

ISBN 0194-2840

Winter 1984 Volume 13, Number 1/2

TABLE OF CONTENTS

A New Newsletter on Comparative Federalism
Publius Invites Manuscripts for Two Special Issues 2
Publius Announces a Special Issue on Canadian Federalism 3
APSA Section on Federalism and Intergovernmental Relations 4
Center for the Study of Federalism New Book Series
Some Recent Books Related to Federalism
"Attempts to Reform Swiss Federalism" by Dr. Werner Bussman 9
The size of the size of the size to the size of the si

A NEW NEWSLETTER ON COMPARATIVE FEDERALISM

We are pleased to note the publication last winter of Comparative Federalism Newsletter, Vol. 1, No. 1. Edited by Dr. C. Lloyd Brown-John in the Department of Political Science, University of Windsor, Windsor, Ontario (N9B 3P4), there are plans to publish it four times annually. Dr. Brown-John suggests that materials may be submitted in English, French, German, or Spanish, and he aspires to include short opinion pieces (250 words), notes on conferences, notes on papers given and articles or books written ou federalism, news on events in the correspondent's country, new books or studies, and "such other materials as any of you believe would be of interest to others in the area of federalism."

The newsletter has no funding, but there are no subscription fees. This implies that a friendly donation for postage would be in order for those enjoying the newsletter. The first issue had some lively observations from Australia, as well as comments from Switzerland, India, and Germany.

We wish Dr. Brown-John success in his endeavor, and suggest that his efforts nicely complement our own efforts in the CFS Notebook.

PUBLIUS INVITES MANUSCRIPTS FOR TWO SPECIAL ISSUES

Publics: The Journal of Federalism invites manuscript submissions for two special issues to be published in 1966 on (I) Rural Communities in the Federal System and (2) Federalism and the U.S. Voting Rights Act.

The issue on Rural Communities in the Federal System will examine such matters as (1) the effects of postwar changes in American federalism on rural communities and non-metropolitan areas; (2) the place and roles of rural communities in intergovernmental relations; (3) the distribution of federal and state funds to rural communities and non-instropolitan areas; (4) the effects of federal and state policies and mandates on rural communities; (5) postwar political developments, political conflict, leadership, innovation, and changing ideologies in vural America; (b) local government capacity and performance; (7) substate regionalism in con-metropolitan areas; (8) the influences of rural constituencies on state politics and on congressional and providential politics: (9) movement into non-metropolitae areas, growth, development, conservation, and other policy issues in rural America; and, (10) presidential "rural policy" programs such as those of Carter and Reagan. Proposals for articles (3 copies) should be sent by October 15, 1984 to Dr. Alvin D. Sokolow, Institute of Governmental Affairs, University of Callfornia, Berkeley, California 95616. Mamscripts (4 copies) will be due into Professor Sekolow by April 30, 1985.

The issue on Federalism and the U.S. Voting Rights Act will examine such matters as (1) the changing involvement of the federal government in the voting rights area; (2) the VRA and changing ideas of representation and theories of consent and equality in the United States; (3) the effects and significance of the VRA on the mobilization and growth of minority voting populations during the 1970's and 1980's; (4) the administration of the VRA under recent presidential administrations in terms of federally initiated suits and especially the significance of the administration of the precisarance requirement under Section 5 of the VRA; (5) offects of the VRA on state constitutions and state and local representational, political, governmental, decision-making, and planning systems; (b) state and local compliance, responses, and admissments to the VRA; (7) the use of the congressional hearings and the record generally to provide an integration of the changing climate, context, and problems of voting is jurisdictions covered by the VRA; (8) the VRA and demographic shifts in the American electorate, such as the rise of minority voting strength and representation in the urban Southwest and the South; (9) the role and uses of social science research methodologies in interpreting and evaluating the VRA's significance; and, (10) social scientists as expert witnesses in VRA litigation. Proposals (3 copies) for articles should be sent by November 15, 1984 to Dr. Charles L. Cotrell, Office of the Dean, St. Mary's University, One Camico Santa Maria, San Antonio, Texas 78284-.400. Manuscripts (4 copies) will be due into Professor Cotroll by June 1, 1985.

PUBLIUS ANNOUNCES A SPECIAL ISSUE ON CANADIAN FEDERALISM

Publius is pleased to announce the publication of a Special Issue on Canada covering recent developments in the Canadian system. Copies are available now for individual purchase as well as classroom adoption. The contents of this issue are listed below. Please use the form below for classroom copies. Also, get a friend to order it and also subscribe to Publius.

