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Working Paper 1
Direct democracy in Switzerland



Project Schuman2030

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Status: Work In Progress

Abstract:

This Working Paper takes a deep look at how the Direct Democracy works in Switzerland and compares it with Belgium, both having a consensus-based democracy. However, we notice a very different approach. Belgium uses a rather rigid compromise-based top-down system with overlapping competences and taxation with political parties dictating the laws. In Switzerland, power is shared between the political parties and compromises are found that ensure stability and approval of all citizens. The final word is with the citizens who can propose new laws or dispose of any law by way of a referendum. The latter mechanism ensures a high efficiency and responsibility, even if changes are slower to be achieved.

Note:

This is Work In progress. As feedback is collected, arguments raised and more data is discovered, we expect the project to evolve. And in the end, it will be up to national and EU parliaments to implement a concrete framework for 2030.

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This material is prepared with the help of Monica, Gemini, and Euria AI assistants.

1 Summaries

1.1 Introduction

The direct democracy system in Switzerland is unique. Surrounded by other European states that all practice a so-called representative democracy system, the country is very successful and has known peace for over 150 years. Yet, very little is known about its **direct democracy system**. Most often, it is known for its referendums only. In this Working Paper, we dig a bit deeper. Did you know, for example, that its government represents about 80% of the citizens? The government has ministers from all major parties, even if they are from opposite political spectrums. Together they are in office because their assignment is to find the best way for all citizens, or at least a significant majority of them. As a result, there is no real political opposition like in other countries. The referendum gives the last word to the citizens. The country has 26 very divergent cantons, each with its own constitution. Up to four languages are spoken. And yet, the cohesion is very strong. Switzerland has what we can call a **consensus democracy**, whereas other countries have a so-called **conflict democracy**. Switzerland has a **bottom-up subsidiarity of competences**, whereas other countries have a top-down hierarchical, often overlapping system of competences. In this working paper, we explore different aspects and what it means in practice.

1.2 The Role of Political Parties in Switzerland

In Switzerland's "semi-direct" democracy, political parties occupy a unique and somewhat paradoxical position. Unlike in purely representative systems (like the US or UK) where parties are the primary gatekeepers of power, Swiss parties share the "driver's seat" with the citizens themselves.

While the Swiss people hold the ultimate "veto" through referendums, political parties provide the organizational muscle that makes the system function. Their roles include:

- **Launching Initiatives & Referendums:** Although any citizen can technically start an initiative, political parties are the most frequent organizers. They have the funding, member networks, and infrastructure to collect the required signatures (100,000 for an initiative; 50,000 for a referendum).
- **Forming Political Opinion:** Before every national vote (usually four times a year), parties issue official "voting recommendations." This helps citizens navigate complex technical laws by aligning their vote with a party's broader ideology.
- **The "Pre-Parliamentary" Phase:** To prevent their laws from being challenged by an optional referendum later, the governing parties often seek consensus during the drafting phase. They invite interest groups and opposition parties to voice concerns early, a process known as *Vernehmllassung*.
- **Recruitment:** Parties remain the primary vehicle for recruiting and training the individuals who serve in the Federal Assembly (Parliament) and the Federal Council (the executive cabinet).

Do Swiss Political Parties Reinforce Democracy? The relationship is a "double-edged sword." There are compelling arguments for how they strengthen the system and how they might complicate it.

How they Reinforce Democracy	How they might "Weaken" it
<p>Stability: By participating in the "Magic Formula" (a unique consensus-based and driven cabinet), the largest parties ensure that most of the population is represented in government.</p>	<p>Opacity: Swiss party financing is notoriously less transparent than in other European nations, leading to concerns about "dark money" influencing popular votes.</p>
<p>Education: Parties break down complex policy issues into digestible platforms, making it easier for the average citizen to participate in four votes per year.</p>	<p>Polarization: In recent years, parties (particularly on the far-right and left) have used direct democracy to launch "identity politics" initiatives that can create societal friction.</p>
<p>Accountability: The threat of a party-led referendum keeps the government in check, ensuring they don't pass laws that are too far out of step with public opinion.</p>	<p>Professionalization: Critics argue that "people's initiatives" are increasingly "party initiatives," shifting power from grassroots citizens to professional political machines.</p>

Conclusion: Most political scientists argue that parties reinforce Swiss democracy by acting as the "connective tissue" between the state and the people. Without them, the logistical burden of direct democracy, organizing signatures and explaining law, might be too heavy for individual citizens to maintain. However, their power is strictly limited: a Swiss party can win an election, but it can still lose a referendum on its flagship policy the very next week.

References:

1. Swissinfo.ch. The Swiss political system.
2. Additional references may be added for specific claims upon further research.

1.3 Consensus Democracy vs. Conflict Democracy

Swiss political scientists call their country a "Consociational Democracy" ("Konkordanzdemokratie") rather than a "Majoritarian" one. In most representative systems (like the US, UK, or France), the goal is to win 51% ignoring the other 49%. The 49% form the "opposition," but except in some rare cases, they are essentially powerless until the next election. In Switzerland, the goal is to include as many people as possible so that nobody has a reason to "blow up" the system with a referendum.

References:

1. Bogaards, Matthijs. (2017). Comparative Political Regimes: Consensus and Majoritarian Democracy. Oxford Research Encyclopedia of Politics. [Link](#)
2. Lijphart, Arend. (1999). Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries. Yale University Press.

