

# Why Federal Reform Succeeded in Switzerland\*

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## 1. Introduction

The Reform of Swiss federalism began in 1991 with the initial analyses on the effectiveness of fiscal equalisation within a federal state prepared by the Swiss Finance Administration (*Eidgen ssische Finanzverwaltung – EFV*).<sup>1</sup> The results of this inquiry were sobering and led to additional analyses and follow-up work at both the political and the expert level. The Financial Directors Conference (*Finanzdirektoren-Konferenz; FDK*)<sup>2</sup>, in turn, prepared its own report to confirm the results concerning fiscal equalisation, the so-called “*Orientierungsrahmen 1992*” (framework of guidelines; FDK, 1994). Subsequently, the EFV and FDK jointly commissioned a report to be prepared by experts to shed a critical light on fiscal equalisation at that time and to submit reform proposals (see Frey et al., 1994).<sup>3</sup> In this way, the essential preliminary work was done. In 1994, the Federal Council (federal government) launched the first project team to reform the federal fiscal equalisation scheme.

The reform contained four mutually dependent and complementary areas:

1. the division of powers and finances between the federation and the cantons;
2. the institutionalized cooperation between the cantons, including rules for sharing the burdens of expenditures;
3. new ways of cooperating and sharing financial responsibilities between the Federal Government and the cantons;

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1 The EFV is an office within the Swiss Department of Finance.

2 Members of the FDK are all the cantonal financial directors (cantonal “ministers”). The directors’ conferences help with the lateral coordination of each political portfolio (social, environment, education, justice, etc.). Moreover, an important goal is to speak as one, thus carrying more weight at the federal level.

3 Regarding the preparation of the NFA submission: Botschaft des Bundesrates vom 14. November 2001 zur Neugestaltung des Finanzausgleichs und der Aufgaben (NFA), Bundesblatt 2002, 2314ff.

4. a newly designed fiscal equalisation scheme aimed at eliminating the disparities that exist between the cantons (equalisation of resources) and compensating for the excessive special burdens the cantons are confronted with (equalisation of geographic and socio-demographic burdens).

The first three areas, in particular, involved policies relevant for the territorial organisation of the state and went beyond a reform merely motivated by financial policy.

## 2. The reform process

In 1994, the EFV, represented by its Directorate, and the cantonal politicians, represented by the FDK, were faced with the question of what form financial equalisation should take and which course of action should be envisioned.

Regarding the first question, both bodies quickly agreed that a comprehensive reform of federalism should be elaborated. It should also tackle in a comprehensive way, the problems resulting from entangled powers and responsibilities of the federal and the cantonal governments, the disparities that exist between the financially strong and weak cantons, the inadequate cooperation between the cantons, and so on. A “mini-reform”, for example, of only the fiscal equalisation scheme in the narrowest sense, was not considered to be appropriate.

When in 1994 the reform actually began, the problems of how to structure the project, or rather, how to proceed, and whether to include experts or not, were of particular importance. The following questions arose: Should a small working group composed solely of “experts” be set up that would proceed in a purely technocratic manner and, in the end, submit scientifically substantiated conclusions to the politicians? Or, on the contrary, should the politicians draw up the guidelines for the experts and, during the entire process, remain involved in order to avoid “technocratic” influence right from the start and to ensure that the proposals are “politically realistic” and acceptable? Or, could a combination of both models be found in order to advance the project in a creative and pragmatic process?<sup>4</sup>

These questions were not explicitly asked. However, participants were right from the beginning well aware that a solution designed and drafted by “technocrats” was doomed to fail in the process of political decision-making. People were overwhelmingly convinced that political approval of such a far-reaching reform proposal could only be achieved if the federal and the can-

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4 Following Habermas’s “pragmatic model” (Habermas, 1968).

tonal governments were included from the beginning both at the technical and the political level with neither side being given any exclusive rights or privileges.

Thus, it was determined to follow a pragmatic course: At the end of 1994, the Federal Council set up a project team with delegates from the federal (EFV) and the cantonal (FDK) governments represented on equal terms. During the initial phase, the team would develop the basic concept to remedy the flaws of fiscal equalisation.<sup>5</sup> Early in the process, expert reports were commissioned to assess the deficits found by the EFV and the FDK. In 1996, the report on the main features of the NFA based on this preliminary work was presented and sent for consultation (EDF, FDK, 1996).

