

Military Defense

Switzerland has an efficient, well-equipped army to defend it from foreign invasion. Military service is universal and compulsory, and those who are unfit for combat duty serve in the most comprehensive civil defense program in Europe.

Army units are formed by men from the same canton, but defense is financed and controlled by the federal government. However, as with all other aspects of Swiss government, the ultimate control of the army rests with the people. Recently an initiative was launched to scrap the army. Although the majority voted in favor of keeping the army, around 45% supported the initiative, sending out a strong message that radical reforms were required.

Direct Democracy

Public representatives frequently abuse or overstep their mandates if there are no limits to their power. That is why the success of constitutional democracies depends on the existence of checks and balances. The Swiss experience indicates that possibly the most effective check of all is a thorough-going system of direct democracy.

The popular vote reflects public opinion accurately, ensures that elected representatives remain accountable, reduces the importance of party politics, focuses attention on specific issues, acts as a barometer of controversy, and encourages politicians to be fellow participants in the law-making process.

In Switzerland, not only is the right to challenge legislation and launch popular initiatives entrenched at the national level, but all cantons and large communes include the right to referendums and initiatives in their constitutions. Important decisions in small communes are commonly made by the citizens themselves at public meetings.

Direct democracy takes two main forms: the referendum is the process whereby the people accept or reject new laws, and the initiative is the process by which citizens can themselves propose new measures. There are two types of referendum in common use: the obligatory referendum which must be held on all proposed constitutional amendments, and the optional referendum which permits new laws to be put to the popular vote provided a number of citizens sign a petition requesting the vote. Any group that wishes to launch an initiative has a specified period of time in which to collect the requisite number of signatures.

Voting in Switzerland generally takes place at least four times a year, usually on Sundays. Voter turnout averages 35% but varies greatly, depending on the issue. Decisions made by popular ballot may not be overruled by the courts.

Good government is achieved when rulers are made accountable – and accountability is assured when ordinary citizens can participate in decisions, remove elected representatives who abuse their mandate, and repeal unpopular laws.

The Swiss system has served the ethnically diverse people of that country well for over 700 years. The rest of the world could learn from the example set in this mountain country and adopt similar systems of citizen-based government.

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Statement of Principles

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ISIL and its members in over 80 countries pursue the goal of individual liberty through educational and networking activities. ISIL produces educational materials such as this pamphlet which is one of a series of which 4 million have been sold in the US. ISIL sponsors the translation and publishing of libertarian books and literature overseas and promotes networking through its international newsletter, the *Freedom Network News*. Since 1982 ISIL has organized annual world conferences which have served as a catalyst for the development of the world libertarian movement.

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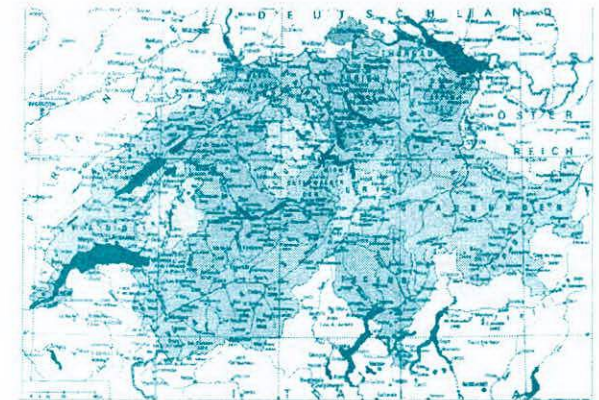


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The Swiss Cantonal System

A Model Democracy



by Frances Kendall

In this, the first of the "ISIL Solutions" series, we examine the "Swiss model" of government – a highly-decentralized system which Swiss economist Robert Nef more accurately describes as an "ongoing experiment" than a "model."

The concepts of devolution of power, local autonomy, and participatory democracy have produced the world's most peaceful and prosperous country. Of course, Switzerland, with its compulsory military service, state controlled monetary system, railroad and telephone services, and taxation, is not a pure libertarian society – but for those interested in reining in out-of-control governments in other parts of the world, there are large parts of the Swiss cantonal system that are worthy of emulation.

The word "democracy" is derived from the Greek words for people (*demos*) and power (*kratos*). Inherent in the concept is the idea that ordinary people should keep control of the decisions that effect their lives. In an ideal democracy, the power of those who govern is limited by safeguards that ensure that citizens can prevent their elected leaders from abusing their powers.

Switzerland

Switzerland is considered by many to be the most democratic country in the world. It is also one of the world's most successful nations in economic terms. The Swiss people have the highest per-capita incomes in the world, and Switzerland is consistently rated among the top ten nations in terms of quality of life.