Crisis and Continuity in Canadian Federalism

Edited by Filippo Sabetti and Harold M. Waller

Introduction: Crisis and Continuity in Canadian Federalism by Filippo Sabetti and Harold M. Waller

Canadian Federalism Revisited by Richard H. Leach

Federalism and Modernization: Canada and the United States by Milton J. Esman

Public Sector Politics, Modernization and Federalism: The Canadian and American Experiences
by Donald V. Smilev

The Struggle for Jurisdiction: Regionalism Versus Rationalism by Anthony Careless

Energy, Canadian Federalism, and the West by Kenneth H. Norrie

The Enduring Colony? Political Institutions and Political Science in Canada by Mark Sproule-Jones

The Fusion of Powers and the Crisis of Canadian Federalism by Jonathan Lemco and Peter Regenstreif

Canadian Constitutional Reform, 1927-1982: A Comparative Case Analysis
Over Time
by Michael B. Stein

(Detach and Mail)
Yes, please send me copies of Crisis and Continuity in Canadian Federalism
Enclosed is my check for \$ (@\$8.50 per copy), [please add \$2.00 for oversess
with Number I: Crisis and Continuity in Canadian Federalism.
Enclosed is my check for \$20. [Please add \$3.50 for overseas postage.]
NAME:
ADDRESS:
The state of the s
4 to the superior of the super
Return to: PUBLIUS/ Center for the Study of Federalism/Temple Univ. /Phila., PA 19122

APSA SECTION ON FEDERALISM AND INTERGOVERNMENTAL RELATIONS

A Section on Federalism and intergovernmental Relations, with nearly 200 members, is an official section in the official pregram at the APSA national conventions. The 1984 Convention, to be held at the Washington Hilton from August 30 to September 2, will include fourteen panels and workshops. The workshops are a new format designed to bring people together in a roundtable setting to discuss the subject at hand in a serious way. Persons interested in participating in these workshops should contact the appropriate coordinators listed below.

APSA Organized Section: Federalisin and Intergovernmental Relations Workshop I: The State of American Federalism: The Continuing Debate Friday, August 31, 3:30 p.m.

The purpose of tide workshop is to provide an opportunity for the paper-givers of the 1982 and 1983 theme panels to share their views on the state of American coderation with other workshop participants. Contact: Dell Wright, Department of Political Science, University of North Carolina, Chapat Hill, NC 27514.

Chair: Deil S. Wright, University of North Carolina

Presenters: Thomas J. Antop, brown University
David B. Walker, U.S. Advisory Commission on
Intergovernmental Relations

APSA Organized Section: Federalism and Intergovermountal Relations Workshop 2: The Function of State Constitutions in a Federal System Thursday, August 30, 8:45 x. v.

The purpose of this workshop is to go beyond the language and amending procedures of state constitutions and explore the functions that state constitutions seeve in the federal system.

Confact: Gerald Renjamon, Folitical Science Legariment.

820 Faculty Tower, SUNY, College at New Palts, New Palts, NY 12562.

Chair: Cerald Rengroin, SUNV or new Paltz

Pyzaenters: Richard Briffauk, Columbia University School of Law Richard H.: Lewch, Duke University Donald S. Taitz, University of Rossbon Robert C. Welsh, University of California, Los Angeles Janice C. May, University of Texas, Austin APSA Organized Section: Federalism and Intergovernmental Relations Workshop 3: Biconmunal Systems: Session I Thursday, August 30, 10:45 a.m.

This two-session workshop explores the politics of "bicommunal systems" (i.e., political systems dominated by relations between two major ethnic or territorial communities), focusing primarily on questions of power-sharing and interest accommodation.

Contact: Ivo D. Duchacek, P.O. Box 134, Kent, Connecticut 06757.

Chair: Ivo D. Duchacek, Center for European Studies, CUNY

Topics and

Presenters: "Bicommunal and Multicommunal Systems: A Comparison"

Martin O. Heisler, University of Maryland

"Bicommunal Finland"

Kenneth McRae, Carleton University

"Northern Ireland"

David E. Schmitt, Northeastern University

"Belgium"

Aristide R. Zolberg, New School for Social Research

Discussion: Jean Beaufays, Université de Liege au Sart John Kincaid, North Texas State University

APSA Organized Section: Federalism and Intergovernmental Relations Workshop 4: Bicommunal Systems: Session II
Thursday, August 30, 1:30 p.m.

Chair: Daniel J. Elazar, Temple University and Bar Han University

Topics and

Presenters: "Bicommunal Canada"

Peter Leslie, Queen's University

"Bicommunal Cyprus"

Stanley Kyriakides, William Paterson College

"Arab-Israeli Shared Rule?"