In 1997, based on the largely positive results of the consultation held on the main features of the NFA, the Federal Council commissioned the project team composed of equal numbers of representatives of the Federal government and the cantons to translate the concept into reality. In the process, the project team had to take into account the essential guidelines prepared by the Federal Council after the consultation and adopted in its resolution of 23 October 1996. This resolution served as the basis for the mandates of the project groups as it defined the principles to be elaborated in greater detail.

In the process, the following observations are notable:

1. It was necessary to expand the project team to include three levels, since the political dimension of the project now became to the fore. At this point, the Cantonal Government Conference (*Konferenz der Kantonsregierungen* – KdK) replaced the FDK as the partner of the federal government.
2. The project team included a political steering committee under the direction of the minister (*Direktor*) of the Swiss Department of Finance. This first strategic level of the project organisation had to assess the milestones from a political standpoint. It was composed of three representatives of the Federal Council and three representatives of the cantons. In addition, the cities and the municipalities sent one representative into the committee. This steering committee met regularly and became increasingly important as the project progressed. Its meetings could last several hours, and supposedly “technical” issues often turned into political discussions on fundamental issues.
3. The pre-consultation body was the so-called “guiding committee”, which formed the second strategic level. It included seven delegates of the can-

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<sup>5</sup> Often, it is the administration that “picks up” the decisions of the Federal Council. The responsible minister forwards the submission prepared by the administration, often without making any revisions, to the entire Federal Council, including the corresponding draft of the resolution, which de facto determines the resolution passed by the Federal Council prior to the meeting. During the meeting itself, the undisputed issues are generally passed with no discussion in an administrative sense.

tons<sup>6</sup> and seven of the federal government, as well as one joint representative of the cities and municipalities nominated by the Swiss Association of Cities and Municipalities. The committee was chaired by the EFV director. In this way, the composition of the committees expanded considerably compared with the initial project team:

- At the federal level, the affected ministries and the Federal Chancellery were included.
  - The cantons were no longer represented by the FDK on the guiding committee, but rather by the KdK, which included special departments that were affected.
  - For the first time, cities had a seat in the project team, whereby a core desire of the third level of government could be fulfilled.
4. At the operating (third) level of the project organisation, a management team was responsible for the proper handling of the reform. Its members coordinated the work, supervised the project groups, which were also equally composed of representatives of the federal and cantonal governments, and which carried out their own in-depth work. It fell to this management team to integrate the complex work in details and to ensure that the designated working groups complied with the essential guidelines provided by the political steering committee.
  5. The KdK, with one civil servant represented in the operational management team, handled the political coordination of the cantons. The coordination effort was considerable, in part because the KdK had to have a majority of at least 18 cantons to pass a binding opinion. On the other hand, this implied corresponding cantonal government resolutions – a cascade, which required time.
  6. When it came to the financial policy section of the NFA, the KdK was joined by the FDK, which in these matters, actually took control of the cantonal side and coordinated efforts with the ministers of finance. Its secretariat was included on an ad hoc basis at the operating level, as were the group for financial affairs of the cantons which served as a link to the cantons.
  7. After the successful referendum had been held in November 2004, the structure of the political steering committee was simplified. Now a Federal Council delegation was waived. Still the steering committee was chaired by the director of the Swiss Department of Finance, as well as by the finance minister. Senior civil servants from the finance and justice departments remained to represent the federal government. In contrast, the cantonal representation did not change, nor did that of the cities and municipalities.

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<sup>6</sup> Cantonal representation had to meet various criteria. It had to include the resource-rich as well as resource-poor cantons and, due to the specific, technical issues, the affected cantonal directors' conferences.

