 53 seats, followed by the SP with 39.

In addition to having the right to vote in elections, Swiss citizens enjoy far-reaching means of direct democracy that allow them to control governments and parliaments and exercise considerable influence over the political agenda. Direct democracy is more than merely an instrument for participating in policy-making, however: it is a fundamental concept of the state, one based on the sovereignty of its citizens, and a strong

⁶ See Wolf Linder, *Schweizerische Demokratie: Institutionen – Prozesse – Perspektiven*, 2nd ed (Haupt, 2005) 225; Wolf Linder, *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*, 3rd ed (Palgrave Macmillan, 2010).

bulwark against extension of the competences of political authorities—it is, in a nutshell, a form of power-sharing. Between 1848, the year in which Switzerland was founded, and February 2021, Swiss citizens voted on no less than 637 issues.⁷

By means of referendums, citizens entitled to vote may challenge parliamentary decisions, such as federal laws, generally binding decisions of the Confederation, and international treaties of indefinite duration. If the proposal concerns an amendment of the Constitution, membership of an international organisation for collective security, or adherence to a supranational community, then a referendum—and hence a ballot—is compulsory and, together with the majority of citizens, a majority of cantons must accept the proposal. Additionally, citizens, parties, or interest groups can put forward an initiative to amend the Constitution. For an initiative to be accepted, a majority vote is required among the people and the cantons.

In federalist fashion, the organisational autonomy of cantons and municipalities is extensive. Nevertheless, with some important exceptions, the political institutions at the cantonal and local levels are similar to those at the national level. Multi-party government, consensus democracy and far-reaching means of direct democracy are also the rule. Governments are directly elected by citizens, and in the case the smaller, and mainly German-speaking municipalities, there is a citizen assembly instead of a parliament. In these gatherings of all citizens entitled to vote, the important decisions are taken by a show of hands.⁸

⁷ See www.bfs.admin.ch/bfs/de/home/statistiken/politik/abstimmungen.html (accessed 26 January 2020). Of the 637 issues, 240 were compulsory referendums, 193 were optional referendums, and 220 were initiatives. The period covered is 1848 to 28 February 2021. If there is a counter-proposal to an initiative, it is counted as one issue.

⁸ Andreas Ladner, *Gemeindeversammlung und Gemeindeparlament: Überlegungen und empirische Befunde zur Ausgestaltung der Legislativfunktion in den Schweizer Gemeinden* (Cahier de l'IDHEAP Nr. 292, 2016).

2 HISTORY, STRUCTURES, AND INSTITUTIONS OF LOCAL GOVERNMENT

Municipalities are located in a three-layered state organisation as the lowest level and the one closest to the citizens. They are older than the cantons and date back to the Middle Ages. To satisfy basic human needs for protection and mutual help, associations of persons that extended beyond family or clans were formed. From such neighbourhoods and cooperatives, municipalities evolved through a long process characterised by an increase in self-regulatory competence until they became politically and legally self-responsible.⁹ In the countryside, the cultivation of arable land, use of pasture (*Allmend*) and woods, and pursuit of common endeavours required a binding agreement between farmers. In the towns, the granting of the market right and the protection afforded by city walls made citizenship very attractive.

The beginnings of the modern municipal system date back to the Helvetic Republic (1798–1802). Under the old Swiss Confederacy, citizenship was granted by each town and village to all long-time residents only. They enjoyed access to community property and, in some cases, additional protection under the law. However, under the Helvetic Republic, during which time the territory was occupied by France, municipalities became more like administrative units within a top-down system. Certain privileges were abolished, but the circle of citizens of a municipality was expanded to those living in the municipality. This ‘principle of inhabitants’ was abolished after the Helvetic Republic, but was revived with the creation of the Swiss nation-state in 1847.

A short civil war (*Sonderbundskrieg*) in 1847 saw the defeat of conservatives who opposed a national government with extensive power and instead sought to defend the influence of the cantons (and that of the monasteries and Jesuits). The majority of cantons and their male citizens accepted the new Constitution and agreed to a federalist nation-state with a national executive and a parliament. In the process, the cantons consented to relinquishing some of their rights and transferring them to a level of government above them.

⁹ See Peter Steiner, ‘Gemeinde’, in *Historisches Lexikon der Schweiz* (2013), <https://hls-dhs-dss.ch/de/articles/010261/2013-04-05/#HEntstehungsgeschichte> (accessed 22 March 2021).

Indeed, a federalist system seemed the only solution for securing the allegiance of conservatives as well as cultural minorities in the French- and Italian-speaking areas. The bicameral structure of Parliament—an idea borrowed from the US—was meant to make the nation-state more palatable by giving the less-populous Catholic cantons and losers of the war greater political weight. Conversely, the competences of the federal authorities remained very limited at the beginning, and new competences were granted only slowly to the confederation, with the support of the majority of cantons and citizens needed for each major transfer of power. By no means could it be possible for the national government to intervene in the internal organisation of the cantons and their municipalities.

In 1874, with the first major revision of the Constitution, a path was opened for greater unification and centralisation. The new Constitution increased the powers of the federal government and gave additional democratic rights to the electorate. These sweeping reforms also introduced the institution of the federal-level referendum. The orientation of the new Constitution was clearly anti-clerical. Subsequently, more and more competences were transferred from the cantons to the federal state, in general with the consent of the majority of the cantons and their citizens, who maintained residual power in the Swiss political system.

In the course of the reforms, all Swiss (male) citizens received the right to vote as well at the local level, that is, in the municipalities where they lived. This transfer of political rights from well-established, long-time Burghers to ordinary inhabitants was an important step in the creation of democratic local government. In time this right was extended to women, though it remains the case to this day that in most municipalities non-Swiss residents do not have the right to vote.