Irwin Cotler, Harvard University School of Law

Discussion: Ian Lustick, Dartmouth College

Arend Lijphart, University of California, San Diego

APSA Organized Section: Federalism and Intergovernmental Relations
Workshop 13: The Meaning of Federalism and the Language of Political
Discourse
Sunday, September 2, 8:45 a.m.

This workshop will explore the question of why scholars in positive political theory lieve difficulties with the meaning of federalism (as reflected primarily in workshop references to earlier works) and what these difficulties imply for the language of political discourse.

Contact: Vincent Ostrom, Workshop in Political Theory and Policy Analysis, Indiana University, 513 N. Park, Bloomington, IN 47401.

Moderator: Vincent Ostrom, Indiana University

Principal

Contributors: Reference: "Federalism." In F.1. Greenstein and N.W. Roleby, eds., Mandbook of Folklical Science, vol. 5 (1975), 93-172.

William H. Riker, University of Rochester

Reference: 'Does Federalism Matter? Political Choice in a Federal Republic, " <u>Journal of Political</u> <u>Economy</u> 89 (February 1981), 153-65. Susan Rose-Ackerman, Celumbia University School of Lav.

Reference: "Can Federalism Make a Difference" " Publics 3 (Fall 1973), 198-237. Vincent Ostrom, Indiana University

Paper: "The Meening of Federalism in Yugoslavia" Branko Smerdel, Zagreb University School of Law

CENTER FOR THE STUDY OF REDERALISM NEW BOOK SERIES

the University of Nebraska Press for a series of books of the government and politics of each of the fifty American states. Each volume is expected to appeal to general as well as to professional and student andiences. Contracts for the first turne volumes (Arkansse, Illinois, and Minnesota) have already been issued and the Center is cages to identity potential authors for other states. Interested individuals are arged to attend the special panel at the APSA Meetings in Washington on "A Francework for the Study of State Politics: The Center for the Study of Federalism-University of Nebraska Press Series on the Covernment and Politics of the Fifty States," Although it is listed in the preliminary program for Friday, August 31, it will probably be changed to Thursday, August 30. Picase thack the official program for exact time at the Registration flesk at the meetings.

SOME RECENT BOOKS RELATED TO FEDERALISM

William B. Allen, ed., WORKS OF FISHER AMES: AS PUBLISHED BY SETH AMES, edited and enlarged by W. B. Allen (Indianapolis: Liberty Press, 1983), 2 vols.

Thomas J. Anton, FEDERAL AID TO DETROIT (Washington, D.C.: The Brookings Institution, 1983).

Thad Beyle and Lynn Muchmore, BEING GOVERNOR: A VIEW FROM THE OFFICE (Durham: Dake Press Policy Studies, 1983).

Ann H. Elder and George C. Kiser, GOVERNING AMERICAN STATES AND COMMUNITIES: CONSTRAINTS AND OPPORTUNITIES (New York: Scott, Foresman and Co., 1983).

James W. Fossett, FEDERAL AID TO BIG CITIES: THE POLITICS OF DEPENDENCE (Washington, D.C.: The Brookings Institution, 1983).

Charles R. Foster, ed., NATIONS WITHOUT A STATE: ETHNIC MINORITIES OF WESTERN EUROPE (New York: Praeger, 1983).

Nathan Glazar and Ken Young, eds., ETHNIC PLURALISM AND PUBLIC POLICY: ACHIEVING EQUALITY IN THE UNITED STATES AND BRITAIN (Lexington, Mass.: Lexington Books, 1983).

Parris N. Glendening and Mavis Mann Reeves, PRAGMATIC FEDERALISM (Pacific Palisades, Calif.: Palisades Publishers, 1984), 2nd edition.

P.D. Groenewegen, ed., THE PREMIER'S CONFERENCE 1905; REPORT OF PROCEEDINGS (Cauberra: Australian National University Press, 1983).

Peter Hay and Ronald D. Rounda, THE UNITED STATES FEDERAL SYSTEM (Dobbs Ferry, New York: Oceana Publications, 1982).

Peter House and Wilbur Steger, MODERN FEDERALISM (Lexington, Mass.: Lexington Books, 1983).

Arnold M. Howitt, MANAGING FEDERALISM: STUDIES IN INTERGOVERN-MENTAL RELATIONS (Washington, D.C.: The Congressional Quarterly, 1984).

Charles S. Hyneman and Donald S. Lutz, eds., AMERICAN POLITICAL WRITING DURING THE FOUNDING ERA, 1760-1805 (Indianapolis: Liberty Press, 1983), 2 vols.

Rhodric Jeffreys-Jones and Bruce Collins, THE GROWTH OF FEDERAL POWER IN AMERICAN HISTORY (Scottish Academic Press-distributed by Columbia University Press, 1983).