1.4 Summary: Similarities and Differences between Switzerland and Belgium

Switzerland and Belgium, both small yet diverse European countries, offer intriguing contrasts in their political and institutional structures, particularly in how they manage linguistic, cultural, and regional diversity. While both are "Consociational Democracies" designed to accommodate heterogeneity, their approaches are fundamentally different.

Switzerland employs a bottom-up, aggregative model, whereas Belgium uses a top-down, centrifugal federation.

1. Bottom-up vs. Top-down Governance

Belgium's federal system is characterized by frequent gridlock, stemming from reforms that partially decentralized powers to regions but left the federal government dominant, especially in fiscal matters. Power in Belgium flows from party elites to parliament, with citizens having limited influence after elections. In contrast, Switzerland's system empowers citizens directly through referendums, allowing them to challenge parliamentary decisions at any time. This bottom-up approach means Swiss party leaders cannot impose unpopular deals, as citizens can veto them.

2. Linguistic Barriers and Political Cleavages

Belgium's politics are siloed along linguistic lines. Flemish and Walloon voters are restricted to their respective parties, with little shared political space. Switzerland, meanwhile, demonstrates cross-cutting cleavages: citizens vote on issues rather than identities, leading to alliances that transcend language. Swiss referendums encourage issue-based voting.

3. Provincial Federalism and Administrative Simplicity

Belgium's overlapping regional and community governments create complexity and North vs. South tensions. Reformers propose a Swiss-style model, granting provinces (akin to cantons) clear sovereignty over local matters, fostering multipolar alliances and bottom-up experimentation.

4. Referendums: Taboo vs. Safety Valve

Belgium's aversion to referendums dates to the 1950 "Royal Question," which deepened linguistic divides and nearly led to civil war. Since then, referendums are viewed as dangerous. Switzerland, conversely, sees them as essential safety valves for public frustration, preventing unrest by channeling dissent into democratic processes.

5. Linguistic Borders and Community Governance

Belgium's linguistic borders reflect historical and economic divides, with Brussels as a unique, multilingual region mired in administrative gridlock. Swiss cantons, some bilingual or trilingual, let local autonomy (communes) decide their administrative language. Swiss linguistic borders are fixed, with newcomers adapting locally, which prevents expansionist tensions as seen in Brussels.

6. Executive Management and Minority Inclusion

Swiss cantons guarantee minority representation in executive bodies, ensuring linguistic balance. Belgium struggles with identity politics in Brussels, whereby overlapping governance and party-based voting reinforce divides. Adopting a Swiss-style canton model could unify administration and promote issue-based voting.

7. Why the Swiss Model Succeeds

Direct democracy in Switzerland allows citizens to express multifaceted identities beyond language, diluting linguistic tensions. Belgian reformers suggest starting with local referendums to gradually introduce direct democracy.

8. Competence Assignment: Opposite Subsidiarities

Switzerland delegates power upward from communes to cantons to the federal level (bottom-up subsidiarity). Belgium devolves power downward from a formerly unitary state, aiming for exclusive competences to avoid linguistic clashes, but often creating overlapping jurisdictions.

9. Structural Breakdown

Switzerland's "Russian Doll" model layers confederation, cantons, and communes, each with distinct responsibilities. Belgium's "Patchwork" combines federal, regional, and community governments, often overlapping and complicating governance.

10. Swiss Referendum on the Splitting of the Jura Canton

The Swiss referendum on the splitting of the Jura canton is a notable example of Switzerland's direct democracy and peaceful management of linguistic and regional differences. In Belgium, linguistic North-South conflicts, mixed with an opposing political culture, has been on-going for decades.

Conclusion

Switzerland's direct democracy, clear territorial administration, and bottom-up subsidiarity foster stability and cooperation among diverse communities. Belgium's top-down, competence model struggles with gridlock and linguistic division. Adopting elements of the Swiss model, such as local referendums and provincial autonomy, could help Belgium address its enduring challenges.

References:

1. **Lijphart, A. (2025): *Patterns of Democracy*.** (Comparative analysis of Swiss vs. Belgian consensus models).
2. Swiss Federal Constitution (Art. 3 & 42-120): Detailing the assignment of federal tasks.
3. **Belgian Constitution (Art. 35 & 39):** Detailing the transition to exclusive regional powers.

1.5 An Economic Comparison Between Switzerland and Belgium

How a country is organised has a direct impact on its economic performance and subsequently the welfare and wellbeing of its citizens. We compare Switzerland with Belgium on some aspects as both are small comparable countries. In particular, Switzerland and Belgium differ significantly in their economic structures. Switzerland boasts a strong financial sector, low unemployment, and high GDP per capita. Belgium, while also a wealthy nation, struggles with higher public debt and unemployment rates. The Swiss system's decentralized tax autonomy allows cantons to compete, creating a business-friendly environment. In contrast, Belgium's centralized tax system often leads to inefficiencies and higher tax burdens. Corruption is also much higher.

References:

1. OECD Economic Surveys: Switzerland 2021. Retrieved from [OECD](#)
2. European Commission. (2021). Country Report: Belgium. Retrieved from [ec.europa.eu](#)

1.6 The Risk of Dictatorship by a Hidden Majority

The phrase "The Long March through the Institutions" refers to the gradual takeover of key institutions by ideologically motivated groups. While this phenomenon has been observed in several countries, Switzerland's direct democracy system provides a unique counterbalance by allowing citizens to veto laws or initiatives that they perceive as ideologically extreme.