Given the bottom-up creation of the Swiss nation-state and the country's historical lack of any central power, the importance of self-government and autonomy of decentralised units becomes only too evident. Local government is the expression of the democratic self-organisation of the citizens or inhabitants within a territory, and essentially concerns matters that are close to the people and decisions for which they are responsible. Since local government is—as we see in more detail below—itsself financed by citizens, they regard the right to local governance as an institution of their own to be defended, rather than as something granted to them by a higher authority.

In recent years, however, this notion of self-sufficient local government has been under increasing challenge. Modern societies in a globalised

world must address issues that go beyond the reach of local government, and public policies entail complexities that cannot be addressed without highly professional and specialised knowledge. This sets limits to local government, especially when it is based on numerous small municipalities. Hence, there is a trend towards greater centralisation, with a shift of competences to higher political levels and the creation of larger municipalities. Comparative studies show that Swiss municipalities are nevertheless among the most autonomous municipalities in Europe as well as worldwide.¹⁰

Remarkable in this respect are their large number and small size. Starting with about 3200 municipalities in the middle of the nineteenth century, Switzerland had 2172 of them as of 1 January 2021. Although there has been a considerable wave of amalgamations since the 1990s, the municipalities are still very small, with about half of them in 2019 having less than 1500 inhabitants.

Apart from amalgamations of municipalities, there has also been increasing cooperation between different levels of the state and between municipalities themselves. The basic principles of reform activities are—at least at the moment—not particularly contested, with some of them echoing the tenets of New Public Management. For instance, in view of the principle of subsidiarity and delegating tasks whenever possible and reasonable to the lowest state level, local facilities and services should be provided in an efficient and effective manner. Similarly, the principle of fiscal equivalence (‘who pays decides, who decides pays’) underlies the allocation of competences for the different functions.

When it comes to territorial inequalities, the norm is that equalisation efforts should guarantee minimal standards for ensuring decent financial conditions. The idea of multi-purpose municipalities is also upheld; functionally oriented single-purpose municipalities, despite some shining examples inherited from the past, are not seen as a viable option. There are, however, various forms of inter-municipal cooperation focusing on a single purpose only, such as fire brigades, education, water supply, and wastewater disposal.

¹⁰ Andreas Ladner, et al., *Patterns of Local Autonomy in Europe* (Palgrave, 2019).

3 CONSTITUTIONAL RECOGNITION OF LOCAL GOVERNMENT

For a long time, Swiss municipalities were not formally recognised by the national Constitution. This was by no means a sign of a lack of importance, but a situation that arose because municipalities are creatures of the cantons. The national Constitution deals with the cantons, and the cantonal constitutions, with the municipalities—this was meant to be the prevailing pattern. The lack of centralised legislation engendered remarkable complexity, with 26 different constitutions and related laws applying to the country's municipalities. The increasing complexity of certain political problems, however, has made greater cooperation necessary and led to what are known as tripartite policy arrangements that bring all three levels of the state around a table to agree on joint solutions. The constitutional basis for this form of cooperation is found in article 50¹¹ of the national Constitution, which stipulates that:

1. The autonomy of the communes is guaranteed in accordance with cantonal law.
2. The Confederation shall take account in its activities of the possible consequences for the communes.
3. In doing so, it shall take account of the special position of the cities and urban areas as well as the mountain regions.

This article also presents the grounds on which to consult municipalities and cities when it comes to tasks they have to execute. As a new constitutional article which has existed only since 1999, article 50 has strengthened municipalities in relation to cantons and the confederation. Its introduction, however, was not a fundamental reorganisation of inter-governmental affairs but rather an attempt to provide the legal grounds for practices that already had changed anyway.

In cantonal constitutions, one finds different ways to recognise and organise municipalities. Some cantonal constitutions name all municipalities, whereas in others they are only generally mentioned.

¹¹ The comprehensive amendment of which this article was a part was approved by the people and the cantons on 18 April 1999 by majorities of 59.2% of voters and 14 out of 26 cantons, respectively. The revised text replaced the previous Federal Constitution of 29 May 1874, and came into force on 1 January 2000.

All local governments enjoy equal or symmetrical constitutional recognition, at least canton-wise. The reality is quite different, and a municipality of a few hundred inhabitants can hardly be compared to a city like Zurich, with more than 400,000 inhabitants. Large cities have more tasks, more competences, and more influence at a higher level.

There is no formal representation of municipalities at national level, and offices for local and municipal affairs exist only at cantonal level. In some cantons, municipalities are able to influence the cantonal political agenda by means of direct democracy (*Behördenreferendum*). Attempts to increase the influence of the larger cities and of the municipalities more generally are made via collective bodies. The Association of the Swiss Cities is active at national level, while associations of municipalities operate at national level as well as in the cantons. These lobby organisations are also invited to participate in consultation processes when laws touch upon municipalities. Possibly the simplest and most effective way to influence decisions at higher levels is through direct representation in parliaments at cantonal and national levels. The *'cumul de mandats'* exists in various forms. Members of local executives might be members of the cantonal or national parliament, and the same can be the case for members of local parliaments. In some cities, however, this possibility is ruled out by law, whereas in other cantons or cities it is accepted or even welcomed.

4 GOVERNANCE ROLE OF LOCAL GOVERNMENT

4.1 *Tasks and Functions of Local Government*

Swiss municipalities have a residual power: they are free to fulfil any tasks which are not allocated to other tiers of government. At the same time, they also fulfil tasks that are entrusted to them, usually by the cantons and sometimes by the federal government. The classic terms to describe this situation distinguished between the 'own field of action', on the one hand, and, on the other, a 'delegated field of action' where municipalities basically serve as agents of the cantonal or national authorities. Nowadays, tasks are described instead in terms of autonomy: if it is up to the municipalities to decide whether they want to do something and how it is to be done, their autonomy is high; if they simply have to execute what they are asked to do, their autonomy is low.