David R. Johnson, John A. Booth, and Richard Harris, eds., THE POLITICS OF SAN ANTONIO: COMMUNITY, PROGRESS, AND POWER (Lincoln: University of Nebraska Press, 1983).

Walter Lipgens, A HISTORY OF EUROPEAN INTEGRATION, 1945-1947 (Oxford: Clarendon Press, 1982).

Susan A. MacManus, FEDERAL AID TO HOUSTON (Washington, D. C.: The Brookings Institution, 1983).

Mazmanian and Sabatier, IMPLEMENTATION AND PUBLIC POLICY (New York: Scott, Foresman, and Co., 1983).

Charles E. McClure, Jr., ed., TAX ASSIGNMENT IN FEDERAL COUNTRIES (Canberra: Australian National University Press, 1983).

Charles E. McClure, Jr., and Peter Mieszkowski, FISCAL FEDERALISM AND THE TAXATION OF NATURAL RESOURCES (Lexington, Mass.: Lexington Books, 1983).

William K. Muir, Jr., LEGISLATURE: CALIFORNIA'S SCHOOL FOR POLITICS (Chicago: University of Chicago Press).

Richard P. Nathan, THE CONSEQUENCES OF CUTS (Princeton, New Jersey: Princeton University Press, 1983).

Peter S. Onuf, THE ORIGINS OF THE FEDERAL REPUBLIC: JURISDICTIONAL CONTROVERSIES IN THE UNITED STATES, 1775-1787 (Philadelphia: University of Pennsylvania Press, 1983).

Charles J. Orlebeke, FEDERAL AID TO CHICAGO (Washington, D.C.: The Brookings Institution, 1983).

Sidney Pearson, Jr., THE CONSTITUTIONAL POLITY (Lanham, Maryland: University Press of America).

Alan Rosenthal and Maureen Moakley, THE POLITICAL LIFE OF THE AMERICAN STATES (New York: Praeger, 1984).

Alberta Sbragia, MUNICIPAL MONRY CHASE: THE POLITICS OF LOCAL GOVERNMENT FINANCE (Boulder, Colorado: Westview Press, 1983).

Michael H. Schill and Richard P. Nathan, REVITALIZING AMERICA'S CITIES: NEIGHBORHOOD REINVESTMENT AND DISPLACEMENT (Edison, New Jersey: State University of New York Press, 1983).

Henry J. Schmandt, George D. Wendel, and E. Allen Tomey, FEDERAL AID TO ST. LOUIS (Washington, D. C.: The Brookings lestitution, 1983).

ATTEMPTS TO REFORM SWISS FEDERALISM

Dr. Werner Bussmann Federal Office of Justice Berne, Switzerland

Federalism in Transition

Since the adoption of the federal constitution in 1848, Swiss federalism bas changed its face in many respects. The founding fathers designed a bicameral system consisting of the National Council (cf., U.S. House of Representatives) and the Council of States (cf., U.S. Senate) so as to "balance" interests of the nation and interests of the cantons (cf., U.S. states). Not surprisingly, the Council of States has never truly been a voice of the cantons, but resembles in its composition more and more the National Council. In the last decades, the political functions of the cantons have to a large extent been superseded by their vast administrative functions. The implementation of federal norms is almost exclusively carried out by the cantons. A decentralized federal administration does not exist; rare exceptions (e.g., customs, military defense) confirm this rule. The cantons are autonomous only in very few fields of public activity: education (primary and secondary schools), public health (hospitals), public welfare, police, and imposition of taxes. In all other matters they carry out federal norms; their costs are partly or wholly compensated by grants-in-aid. This system of competence-sharing is labeled -- somewhat derisively -- as "federalism of implementation, "

The actual system of competence-sharing has developed gradually. In the Swiss consitution all rights not given to the Confederation are reserved to the cantons. Since 1874 federal competences have progressively been enlarged by more than a hundred constitutional amendments.

Although the constitution was continually revised and refined, a certain lack of innovation and a need for more fundamental reforms were felt in the mid-1960's. In 1965 a motion asking for the total revision of the federal constitution was adopted. In 1971 another motion passed asking for a report on the expected development of the distribution of competences between the Confederation and the cantobs and on proposals for a reform.