Despite the indisputable, occasional sluggishness of the consensus-oriented process, another, presumably “more efficient” procedure would have been doomed to fail. As experience gained in particular during the 1970s reveal, a technocratic approach to define and solve problems was never crowned by success. Such an approach corresponds to a way of thinking that was defeated in the failed “comprehensive planning concepts” in transportation, media or energy policy. It would have also run aground in the case of the reform of the financial equalisation programme. To draft a proposal “at the green table”, which probably would have been consistent in theory, implied risking that such a draft would be withdrawn due to the political reality. Comprehensive issues must be dealt with in a way adapted to the political culture of Switzerland. The inherent basic conditions<sup>7</sup> demanded an opposite, pragmatic process, which, in fact, requires perseverance but is not tainted with the stigma of elitism and exclusion by the relevant stakeholders, notably, the cantons.<sup>8</sup>

The project structure outlined above continued to exist when the three motions to parliament were drafted. However, the steering team was subsequently dispensed with, since the essential elements of the report were already available and including special department appeared to be unnecessary. In its place, a smaller group, the so-called “petit comité” (small committee), was formed, in which the cantons<sup>9</sup>, the municipal association, as well as the EFV were represented. Accordingly, fewer stakeholders were directly involved, which facilitated negotiations and decision-making and allowed to speed up the project as demanded by politicians. This way, the constitutional dimension of the project was not appropriately taken into account, at least not to the desired extent. Discussions on constitutional issues were somewhat too short, or, in retrospect, could only be held “between” meetings of the project team.<sup>10</sup>

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7 Neidhart (2002) assumes three interconnected basic conditions shaping Swiss politics: the “small size of the state”, “plurality” and “historicity”.

8 This desired inclusion led to a successful “preventive balance of interests” in the federation, with the result that conflicts of interest do not immediately impact on parliamentary processes and party politics (Neidhart, 2002: 270). In fact, the level of conflicts between the federal and the cantonal governments and among the cantons could be reduced during the negotiations on the project and during the parliamentary phase. Thus the “preventive balance of interests” could be achieved.

9 The presidents of the KdK, FDK and the Western Switzerland Governors Conference.

10 The Federal Department of Justice was not represented in the “petit comité”, which, in light of what happened, is to be criticised. This shortcoming was compensated for after the work on the constitutional amendments was finished. Then the Federal Department of Justice was, in fact, included in the steering committee, however only by specialized civil servants.

### 3. Evaluation

#### 3.1 High demands on coordination

A critical evaluation of the project work comes to mind in view of the complexity of the draft<sup>11</sup>, the number of stakeholders involved (all departments, the Federal Chancellery, all cantons, the association of cities and municipalities, each one on a political and administrative level, as well as, at some points, organisations that were directly affected), the time dimension (start of the actual reform efforts in the early 1990s, with increasing political pressure to present the package to parliament at the end).

Over 100 people were involved in the project team. This breadth and variety (number and origins of the stakeholders) may be surprising. But, in view of the problem and the policies affected, it was necessary. Inevitably, serious coordination problems arose. The management team in particular had to continuously communicate the overarching goals of the reform to the individual project groups in order to prevent the work from reaching a dead end. Furthermore, it had to integrate the often diverging proposals and to present them to the higher level project committees for a decision.

Following Fritz W. Scharpf (1973), we can distinguish basically two ways to coordinate complex projects. In the case of negative coordination, decision alternatives expressly opposed by individual departments are usually eliminated (Scharpf, 1973: 88). The departments or the actors involved will focus their attention in reviewing proposal on possible negative impacts on their particular jurisdiction and veto those that may involve negative effects (Scharpf, 1973: 87f.). In other words, the departments are not primarily interested in innovative decisions but rather to defend their own status quo and to maintain their policy domain over which they have decision-making powers.

In contrast, positive coordination is characterised by the simultaneous discussion of all connected decision-making areas and possible alternatives relating to the issue (Scharpf, 1973: 91). This kind of coordination allows for decisions by mutual supported and complementary contributions of the involved departments. What is crucial is that all alternatives by all affected actors are simultaneously set on the agenda. In this way, a policy can be drafted that complies with the real extent of interrelated problems regarding their degree of innovation and their scope. Scharpf's reflections (1973: 90ff.) have shown that positive coordination quickly comes to limits due to the constrained ability to process information, while decision-making is much easier

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11 A total of 26 constitutional provisions had to be revised. The implementation affected at the federal level 33 laws. Moreover, cantonal legislation also had to be revised, mainly as a result of the reallocation of powers.

in the case of negative coordination between the participating departments.<sup>12</sup> Even if all the members of the project team are, in principle, willing to make innovative decisions, a positive coordination would be difficult to execute and would necessarily end in frustration due to a complete standstill (Scharpf, 1973: 93).