The Swiss Solution: The Concordance System

Switzerland's concordance system ensures that all major political parties are represented in the government. This system prevents any single party or ideology from dominating the political landscape, reducing the risk of institutional capture. Even the office of "president" rotates on an annual base.

References:

1. Kriesi, Hanspeter. (1995). The Political Opportunity Structure of New Social Movements: Its Impact on Their Mobilization. In *The Politics of Social Protest: Comparative Perspectives on States and Social Movements*.

1.7 Historical Bottom-Up Roots of Swiss Direct Democracy

The Medieval Roots: The "Landsgemeinde"

The foundations of Swiss direct democracy can be traced back to the Middle Ages, particularly to the Landsgemeinde, or open-air assemblies. These gatherings allowed citizens to vote on local matters directly, often by raising their hands. This tradition of direct citizen participation in decision-making laid the groundwork for the Swiss system of direct democracy.

The 19th Century: Liberals vs. Democrats

In the 19th century, Switzerland underwent significant political transformations. The struggle between liberals, who favored representative democracy, and democrats, who advocated for more direct citizen involvement, led to the adoption of direct democracy as a compromise. The resulting 1848 Federal Constitution established Switzerland as a federal state and introduced elements of direct democracy, including referendums and with protection of minorities.

Modern Evolution

Over time, the Swiss system of direct democracy has evolved to include tools like the optional referendum, which allows citizens to challenge parliamentary decisions, and the popular initiative, which enables citizens to propose changes to the constitution. These mechanisms have become central to Swiss governance and have helped maintain political stability in a diverse society.

References:

1. Church, Clive H. (2004). *The Politics and Government of Switzerland*. Palgrave Macmillan.
2. Linder, Wolf. (2010). *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*. Palgrave Macmillan.

1.8 Historical Roots of Top-Down Representative Democracy

The established representative democracies originated very differently from the direct democracy in Switzerland. The current top-down politics have their root in times when a central monarch held the power.

The "Monarchical Syndrome" of the Nation-State

Representative democracy in Europe emerged as a response to the inefficiencies and inequalities of monarchical rule, which evolved from a feudal past whereby a powerful lord forcefully united competing fiefdoms, resulting in "nation-states". Subsequently aristocratic nation-states in the 17th and 18th centuries saw the emergence of parliamentary systems. However central top-down power remained.

The Swiss "Alpine Exception"

Switzerland's unique geography and decentralized governance structure allowed it to develop differently from other European states. The country's mountainous terrain fostered small, self-governing communities that relied on consensus and cooperation rather than on hierarchical authority.

The European Union: "Modern Feudalism"?

Some political scientists argue that the European Union resembles a form of modern feudalism, with power concentrated in a centralized bureaucracy. This contrasts sharply with Switzerland's decentralized, bottom-up approach to governance, which prioritizes local autonomy and citizen participation.

References:

1. Linder, Wolf. (2010). *Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies*. Palgrave Macmillan.
2. Church, Clive H. (2004). *The Politics and Government of Switzerland*. Palgrave Macmillan.

1.9 The Impact of AI on Politics, a step in the future.

AI assistants are poised to significantly transform politics by increasing citizen engagement and government transparency. When properly used, they can enable direct democracy for all citizens living in a digital world. However, they also introduce risks, including misinformation and potential for manipulation.

Key Opportunities

- Improved Citizen Engagement: AI can educate voters on policies, provide live fact-checking, and simplify participation in petitions and contacting officials.
- Enhanced Governance and Transparency: AI can streamline government services, analyze public spending to make it understandable, and gather citizen feedback on policies.
- Empowerment of Marginalized Groups: By providing translation and accessibility tools, AI can help remove barriers and amplify the voices of underrepresented communities.

Key Risks and Challenges

- Misinformation and Propaganda: AI can be used to generate sophisticated propaganda, deepfakes, and targeted misinformation campaigns.
- Bias and Manipulation: AI systems trained on biased data can reinforce existing inequalities. They can also be used to target voters with manipulative messaging.
- Privacy and Surveillance: The use of AI in politics raises concerns about government surveillance and the erosion of citizen privacy.
- Algorithmic Echo Chambers: AI algorithms may reinforce users' existing beliefs, leading to increased political polarization.

References

1. Chesney, R., & Citron, D. (2022). *Deep Fakes: A Looming Challenge for Privacy, Democracy, and National Security*. Lawfare Institute
2. European Parliament. (2023). *Artificial Intelligence in the Political Sphere: A Study for the Panel for the Future of Science and Technology*. EPRS | European Parliamentary Research Service.
3. Kreiss, D. (2023). *The Dual-Use Dilemma: AI, Political Communication, and the Future of Democracy*. Center for Information, Technology, and Public Life (CITAP), University of North Carolina at Chapel Hill.
4. Medina, A., & Tsubaki, H. (2024). *AI for Public Good: Enhancing Governance and Civic Technology*. Stanford Social Innovation Review.

1.10 Recent Swiss Referendums Illustrating How It Works

The 1971 Women's Suffrage Referendum

Swiss women were granted the right to vote by the male members of parliament in federal elections only in 1971, making Switzerland one of the last countries in Europe to do so. This referendum highlighted the slow pace of change in Swiss direct democracy but also demonstrated the system's ability to adapt to societal shifts without major violence.

