

Contemporary Switzerland

Revisiting the Special Case

Edited by

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21. The quantitative data bank provides no information in that respect.
22. The question that was asked to our interview partners was labelled as follows: 'In your opinion, which are the three most important actors in the decision-making process on ...?' For comparative purposes, Table 9.2 presents a standardized measure of reputational power, namely the percentage of interview partners who mention a given actor as one of the three most important.
23. The collaboration network is based on the responses to a classic socio-metric question: 'Here is a list of actors active in this decision-making process. Based on this list, could you please tell me with whom you collaborated closely?' Betweenness centrality measures the percentage of actors that must transit through a specific actor in order to reach (i.e. to collaborate with) the other actors of the network. It thus indicates to what extent an actor plays the role of a 'broker' or 'gatekeeper' for the connection with other actors in the network.
24. See Börzel and Risse (2000) for a presentation of this argument with regard to the EU context.
25. For instance, the Swiss Business Federation (economieuisse) is the only Swiss peak association that is directly represented in Brussels.
26. See Risse et al., 2001 for a development of this argument with respect to Europeanization.
27. Recent developments, however, suggest that the impact of Europeanization on Swiss legislation and decision making has weakened since the late 1990s (see, e.g., the popular rejection of the federal law on the electricity market or the failure of the unbundling of the last mile in the telecommunication sector; Fischer et al., 2003).

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Reforming the Swiss Municipalities: Efficiency or Democracy?

Andreas Ladner and Reto Steiner

Swiss local level reforms fit quite well into the international pattern. As in many other countries, municipalities introduced New Public Management, increased intermunicipal cooperation, amalgamated with other municipalities and tried to improve the functioning of the authorities and the decision-making process. Whereas intermunicipal cooperation and the merging of municipalities aimed at making service provision at local level more efficient and at increasing the quality of the services provided, New Public Management reforms tried to improve the municipalities' capacity to act and aimed at moving closer to citizens by increasing customer orientation. Altogether, the reforms cannot be regarded as an attempt trying to downsize the state sector. However, strengthening the input-side of democracy by moving decisional power to the citizens was of lesser importance in Swiss municipalities than in other countries. This is mainly due to the far-reaching direct democratic rights of Swiss citizens.

1 Introduction and research questions

Local government reforms are currently on the agenda throughout the world (Caulfield and Larsen, 2002: 9). In Western Europe reforms began in the 1960s, but they have accelerated and spread more widely in recent years (Kersting and Vetter, 2003: 11). In the 1970s, when a first wave of reforms swept over Northern Europe, leading to a dramatic reduction in the number of municipalities, Swiss municipalities were left untouched. In the 1990s this situation changed considerably, as an increasing number of Swiss municipalities began to modify their institutional settings. New Public Management (NPM), reforms of local parliaments and executives, intermunicipal cooperation and even an amalgamation with other municipalities became major concerns in local politics.

The reform activities affect different aspects of local government. Four groups of reforms can be distinguished (see, for example, Kersting and Vetter,

2003): territorial and functional reforms, management reforms, changes towards more direct participation, and changes in local representative democracy: the former two measures are commonly classified as reforms of the local administration and the latter two as reforms of the political system. At first sight, political system reforms affect the input-oriented legitimacy of democracy (see Scharpf, 1999) by making local government and the decision-making process more democratic whereas reforms of the local administration and functional or territorial reforms are directed towards output legitimacy by attempting to make service delivery more efficient. However, this division is short-sighted. Territorial or administrative reforms are also linked to the question of democratic decision making, whereas reforms of the political system cannot ignore the question of efficiency when it comes to taking decisions. Or, in other words, NPM tries to make service delivery more efficient by enhancing transparency in the costs of local services, creating market-like competition, and increasing the operational autonomy of local bureaucrats. NPM furthermore aims to increase the responsiveness and accountability of the political authorities through customer surveys and more citizen participation and tries to improve the political steering facilities. Similarly, the amalgamation of municipalities not only offers more efficient service delivery through 'economies of scale', but also reduces spill-over effects, takes decisions on specific issues into a single territorial constituency, and makes them politically more contestable.

Swiss municipalities differ from municipalities in many other countries in at least three key respects. First, although most of them are very small,¹ they enjoy a privileged position within the political system, commanding a considerable amount of discretion and autonomy, especially where their financial resources are concerned.² Since their activities do not fall directly into the realm of the nation-state but depend upon the cantons, there are considerable differences to be found within the country (see Ladner, 1991a).³ Secondly, Swiss citizens dispose of a broad set of direct democratic means of participation, which is particularly well developed at the local level (see Ladner, 2002). And thirdly, since Swiss municipalities were left untouched by the reforms of the 1970s, they are more or less in a position to start from scratch, having the advantage of taking into account the experiences of other countries.