As in many other countries, the late 1960's and early 1970's in Switzer-land were marked by optimism with regard to the achievements and further

This paper is a revised version of a lecture presented at North Texas State University, Denton, on April 18, 1984 as part of a program series on "Federal Democracy and Human Rights" sponsored by the Department of Political Science, directed by John Kincaid, and funded in part by the Association for Higher Education of North Texas and the Texas Committee for the Humanities, a state program of the National Endowment for the Humanities.

possibilities of the public sector. The preparatory work for the total revision of the constitution was influenced by this optimistic outlook. Since the mid-1970's, a certain disenchantment with public performance has spread. The reform of federalism which started later has somewhat taken account of this change. It has progressed quite well. In September 1981 the Federal Council submitted a bill to the Parliament with proposals for a "New Distribution of Tasks Between Confederation and Cantons" in ten policy areas. A "second package" is being prepared with proposals in sixteen more policy fields. The total revision of the constitution has not yet reached the parliamentary stage. I will, therefore, concentrate mainly on the "New Distribution of Tasks" and its content and, in the end, touch briefly upon the attempts at revising the constitution.

The New Distribution of Tasks Between Confederation and Captons

The preparatory work for a reform of federalism started in 1973. The Federal Department of Justice and Police instituted a working group and made an inquiry among twelve cactors on the actual distribution of competencies. The results of this research demonstrated the multifold and strong interpenetration of competencies and assignments in practically every policy field.

Until 1977 the purpose of the operation was not seen in the ciaboration of concrete proposals but rather in guidelines for legislative action in the future. The whole endeavor furthermore had a centralistic tendency; if changes were to be made, they should be toward a more active and stronger Confederation. In 1977-78, however, the course of the work change somewhat. The hugh deficits of the Confederation, averaging I billion Swiss francs a year, led to a systematic examination of the expenditure structure. As transfers to the cautons or private beneficiaries account for 63 percent of the federal budger, the distribution of tasks (and of financial flows) was observed more and more carefully. Thus, the "New Distribution" received an impetus by the financial problems of the Confederation.

A "study commission" was created in 1978 consisting of present and former officials (Confederation and cantons) and of professors. Its assignment was to formulate concrete proposals for reform and to establish guidelines for intergovernmental relations. A "contact group" consisting of representatives from every capton was assigned advisory functions. Within one year the commission produced a report containing the "first proposals" extending over seventeen different fields of public activity. These proposals were then submitted to the appreciation of interest groups, parties, and cantons in the so-called consultation process: most but not all of the proposals were judged favorably. Finally in the Valt of 1983, the Federal Council transmitted a bill to the Parliament with proposals for various constitutional and legislative changes in ten different fields. This bill was treated by the

"Council of States" in December, 1982, and was examined by the "National Council" in March, 1984. The proposed constitutional and legislative changes will be put to the vote in 1985.

Since 1980 the study commission has elaborated a second package of proposals. They will be assessed by interest groups, parties, and cantons in another round of the consultation process in 1984. The adoption of a "second package" of proposals by the Federal Council is not expected until 1986.

Elaboration Procedure

None of the "first" and "further" proposals have been enacted yet. Whether the operation will be wholly successful remains to be seen. Still, it seems useful to give an overview of this vast enterprise. Whatever will be its outcome, a very valuable presentation of the federalist system and its problems has been given. Furthermore, it seems that in many fields, the process of centralization has already been stopped by the mere fact that the values of decentralization and clear-cut responsibilities have been emphasized.

I will start with principles that have guided the work of the study commission. As the Confederation was running into high deficits while the cantons were in a financially sate position, it seemed clear from the beginning that the cantons should assume a greater share of the financial burden. This coincided with the desire expressed by cantonal governments to have more and undivided responsibilities in extended fields of public activity. A correspondence between financial and decisional responsibility ("who commands has to pay") seemed to be a sound working principle. Furthermore, there was an emphasis on the principle of "subsidiarity": What can be carried out by the cantons should not be carried out by the Confederation.

Of course, the guiding capacity of these "rough-and-ready" type principles was only limited. There are public functions for which an abolishment of subsidies to cantons was proposed while federal regulations are to be maintained (prisons and reform schools). On the other hand, the financial contributions of the Confederation to universities are to be maintained, although regulation is almost entirely left to the cantons. The study commission was pursuing a rather pragmatic course, checking field by field, making primary decisions, harmonizing them with other decisions, and extending solutions to other public tasks.

The decisional process within the commission was facilitated by the fact that it consisted of members with a rather "conservative" outlook. No member of the Social Democratic Parky was included. While the homogenity of proposals was increased, difficulties in the parliamentary stage of the political process have appeared, although concessions to the left have already been made in the "first package." While the "philosophy" of the "New Distribution" could be

presented in more detail, it can best be grasped by a look at the concrete proposals. I will, therefore, present them briefly. The reader must keep in mind that the "first package" is clearly ahead of the "second package" in the legislative process and has thus already been reduced in its scope.

Content of the First Package

Prisons and Reform Schools

This is a typical example of Swiss "federalism of implementation," The Confederation is setting standards; the cantons are providing the facilities for penal execution and educational measures. Up to now, grants have been given for the construction and the running of the facilities. They will be limited in the future and concentrated on pilot projects.