The 1992 EEA Membership

In 1992, Swiss voters rejected joining the European Economic Area (EEA) by a narrow margin. This decision was seen as a victory for Swiss sovereignty, but it also had

significant economic implications, isolating Switzerland from some aspects of European integration.

The 2009 Minaret Ban

In 2009, Swiss voters approved a controversial ban on the construction of new minarets. Critics argued that the referendum was discriminatory, while supporters claimed it was necessary to preserve Swiss cultural identity.

The 2014 "Against Mass Immigration" Initiative

In 2014, Swiss voters narrowly approved an initiative to limit immigration from the European Union, challenging Switzerland's bilateral agreements with the EU. This decision sparked intense debate about the balance between direct democracy and international obligations.

The 2016 Universal Basic Income (UBI)

Swiss voters overwhelmingly rejected a proposal to introduce a universal basic income, but the referendum brought global attention to the concept and its potential implications for addressing income inequality and automation.

Case Studies: Climate Policy and Pension Reform

Swiss referendums have played a critical role in shaping climate policy and pension reforms. For example, recent votes have focused on balancing environmental sustainability with economic growth and ensuring the long-term viability of the social security system.

Summary

These referendums illustrate the strengths and challenges of direct democracy. While the system allows citizens to have a direct say in key issues, it can also lead to controversial outcomes that may not align with international norms or long-term policy goals.

The frequent use of referendums in Switzerland acts as a safeguard against institutional capture by special interest groups or political elites. By giving citizens the final say, the system ensures that no single group can dominate the political process.

References:

1. Swissinfo.ch. Key Swiss Referendums.
2. The Guardian. (2016). Swiss voters reject universal basic income. Retrieved from theguardian.com
3. BBC News. (2009). Swiss vote to ban minarets. Retrieved from bbc.com

1.11 Key Conclusions

Switzerland's direct democracy offers a unique model of governance that emphasizes citizen participation, consensus-building, and local autonomy. While the system is not without its challenges, such as slow decision-making and the risk of controversial referendums, it has proven to be remarkably stable and effective over the past 150 years. As the European Union and other nations face increasing political polarization and institutional challenges, the Swiss model provides valuable lessons on the importance of inclusivity, bottom-up subsidiarity, and citizen engagement.

References:

1. Linder, Wolf. (2010). Swiss Democracy: Possible Solutions to Conflict in Multicultural Societies. Palgrave Macmillan.
2. Church, Clive H. (2004). The Politics and Government of Switzerland. Palgrave Macmillan.

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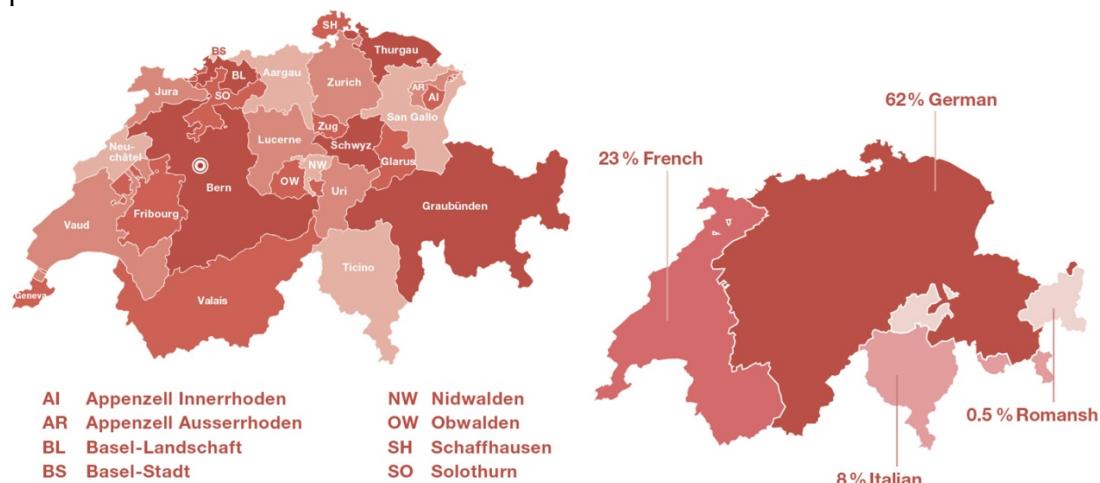
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2 Democracy and political parties in Switzerland

2.1 Introduction

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Do They Reinforce Democracy?

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How they Reinforce Democracy	How they might "Weaken" it
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Education: Parties break down complex policy issues into digestible platforms, making it easier for the average citizen to participate in four votes per year.	Polarization: In recent years, parties (particularly on the far-right and left) have used direct democracy to launch "identity politics" initiatives that can create societal friction.
Accountability: The threat of a party-led referendum keeps the government in check, ensuring they don't pass laws that are too far out of step with public opinion.	Professionalization: Critics argue that "people's initiatives" are increasingly "party initiatives," shifting power from grassroots citizens to professional political machines.

Conclusion

Most political scientists argue that parties reinforce Swiss democracy by acting as the "connective tissue" between the state and the people. Without them, the logistical burden of direct democracy, organizing signatures and explaining laws, might be too heavy for individual citizens to maintain. However, their power is strictly limited: a Swiss party can win an election, but it can still lose a referendum on its flagship policy the very next week.