A first aim of this chapter is to show to what extent the reform activities of the Swiss municipalities fit into the international reform pattern. The main research question we consider, however, is whether they are increasing output-oriented legitimacy by making service delivery more efficient, given the far-reaching means of direct democratic participation offered to Swiss citizens. And if this is the case, by what means is this achieved? Such a finding could make a good argument for the path dependency of institutional change, making patterns of reforms proceed very differently in the individual countries depending upon the pre-existing conditions (see, for example, Pierson, 2000).

Our 1998 nationwide survey covering all 2,842 Swiss municipalities gives us a first indication of the spread of the different reform activities.⁴ Looking at the structural differences between reform municipalities and municipalities without any reform activities we also gain a first impression of the possible causes for these reforms. For a better understanding of the aims of the reform activities and whether they are really attempting to make service delivery more efficient, it is, however, crucial to look at the reform projects more closely. On the grounds of nearly 200 reform projects which were selected on the basis of the results of the first part of our research, it will then be possible to analyse the triggers of these reform activities more closely and to have a look at their intentions and goals.

2 Change and reforms at the local level

In recent years, Swiss municipalities have come under great pressure in various respects. Changes in Swiss society have increased not only the number of tasks, but also their complexity. Particularly affected are the social and cultural spheres and all environmental matters (Geser, Höpflinger, Ladner and Meuli, 1996). The growing political integration and 'Politikverflechtung' (Scharpf et al., 1977) reduced the autonomy of the municipalities and they increasingly became 'agencies of implementation' for the cantons and the federal government. Along with the overall economic recession at the beginning of the 1990s, the financial situation of the municipalities also worsened, in particular, the debt-equity ratio increased (Eidgenössisches Finanzdepartement, 2000).

The response of the Swiss municipalities to these challenges was an increase in reform activities which mirrored almost perfectly the pattern of international reform activities and the categories mentioned by Kersting and Vetter (2003).⁵

The most widespread type of reform is the growth in *intermunicipal cooperation*. Two-thirds of municipalities have increased their level of cooperation (Table 10.1). For all other municipalities the degree of cooperation had remained unchanged.⁶ In 1998 at least half of all municipalities worked together with at least one other municipality in areas such as schools, medical care, care for the elderly, refuse disposal, water supply, sewage treatment, and the civil service. In areas such as support for the unemployed, the civil service, the fire brigade and medical care, cooperation has been particularly intensified within the last few years (Ladner et al., 2000). In a number of areas, however, more intensified cooperation still remains possible. Such areas include general administration (computer networks and facilities, accounting, and registration offices), provisions for asylum seekers, planning, construction permits, public buildings, environmental issues, private transport, the integration of immigrants, and local executives. Up to the time of writing, less than 20 per cent of municipalities have worked together in these areas.

Table 10.1 Spread of reforms in Swiss municipalities

Reform activity	Percentage of municipalities
<i>Territorial and functional reforms</i>	
Intensification of intermunicipal cooperation	63.0
Discussing amalgamations	18.2
Concrete plans for a merger of municipalities	7.9
<i>Management reforms*</i>	
Considering New Public Management reforms	34.7
First steps with New Public Management	25.3
Product definitions	4.2
<i>Changes in local representative democracy**</i>	
Executive reforms	34.6
Parliamentary reforms***	3.9
<i>Changes towards more direct participation</i>	
Meetings to inform citizens or to integrate them into the planning process (1994)****	63.0
Increasing the scope of initiatives and referenda (1994)****	15.3
$n_{\min} = 1,843$, $n_{\max} = 2,289$, depending on the survey and the question	

* NPM reforms affect the entire political-administrative system. A categorization is therefore only a limited reflection of reality.

** Similarly difficult is categorization in the case of executive and legislative reforms. Naturally, it is predominantly the political processes that are often affected (e.g., reorganization of competences); if, however, the size of the parliament or of the government is altered, then this is primarily a structural reform.

*** Only about 18 per cent of the Swiss municipalities have a parliament. Among those municipalities having a parliament about 20 per cent had some reform activities to report.

**** The results for this reform category stem from a similar survey conducted in 1994 (Geser et al., 1996).

For intermunicipal cooperation in general, it seems obvious that in larger territorial units a number of services have profited from 'economies of scale'. But cooperation also raises questions of democratic decision making and control. How can decisions be taken within a federation of municipalities of differing sizes, if the principle of 'one man one vote' places smaller municipalities at a disadvantage? How can delegates on the boards of a federation of municipalities be controlled democratically and in the case of cooperation on the basis of private law, how are contracts to be formulated and property rights to be regulated?

Amalgamation of municipalities was not a popular issue in Switzerland until recently. Territorial reforms carried out in most northern European countries in the 1970s had no influence in Switzerland, and there were never any serious attempts to reduce the number of municipalities.⁷ In the middle of the 1990s, however, amalgamations did become more widely discussed, especially in

cantons like Fribourg, Thurgau, Lucerne, Tessin and Graubünden, where, with the exception of Lucerne, the municipalities are particularly small.