Civil Protection

Here, too, the cantons assume the function of "lower" administrative units.

Federal norms are extremely tight and grants are given to the cantons. Several grants will be cut, it is proposed, and federal norms "thinned."

Primary Schools/Protection of Cultural and Linguistic Minorities

A financially negligible and outdated grant to the cantons for the running of public schools will be abolished. A part of it—destined for cultural and linguistic minorities—will be kept, but under a new title.

Scholarships.

Scholarships (and loaus) are primarily given by the cantons, but there is a federal scheme for supporting and encouraging their efforts. Unluckily, differences between the cantons are still large. It is proposed to drop the federal supporting scheme and to "cantonalize" scholarships completely.

Encouragement of Physical Education and Sports

A particularly strong entreachment between the Confederation and the cantons can be observed in this field. Federal aid and norms mainly concern public tasks for which the cantons are responsible (schools, leisure activities). A certain limit will be imposed on federal regulation and aid.

Public Health

Several minor subsidies will be dropped.

Social Security

Old Age and Survivors Insurance (AHV)/Homes for the Aged

Twenty percent of the expenditures of AHV are provided for by the Confederation (fifteen percent) and the cantons (five percent). The Confederation will assume this entire part and discharge the cantons of their present contribution, because collective social security is regarded as a national task. Conversely, subsidies of the AHV, which are allocated to the construction of homes for the aged, will have to be taken over by the cantons.

Supplementary Contributions to Old Age and Survivors Insurance (Disability Insurance (IV)

The cantons provide supplementary means to certain categories of old people and are in turn reimbursed for a part of these expenses by the Confederation. It was originally proposed to establish guidelines by the Confederation and to increase the normative and financial responsibility of the cantons. What was retained of this proposal is only a reduction of the federal subsidies to the cantons.

Support of Refugees

Up to now, refugees have been supported by the Confederation until they become Swiss citizens. It is proposed that the cantons now take care of them as soon as they get a permit of residence (i.e., normally after five years). Certain forms of federal aid (e.g., for handicapped refugees) will be maintained.

Encouragement of the Construction of Lodgings

The construction of lodgings has been encouraged by a small federal program. It is assumed that the cantons will be able to administer such programs more effectively. The Confederation will only maintain its program for encouraging housing contruction in mountainous areas.

Overall Financial Repercussions

Financial flows amounting to 1700 million Swiss francs will be redirected. The Confederation will take over the cantonal contribution (790 million Swiss francs) to old age and survivors insurance and at the same time cut 410 million Swiss francs of subsidies in various other fields. Furthermore, the cantons will have to pay 490 million Swiss francs of the costs of the health insurance. In the final balance, the cantons will have to pay an additional amount of 110 million Swiss francs, a quite negligible sam of their annual budget (25 billion Swiss francs). As financially weak cantons have so far received more subsidies, they will be affected more. To compensate, even overcompensate, for this effect, fiscal equalization between cantons will be strengtheded.

Content of the Second Package

The proposals relate to four major fields:

Education

In the past, quite a few reforms in the field of education have been attempted, and almost all of them have failed. The situation is neither a total failure nor wholly satisfactory. No major changes for the distribution of tasks are proposed. It is suggested that instead of subsidies basen on school costs, a lump sum (per hour, per semester) will be given.

Culture

Instead of subsidizing individual objects (conservation of momments, etc.), a fixed sum will be given to the cantons. They will be able to use it freely for the encouragement of the arts and the preservation of the cultural heritage. Supervision by the Confederation will be based on yearly reports of the cantons.

Social Security (Disability Insurance)

The implementation of the disability insurance has been delegated to cantonal agencies (which, however, are tightly ruled by federal law). Still, differences in allocating pensions have arisen. It is proposed to integrate up to now dispersed agencies in the cantons and to strengthen the vertical links.

Economy and Environment

In agriculture, forestry and rivertain improvements, federal aid will partly be limited and concentrated on the mountainous areas; here problems are more argent and exceed the capabilities of the cantons. In the field of water purification, federal embeddies will be directed to high purification techniques on a pribrity basis. A few problems of rather "technical" nature were treated in the fields of "defense" and "road traffic,"

Financial Reguli

Altogether, the proposed messures of the second parking will cost the cantons some 200 million twiss france. Added to the linuspal result of the first parkage, slits would make 310 million Swass france. The Federal Coincil has promised to limit the additional financial burden for the cantons to 180 million Swiss france. The amount exceeding this target (136 million Swiss france) will be used for discharging the cantons of their participation in the costs of the federal disability incurance.