One of the reasons is that, during the last decade, the principle of fiscal equivalence became increasingly prominent in organising the allocation

of tasks. It even found recognition in the Federal Constitution, as can be seen in article 43(a) concerning cooperation between the federal government and the cantons: '2) The collective body that benefits from a public service bears the costs thereof; and 3) The collective body that bears the costs of a public service may decide on the nature of that service'. Since municipalities, as we will see in the next section, pay a significant amount of their expenses with their 'own' revenue, they want to decide on what to do and how to do it; likewise, if they are serving as agents and fulfilling tasks entrusted to them by higher levels, they expect these levels to contribute to funding these tasks. Yet although this may sound straightforward in theory, in practice things are not always as clear. Some tasks might necessitate supra-local regulation and guidance, and at any rate municipalities cannot necessarily pay their own way in everything they do, even if they undertake it out of their free will.

There is no nationwide catalogue enumerating the functions of the Swiss municipalities, since this also depends on the cantons. Tasks generally provided directly are, apart from all activities that concern the political and administrative self-organisation of the municipality, the basic municipal infrastructure such as water supply, wastewater and local roads, as well as waste disposal. Construction—in particular spatial planning and zoning and the approval of building applications—is also part of the portfolio of tasks of practically every municipality, nor should running fire departments be forgotten. Primary education and social welfare, albeit in different forms, as well as the provision of services in the areas of culture, sports, and landscape, townscape and environmental protection, are considered municipal activities for nine out of 10 municipalities. By contrast, police duties, child care for families, support for the elderly, old people's homes and nursing homes, home care for the sick and elderly, public transport, and energy supply are described less frequently as municipal tasks, albeit that 70 per cent to 80 per cent of municipalities undertake them.

Some tasks are theoretically in the hands of the municipalities, but there is simply no demand for them, for example, because the municipalities are too small. This is notably so in the case of social welfare or social work, a field that includes care for drug addicts, support and care for the unemployed, care for asylum seekers, the integration of foreigners, and activities for younger people.

Apart from the fact that municipalities vary in size, there are also differences between the cantons. Such cantonal differences prove to be greatest in the area of social affairs. In areas of responsibility such as care for

the unemployed and asylum seekers, as well as youth work and family-supporting child care, municipalities in the French-speaking cantons have somewhat fewer competences and responsibilities than municipalities in German-speaking Switzerland. A similar situation can be observed with care for the elderly, although the differences between the language regions are less pronounced. Cantonal differences are also found in regard to economic development and security, especially when it comes to municipal police tasks. In many cases, policing is located at the cantonal rather than the municipal level. The smallest variations among the cantons are in the areas of government and administration, construction and the environment, infrastructure and transport, and education, culture, and sports.

It can thus be seen that the spectrum of tasks handled by the municipalities is in most cases very complex and covers a wide variety of subject areas, from government and administration to construction and the environment to economic development.

The importance of the municipalities and their involvement in different functions are also visible in their financial expenditures and the number of people they employ. About a quarter of the expenditures of all three levels of government are incurred by municipalities. They bear the largest shares in the areas of environmental protection and spatial planning, as well as in the areas of culture and sports. Expenditure on education and social security is also particularly significant for municipalities. Similarly, about a quarter of public administration jobs, in the narrower sense, are financed by the municipalities. If one considers the entirety of public sector jobs, the municipalities' share is about one-fifth.¹²

4.2 *Structure of Local Government*

A core characteristic of Swiss municipalities is the militia system (*Milizsystem*), in which citizens exercise various offices of authority on a part-time and honorary basis. This applies, among other things, to the executive as the governing body of the municipality, as well as to commissions with independent administrative powers. In many places, militia

¹² Andreas Ladner and Alexander Haus, *Aufgabenerbringung der Gemeinden in der Schweiz: Organisation, Zuständigkeiten und Auswirkungen* (Cahier de l'IDHEAP Nr. 319, 2021) 41–43.

politicians ensure the provision of public services in cooperation with full-time administrative staff. Although the functioning of most municipalities depends on the militia system, it is nowadays often not possible to find enough volunteers to fill the numerous offices of authority.

In cities, full-time city councils (executives) are responsible not only for political-strategic leadership, but also for the operational management of their departments. Organisational structures in medium-sized municipalities are particularly widespread, with part-time municipal councillors managing the policies of their departments while a managing director oversees administrative operations. In the smallest municipalities, by contrast, municipal councils are involved in the day-to-day business of the administration.

The execution of important state tasks takes place in small and rather autonomous units. Together with the militia system, this ensures a high degree of proximity to citizens. Regional and local conditions in the provision of public services can be taken into account in close detail. However, it leads inevitably to the question of whether the price for this is inefficiency (including duplication) and inequality in the provision of services.

Not least because of the small size of many municipalities, there are various forms of cooperation when it comes to the organisation of the different tasks. These forms of cooperation have both vertical and horizontal dimensions. Along the vertical dimension, a clear separation of tasks, competences, and responsibilities between different levels is not possible, which then precludes any attempts to move towards a dualist model clearly separating tasks between state levels. Instead, the integrated, or cooperative, model is, with all its shortcomings in terms of coordination, responsibility and flow of information, the only possible form.