Considering the stability of municipal boundaries it is noteworthy that almost 20 per cent of the municipalities surveyed in 1998 claimed to have been discussing an amalgamation with one or more neighbouring municipalities. However, only 8 per cent of the municipalities, mainly from the cantons named above, have more precise plans and projects. A large-scale reform seems unlikely for the foreseeable future. To bring all municipalities to a minimal size of 3,000 inhabitants, as was recently suggested by authorities in the canton of Lucerne, would mean that 80 per cent of the municipalities would have to merge. It furthermore remains an open question whether there is anything like an optimal size for municipalities, and whether the traditional form of territorial units with a general responsibility for all local tasks will survive. However, it is likely that there will be some hundred amalgamations of rather small municipalities (out of 2,842) in the next twenty years (Steiner, 2002).

In the 1990s the wave of *New Public Management* (NPM) also swept across Switzerland. Initial pilot projects were launched in municipalities within the cantons of Bern, Basel-Land and Zurich in the early 1990s (Haldemann and Schedler, 1995: 100). Since then, the number of NPM reform projects has risen considerably. Our survey of the cantons in 1998 showed that NPM reform projects were under way in 24 out of 26 Swiss cantons (Ladner and Steiner, 1998: 23), and at the end of 1998 the survey among the municipalities revealed that more than a third had already considered NPM reforms (Ladner et al., 2000: 128). Although it may not be said that NPM is an issue throughout Switzerland, NPM theory has been received favourably in practice. Approximately one quarter of the municipalities claim that they not only have considered NPM reforms but that they have even taken first steps towards implementing NPM measures.

Among the municipalities claiming that they have taken first steps, only a small portion have already implemented core elements of NPM such as product definitions, global budgets, performance agreements, and contracts. These elements are essential in operating a municipal administration in a performance- and outcome-oriented fashion (Schedler and Proeller, 2000: 121–2; Steiner, 2000). More popular in Swiss municipalities are changes in the human resources area (elimination of the civil servant status, performance-related pay, and personnel development measures). This is related to the goal of aligning working conditions in the public sector with those in the private sector. Alongside human resource management, normative strategic management is also becoming increasingly important. This trend can be seen in the creation of mission statements and the delegation of operational tasks from the political to the administrative sphere.

One-third of municipalities have undertaken *changes in local representative democracy* (e.g. changes in the size of the local government or a shift

in operational tasks among the legislative, executive, and administrative branches). As a general trend, many municipalities have tried to make decision making both easier and more efficient by shifting power from the citizens or the legislative to the executive body, and from the executive to the administration or to the different specialized commissions (for schools, planning, construction and so on), and by reducing the number of commissions or by reducing the size of all these bodies. In some cases they have extended the administration or transferred services and tasks to the private sector. Reforms of the political system have been rarer. There has been tendency to replace majority voting with proportional representation voting as far as the electoral system for the local executives is concerned, although there are also some examples of shifts from PR to majority voting. In addition, municipalities with rather large executive bodies have tended to reduce the number of seats. All these changes, however, may be considered as minor reforms, which are hardly likely to increase overall municipal performance.

With regard to efforts to *increase citizen participation in decision making*, the situation is somewhat different. Swiss citizens have long enjoyed far-reaching means of influencing political decisions. This applies not only at the national level, but especially at the local level. Basically, there are two distinct systems: the bigger municipalities and many of those in the French-speaking part of Switzerland have a local parliament. Here the citizens have the possibility to launch initiatives to change the communal code and communal laws and to initiate optional referenda against projects and decisions of the parliament or the executive. Furthermore, in the case of expenditures above a certain limit, there are compulsory referendums. Smaller municipalities have a local assembly which is held between two and four times a year. Here, all citizens are entitled to vote on the proposals put forward by the executive. In the course of the assembly they also have the possibility of altering the content of these proposals. In most of the assembly municipalities, citizens also have the possibility to launch initiatives by collecting signatures, to seek a referendum against proposals and decisions of the executive, and sometimes even against decisions of the local assembly (Ladner, 1991b; Lafitte, 1987).

Given the existing possibilities for citizen influence, the idea of introducing or increasing direct democracy is not an issue in Swiss municipal reforms. If there are changes, they are aiming at making compulsory (financial) referendums optional. This implies a reduction in the number of the referendums to be held. If no opposition against a project arises, no ballot has to be held. However, there have been attempts to increase the involvement of citizens in local politics, particularly with the aim of committing people to a project and preventing a failure in the final decision. In a survey conducted in 1994, almost two-thirds of the municipalities who responded claimed that they more frequently organize meetings to inform their citizens to try and integrate them in the planning process for municipal projects. In comparison, only around 15 per cent claimed that they have increased the scope of initiatives

and referendums. Additionally, New Public Management reforms also oblige authorities to find out whether their 'customers' agree with the quality of the goods and services they provide and increasingly push them to conduct surveys. Goal-oriented political management needs to know what goals are to be achieved. Ideally, these goals have to be defined jointly with the citizens and fixed with a mid-term perspective in a municipal development or legislative programme.