2.3 How do political parties share power in Switzerland?

The Swiss political landscape is defined by its "**Magic Formula**" (*Zauberformel*), an unwritten agreement whereby the four largest parties share the executive cabinet (the Federal Council). This ensures that almost 80% of the electorate is always represented in the government, even if the elections indicate a shift in the citizens' preferences. Swiss politics reflect a long-term goal of shared long-term stability.

Here is a breakdown of the major political players as of 2025 and what they typically stand for in the context of direct democracy:

1. **SVP / UDC** (Swiss People's Party)
 - Stance: National-conservative, right-wing populist.

- Key Issues: Strict neutrality, anti-EU integration, and very restrictive immigration policies.
- Role in Referendums: They are the most frequent users of the "people's initiative." They often launch votes to bypass a parliament they view as too "liberal" or "internationalist."
- Recent Examples: They have famously pushed for bans on minarets, the "burqa ban," and initiatives to prioritize Swiss workers over EU migrants.

2. SP / PS (Social Democratic Party)

- Stance: Center-left, pro-welfare state.
- Key Issues: Social security, gender equality, environmental protection, and closer ties with the EU.
- Role in Referendums: The SP often uses the optional referendum to block "bourgeois" (right-wing) economic reforms, such as corporate tax cuts or increases to the retirement age.
- Recent Examples: They recently championed the initiative for a "13th month" pension payment (which was successfully passed by the people in 2024).

3. FDP / PLR (The Liberals)

- Stance: Center-right, classical liberal.
- Key Issues: Economic freedom, minimal state intervention, and a strong Swiss financial sector.
- Role in Referendums: As the "party of the economy," they usually find themselves defending government legislation against attacks from the left (social issues) or the far-right (sovereignty issues).
- Recent Examples: They are major proponents of bilateral trade agreements and digital transformation projects, like the national E-ID.

4. Die Mitte / Le Centre (The Centre)

- Stance: Centrist, Christian-democratic roots.
- Key Issues: Family values, social cohesion, and "compromise-driven" politics.
- Role in Referendums: They are often the kingmakers. Since Swiss voters are frequently split between the left (SP) and the right (SVP/FDP), the side that "The Centre" joins almost always wins the popular vote.
- Recent Examples: They have been instrumental in reforming the healthcare system and balancing pension reforms to make them "vote-proof."

5. The Greens & Green Liberals (GLP)

- Composed of 2 groups, a leftist one and a centrist one.
- Stance: Environmentalist. The "Greens" are left-leaning, while the "Green Liberals" combine ecology with market-friendly policies.
- Role in Referendums: They focus heavily on climate-related initiatives. Even when they lose a vote, they often succeed in forcing the government to create a "counter-proposal" that is greener than the original law.

Summary of Party Power in 2025

Party	Vote share / seats national Council	Ideology	Federal Council Seats (out of 7 in total)	Main Goal in Votes
Represented in the Federal Council: 74,6%				
SVP	27,9 % 62 seats	Right-wing Conservative	2	Protecting Sovereignty
SP	18,3% 41 seats	Left-wing Social Basel	2	Expanding Social Safety
FDP	14,3 % 28 seats	Center-right Pro-business	2	Strengthening Economy
Die Mitte	14,1 % 29 seats	Center Christian Democrat	1	Finding a Middle Ground
Not represented in the Federal Council				
Greens	9,8% 23 seats	Left-wing Environmentalist		
GLP (Green Liberals)	7,6% 10 seats	Centrist Liberal-Green		

A unique "Swiss" fact: It is very common for a party to have a minister in the government who officially supports a law, while the party's members in the public arena actively campaign for a referendum to kill that same law. This "dual track" keeps the government and the parties distinct. See further "The magic formula".

2.4 Elections, more on issues than on people

Switzerland's political system is a "semi-direct democracy" structured across three distinct levels: Federal, Cantonal, and Communal (Municipal). Because of this structure, Swiss citizens are some of the most frequently "polled" people in the world, often voting about four times a year on various issues.

1. Federal Level (National)

At the federal level, elections are held every four years for the legislative branch. The executive branch is indirectly elected.

Legislative: The Federal Assembly

- **National Council** (Lower House): Consists of 200 seats distributed among the 26 cantons based on population.
- **Council of States** (Upper House): Consists of 46 members representing the cantons. Most cantons have two seats, while six former "half-cantons" have one.

Executive: The Federal Council

- **Note:** Citizens do not vote for the President or the Cabinet. Instead, the Federal Assembly elects the seven members of the Federal Council (the government). The **presidency then rotates** among these seven members every year.

2. Cantonal Level (State)

Each of the 26 cantons is a **sovereign state** with its own constitution and government. While timing varies by canton, most hold elections every four to five years.

- **Legislative: Cantonal Parliament**
 - Voters elect representatives to their respective cantonal parliaments (names vary, e.g., Grand Conseil, Kantonsrat, or Landrat).
- **Executive: Cantonal Government**
 - Unlike the federal level, the Executive Council (typically 5 or 7 members) is usually directly elected by the people in most cantons.
- **Judicial:** In some cantons, citizens also elect judges for cantonal courts.