In essence, a project team that encompasses more than 100 people, some of whom represent diverging positions, can only be led applying negative coordination. In negotiations or consultations on the manifold problems, those actors were presented, that felt their jurisdiction to be immediately affected. The dialogue beyond the limits of the particular sectors was rather modest. One should not forget that in the case of the NFA, different policy areas were affected, to varying degrees. Yet proposals to reform public transportation were hardly discussed by delegates representing the social security system – and vice versa. As Scharpf illustrated from an administrative studies perspective, process permeating different jurisdictions and policy domains would hardly be manageable (or even feasible). From the point of view of the project management, it can be concluded with some satisfaction that negative coordination worked fairly well – which was not self-evident considering the stakeholders involved.

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12 As mentioned above, only one area of decision-making or proposal is simultaneously dealt with in the case of negative coordination. Therefore, all that is checked is whether a proposed decision (or, at the most, its updating) could have a *negative* impact on the respective status quo and in which way this occurs. On the other hand, in the case of positive coordination, the relationship between each alternative and the departments is considered. Scharpf determined the following law: in the case of negative coordination, the number of the resulting relationships is limited to  $R_n = (n-1) \times a$ , in which  $a$  is the number of alternative decisions at the disposal of each decision-making jurisdiction and  $n$  is the number of participating departments. In the case of positive coordination, the number of departments to coordinate as well as the alternatives offered is squared, i.e.:  $R_p = n(n-1) \times a^2$ . With respect to the NFA project team (number of participating departments or actors), for the sake of simplicity, 11 were calculated over the entire project: 7 departments, the Federal Chancellery, as well as the KdK, FDK and the Association of Cities and Municipalities. These three organisations, for their part, coordinated the interests of the cantons and the cities, respectively, which logically means that they too pursued correspondingly coordinated efforts. If we assume *three different* models to be discussed relating to the federal compensation of socio-demographic burdens, in negative coordination the relationships that must be checked by the project team are 30, i.e. a still manageable number. In the case of positive coordination, that number rises to 990 relationships that would need to be considered during the decision-making process. Of course, not all organisations or interests represented on a project team would be involved in the efforts of positive or negative coordination. It always depends on whether the actors see themselves affected by a decision. Yet, the model clearly illustrates the limits of positive coordination, in particular, when dealing with more complex, innovative projects.

### 3.2 Opportunities for innovation and their limits

However, negative coordination does not inevitably mean that the mechanisms restricting innovation have to dominate. In fact, participants consistently searched for innovative solutions their particular areas, and they were successful.<sup>13</sup> Insight and the real pressure<sup>14</sup> to actively cooperate instead of passively resist prevailed. In the end, it fell to the project management team to consolidate and collect the somewhat fragmented pieces of the individual sectors to a package.

It has to be added that within the framework of such a reform, it would have been an illusion to comprehensively revise individual policy sector as well. The federal system had been overloaded and coordination had inevitably failed due to the reasons mentioned above. Complexity also sets limits, yet, it does not make it impossible to find opportunities for innovation.

### 3.3 Comprehensive and discursive decision-making

The established project team was able to early and quickly recognise politically awkward situations and to initiate the appropriate discussions between the stakeholders. Diverging opinions were always on the table, so that work on the project basically did not grind to a halt. The federal government, the cantons and the cities held a productive dialogue, which was at times quite controversial and sometimes almost led to political disaster. However, as the discourse was institutionalised and as the project management team could fall back on a variety of functioning networks, unfavourable constellations could be avoided. In the case of looming problems, ad hoc groups were called upon to quickly provide feasible solutions. Members of these groups sometimes accepted to work during unusual hours.

The criteria applied to include the cantons were contrived in that the financially weak, average and powerful cantons were represented equally. This key of distributing positions was applied in all bodies down to the individual project groups. Furthermore, the group of the central cantons of the *Ro-*

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13 Thus, the work on the fiscal equalisation programme proved to be the actual engine driving the reform of the forest policy.

14 The working groups could not act in a “politically vacuum”. Rather they were bound by their mandates which were approved by the political steering committee. Due to the balance of power between federal and cantonal representatives, sometimes a kind of “pillarisation” could be observed in certain policy fields. This emerging pattern could not be entirely broken up. It fell to the project management team and, in particular, the working group leaders (generally, a member of a cantonal executive branch, or the directorate of a federal department), not to lose sight of the overarching goals of financial equalisation, to do its own preparatory work and to “coerce” those directly affected into actively taking part instead of passively resisting.