In the light of these last results it would nevertheless be wrong to conclude that reform activities in Switzerland are primarily about giving the citizens more power in terms of binding decisions. These reforms are directed more at increasing the participation of the citizens at the very beginning of a project in order to ensure their support when it comes to the final decisions.

Our survey of the municipal secretaries also provided some information on *where and how reforms are being implemented*. Context variables, such as 'size of the municipality', 'language area' and percentage of Catholics living in the municipality, performance variables, such as the municipality's financial situation and the perceived performance thresholds together with political variables like the strength of different political parties can be expected to have an influence on the general reform activities and the most frequently occurring reforms such as the intensification of intermunicipal cooperation (IMC) during the past five years, executive reforms, legislative reforms, the existence of concrete municipality merger projects, and the introduction of NPM (Table 10.2).⁸

Most of the models explaining the different reform activities, however, are hardly satisfactory. Only in the case of NPM reforms and merger plans does the Pseudo-R Square exceed the value of 0.2. The most important variable in explaining the extent of reform activities is the size of a municipality. If we control for all of the other variables, size has a positive influence on executive and legislative reforms, on NPM reforms and, perhaps surprisingly, on the intensification of cooperation. It appears as if a second wave of cooperation is about to take place. Whereas the smaller municipalities had to cooperate in many fields (schools, infrastructural services) right from the beginning, it is now the bigger municipalities which seek economies of scale. The negative influence of size on amalgamation had to be expected. It was in the small municipalities that the merging projects started. A significant increase in population size, however, remains without any influence on the reform activities. The language area also has some influence. In the German-speaking municipalities, New Public Management reforms and reforms of the executive are more widespread. And, finally, the dominant religion does not remain completely without influence. In Catholic cantons the municipalities are more likely to merge but there are fewer executive and NPM reforms. Compared to the context variables the performance variables are of minor importance. Only the likelihood of merging plans is to some extent increased by budget deficits and the perceived performance threshold has a positive influence

Table 10.2 Explaining different reform activities through characteristics of the municipality (linear and binary logistic regression models, regression coefficients)

	Reform index*	Intensification of cooperation**	Concrete merger plans**	Executive reforms**	Legislative reforms**	New Public Management reforms**
<i>Context variables</i>						
Inhabitants (2000)	1.171	0.318	-0.437	0.294	0.795	1.759
Increase inhabitants 1990–2000	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
German speaking municipalities	0.719	n.s.	n.s.	0.434	n.s.	1.228
Percentage of Catholics (2000)	0.005	n.s.	0.009	-0.005	n.s.	-0.005
<i>Performance variables</i>						
Surplus upon balancing the accounts within the last three years	n.s.	n.s.	-0.168	n.s.	n.s.	n.s.
Receiving money from intermunicipal money transfers	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Perceived performance threshold (Index)	0.325	n.s.	n.s.	n.s.	n.s.	n.s.
<i>Political variables</i>						
Percentage of members of the Social Democrats within the local executive	n.s.	n.s.	n.s.	n.s.	0.025	n.s.*
Percentage of members of the Radicals within the local executive	n.s.	n.s.	n.s.	-0.005	n.s.	n.s.
Adj. R Square/Nagelkerke R Square	0.143	0.007	0.241	0.047	0.094	0.263
N	1843	1879	1871	1887	1887	1789

Notes: * Linear multivariate regression; ** binary logistic regression, all listed coefficients are significant at a 5 per cent level at least.

on the overall reform index. The influence of political variables such as the Social Democrats' or the Radicals' share in the executive only has an influence on executive and legislative reforms. If the Social Democrats are stronger there are more executive reforms, and if the Radicals are stronger there are fewer legislative reforms.

It may be surprising that financial difficulties in the municipality do not, or only slightly, correlate with most of the reforms, so that breakdown or crisis approaches do not gain strong support from these results. The performance threshold index also points in this direction. If the municipalities report that they have reached performance thresholds at an especially high frequency, then one may not assume that they are particularly enthusiastic about reforms.

3 Reforms as intentional processes – triggers of reform projects

Reforms are a particular form of institutional change. In at least two respects they share distinct common features that make them analytically interesting: first, reforms are concrete processes or projects to change political institutions, and, secondly, reforms are goal-oriented. Consequently, reform processes are intentional processes. In addition to the general concept of institutional change, reforms have a beginning and an end, and they pursue explicit goals.