Since small municipalities are not optimal for all tasks, there is intensive inter-municipal cooperation in Switzerland. On average, municipalities perform about 60 per cent of their tasks independently, that is, solely through the local administrative and militia system. If the communes do not perform a task themselves, they prefer to cooperate with other communes. This type of setting is found in two-thirds of the municipalities in the fire department and medical care at home (*Spitex*). Almost every second municipality relies on inter-municipal cooperation (IMC) in regard to social welfare and care and support for the elderly. IMC solutions are particularly widespread in French-speaking areas, often in

the form of public corporations. German-speaking municipalities differ from the other language regions in that they are less likely to enter into IMC. If they do, they are more likely to rely on contractual solutions. In general, private law IMC solutions such as foundations, associations, or stock corporations are not very popular. Compared with the early 2000s, the growth in new collaborations has slowed somewhat. However, in view of the IMC already in place in many parts of the country, this finding is not surprising. The importance of IMC for municipal-task performance remains very high.¹³

The demands of New Public Management for a lean state, including the outsourcing of public tasks to private providers, have so far had only a limited impact on the organisation of municipal tasks. Overall, the involvement of private parties in task performance is hardly widespread. It is mainly large municipalities and communes in German-speaking Switzerland that use the services of private companies. They do so mainly in areas where specialised knowledge is required, such as information technology, spatial and zoning planning, and supplementary child care.

After a somewhat quieter phase at the beginning of the 2000s, municipalities are now once again facing increasing challenges and difficulties on multiple fronts. On the one hand, performance limits in the fulfilment of public tasks have increased. Municipalities are increasingly reaching their limits in the areas of social welfare, care for asylum seekers, spatial and zoning planning, and government and administration, regardless of their size. The municipalities in Ticino are most affected, followed by those in western and German-speaking Switzerland. On the other hand, the municipal financial situation has worsened in recent years. More municipalities have been forced to raise their tax rates. Furthermore, debt has increased in quite a few places, and the number of net recipients in the fiscal equalisation systems has grown. In addition, about half of the municipalities still complain that there are not enough qualified candidates available for the executive and thus for key municipal offices. This recruitment problem mainly affects the many communes with between 500 and 2000 inhabitants as well as the communes of some smaller cantons.

¹³ See Reto Steiner and Claire Kaiser, 'Die Gemeindeverwaltungen', in Andreas Ladner, Jean-Loup Chappelet, Yves Emery, Peter Knoepfel, Luzius Mader, Nils Soguel, and Frédéric Varone (eds) *Handbuch der öffentlichen Verwaltung in der Schweiz* (NZZ Libro, 2013) 149–166.

Despite these figures, the financial situation of Swiss municipalities is not as bad as it may sound. Municipalities have the lowest indebtedness of all three levels of government, and the majority of them still have some financial leeway.

4.3 *Local Political Systems*

The institutional expression of subnational democracy in a federalist country with a large number of autonomous municipalities results in a variety of different political systems.¹⁴ The cantons have constitutions of their own in which they define, in compliance with the Federal Constitution, their own political institutions and lay down the framework for the municipalities. There are 26 different cantonal laws telling municipalities how to set up and organise their political institutions. Many of these laws impose very limited institutional requirements on their municipalities.

Each municipality has an executive board and a mayor, and in almost all cases they are elected directly by citizens. Executives at the municipal level have between three and 30 seats.¹⁵ The average executive size at the local level is about six members.¹⁶ Being a member of the cantonal government is, with some exceptions, a full-time job, whereas at the local level only very few executives, and mainly in the big cities, are remunerated on a full-time basis. A large majority of office holders do this, as previously mentioned, on a part-time or voluntary basis.

Very much as at the national level, governments at subnational level are collegial boards with joint responsibilities. It is only at the local level that the mayor has a more distinct role and is elected separately. The dominant electoral system for executives is majority voting, which is used by a little more than 70 per cent of municipalities.¹⁷ Majority voting, however, does not necessarily lead to single-party governments.

¹⁴ For more on local democracy and the local political systems, see also Ladner (2011) (n 1).

¹⁵ Andreas Ladner, 'Laymen and Executives in Swiss Local Government', in Rikke Berg and Nirmala Rao (eds) *Transforming Political Leadership in Local Government* (Palgrave Macmillan, 2005).

¹⁶ Andreas Ladner, *Die Schweizer Gemeinden im Wandel: Politische Institutionen und lokale Politik* (Cahier de l'IDHEAP Nr. 237, 2008) 11.

¹⁷ Ladner (2005) (n 15).

At the local level, there are two different legislative systems. About 20 per cent of municipalities have a local parliament, usually called the municipal or city council. This is a body of between 10 and 125 representatives, who are usually elected, in a PR system, by the citizens entitled to vote in the municipality. The rest of the municipalities have a municipal assembly called the *Gemeindeversammlung*—this is a gathering or meeting of all citizens entitled to vote, and represents a form of direct democracy in the tradition of Rousseau and the ancient Greeks. The competences of the council and the assembly are similar. They both have a control and an input function as far as the activities of the executive are concerned, and they decide on all important projects and proposals that are not within the competence of the executive or the citizens at the polls. Typical concerns of local parliaments or assemblies are municipal projects of some importance and with financial consequences above a certain amount, and the acceptance of the municipal account, that is to say the budget. Changes of municipal decrees and regulations, and sometimes changes in the tax rate, are decided at the polls.

Which form—parliament or assembly—a municipality chooses depends on its size and cultural background. Larger municipalities, and almost all cities, have a local parliament, and local parliaments are more widespread in the French-speaking cantons, where the tradition of representative democracy is much stronger than elsewhere in Switzerland. In the German-speaking areas, certain municipalities with well above 10,000 inhabitants still have a local assembly. The division of power prohibits the mayor and the other members of the executive from simultaneously being members of the local parliament.

For the executive, it makes quite a difference whether it faces a local parliament or a municipal assembly, as a local executive enjoys more freedom when it has to deal with an assembly. The members of the executive are usually better informed about the different issues at stake and know how to persuade their citizens. Nevertheless, sometimes the decisions of the citizens are unpredictable, depending on the kind and number of people turning up at the assembly. In municipalities with a local parliament, the executive has to deal with parties and party politics. This means there is a more visible and clearly structured political debate and the positions of the different actors are known in advance. However, it is erroneous to believe that the parliament is able to steer and control

local politics in all matters. The gaps in political knowledge and understanding between members of parliament and members of the executive make such a task very difficult.