Revision of the Federal Constitution

While the "New Distribution" has gained enough momentum to have some impact on the future of federalism, it is uncertain whether the "total revision of the constitution" will ever produce substantial results. Started at a time which was propitious for liberal reform (1965), it has lately encountered obstacles.

The operation started in 1967 with the institution of a working group for the preparation of a "total revision." It made an inquiry among cantons, parties and universities on the desirability and scope of such a reform. A final report was published in 1973. In 1974 an expert commission was formed. Within three years, it worked out a draft for a new constitution. It was submitted to the procedure of consultation.

The total revision of the constitution is a somewhat paradoxical affair in a country like Switzerland, where the constitution can be amended at any time. It has in fact changed its face quite heavily since 1874 when the last total revision took place. This leads to the question of whether a complete reform will be able to solve problems better than partial revisions. It is clear that the existing constitution is overladen with items of minor importance and thus barely readable. But it is less clear whether more than a cosmetic operation should be undertaken. In the draft of 1977, no changes in the basic institutions and the legislative procedure were proposed. The scope of public competencies in general and federal competencies in particular was, however, broadened. In the procedure of consultation, the draft was criticized for defining public competencies too broadly, especially in the field of economic regulation. The section on the division and the sharing of competencies between Confederation and the cantons was also objected to, because the present provisions in favor of cantonal competencies (any competence not assumed by the Confederation is reserved to the cantons) were to be dropped.

It was hoped that the new constitution would be approved by 1991, the 700th anniversary of the Swiss Confederation. However, the political question of whether such a reform is necessary and desirable is not yet revolved. By 1985, the Federal Council will address a report to the Parliament asking to proceed to a total revision of the constitution. Whether the Parliament is actually willing to do so remains to be seen.

Assessment

The "New Distribution" is certainly one of the most ambitious governmental operations ever attempted in Swuzerland. It covers twenty-five fields of public endeavor; many of them (education, social security, agriculture) are very important. Thus, it extends over a good part of public activity. However,

its actual importance and lumize impact are hard to determine. While right-wing observers complain that the mountain has given birth to a mouse, left-wing observers fear the dismantling of the present system of social security.

The prospective financial transfer of 180 million Swiss france to the cantons - side by side with increased responsibility - seems relatively unimportant. Cantonal governments, however, point out that there are quite a few other projects (amounting to nearly 1 billion Swiss trance) which have to be considered.

The importance and relevance of the "New Distribution" is hard to assess because it extends over many fields and covers various elements. Three major effects can be distinguished:

Kinencial transfers: The abolition of the grant to public schools and of other filter subsidies is a pure disancial operation without any effect on the implementation of these miblic tasks. The "New Distribution of Tasks" in the field of old age and survivors insurance (ABIV) seemingly is another pure financial transfer (Confederation takes ever the present contribution of cantons). However, the long-term repercussions of this operation are not easy to judge. As expenditures in social security are labelled "dynamic" it is leared that the Confederation sponer or later will have to put a colling on its contribution. Then either premiums will have to be increased or the pension scheme will have to be revised.

Administrative improvements: is several finide administrative procedure on all two/three levels will be improved. By renouncing reports and controls, captonal and federal administrations may be discharged to some extent. Heplacing subsidies on costs by a lump sum can reduce the work load and increase administrative efficiency. In the discoultry insurance, finally, a reform of a very large scope is proposed. Functionally different agencies within the same area are to be integrated, the vertical links to be strengthened. Thus, decentralization will be more of administrative than political nature.

Substantive reform: it can be expected that the administrative reform proposed is dischility insurance will also have effects on the practice of attributing pensional more professionalism, greater equality before the law. Effects will also be felt when the attribute of financing is changed. The cutting of substance will affect the behavior of cantons, relaxing their margin of action, and increase diversity (penal execution, scholarships, homes for aged, agriculture, forestry, etc.). In other fields defend norms will subsist, while grants will be diminished or abolished entirely. Will they be observed by the camons invit protection, water protection, esc.): In yet another field (encouragement of construction of lodgings), it is a federal program which will be stopped, the cambons are approved to take up this coallenge.

In the first package, financial transfers are predominant, in the second package, administrative reforms. In both packages, the material results in some of the affected policy areas will be felt. It will depend on the cantons as to what the final effects of the "New Distribution" will be. Up to now, they have expressed their desire for a larger margin of action. On the other hand, it has been stressed that programs for those in need will be maintained by the cantons. How the two statements can be reconciled is an open question. The study of spending behavior of the cantons and the Confederation is only at a beginning; thus, a forecast based on empirical data is not possible.

Perspectives: Chances and Difficulties

The attempts at a revision of the federal constitution as well as the "new distribution of tasks between Confederation and cantons" are an astonishing endeavor in a country that some political scientists describe as being unable to realize substantial reforms. This is only partly true, because continuous constitutional and legal change very often makes far-reaching decisions superfluous.