The *triggers of reforms* give us a first idea about the reasons behind them. The explanations offered by reform literature make a difference between 'intentional agents', 'mismatch dynamics', and 'external shocks and environmental pressures' (Norgaard, 1996: 49). March and Olsen (1989: 58 ff.) more precisely identify *six explanatory approaches*, in order to interpret changes in organizations and institutions:

1. *Variation and Selection*: This corresponds to the model of evolution. Institutions evolve or change in order to meet the demands and requirements of a changing environment. The changes result from 'surviving' in the face of competition.
2. *Problem Solving*: Changes are due to certain decision-making criteria and to the expected effects, and choices are made between alternative solutions. This corresponds to the rational choice approach, which is found in decision-making theory, as well as in microeconomics and the behavioural sciences.
3. *Experimental Learning*: Reforms emerge from 'trial and error'. Rules that have proven to be successful in an institution are maintained; unsuccessful rules, on the other hand, are abandoned.
4. *Conflict*: In this approach, changes are seen as a product of conflicts between individuals and groups with different interests. Confrontations, negotiations, and coalitions are the corresponding processes. The result depends upon the original preferences and the political weight of the agents. Changes occur if the participants or the controlled resources can be mobilized.

5. *Contagion*: Reforms spread by means of emulation. The attractiveness of the new solutions of competitors tempts the agents to act and reform.
6. *Turnover*: Changes with respect to the participating agents and their capabilities, especially those caused by the recruitment of new agents with other opinions, capabilities, and goals, lead to institutional change. This model corresponds to the idea of regeneration.

These triggers are by no means mutually exclusive (e.g. March and Olsen, 1989: 59). A municipal merger can, for example, have various causes. A local government may have learned about the positive experiences of other municipalities and this may coincide with the election of a mayor who is more reform-oriented. The questions, however, remain the same. To what extent do reforms just happen and to what extent are they caused by agents? May reforms be considered deliberate institutional policy choices aware of what they are aiming at or are they simply attempts to improve the actual situation without knowing much about their chances of success? Or, more precisely focused on the causes and aims of reform processes, can they be seen as intentional changes to cope with deficiencies concerning efficiency and input legitimacy or are they to be seen as changes in the institutional setting taking up more or less assumed demands of a changing society?

The answers of our respondents from the 199 case studies carried out in 2001 help to shed light on these questions. The results show a picture similar to the survey of all Swiss municipalities (see Ladner et al., 2000): reforms happen and reforms are made. According to the opinions of the municipalities, the causes for reforms can be attributed especially to general societal change (Figure 10.1).⁹ But the reforms are also the product of a careful evaluation of advantages and disadvantages. Individual agents distinguishing themselves politically ('conflict') and the testing of new solutions ('experimental learning') cannot be counted among the appropriate backgrounds for the emergence of reform projects. In at least some cases the new solutions were due to new persons ('turnover') and emulation ('contagion').

If we consider the significance of the different models for the individual areas of reform, considerable similarities become apparent. In only a few cases does the evaluation of the individual types of reform deviate from the overall trend: part of the few clear-cut exceptions are the NPM projects which, in contrast to the other projects, are not products of a careful evaluation. Furthermore, it is striking that NPM projects are more likely to be more dependent than other projects on personnel changes in the governmental agencies. It is also striking that the merger of political municipalities occurs at an above-average rate, as a result of an evaluation of advantages and disadvantages, and that emulation is the most prominent cause of executive reforms.

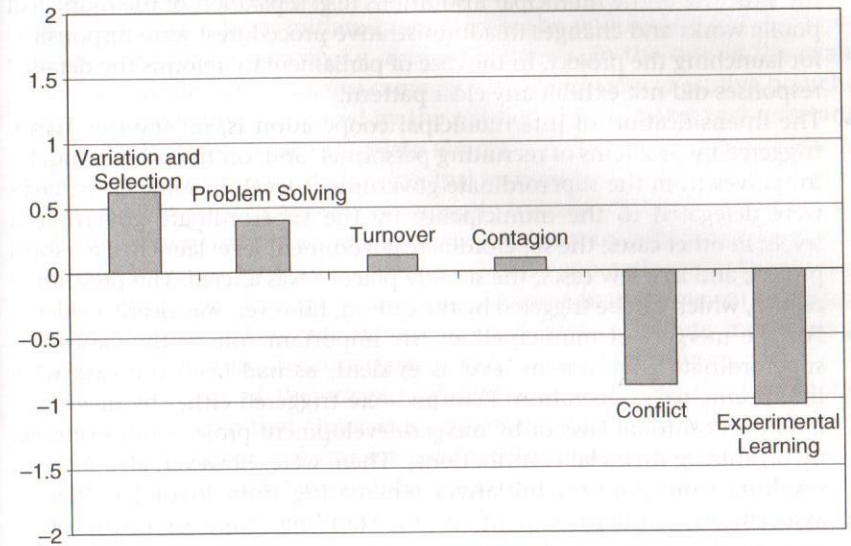


Figure 10.1 Triggers of reform processes according to the assessments by the municipal secretaries (case studies)

Response categories:

Variation and selection: New solutions logically result from changes in society.