The municipal assembly is the most genuine form of direct democracy practised in Switzerland. Such a gathering of all citizens entitled to vote in the municipality takes place two to four times a year. The assembly takes binding decisions on changes in municipal rules, public policies, and public spending. Everyone is entitled to have a say, and the decisions are made—unless a secret vote is requested—by a show of hands. At first sight, decision-making by municipal assembly looks very much like directly aggregative voter democracy, where one simply counts the votes and lets the majority decide. However, a municipal assembly also has an important deliberative element. Prior to decisions, there is room for discussion in which citizens can influence projects and make new suggestions. Moreover, the opportunity to hear the arguments of different protagonists can increase mutual understanding.

Regardless of whether they have a parliament or an assembly, though, Swiss municipalities have other forms of direct democracy, among them being referendums and initiatives. In municipalities with a parliament, direct democracy is directed against decisions of executive and parliament; in municipalities with an assembly, direct democracy addresses the executive as well as decisions of the assembly.

It is impossible within the confines of this chapter, to give an overview of the different forms and uses of direct democracy at the local level. There is some literature about their application in cities which shows that in German-speaking cities, referendums and initiatives are more frequent than elsewhere. In the case of the City of Zurich, there have been more than 850 votes on local issues between 1934 and 2008. Furthermore, taking all three levels together, a Swiss voter, having spent his or her whole life in Zurich, will have been asked to decide on about 1800 issues over the last 60 years. Other forms of participatory democracy, such as participatory planning, open dialogues with citizens, and citizen polls, do take place, but they are institutionalised only to a minor extent, usually in terms of a general legal stipulation that those who are affected by a new act should be consulted for their views. The City of Zurich, for example,

has documented some 50 cases over 15 years in which the authorities elicited civic participation in their projects.¹⁸

Often these new forms of citizen participation take place in regard to large projects, such as major new infrastructural developments or tramways and roads. Quite often, too, citizens are informed or integrated in amalgamation projects at a very early stage. This new trend, however, would seem to be less motivated by democratisation than by necessity. Given that citizens usually have to decide at the polls whether they agree with a new project anyway, it is prudent for authorities to engage and address potential opponents at the outset. Be that as it may, the existing means of direct democracy generally provide citizens with sufficient opportunities to participate in matters of public import.

5 FINANCING LOCAL GOVERNMENT

The decisive factor that gives Swiss municipalities their power and makes democratic local self-government meaningful is their far-reaching financial and fiscal autonomy. Municipalities have the competences to borrow money and to set—within a wide latitude of discretion—the tax rate for wealth and income tax.

In this regard, Switzerland is fully compliant with the European Charter of Local Self-Government of 1985, which provides that local authorities shall be entitled, within the national economic policy, to adequate financial resources of their own that they may dispose of freely within the framework of their powers. Additionally, the financial resources should match their responsibilities and derive partly from local taxes and charges which they themselves determine within certain limits. In terms of the Charter, municipalities' revenues shall be diversified to cope with financial risks and social change, while financial equalisation procedures shall compensate for unequal distribution of potential resources and financial burdens.

Local authorities, moreover, shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them. As far as possible, grants to local authorities shall not be earmarked

¹⁸ Joëlle Pianzola and Andreas Ladner, 'Voluntary Public Participation Procedures in the City of Zürich: A Step Beyond Direct Democracy?', in Leon Van den Dool, Frank Hendriks, Alberto Gianoli, and Linze Schaap (eds) *The Quest of Good Urban Governance* (Springer, 2015).

for the financing of specific projects, and the provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction. For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

All these requirements apply almost perfectly to Swiss municipalities. The weakest points are the low percentage of unconditional grants and the lack of a formal consultation about the redistribution of resources from higher levels. These weaknesses, however, are of minor importance, since municipalities have a high percentage of direct income, as well as various other ways to influence higher-level decisions.

The expenditure of municipalities in relation to the total public expenditure of the Confederation, cantons and municipalities underlines the importance of the local level. In 2019, the ratio was 20.2 per cent, which is fairly high for federalist countries, at least higher than in Austria and Germany and about as high as in Canada.¹⁹ Compared to unitary states such as Sweden or Denmark, however, such a figure is low, since these countries score about 50 per cent and higher. The reason for this is the existence of an intermediate layer, the cantons. In unitary countries such a layer does not exist, creating more room for the municipalities. In Switzerland, cantons are responsible for a rather high percentage of expenditures, leaving the federal government among the different governments with the lowest budget.

In terms of expenditures as a percentage of GDP, Swiss municipalities amount to 6.6 per cent, which is a little more than 50 per cent of the cantonal expenditures but not quite half of the national government's expenditure. These figures, however, also reflect the generally low percentage of public expenditure in Switzerland. As for revenue, about two-thirds of local government income stems from direct tax, mainly on the income, wealth, and benefit of their citizens and the local economy.²⁰ Another third stems from fees and charges for municipal services. Transfers from higher levels and from other municipalities amount to about 15 per cent. Swiss municipalities are thus only to a minor extent dependent

¹⁹ See OECD Fiscal Decentralisation Database—OECD, Tables 4 and 5 (accessed 17 March 2021).

²⁰ Alain Schönenberger, 'Öffentliche Finanzen der Schweiz', in Andreas Ladner et al. (eds) *Handbuch der öffentlichen Verwaltung in der Schweiz* (NZZ Libro, 2013) 565–586.

on transfer payments, which cover the costs of tasks they have to carry out on behalf of higher levels of government.