Both the revision of constitution and the "New Distribution" are administered by the same department (Justice and Police). This is not an accident, because the department, until 1982, has been headed by the federal Councillor Furgler, said to be the most dynamic in the seven member government. By fixing a tight schedule and by choosing knowledge-oriented and not so much interest-oriented persons in the preparing commissions, innovative projects have been made possible.

Yet there are still many problems to be solved. The revision of the constitution encounters a lot of excepticism and even resistance. The "New Distribution" has raised opposition by several groups left of the center, while being solidly supported by two other major parties; a fourth party has not decided and will probably saty divided on this issue.

While the Social Democrats and other opponents of the "New Distribution" assert the necessity of such a reform, they nevertheless criticize the majority of the proposals because of their "slaut" toward measures touching social security.

In this context, it has been debated whether principles or guidelines for the cantons should be maintained in certain "sensitive" areas: scholar-ships, gymnastics and sports, supplementary pensions. In general, the cantons have opted for a true and authentic federalism (i.e. for a distribution of public tasks that does not reduce their function to solely implementing federal norms). Whether this kind of federalism will live up to the expectations found in the modern welfare state remains to be seen. Up to now, the cantons have performed very well in so-called "productive" sectors of public

policy: vocational schools, roads, and other areas of infrastructural equipment. Their record in non-productive areas (e.g., welfare work) has not been so impressive. One reason given is that their supplementary functions with regards to the ones of the Confederation have not favored the development of a cantonal policy in these areas. It can also be argued that due to their small size, the cantons are afraid of loosing taxpayers and are eager to strengthen their tax base. Thus, they would be more apt to favor productive investments which would attract or keep companies. They would thus be governed by a different "logic of collective action" than the Confederation. Empirical evidence does not altogether support this thesis, as many and even small cantons have considerable expenditures in culture, social work, social housing, etc. So the performances and functions of the cantons are hard to assess. The "New Distribution of Tasks" has already stimulated the debate about federalism and will undoubtedly continue to do so, when the proposed measures will be implemented.

^{*}I wish to acknowledge the assistance of Marcel Stutz in preparing this article.

FOOTNOTES

- l. Botschaft des Bundesrates über erste Massnahmen zur Neuverteilung der Aufgäben zwischen Bund und Kantonen, vom 28. September 1981, Bundesblatt, Vol. III, pp. 737-884.
- 2. Erste Vorschläge zur Neuverteilung der Aufgaben zwischen Bund und Kantonen, Bericht der Studienkommission für die Neuverteilung der Aufgaben zwischen Bund und Kantonen, vom 31. Juli 1979 (Bern, Eidgenössische Drucksachen- und Materialzentrale 1979).
- 3. Arbeitsgruppe für die Vorbereitung einer Totalrevision der Bundesverfassung, Schlussbericht (Bern, Eidgenössische Drucksachen- und Materialzentrale 1973).
- 4. Expertenkommission für die Vorbereitung einer Totalrevision der Bundesverfassung, <u>Verfassunsentwurf</u> (Bern, Eidgenössische Drucksachenund Materialzentrale 1977).
- 5. Kriesi Hanspeter, Entscheidungsstrukturen und Entscheidungsprozesse in der Schweizer Politik (Frankfurt/New York, Campus Verlag 1980).

Some Recent Books Related to Federalism (Con'd from Page 8)

Theodore W. Taylor, AMERICAN INDIAN POLICY (Mt. Airy, Md.: Lomond Publications, 1983).

Brian Tierney, RELIGION, LAW, AND THE GROWTH OF CONSTITUTIONAL THOUGHT, 1150-1650 (Cambridge: Cambridge University Press, 1982).

M. J. Trebilcock, J. R. S. Prichard, T. J. Courchene, J. Whalley, FEDERALISM AND THE CANADIAN ECONOMIC UNION (Toronto: University of Toronto Press, 1983).

Joseph F. Zimmerman, STATE-LOCAL RELATIONS: A PARTNERSHIP APPROACH (New York: Praeger, 1983).

¢.		



NON-PROFIT ORG. U.S. POSTAGE PAID PHILA., PA 19122 NO. 1044

Center for the Study of Federalism Temple University Gladfelter Hall, Phila., PA 19122

Return Postage Guaranteed

CFS NOTEBOOK is distributed on a quarterly basis to members of the Conference for Federal Studies.

Production: Mary A. Duffy

Editor: Donald S, Lutz

CFS NOTEBOOK is published by the Center for the Study of Federalism, Temple University, Gladfelter Hall, Philadelphia, Pennsylvania 19122.