Problem solving: Careful evaluation has shown that one is dealing with a better solution.

Experimental Learning: One should attempt something different for a change; perhaps one could discover a better solution.

Conflict: Various political actors try to distinguish themselves by offering new suggestions for solutions.

Contagion: Other municipalities have had success with similar projects.

Turnover: Changes in responsible personnel and their capacities lead to new solutions.

2 = fully applies, -2 does not apply at all, n = 199.

The analysis of the municipalities' responses to the question of reform triggers, which were provided in an open dialogue, provides more details about the origin of the different reform types:

- NPM was often introduced by a parliamentary initiative. In some municipalities, the initiative came from local governments or higher-ranking officials, or the reforms were suggested by other municipalities or by the superordinate government level. One characteristic of NPM reforms is that the projects were seldom launched as a result of initiatives 'from outside' (superordinate government level, continuing education event).
- In the cases of the executive reforms, the projects can be traced back to the difficulty of finding qualified personnel capable of reconciling political mandates with professional activities. In some cases, changes in

the structure of the municipal institutions (e.g. separation of the municipal public works and changes in administrative procedures) were responsible for launching the project. In the case of parliamentary reforms the detailed responses did not exhibit any clear pattern.

- The intensification of intermunicipal cooperation is, on the one hand, triggered by problems of recruiting personnel, and, on the other hand, by initiatives from the superordinate government level: In some cases, tasks were delegated to the municipality by the superordinate government levels; in other cases, the superordinate government level launched a reform project; and in a few cases, the subsidy practice was altered. The pressure to reform, which can be triggered by the canton, however, was clearly evident.
- For the mergers of municipalities the important role of the canton as superordinate government level is evident, as had been the case with intermunicipal cooperation. Reforms were triggered either by new regulations in cantonal laws or by merger-development projects (for example, by organizing financial contributions). There were, however, also mergers resulting from political initiatives (emanating from involved citizens, associations, or the parliament). A long-standing cooperation with other municipalities, on the other hand, seems to have played an insignificant role. Thus, problems in the recruitment of personnel for political offices or costly individual objects (e.g. a school) appear to play a rather subordinate role.

Even if the results must be carefully interpreted because of the limited number of cases, the *importance of the canton* as a superordinate government level was clearly expressed. A second 'concrete trigger' of reforms is *difficulties in recruitment*. With the exception of NPM projects, they occur in all types of reforms. The difficulty with recruitment is frequently mentioned in the case of executive reforms (reduction in the size of local government) and in the case of intermunicipal cooperation (consolidation of the municipal administration). It is mentioned less frequently in the case of parliamentary reforms and rarely in the case of mergers. In contrast, internal municipal crises, such as, for example, abuse of power by individual members of the local governments or cases of financial misconduct, are much less frequently cited as concrete triggers of municipal reform projects.

The case studies confirm another result from the nationwide survey of the municipalities. There is no strong connection between the *financial situation* of a municipality and the reform activities. More than half of our respondents deny a direct link between their reform project and the financial situation of their municipality. If there is a connection it is mainly in the fields of intermunicipal cooperation and the merging of municipalities. Also interesting to note is the case of the NPM reforms. It is not the financially badly off municipalities which start NPM projects. In 70 per cent of the projects such a direct link was denied.

The nature of the reforms is further revealed by the question of whether the reforms have been initiated from inside the political or administrative system or from the outside, i.e. from the citizens. In the case of the examined case studies, the *initiative* came primarily from the executive branches of the municipalities, followed by the mayors and the municipal secretaries (Table 10.3). These results correlate almost exactly with the data from the Switzerland-wide survey of all municipal secretaries. In contrast to the other reforms, NPM reforms are more frequently initiated by the local authorities and the administration. Executive and parliamentary reforms are primarily triggered by politicians, as are intermunicipal cooperation and the mergers of municipalities, although it is noticeable here that municipal secretaries and the higher-ranking administrative specialists contribute much less to the reforms, probably because they are politically very sensitive.

A consideration of the triggers of reform projects and their promoters leads us to believe that there is a proactive element behind this form of institutional change. Reforms may be interpreted as a form of finding solutions for existing problems and the actors responsible have an idea of what

Table 10.3 Initiators of reforms according to reform type (proportions in percentages, multiple responses possible) (case studies)

Initiative	NPM	Executive	Parliament	Intermunicipal Cooperation	Mergers	Total
Mayor	36.4	40.0	30.0	45.1	38.3	38.1
Member of local government (executive branch)	48.5	70.0	30.0	46.0	59.6	49.0
Member of legislature	15.2	20.0	35.0	2.0	2.1	8.6
Municipal secretary	39.4	30.0	25.0	27.5	10.6	23.9
Upper-level administrative specialist	45.5	0.0	10.0	27.5	4.3	19.3
Mid-level administrative specialist	6.1	0.0	5.0	5.9	0.0	3.0
Low-level administrative specialist	0.0	0.0	0.0	0.0	0.0	0.0
Administrative employee	0.0	0.0	0.0	0.0	0.0	0.0
Citizenry	0.0	10.0	45.0	5.9	19.1	15.7
Canton	6.1	0.0	10.0	19.6	40.4	19.7
Media	3.0	0.0	0.0	2.0	2.1	1.5
Scientists	6.1	0.0	0.0	0.0	0.0	1.5
External consultants	3.0	10.0	0.0	5.9	10.6	6.6
n	33	10	20	51	47	198

they want to improve. Whether this is democracy or efficiency will be the crucial question addressed by the next section.