3. Communal Level (Local)

There are over 2,000 communes (municipalities) in Switzerland. The frequency of these elections is determined by cantonal law, but usually occurs every four years.

- **Legislative:** Communal Assembly or Parliament
 - In larger cities, voters elect a Communal Parliament.
 - In smaller villages, there is no elected parliament; instead, all eligible citizens meet for a Town Hall Meeting (Communal Assembly) to vote on local laws directly.
- **Executive:** Communal Council
 - Voters elect the executive body and often the Mayor (often called the Syndic or Gemeindepräsident) directly.

2.5 The "Fourth" Type of Vote: Referendums

It is important to note that Swiss citizens vote more often on issues than on people. Through the "Direct Democracy" system, citizens go to the polls roughly quarterly to vote on:

- Mandatory Referendums: Changes to the Constitution.
- Optional Referendums: Challenges to laws passed by Parliament.
- Popular Initiatives: New laws proposed by citizens (requiring 100,000 signatures).

2.6 The Magic Formula (Zauberformel)

The Magic Formula (Zauberformel) is one of the most unique political arrangements in the world. It is not a law written in the constitution, but rather a "gentleman's agreement" that has governed Switzerland since 1959.

Essentially, it is a permanent grand coalition whereby the winners and losers of elections agree to share power rather than fight for it.

1. The Arithmetic of Power

The formula dictates how the seven seats of the Federal Council (the collective head of state) are split between the four largest parties. For decades (1959–2003), the ratio was a rock-solid 2:2:2:1:

- 2 seats: FDP (Liberals)
- 2 seats: CVP (now The Centre)
- 2 seats: SP (Social Democrats)
- 1 seat: SVP (People's Party)

As the SVP grew to become the largest party, the formula was updated in 2003. As of 2025, the "magic" distribution is:

(SVP) : 2 (SP) : 2 (FDP) : 2 (The Centre): 1

Note that as the Green parties have increased their voting results in the last years, a discussion started to give them also a seat, but it was not accepted.

2. Why is it "Magic"?

It is called "magic" because it creates a system of **Concordance**. In most countries, the government consists of a majority (**>50%**) that rules over a minority (**< 50%**). In Switzerland, **the government represents nearly 80% of the voters**.

No Opposition Party: There is no single "opposition" in the traditional sense. The major parties are all "in power" and "in opposition" simultaneously. The positions can also be different for each issue, and not "governing majority against opposition".

The Veto Threat: Because Switzerland has direct democracy, any party left out of government could simply launch referendums to block every law the government passes. The Magic Formula motivates the major parties in the government so they must help draft laws that will survive a public vote.

3. Key Unique Features

Collective Responsibility: Once the seven ministers decide behind closed doors, they must defend it in public as a single unit even if their own party hates the decision.

The "First Among Equals": Switzerland has no "Prime Minister" or "President" with superior power. The title of President rotates every year among the seven members. They are essentially seven equals running the country together.

No Confidence Votes: Unlike for example in the UK or Germany, the Swiss Parliament cannot fire the government mid-term, and the government cannot dissolve Parliament. They are "stuck" with each other for four years, forcing them to find compromises.

Is it under threat?

In 2025, the formula is under more pressure than ever. The Green Party has grown significantly and argue that they deserve a seat, which would mean kicking out one of the "historic" parties. So far, the established parties have resisted this, preferring the stability of the traditional formula over "mathematical fairness."

Summary:

The Magic Formula turns political enemies into roommates. They may disagree on everything, but they must agree on how to run the house, or the "landlord" (the Swiss people) will veto their decisions at the ballot box.

4. The election of the seven Federal Councilors

In Switzerland, the election of the seven Federal Councilors is a high-stakes drama that feels more like a papal conclave than a modern democratic election

While the public elects the Parliament, the Parliament (the United Federal Assembly) elects the Federal Council. This happens every four years in December, or whenever a seat becomes vacant.

The "Night of the Long Knives" (Nacht der langen Messer)

Despite the grim historical name (borrowed from the 1934 Nazi purge), in Switzerland, this refers to the feverish night of lobbying, backroom deals, and tactical plotting that occurs in the bars and restaurants of Bern (specifically at the Hotel Bellevue Palace) the night before the election.

The Strategy: Parties meet in secret "factions" to decide which candidate they will support from other parties. Since the ballot is secret, parties often play "tactical games". For example, a left-wing party might vote for the most moderate candidate of a right-wing party to weaken that party's hardline stance.

The "Wild" Candidates: Sometimes, Parliament ignores a party's official nominees and elects a "wild" (un-nominated) candidate from that same party. This is seen as a major power move to humiliate a party leadership.

The Rules of the Game: To keep the country together, several "invisible" rules must be balanced during the election. If the Parliament ignores these, they risk a national crisis.

Language Balance: By tradition, there are usually 4 German speakers, 2 French speakers, and 1 Italian speaker. You cannot simply have 7 German speakers, even though they make up the vast majority of the population.

Gender Balance: While not a strict law, there is immense social and political pressure to maintain a roughly equal split between men and women.

Cantonal Diversity: No two members can be from the same canton (this was a hard law until 1999; now it is just a strong guideline).

Seniority: The seats are voted on one by one, starting with the most senior sitting member. Sitting members are almost always re-elected. It is considered a "political earthquake" if a sitting member is voted out (it has only happened 4 times since 1848).

