

## CHAPTER 3

### IS IT A GOOD SYSTEM?

Like any other system, the Swiss one has advantages and shortcomings. Let's try to sum them up.

#### **Shortcomings**

1) The system is **slow and complicated**. Since you have to consult everybody to get a clear majority on an issue, problems that could be settled in a matter of months in some countries drag on for years in Switzerland. Sometimes, the rhythm is just hopeless. For example, there is a widespread feeling that it is increasingly difficult for the government to function with only seven ministers, whereas in other countries, there can be dozens. There are discussions about that since... the 60s. No solution that a majority could agree on has been found yet. Every few years, the subject comes back in the political agenda... and disappears after everybody has agreed to disagree. Geneva specializes in these long debates that lead to nothing. It has talked about building a new crossing for the lake for decades: the first project dates back to 1896. The people agreed on the principle in a popular vote in the 80's. Two concrete projects were refused in a popular vote in 1996. The debate has been recently reactivated. Hopes are that a project could be completed by... 2030 or 2050.

2) Switzerland is a **very difficult partner to negotiate with** at the international level. You can sign an agreement with it, the parliament can ratify it, but there's always the possibility

of a referendum. The European Union knows this. In 1992, the federal government and the Parliament had agreed to join the European Economic Area. This structure allowed the member countries of the European Free Trade Association to participate in the European Community internal market without being members, except in a few domains. The price to pay was to adopt all European laws relative to that market. Switzerland negotiated hard to make it palatable to its citizens. Yet 50.3% rejected the agreement as well as 16 of 23 cantons. It took ten years for a substitute solution to be implemented: the bilateral agreements. And the European Union is not satisfied with that solution anymore, which has created a lot of tension between the two. But Swiss authorities have very little room for manoeuvre, as any solution deemed too favourable for the EU would probably be rejected in a referendum (more on this in chapter five).

3) Distribution of power often leads to a **lack of leadership**. Collegial government too often means that each minister focuses on their own department, their own affairs and that nobody takes the broader view. And when the person in charge of an issue has very little power and has to reckon with a myriad of other players, it's not easy to impose a clear line. This lack of leadership at the government level seems increasingly problematic as Switzerland has to face tough foreign relations challenges. As Henry Kissinger could have said: "who do I call if I want to call Switzerland?"<sup>13</sup>

The country has been at odds with some of its neighbours, the European Union, the USA and the OECD for years about bank secrecy and tax policy. The government has given way little by little, for example agreeing to deliver names of Americans having bank accounts in the country to

<sup>13</sup> According to the *Financial Times*, the original Kissinger quote, "Who do I call if I want to call Europe?", is bogus.

the US government, then almost accepting to abandon bank secrecy and accepting a settlement seen as highly detrimental to Swiss banks. You may or may not like bank secrecy<sup>14</sup>, but there is a widespread feeling that the government reacted to external pressure without any clear strategy, and without getting anything in exchange for its retreats.

4) In an increasingly complex world, where some issues are already very hard to grasp for politicians, you can question the ability of the people to take informed decisions about them. Many citizens will admit that they sometime vote **without fully understanding** the issue and the possible outcomes of their choice. If one does state the contrary, take them to a lie detector. And if they pass the test, check the machine. There must be a misconnection somewhere.

5) The initiative system can be **very risky**. A completely impracticable initiative, at odds with the legal system or likely to create serious diplomatic problems can be launched and accepted. It hasn't occurred many times, but there are some recent examples. And with the growing tendency of big players to use initiatives to promote their agendas, the risk is increasing (see next chapter).

An example? The UDC launched an initiative asking that every single treaty signed by Switzerland be subjected to a compulsory referendum. All observers agreed that it would have been absolutely impractical and would have clogged the whole system. The least technical agreement would have had to wait months before being accepted and the people would have been overwhelmed with an avalanche

<sup>14</sup> To dispel a common misunderstanding, let's make clear that bank secrecy doesn't exist for money from criminal enterprises, just for money that has not been declared to tax authorities. Swiss laws against money from criminal enterprises are very tough.

of subjects to vote on. It was happily rejected, but this outcome was not evident from the start.

In recent years, several initiatives were accepted although they seemed to be at odds with international law or the Swiss Constitution. This is the case of one that requested that the prosecution of sexual or pornography offences involving prepubescent children and the penalties for such acts should not be subject to a time limit. This is also the case with an initiative that banned the building of minarets and one that requested that foreigners having committed certain types of offences be automatically expelled from the country, no matter what their status, how long they've lived in Switzerland or the seriousness of the crime.

### Advantages

1) The system, with the possibility to challenge any law, gives strong incentives to the authorities to **listen to all sectors of the population** and to integrate many points of view in the decision-making process. It also encourages the authorities to tackle issues that worry the population, lest they launch an initiative. The authorities don't always do it, and the people sometimes send them a reminder: that's what happened with the initiative reinforcing the rights of the shareholders, with a view of limiting ultra high salaries of listed companies. It was largely accepted in spring 2013.

Governments of a neighbouring country have a tendency to promote bold reforms only to back step when citizens, who were left out of the process, take to the streets. It's an almost impossible scenario in Switzerland. There are heated debates here too, but every significant player has a chance to voice their concerns. And in an increasingly complex world, I think that decisions are better if they include a lot of points of views.

2) The Swiss political system, distributing power between many players, is one of the main reasons why people with different languages, cultures and ideas about the state manage to **live together peacefully**. Not a small feat, when you read the international section of daily newspapers.

3) Thanks to federalism, a lot of decisions are taken at the local level, where authorities have a more **direct contact with the population**. They are certainly better adapted to the realities of the field that if they were taken in Bern.

4) Direct democracy keeps a comparatively **high level of interest for politics in the population**. The "have-you-made-up-your-mind-yet-and-why" discussions are fairly common when friends meet before a vote, and this gives them incentives to think about important issues. I was really struck a few years ago, when I attended a Franco-Swiss seminar on the bilateral agreements between EU and Switzerland, before they entered into force. The Swiss participants seemed to be well informed about their content as they had to vote on them. The French had a much more vague idea. Even their local politicians admitted that they got their information from the Swiss media.

5) The possibility of challenging any law gives a **high level of legitimacy to political decisions**. Some countries witness prolonged culture wars about some sensitive issues, like abortion. In Switzerland, if there is a real disagreement, we have a way accepted by everybody to solve it: a popular vote. That usually settles the matter for a few years at least.

6) Swiss people are very diverse and don't necessarily have a common language when they meet, not to speak of a common culture like most of the countries have. Swiss French hardly know about Swiss German celebrities, the Swiss

Germans often have very different views about the role of the state than the Swiss French. But there is something that binds us and gives us a **common identity**: the political system. We all share this unique feature and that helps us feel that we are somehow distinct. Being Swiss is not about eating a certain type of food, speaking a certain language or having certain sensitivity: it is having a federalist semi-direct political system.

7) Finally, as a Swiss citizen, it is **rewarding** to have a political role to play. One feels like treated like an adult.