*mandie* and the *Deutschschweiz* were represented, as well as the alpine cantons. In addition, not only the financial and political perspectives had to be taken into account, but also the constitutional ones. The KdK took care of this and coordinated the interests of the conferences of ministers. This proved to be a difficult task. The conferences of ministers assumed a right to comment on the NFA from their particular point of view.<sup>15</sup> Not surprisingly, these comments did not always conform to the proposals of the KdK, or the joint proposals of the project team. It is difficult to say how intensely the KdK representatives discussed this with the ministers and how often they took part in the respective board meetings and annual conferences.

Of course, there were always attempts to slow down the reform process, if not completely stop it. Well-organised interest groups approached the media, individual members of the project team, members of parliament or even individual members of the Federal Council to defend the particular interests of their group and to wield their influence. The critique that the pre-parliamentary decision-making process worked to balance particular and short-term interests, while the general and long-term interests were neither supported nor appreciated (according to Linder, 1987: 202f.), did not apply to the negotiations on financial equalisation reform.

This finding cannot be explained with the structure of the project team alone. Other conditions had been crucial for achieving a comprehensive reform aimed at the public welfare, like, for instance, the resoluteness and stability of the political project committees, open communication of civil servants with politicians, the disclosure of a concealed obstruction (see Huber, 2000: 203ff.). What mattered was to resist public “attacks” of lobby groups.<sup>16</sup>

However, this requirement was not met consistently. At the beginning of the project, requests from organisations for (public) podium discussions as part of annual conferences, press conferences or other public events were answered hesitantly and in some instances also negatively. It was the project management team, which stepped into the breach, although it was only responsible for operational functions. This way, it assumed a role for which it was not initially conceived and which it, strictly speaking, would not have been politically

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15 See for example, the 8 November 1999 edition of the *Neue Zürcher Zeitung* (NZZ): “Social Directors (SODC) Sceptical of the New Financial Equalisation Program” (p. 13). The SODC, however, was not opposed to the proposals as such with respect to social services. Rather, it requested supporting measures. This demand was taken into account in the first Federal Council report (Federal Gazette 2002, p. 2440ff.).

16 According to knowledge gained from economics, four ideal types of groups can be identified in processes of innovation: the opponents, the sceptics, the followers, and the pioneers. As it turned out during negotiations on the NFA project, sceptics had not been given sufficient voice, at least in the early stages of the project, although this particular group can provide a significant impetus and, with its critical attitude, finally help to achieve the decisive breakthrough the process. Often, there is a risk that critical voices will be disregarded while fundamental opponents prevail.

authorised to fulfil. However, this did not interrupt the political discourse. What was important was that the project management team closely followed the political guidelines of the reform package. Thus it avoided the risk of being forced or of slipping into a role to which it was not entitled.

### 3.4 The NFA: A balanced, win-win solution

In negotiating, redistributive conflicts have to be solved that can be rather complicated. In principle, they are characterized by two asymmetries:<sup>17</sup> Firstly, the existing resources are unevenly distributed. As a result, a change in these creates winners and losers. Secondly, those stakeholders that control the resources to be reallocated are aware of their stronger veto power and can benefit from any dissent, i.e. in the event the negotiations fail. This means that negotiators must have an interest in the collective advantages. In any case, the sum of the advantages and disadvantages of all those participating must be positive.<sup>18</sup> This basic prerequisite was a decisive factor in the success of the NFA project.

When the overall balance was calculated, which listed the (purely) quantitative financial changes compared to the actual state of each individual canton, negotiations run the risk that public discussion would turn into a confrontation of “winners” and “loser” and that this perception would become the dominant factor. Indeed, the collective advantage of fiscal equalisation reform temporarily moved to the background, with debates focused instead on the distributive issues of the resource balance. The arguments partly based on extrapolation and, for this reason, simply indicating an approximate trend. In other words, the discourse was at risk of dealing with an issue that was of virtual nature. The narrow “optics of calculation” seemed to prevail.