The Election Day Ritual

On the morning of the election, the 246 members of Parliament gather.

1. **The Secret Ballot:** Members write a name on a piece of paper.
2. **The Absolute Majority:** To win, a candidate needs an absolute majority of the valid votes.
3. **The Elimination:** If no one wins in the first two rounds, the candidate with the fewest votes is eliminated in each subsequent round until someone hits the magic number.

Why does this matter?

Once elected, these seven people must leave their party hats at the door. They become a "collegial body." Even if the Parliament elected a Social Democrat and a right-wing Populist who spent the campaign attacking each other, they must now sit in the same room every Wednesday and reach a consensus. If they can't, they don't leave the room.

2.7 The "Magic Formula" under stress

In Switzerland's long history of stability, the events of 2003 and 2007 are considered nothing short of a political "earthquake."

To understand how rare this is: in over 175 years, only four sitting members of the Federal Council have ever been voted out. Two of those happened in the 19th century, and the other two occurred back-to-back in the early 2000s, nearly breaking the "Magic Formula."

1. The 2003 Ousting: Ruth Metzler

In 2003, the right-wing SVP (People's Party) had become the largest party in Switzerland. Under the "Magic Formula," they only had one seat, while the smaller CVP (The Centre) had two.

The SVP demanded a second seat to reflect their electoral strength.⁵ In a move that shocked the country, Parliament agreed. They refused to re-elect Ruth Metzler (CVP) and instead elected the polarizing leader of the SVP, Christoph Blocher.⁶

The Impact: This was the first time since 1872 that a sitting minister was voted out. It signaled that the "Magic Formula" wasn't a law, but a math problem. If your party loses too many voters, your seat is no longer safe.

2. The 2007 Revenge: Christoph Blocher

The most dramatic event was the "Night of the Long Knives" in December 2007. Christoph Blocher was a billionaire and a populist firebrand who many in the other parties felt did not respect the "collegiality" of the council. He often criticized his own colleagues in public. The center-left and centrist parties secretly plotted to remove him.

- **The Wild Candidate:** Instead of voting for Blocher, Parliament cast their secret ballots for Eveline Widmer-Schlumpf, a more moderate member of Blocher's own party (SVP) who hadn't even officially been nominated.
- **The Betrayal:** When she accepted the seat the next morning, the SVP was furious. They viewed her as a "traitor" and Blocher's removal as a "coup."

3. The Aftermath: A Party in Opposition

The fallout was unprecedented for Switzerland:

- **Expulsion:** The SVP expelled Widmer-Schlumpf from their party. Because she was now "partyless," the SVP claimed they were no longer represented in government.
- **The BDP:** Widmer-Schlumpf and her supporters formed a new party, the Conservative Democratic Party (BDP), so she could stay in the government.
- **Opposition:** For a brief period, the SVP, the country's largest party, declared itself in "opposition" to the government, a concept almost alien to Swiss politics.

Why it matters today

Stability eventually returned. By 2015, the BDP had shrunk, Widmer-Schlumpf retired, and the SVP was given back its second seat, restoring the balance.

However, these events proved that the "Magic" in the formula is actually fragile. It relies entirely on the parties' willingness to cooperate. If a minister becomes too "un-Swiss" (too aggressive or uncooperative), the Parliament still holds the ultimate power to "fire" them at the end of their four-year term.

3 Consensus democracy vs. conflict democracy

Swiss political scientists call their country a "Consociational Democracy" rather than a "Majoritarian" one.

In most representative systems (like the US, UK, or France), the goal is to win at least 50% so you can ignore the other votes. The latter form the "opposition" but except in some rare cases, they are essentially powerless until the next election. In Switzerland, the goal is to include as many people as possible so that nobody has a reason to "blow up" the system with a referendum.

When looking closer at the way Switzerland's democracy operates, one can see that the system in Switzerland is designed to come to an acceptable consensus for all citizens. The feedback loops are short. In a representative democracy like in Belgium, rivalry between political parties and regions generate a constant conflict of interest battle (the so-called silos), often over the heads of the citizens.

The distinction is a central pillar of comparative politics, famously theorized by Arend Lijphart in his landmark work **Patterns of Democracy**.

He categorizes democracies into two primary models: **Consensus Democracy** (like Switzerland) and **Majoritarian Democracy** (often characterized by "conflict" or "winner-take-all" dynamics, like the UK or USA).

3.1 Major differences

1. Consensus Democracy (The Swiss Model)

- The **Swiss system is designed to disperse power** so that as many people as possible participate in governing. It assumes that in a diverse society (with multiple languages and religions), a simple 51% majority should not be allowed to "rule" over the other 49%.
- **Bottom-up democracy:** as the competences are left to be handled at the lowest possible level, the feedback loop is much shorter. People know each other often personally at the village level.
- **Executive Power-Sharing:** Instead of one party winning an election and taking all cabinet seats, Switzerland uses a "Magic Formula" whereby the seven seats of the Federal Council are split among the largest parties. The political spectrum can be very broad.
- The "**Referendum Threat**": Because any law can be challenged by the people via an optional referendum, the government is forced to build a "super-majority" consensus during the drafting phase to ensure the law isn't killed later by the voters.
- **Proportional Representation:** Seats in parliament are distributed based on the percentage of votes, ensuring even small parties have a voice.