4 Goals: democracy or efficiency

To decide whether the reforms aim at increasing the input- or the output-oriented legitimacy, it is essential to look at the goals of the different reform projects. There is a wide range of such goals, reaching from participation, representation and responsiveness to efficiency and effectiveness. Referring to the so-called democratic dilemma (Dahl, 1994), there is supposed to be a trade-off between democracy and efficiency (e.g. Mouritzen, 1989): An increase in democracy leads to less efficiency and vice versa. In a long-term perspective, however, it is probably less a question of either democracy or efficiency but rather a question of finding a balance between the two. Legitimacy does not only stem from the output side of democracy but also from the democratic qualities of the decision-making process, telling the authorities what lies within the scope of the state and how this has to be done. In such a perspective, there is no efficiency without legitimacy.

Reform activities during the 1990s were often accused of following the steps of neo-liberalism and of being biased towards more efficiency and effectiveness. Output-oriented legitimacy was supposed to be more important than democratic decision making. In Switzerland, where direct democracy offers far-reaching possibilities for citizen participation, such a trend would have been particularly salient.

Among all of the reform projects the most commonly shared goal is the attempt to improve the quality of the services provided, followed by better possibilities to influence the development of the municipality (Figure 10.2). A reduction of service costs and speeding up decision making are also named as goals of the reform projects. Not mentioned were goals such as the reduction of services, an increase in quantitative terms, getting closer to the citizens, a higher rate of participation and strengthening democracy. Taking all reform projects together, it is therefore as expected, efficiency and effectiveness what all these reforms in Swiss municipalities are about. A better relationship between the authorities and the citizens and an improvement of democracy are not explicit aims of the reforms, in contrast to what happens in Germany with the 'Bürgerkommune' and the introduction of means of direct democracy. However, the reform projects are not simply attempts to save money or reduce the scope of the services provided by the state.

These nine goals are partly interlinked and can be reduced to three groups by a factor analysis.¹⁰ First, there are goals referring directly to the input side of democracy – that is, attempting to make the state more responsive or to increase citizen participation. A second group of goals is related to the output side of democracy. They strive to improve services either in terms of quality or in terms of quantity. A third group of reform goals concentrates

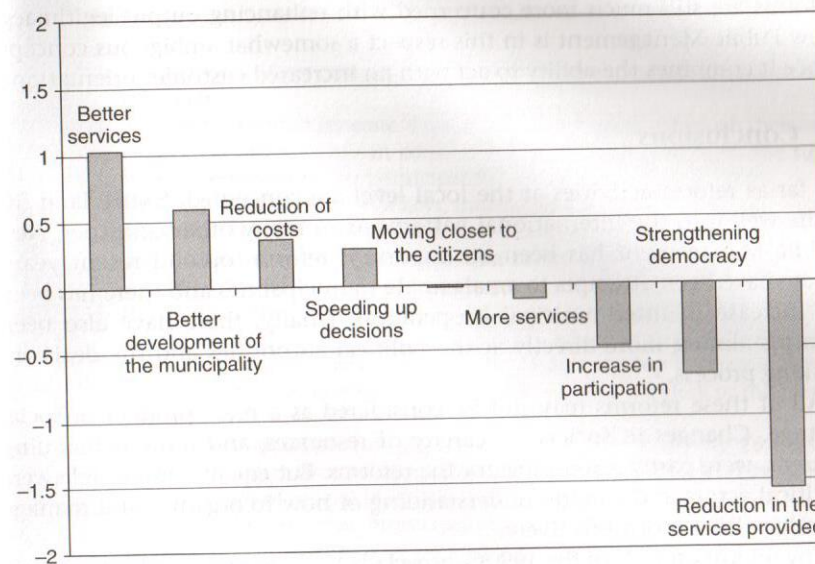


Figure 10.2 Goals of the reform projects (case studies)

Notes: 2 = fully applies, -2 does not apply at all, $n_{\min} = 199$.

on the costs for the different services provided, on the municipalities' competitiveness and their ability to decide on important issues rapidly. These reforms are also concerned with the output side of democracy, and even more so with the municipalities' capacity to act.