The fact that these transfers are not unconditional is thus of minor importance, because the financial autonomy of municipalities resides in their freedom to set the tax rate according to their needs and aspirations. This, however, leads to another problem. Since resources and needs differ from one municipality to another, municipalities are not all equally able to cover their expenses through self-generated income, which hence raises the need for a powerful equalisation system.

The idea behind the equalisation scheme is that it operates, at least theoretically, with minimal standards. All municipalities should be able to provide necessary services and facilities of a good quality. Furthermore, it is the potential resources (taxpayers, local economy) which are taken into account, not the spending behaviour of the local politicians or the existing tax rate. The equalisation scheme has a vertical dimension (from the canton to the poorer municipalities) and a horizontal one (from the richer to the poorer municipalities). In 2017, about two-thirds of municipalities benefited from financial equalisation, while about 30 per cent were among the funders. The most recent report on the functioning of the equalisation scheme in the canton of Zürich shows that, without equalisation, the tax rate of the 162 municipalities in the canton would vary between 30 and 350 per cent—in fact, varies between 72 and 130 per cent. This means that, in some municipalities, most of the income is directly transferred to the poorer municipalities.²¹

Even after equalisation, though, there are considerable differences between municipalities and cantons as far as the tax burden is concerned. In poor municipalities in cantons like Jura or Valais, the tax burden can be four times higher than in rich municipalities in the cantons of Zug or Schwyz; in the City of Zurich, taxpayers bring more tax money to the town hall than to the canton. In the City of Lausanne, the largest share of tax revenue goes to the canton.

Municipalities are responsible for their own households. They are allowed to borrow money and to make debt. Their debt ratio, however, is rather low compared to other levels of government, which also have a low indebtedness. The debt ratio of Switzerland's state sector was about 30 per cent of GDP during the last few years before the Covid-19 crisis.

²¹ See Kanton Zürich, *Gemeinde und Wirksamkeitsbericht Kanton Zürich 2021: Berichtsperiode 2. Januar 2016 bis 1. Januar 2020* (Zürich: January 2020).

The share of the municipalities is a bit more than 20 per cent of the total debt, leaving about half of the debt to the national government.

With the municipalities being responsible for their own expenses, there is no political control by higher levels on how they spend their money. Indeed, the canton limits itself to a financial oversight. Debt brakes, however, have become increasingly popular, and are also debated at a local level. They basically force municipalities to equalise revenues and expenditures over a certain period.

The most coercive control of municipal expenditures is, however, direct democracy. Local authorities have only limited financial spending competences: if they want to increase their expenditure for a particular project within the municipality, a positive decision by the citizens is needed. The citizens, for their part, know that an increase in expenditure could have an impact on the tax rate, so they usually think twice before they accept a new project. When it comes to public expenditure, local authorities are thus subjected to a high degree of accountability.

In terms of their financial commitment to the various functions of governance, Swiss municipalities spend the most money on education and social security, followed by transportation and communication, environmental protection and planning, culture, sports and leisure and public order. 'General administration' accounts for 8 per cent of the municipal financial budget. This includes expenditure on the executive and legislative branches (a specific form of administrative expense) and general administrative expenses that cannot be allocated to specific tasks.

Important for the municipalities and their citizens is that they (municipalities) perform a larger majority of their tasks with their own employees. Public administration accounts for two-thirds of the employees of the public sector in Switzerland. About a quarter of these employees work for municipalities, 50 per cent for cantonal and 10 per cent for the national administrations.²² This bolsters the notion that municipalities are governed or administered not by forces above them but by themselves.

²² Andreas Ladner with Laetitia Mathys, *Der Schweizer Föderalismus im Wandel: Überlegungen und empirische Befunde zur territorialen Gliederung und der Organisation der staatlichen Aufgabenerbringung in der Schweiz* (Cahier de l'IDHEAP Nr. 305, 2018) 139.

6 SUPERVISING LOCAL GOVERNMENT

Local government in Switzerland is, generally speaking, about the self-organisation of citizens within specific territorial perimeters, and is not per se a form of decentralisation of the central state. The control of municipalities by higher-level authorities is hence a delicate matter. Although there are nuanced differences in this regard—especially between the language areas, with the French-speaking part leaning towards the French model of a unitary state—in Switzerland there is no such thing as municipalities being subject to uniform, universalised, centralised political control.

Autonomous municipalities are, nevertheless, part of a canton and the nation-state, and therefore of a larger political system. As such, the principle of autonomy has to be reconciled with the principle of the unity of the canton and the state. This principle of unity, together with the need for effective administration of activities, justifies (even compels) the establishment of channels of vertical coordination and, along with these channels, the assertion of means of supervision.

This is indispensable in the exercise of governments' responsibilities and for the management of collective interests. Systems of control prevent an administration from surpassing its limits and guarantee the preservation of public interest, community interest, and individual rights. At the same time, any supervision unnecessary for this goal could threaten local autonomy unnecessarily. Issues of control are particularly salient when governance hinges on mutual interdependence, which demands coordinated action and the alignment of municipal action with the superordinate legal framework and the general interest.²³

The rationale for capturing the different degrees of administrative supervision is based on the distinction between control of expediency (policy) and control of legality. It unfolds in cases of low autonomy where the higher level controls the expediency of decisions and of higher autonomy where the higher level's control is restricted to matters of legality. In the Swiss case, higher levels are basically concerned to ensure compliance with the law.²⁴

Cooperation between the cantons and the municipalities seems to be rather good although not perfect. This, at least, is what the municipalities in the author's surveys say. About 45 per cent described it as good to

²³ Ladner et al. (2019) (n 1) 175.

²⁴ *Ibid.*, 182.

rather good and another 30 per cent as okay.²⁵ These figures have hardly changed since the late 1980s.