In this situation, a report prepared by experts helped to refocus the discussion on the system and the “mechanics” of a new order (Frey, 2001: 19). Thus the danger of narrowing the negotiations to a purely pecuniary conflict instead of dealing with new instruments and their relevance for the political system was banned in due time. However, to this end those politically responsible on the project team had to seize their leadership role and counter any individual interests that could have threatened the collective goal set for the project. After they hesitated to adopt this role at the beginning of the project between 1997 and 1998, eventually the changed strategy gave way to active political negotiating.

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17 For more details, see Benz, Arthur, “Umverteilung durch Verhandlungen? Kooperative Staatspraxis bei Verhandlungskonflikten”; *Staatwissenschaften und Staatspraxis* 1991, pp. 46-75, quotation: Brunner, 2000: 91.

18 Scharpf, in Benz, Scharpf and Zintl, “Horizontale *Politikverflechtung*. Zur Theorie von Verhandlungssystemen, Frankfurt, 1996, p. 14ff., quotation: Brunner, 2000: 91.

Another factor that could have threatened the reform was an imbalance of power. This could not take hold because the NFA instruments included the possibility of mutual compensation<sup>19</sup>: Overall, the rich cantons would bear an even greater burden after the reform than before. However, their expenditures for services with external effects would be compensated for by an inter-cantonal burden sharing. In addition, there are the following institutional “profits” for all the cantons:

- constitutional entrenchment of cantonal autonomy in fulfilling their responsibilities;
- constitutional entrenchment of the principle of subsidiarity;
- constitutional entrenchment of the criteria for allocating powers;
- constitutional entrenchment of inter-cantonal cooperation and the sharing of burdens;
- constitutional entrenchment of the new forms of cooperation and financial equalisation between the federal government and the cantons to strengthen their partnerships.

This showed that the NFA package reflected the famous “win-win situation”: supposed “losers”, who, in fact, must pay more in future, could also become winners based on the “NFA mechanism” (not least based on the bundling of different issues in a coherent package deal). This was in particular felt in the small or smallest cantons. Initially, they feared the “paternalism” of the larger cantons due to a substantial expansion of inter-cantonal collaboration and due to the need to participate in burden sharing. However in the course of negotiations they acknowledged that, without the modernisation of the financial equalisation program and federal structures, their very existence would be called into question in the mid- to long-term. As they noticed, in a small federal state only sovereignty shared with other cantons can mean true sovereignty.

#### 4. Key factors of success

Reforms that follow a comprehensive approach and affect alleged “vested rights” of individual groups and bureaucratic structures are, by their very nature, difficult to achieve. The danger of a “cumulative veto” due to the creation of (opposing, that is, “unholy”) alliances is high. Therefore the crucial question is how such reforms are to be approached so that they have a chance to succeed. In hindsight, the case of the NFA process reveals the factors for success:

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19 As defined by Scharpf, *Politikverflechtung*, p. 81f., quotation: Brunner, 2000: 91.

1. From the start, the project team established by the Federal Council equally represented the relevant interests, at the political as well as the administrative level. Political leaders and civil servants were involved in a constant dialogue among equals. This process made it possible for appropriate solutions, which were neither “technocratically cumbersome” nor politically “illusory”. The principle of equality was maintained throughout the entire project, also during the drafting of the three reports of the Federal Council.
2. In light of the scope of the amendments (constitutional and ordinary law), dividing the process into several steps was essential:
  - First, the main features of the reform were worked out and sent for consultation (1996). In this way, an early political feedback could be received, the political conflicts could be checked out and corrections made in due time. The report on the principles of the reform was extremely important. It allowed moderating the resulting individual interests that arose from time to time at the political and technical levels, by referring to a basic agreement.
  - The report on implementation of the project was based on the results of the initial consultation (1998). It contained the wording of the constitutional amendments and first suggestion to the ensuing legislation implementing these amendments.
  - Based on the results of the second consultation, the first report to the Federal Council could finally be drafted (2001).
  - After the constitutional reform, the laws implementing the federal constitution had to be revised (second report, 2006), while the fiscal issues of the reform were adjusted following the third and final report.