Different types of reforms have different goals (see Table 10.4). New Public Management reforms try to improve both the input side and the output side, at least in terms of improving the capacity to act. Executive and parliamentary reforms try to strengthen democracy, whereas cooperation and amalgamation are mainly concerned with offering better services. Closely connected to the idea of amalgamation is an improvement of the ability to act. Considering the fact that executive and parliamentary reforms are minor changes compared to cooperation and amalgamation, Swiss municipal

Table 10.4 The different types of reforms and their goals (factorscores, means)

	Democracy	Better services	Capacity to act
New Public Management reforms	0.35	-0.04	0.60
Executive reforms	0.19	-0.62	-0.33
Legislative reforms	1.18	-0.50	-0.25
Intermunicipal cooperation	-0.64	0.48	-0.47
Amalgamation of municipalities	-0.42	0.28	0.32

reforms are still much more concerned with enhancing output legitimacy. New Public Management is in this respect a somewhat ambiguous concept, since it combines the ability to act with an increased customer orientation.

5 Conclusions

As far as reform activities at the local level are concerned, Switzerland fits quite well into the international pattern. As in many other countries, New Public Management has been an important reform topic in recent years. There have been attempts to amalgamate municipalities and there has been an increase in intermunicipal cooperation. Finally, there have also been reforms aiming more directly at the political authorities and the decision-making process.

All of these reforms may not be considered as a mere product of social change. Changes in society, a scarcity of resources, and more demanding citizens, were partly responsible for the reforms. But equally responsible were political actors and a better understanding of how to organize and manage municipalities more effectively.

The reform projects of the 1990s – especially the intermunicipal cooperation and the merging of municipalities – aimed at making service provision at the local level more efficient and at increasing the quality of the services provided. New Public Management reform tried to increase the municipalities' ability to act but also aimed at moving closer to citizens by increasing customer orientation. The reforms were not just about reducing services. In this respect they cannot be regarded as reforms trying to downsize the state sector, but much more as reforms trying to improve state work. However, strengthening the input side of democracy by moving decisional power to the citizens was also of lesser importance in Swiss municipalities than in other countries. This is mainly due to the far-reaching direct democratic rights of Swiss citizens.

Despite obvious parallels regarding the reform activities in other countries, it is misleading to speak of a convergence of Swiss municipalities in the direction of a single international model. First, there is no such model in sight and, secondly, their smallness, their fiscal and political autonomy, and their direct democratic political systems, still distinguish them to a considerable degree from the municipalities in many other countries.

Not even within Switzerland is there a predominant model for an ideal form of municipal organization to which all municipalities are converging. To some extent this can be seen as positive. By and large the same problems are approached with different and competing solutions. However, considering the enormous differences between the municipalities and the still increasing gap between the urban and rural areas, it remains an open question whether all municipalities can be legally treated in the same way in future.

Notes

1. In 2000 some 54 per cent of the ca. 2,900 municipalities had fewer than one thousand inhabitants.
2. Swiss municipalities generate 70 per cent of their income through their own financial means. No other European country has smaller transfers from the superordinate state government to the municipalities (Council of Europe 1997).
3. On the grounds of cantonal laws, municipalities choose their appropriate structure and administrative organization, levy taxes, and independently fulfil those tasks that do not lie within the jurisdiction of the cantons or the federal government (Linder, 1999: 156 ff.).
4. In autumn 1998, a 16-page questionnaire was sent to all Swiss municipal secretaries. A total of 2,465 municipalities responded, which corresponds to a response rate of 84.5 per cent. The municipal secretary assumes a top leadership role within the municipality. The function is comparable to the town clerk or the mayor in other countries.
5. The municipal secretaries had to note on a list containing 26 possible reform projects whether their municipality had introduced such reforms or not. The list was the result of several interviews with leading experts.
6. However, the idea that municipalities should work together to provide certain services more efficiently is by no means new. In the history of Swiss municipalities there have always been forms of cooperation, which is not astonishing if we consider how small many of them are. The traditional form of intermunicipal cooperation is an administrative union ('Zweckverband'), an association under public law. In recent years, however, municipalities have increasingly cooperated on the grounds of private law, which offers them more flexibility.
7. The average Swiss municipality has only 2,501 inhabitants (Bundesamt für Statistik, 2001). Between 1848 and 2003, the number of political municipalities decreased only from 3,203 to 2,842.
8. The reform index counts the different reform activities and ranges from 0 to 17 with a mean of 6. The reform activities are coded as binary variables.
9. The six approaches of March and Olsen (1989) were rendered operational with the help of statements to which the municipalities were obliged to take a position. This was done by an assessment based on a scale from 1 to 5. Within the framework of an openly structured dialogue, the municipalities could moreover declare their position regarding what, in their opinion, were the respective triggers of reform.
10. The corresponding factor analysis (principal component, varimax) reduces the variance of the 9 variables to three factors with Eigenvalues of 2.8, 1.6 and 1.1). The three factors explain 62 per cent of the variance.