Local government is supervised by the cantons. The supervision is legal and financial rather than political. This means in essence that cantonal authorities can override local governments' decisions when they are not in line with the law and regulations set by a higher level, but the authorities cannot intervene when they simply do not approve of the political decision. There is control of the financial behaviour of municipalities and of the local accounts; there are rules for elections that have to be followed; and there is an obligation to be transparent and inform the citizens. What the municipalities do within the range of their competences or the results of the election is not the concern of the canton. However, if a municipality fails to maintain its financial health and sinks it into bankruptcy, or does not have enough candidates for the different mandates, the canton must take over the administration of the municipality (*Kommisarische Verwaltung*). This intervention is meant to be transitory. So far, there have only been a few cases where this has happened.

7 INTERGOVERNMENTAL RELATIONS

With the Council of States, the consultation procedure, the double majority for changes of the Constitution, and the implementation of federal policies, Swiss federalism offers cantons various powerful instruments by which to bring their influence to bear. These instruments—located in the process of policy formulation as well as in the decision-making process and in the process of implementation—are referred to as the vertical instruments of federalism.²⁶

As for the municipalities, there is no second chamber in the cantonal parliament, nor is their consent needed when it comes to a vote. The access by municipalities to decisions at cantonal level even varies from one canton to another. In some cantons there are direct democratic means reserved for the municipalities (initiatives, referendums), but the most important way to influence cantonal politics in favour of the municipalities is through elected members in the cantonal parliaments and

²⁵ Ladner (n 22) 98.

²⁶ Adrian Vatter, 'Federalism', in Ulrich Klöti et al. (eds) *Handbook of Swiss Politics* (Neue Zürcher Zeitung Publishing, 2004) 78.

through interest groups such as the cantonal associations of municipalities (although they do not exist in all cantons) and the cantonal associations of mayors or senior municipal administrators.

The access of municipalities and cities to decisions at federal level is less formalised. The associations of Swiss municipalities and the association of Swiss cities take part in the pre-parliamentary consultation procedure and generally operate as lobby organisations. In particular, cities—with the backing of article 12 of the new Constitution—have tried to gain more influence recently by arguing that their problems (traffic in the metropolitan area, drug abuse, integration of foreigners, asylum seekers) are not properly addressed in the arena of federal politics. In general, however, it is still felt that municipalities are supposed to deal only with the canton, and that the cantons should be the ones to address the federal state. On special occasions and when needed, the large cities have more to say and a more direct form of access to the federal government.

New approaches to policy-making and intergovernmental relations are being forged through ongoing attempts to promote tripartite policy-making and bring together politicians and civil servants from all three levels, usually in the House of the Cantons in Berne, to address complex political problems jointly. This new form of non-hierarchical, tripartite partnership is replacing the classic pattern—in which the national level deals with the cantonal level and the cantonal level with the local level—with a style of governance focused on joint policy-making.²⁷ Through these means, problems of immigration and integration, for example, have been addressed successfully.

Political parties are expected to play an important linkage function across state levels. However, they are generally weak, at least in organisational terms. Federalism splits the party system into 26 different cantonal party systems, and the small size of many municipalities inhibits the parties from organising themselves at the local level throughout country. Also, the balance of power differs at the national and the cantonal level. At the national level, the two most important parties (as mentioned previously) are the SVP and SP; in the cantonal parliaments, the CVP (*Die Mitte*) and the Radical Party (FDP, *Die Liberalen*) are far stronger, drawing their

²⁷ Andreas Ladner, 'La gouvernance: La solution pour und réorganisation territoriale de la Suisse?', in Luc Vodoz, Laurent Thévoz, and Prisca Faure (eds) *Les Horizons de la Gouvernance Territoriale* (PPUR, 2013) 70.

support, as they do, from smaller cantons in the country's mountain areas where the CVP and, to a lesser extent, the FDP are well represented.

More important than the political parties are the politicians. The typical career-path of a Swiss politician involves moving up the ladder from the municipality to the federal level. There, they represent not only their political party but also their municipality or their canton. Having members of a municipal executive represented in a cantonal parliament or a member of a cantonal government in the federal parliament is another way to ensure the lower level's influence, though this practice is not accepted in all cantons.

8 POLITICAL CULTURE OF LOCAL GOVERNANCE

In keeping with Switzerland's high degree of local-level autonomy and self-government, politics has been an issue in a great number of municipalities. Until the late 1980s, even the small municipalities had local political parties organised on their territory. This has changed since then. In municipalities with 2000 inhabitants, there are still organised local political parties, and members of the local government usually belong to one of these parties; in smaller municipalities, however, political parties do not find enough members and are of minor importance—indeed, most representatives in the local executive do not belong to any particular party. These shifts towards non-partisan government in smaller municipalities are quite novel and split Swiss municipalities into two groups: on the one hand, the larger municipalities where politics more or less follows the conflict lines of national politics, with more or less the same political actors relying on more or less the same techniques characteristic of the national level; and, on the other, the many small municipalities where politics tends to centre on individuals and where party affiliation is of limited significance.

Electoral participation in local elections is relatively low and scores below 50 per cent. This can be explained partly by the far-reaching nature of direct democracy, which affords citizens the opportunity to influence politics more directly and more often than through the polls. Interest in politics and engagement in political debate is, by implication, greater than the low electoral turnout suggests. In fact, the turnout at local elections

is highest in small municipalities with only a few hundred inhabitants,²⁸ which is all the more remarkable given that voters in these municipalities have little in the way of real electoral choices: often there are not more credible candidates than there are seats. The higher turnout in smaller municipalities is thus probably due to factors of proximity and heightened sense of civic duty. Here, the voters know most of the candidates personally, and voting is a way to express support for them (or the opposite). Social control might also be greater.