A one-step legislative process, as applied for the attempt of a reallocation of powers during the 1980s, was explicitly abandoned. Such a process would have been impossible in view of the complexity of the reform. It was the declared intention of the federal and cantonal governments that the constitutional fundament should be amended before they take on the many cross-sectional and specific laws.
3. The important steps in the project’s progression were supported by experts. Expertise was used not to make pre-parliamentary decision-making a “scientific” task, but rather to continuously control the path already cleared. The aim was to avoid the reproach of a superficial work. Of course, some of the expert reports commissioned by the project team were accused if not of being partisan then at least expressing a one-sided opinion. In this situation, it was not surprising that “opposing expert reports” – even if they were not called this – were prepared.<sup>20</sup>

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20 For example, on the question as to whether a stronger horizontal fiscal equalisation could promote the emigration of mobile lawyers, two reports came to different, at some points di-

4. The success of the reform project not only resulted from a joint effort of the federal government and the cantons. It was also supported by inter-departmental collaboration at the federal level<sup>21</sup>, which so far was not achieved on this scale and this intensity. The cooperation between the finance administration, as the lead ministry, and the federal justice ministry can be described as successful, even exemplary, especially regarding the drafting of legal norms of the constitution and of fiscal equalisation laws.
5. The KdK and the FDK deserve credit, for each one undertook the indispensable (political) work to coordinate the cantons. It is true that this required a lot of political and administrative effort, which took time. Without a doubt, the project would not have reached the parliamentary stage if this main pillar of cantonal political and administrative coordination had not existed.
6. The Federal Council never substantially commented on the contents of the submission during the entire duration of the project. In fact, two Federal Council resolutions were adopted which outlined the essential guidelines for the working groups elaborating the project. Regarding the reports on the public consultation, it maintained its political distance and only took notice of the reports. In this way, the Federal Council kept all options open until its decision was adopted.
7. Although still in the draft phase, individual proposals were submitted in parliament that sought to influence particular aspects independent of the overall context of the ongoing work. In other words: attempts were made in parliament to shape amendments before the draft of the executive was tabled in the legislature.<sup>22</sup> In these situations, the Federal Council always followed its motto: Parliament will get a look once the Federal Council has adopted its report to the two houses. Thus the coherence of the entire draft could be maintained and, to a large extent, watered-down or contradictory decisions could be avoided.<sup>23</sup>

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ametrically opposed conclusions. One was commissioned by the project team from Dr. Kirchgässner of the University of St. Gallen, and the other presented by the “directly affected” canton of Zug and prepared by “Economics Consultants B.S.A.”, Basel.

21 Horizontal cooperation between the affected ministries.

22 For example, Thomas Onken’s premise, “*Wahrung der übergeordneten Interessen- und Koordinationsaufgaben beim Fuss- und Wanderwegnetz*”, transferred by Parliament on 15 December 1998.

23 Lobby groups tried to influence proposals even before they were adopted by the Federal Council. These attempts caused the problem that one particular viewpoint was emphasised according to the motto: “The overall concept is right, but just in the policy field affecting us”. In such situations, it was worthwhile to remember the overall perspective, i.e. the “general mechanics” of the reform, and to demonstrate that an isolated perspective on a particular policy field, even if it may be justified, did not meet the intentions of the reform. If one had followed the logic of special interests, the draft would have quickly lost its conceptual, federalist, political and financial balance.

8. As part of an ongoing information policy, the media were informed about “milestones” of the project in order to inform about any progress made.<sup>24</sup> This strategy prevented any indiscretions that could have (intentionally) led to confusion and false information. Instead, the state of affairs was openly communicated.<sup>25</sup> This proactive information policy certainly proved to support the project.
9. As story of the NFA project (including the reports) proves, “speed” in an economic sense alone is not a useful standard to evaluate federal reform. Integration, coherence and a politically clever strategy agreed to by the stakeholders involved pay off. Over the years, with a modest operational structure, it became possible to advance a proposal for reform and come to a successful result and complete enactment (2008), admittedly at the cost of a workload that, from time to time, stressed the participants to the limits of their capacities.

The entire reform was presented as a package negotiated and agreed between the federal government and the cantons. Not least due to its complexity and the interdependence of its parts, it was approved under the label “The Revitalisation of Federalism” by parliament and the people.

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<sup>24</sup> No fewer than 16 media releases were released upon the publication of the report on the implementation of the NFA (1998).

<sup>25</sup> See for example, the media release of 9 November 2000, in which reasons for the delay were extensively and openly discussed.

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