The key to Swiss success is not to be found in natural resources (which are in extremely short supply); nor does it lie in the temperament of its 6.4 million people, who are essentially no different from the Germans, Italians and French in the remainder of Europe. It lies rather in Switzerland's political institutions, which ensure that ordinary citizens are involved in political decision-making, and that no one interest group is able to benefit unduly at the expense of another.

A Three-Tier Federation

Switzerland is small – about one quarter the size of the State of Ohio – and it is divided into 26 areas called cantons. The cantons are comprised of approximately 3000 communes. A central or federal government links the cantons into one unified country, but this central government controls only those affairs which are of interest to all the cantons. These matters of common interest include foreign policy, national defense, federal railroads and the mint. All other issues – education, labor, economic and welfare policies and so on – are determined by the governments of the cantons and communes. Each canton has its own parliament and constitution and they differ substantially from one another. The communes, which vary in size from a few hundred to more than a million people, also have their own legislative and executive councils. The cantonal and communal governments are elected by the citizens resident in their areas of jurisdiction.

Advantages of Decentralization

Embraces Diversity. One important reason for this decentralization of power in Switzerland is that, unlike most European countries, Switzerland is made up of several different major ethnic groups – Germans, French, Italians, and Rhaeto-Romansch. Over the centuries, whenever conflicts have arisen between these language groups, and between Catholics and Protestants, the Swiss have resolved the conflict by allowing each of the warring groups to govern themselves. Thus single cantons have divided into half-cantons, new cantons have been formed and border communes have opted to leave one canton to join another. In this way the Swiss have developed a system which permits people of different languages, cultures, religions and traditions to live together in peace and harmony. This makes the Swiss system particularly well suited to ethnically-divided countries.

Maximizes Competition Among Policies. Because so many decisions are made at the local level, the Swiss are closely involved with the laws and regulations which affect their lives – and because each canton is different, they are also able to see for themselves which policies work best. For example, one canton might have high taxes and expensive welfare programs, while another might opt for low taxes and private charity. Each Swiss citizen can then decide which policy suits him best and "vote with his feet" by moving to the canton which he finds the most attractive. The result is that good policies tend to drive out bad.

Federal Government

The national parliament consists of two houses: the popular house, which is elected by proportional representation under a system of free lists which allows all shades of political opinion to be expressed; and the Council of States, which has two representatives from each canton and one from each half-canton, is elected in most cases by a simple majority.

Four political parties dominate the central government. None has a clear majority in either house and they are all represented in the cabinet (the national executive). Instead of the adversarial system common to many democracies, Swiss political groups have to work together to achieve consensus. A different president is elected by members of the central government every year.

The federal government's jurisdiction is limited to those areas specified in the constitution. Once approved by both houses, new legislation is also subject to approval by the people in an optional referendum. The citizens have a six-month period during which a referendum can be called by any individual or group able to obtain 50,000 signatures on a petition. If the proposed legislation is rejected by a simple majority vote, it falls away.

Constitutional Amendments

Should the central government wish to pass legislation regarding matters not allowed by the constitution, a constitutional amendment is required. Consequently, much new legislation takes the form of amendments that can be proposed by the central government or by popular initiative. Any amendment proposed by the government must be approved by a simple majority of the people in a national referendum. All amendments require the approval of voters in a majority of the cantons.

Over the years, changes to the constitution have gradually increased the jurisdiction of the Swiss federal government. Of the 216 amendments proposed between 1874 and 1985, 111 were accepted by the voters and 105 were rejected. Of the 111 which were approved, eight were popular initiatives and 14 were counter-proposals (moderate variations on popular initiatives put together by parliament). In this way the Swiss have developed a body of legislation which suits their special needs and enjoys popular support. Public-interest groups play an important role at the national level because they are able to launch referenda to block legislation they oppose. Consequently the cabinet lobbies the interest groups instead of interest groups lobbying the government, as happens in most countries. This is one important way in which the people, and not the politicians control government in Switzerland.

Government Finance

The Swiss federal government has the sole right to coin money, issue bank notes, determine the monetary system and regulate exchange controls. This monopoly is exercised by the Swiss National Bank, which is more or less independent of state interference. It is opposed to financing public deficits, and maintains a slow rate of growth in the money supply. By federal law, bank notes issued must be covered by gold and short-term securities.

Taxation and Spending

The federal government, cantons and communities all levy their own taxes. Each level collects about one-third of total government revenues, which in all comprise approximately 26% of GNP. Most taxes are direct and low. The average Swiss citizen pays about 16% of his income in taxes, and average company taxes are about 20% of profits. Switzerland's national debt and inflation rate are low. Total government spending for all three levels has averaged only 22.6% of GNP since 1946, yet expenditure on welfare and education per capita is high. This is because government revenues are spent effectively rather than wasted on a bloated bureaucracy.