In the late 1980s, women were hardly represented in local government, and a huge majority of the municipalities had a local executive without any women at all. This has changed dramatically over the years. Now there is scarcely a municipality without a woman, and about a quarter of the members of a local executive (government) are women.²⁹ On higher levels of government, in cantonal and federal executives and parliaments, however, women are sometimes even better represented in local government than men, which is to some extent due to political parties' actively pursuing strategies to bring more women into politics.

Local political parties are generally independent and concerned with local politics; cantonal parties care about cantonal issues, and the national parties, about issues of national importance. The traditional political career starts in a local party, and politicians at higher levels seldom omit to mention their political past in a municipality. A cantonal party, or even a national party, does not intervene in the daily business of local parties or try to influence their selection of candidates. Local parties are a potential field of recruitment for higher-level politicians. Personal ties across the different levels play an important role in Swiss politics, and the *cumul de mandate* is not generally considered to be negative, especially not if it helps to represent the local government's interest at a higher political level.

²⁸ Reto Steiner, Andreas Ladner, Claire Kaiser, Alexander Haus, Ada Amsellem, and Nicolas Keuffer, *Zustand und Entwicklung der Schweizer Gemeinden, Ergebnisse des nationalen Gemeindemonitorings 2017* (Somedia Buchverlag, Edition Rüegger, 2021) 65–68.

²⁹ *Ibid.*, 81–82.

9 COVID-19'S IMPACT ON THE ROLE OF LOCAL GOVERNMENT

Local governments have not played a major role in coping with the Covid-19 pandemic, and are hardly mentioned in legislation on communicable diseases. The main actors are the Federal Council, the Federal Office of Public Health, and the Conference of the members of the cantonal governments responsible for the health sector. The role of the municipalities, and more particularly the cities, has been to implement higher-level policies, run services and facilities in accordance with higher-level restrictions, and, where possible, enforce the rules. Apart from some policing, Switzerland's approach has been liberal, in addition to which there were some attempts by municipalities to assist the local economy and vulnerable members of society.

As with many things related to Covid-19, the problems and debates in Switzerland have been similar to those in other countries. Some have demanded that the federal government adopt a more coordinated and centralised strategy for the country as a whole, while others have insisted on their specific situation in terms of their population and their economy needs (density, age structure, dependency on workers from other countries, etc.). Although the legal grounds for a transfer of competences had been prepared a few years ago, and the cantons are used to cooperating and negotiating, the situation appeared to have been more challenging. It is perhaps premature to make a final analysis of the merits and flaws of the different actors involved, but in terms of communication and in the way to distinguish between scientific knowledge and political needs there seems to be room for improvement.

During 2020–2021, crucial questions emerged relating to the support that certain sectors of the economy were going to receive and how the costs would be split. The cantons were waiting for stronger involvement by the federal government, while the federal government in turn wanted cantons to be more active. Local government, given its dependence on tax income, was particularly concerned by the pandemic's impact on its local revenue base and the prospect of unemployment becoming a long-term phenomenon. Cities had to cope mainly with sanitary problems at schools, sports facilities, cultural events, restaurants, and so on.

On balance, however, it is unlikely that Covid-19 will lead to a fundamental change in the balance of power or the allocation of competences

and responsibilities. At best, indeed, local government in future could become a more prominent actor in joint problem-solving.

10 EMERGING ISSUES AND TRENDS

Seeing as local government appears to work well, and citizens are satisfied with the services they receive and the possibilities they have to influence local political decisions democratically,³⁰ there is little impetus for dramatic change in Switzerland. Nevertheless, potential reforms are being debated.

The small size of Swiss municipalities has led to a wave of amalgamations across the country. Amalgamations, however, have to be driven by the municipalities themselves—the cantons have little scope for intervention, while the national government is not concerned with the internal organisation of cantons. The number of municipalities is thus still very high for such a small country. It is unlikely that Switzerland will follow the example of Denmark, where in 2007 the number of municipalities was reduced to 98. Instead of amalgamating, municipalities tend to rely on inter-municipal cooperation. Amalgamations in the near future are likely to take place in cantons such as Berne and Vaud, where municipalities are relatively small. In these cantons, however, more tasks are in the hands of the cantonal authorities than they are in cantons such as Zurich, where municipalities are usually larger and more powerful.

That having been said, talk of far-reaching reform in a federalist country like Switzerland can make one lose sight of the fact that, first, within its cantons, it already has remarkable diversity in its systems of local government, and, secondly, that federalism protects municipalities from interventions by the national government.

Formally, municipalities all have the same status and competences, but time will tell whether this will continue to be the case or if more asymmetrical solutions will have to be introduced. Functional, single-purpose municipalities are not entirely new in Switzerland, but have become more popular again in the most recent debates about territorial reforms. Still,

³⁰ See Bas Denters, Andreas Ladner, Poul Erik Mouritzen, and Lawrence E Rose, 'Reforming Local Governments in Times of Crisis: Values and Expectations of Good Local Governance in Comparative Perspective', in Sabine Kuhlmann and Geert Bouckaert (eds) *Local Public Sector Reforms in Times of Crisis: National Trajectories and International Comparisons* (Palgrave Macmillan, 2016) 333–345.

given the sovereignty of the cantons and the high degree of autonomy of the municipalities, the spirit of the Swiss territorial organisation will most probably prevail. Neither the cantons nor the municipalities are willing to see their freedom and leeway to act being restricted.

In any case, diversity is not perceived as negative, and the centralisation or transfer of too much power to the national level is not a viable solution. What is likely, though, is that there will be an increase in vertical cooperation. Dualistic models of federalism with a clear division of tasks between levels of government are difficult to apply in such a small country—improvements will thus have to be made in how such cooperation between the three levels is organised.

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