2. Majoritarian Democracy (The "Conflict" Model)

- Many other representative democracies follow the **Westminster (British) model**. These are often called "conflict" or "adversarial" democracies because they are built on the idea of a clear competition between a Government and an Opposition.
- **Top-down democracy:** as most of the competences are decided at the top level, the feedback loop is much longer with the media being the intermediate, especially for more accessible issues.

- **Winner-Take-All:** In many of these systems (like the US or UK), the party that gets the most votes in a district wins the seat, and the party with the most seats takes 100% of the executive power.
- **Clear Mandate:** The goal is not consensus, but effectiveness and accountability. The winning party has a "mandate" to implement its program, and the losing party ("The Opposition") criticizes and prepares to replace them at the next election. Unfortunately, what the winning parties decide on, is often not what they put in their election program.
- **Two-Party Dominance:** These systems tend to naturally move toward two large parties that "fight" for the center, leading to a high-conflict political style.

Comparison: Consensus vs. Majoritarian

Feature	Consensus (Switzerland)	Majoritarian (UK / USA)
Who Governs?	As many people as possible.	A bare majority (51%).
Executive	Power-sharing (Grand Coalition).	Concentration (One-party cabinet).
Legislature	Balanced Bicameralism (Equally strong houses).	Asymmetric or Unicameral (One house dominates).
Electoral System	Proportional Representation	First-past-the-post (Plurality).
Primary Value	Inclusivity and Stability.	Efficiency and Accountability.

Important Nuance: Is it "Conflict-Free"?

It is important to note that Swiss democracy is not "peaceful" in the sense that everyone agrees. Rather, the **conflict happens before the law is passed**. In a "Conflict Democracy," the law is passed by the majority, and the **conflict happens afterward** in the streets or at the next election.

In Switzerland, the "conflict" is built into the negotiation process. If parties can't reach a consensus, the law simply fails or is rejected by the people.

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3.2 Distinguishing features of the Swiss way

The Swiss system avoids common democracy frustrations:

1. The "Open" List: Voters, Not Parties, Choose People

In many countries, parties decide the "rank" of candidates. If you are #1 on the party list, you are guaranteed a seat. In Switzerland, the voters have the power to scrub or promote individuals:

- **Cumulation:** You can take a candidate you like and write their name twice on your ballot to give them double weight.
- **Panachage:** You can take a candidate from a different party and write them into your preferred party's list.
- **Crossing Out:** You can literally cross a candidate's name off the list if you don't like them.

Because of this, Swiss MPs are often more accountable to their local voters than to their national party bosses. If an MP ignores their constituents to follow a party line, they risk being "crossed out" in the next election.

2. Low Party Discipline

Because Swiss MPs often have their own professional careers (most are only part-time politicians and have normal jobs as lawyers, farmers, or teachers), and because they are elected by name, party discipline is remarkably low.

- It is very common for members of the same party to vote against each other in Parliament.
- There is no "Whip" system like in the UK where you are punished for voting against the party.
- MPs often prioritize their Canton (State) over their Party. A Social Democrat from a mountain canton might vote with the Conservatives on a farming bill because it helps their neighbors.

3. "Negotiating in the Shadow of the Referendum"

The biggest difference is what happens before a law is even finished. In other countries, the majority writes the law and the minority protests, often with little effect, even if the law is legally marginal and opportunistic. In Switzerland, the parties know that if they ignore a significant group, that group will launch a referendum.

This creates the **Vernehmlässung** (Consultation) phase. The government sends a draft of the law to all parties, trade unions, and even NGOs. This is very important because it creates a public discussion phase, allowing to examine the proposal in depth.

They ask: "What would it take for you to NOT launch a referendum against this?"

The final law is usually a less radical compromise that nobody fully likes but everyone can live with. It inherently also reduces the number of laws and regulations.

4. The 2025 Reality: Stability Over Majority

Even right now in December 2025, we see this in action. Following the 2023 elections and recent vacancies, the Parliament just elected Martin Pfister to the Federal Council to replace a retiring member.

Even though the Greens have grown in popularity and the SVP (Right) is polling at record highs (over 30%), the Parliament chose to stick to the "Magic Formula."

They chose a centrist to keep the balance, rather than letting the biggest party "take over" or excluding a smaller governing party. It is the ultimate "safety first" approach.

Summary of Differences

Feature	Typical Representative Democracy	Swiss Direct Democracy
Winner Takes All?	Yes (51% rules 100%)	No (Consensus of 80% is the goal)
Who picks Ministers?	The Prime Minister / Party	The Parliament (often across party lines)
Party Discipline	High (Vote as told)	Low (Vote for your Canton/conscience)
Role of Minority	To oppose and wait for next election	To participate and threaten referendums

3.3 Less is more, but it takes more time and deliberation

In the EU and other representative systems, the "top-down" approach can lead to what critics call "**regulatory creep**", increasing over-regulation. In Switzerland, the "bottom-up" pressure of direct democracy acts as a natural filter.

As was outlined, the Swiss system trades in speed and "visionary" leadership for long term stability and public buy-in, even if it leads to more compromises.

One can wonder if the Swiss system is "slower" at reacting to important and sudden crisis events, geo-political movements, or fast economic shifts? It touches on the core of the "**Swiss Paradox**." While many modern democracies pass thousands of laws quickly (which then requires further laws to fix the errors), the Swiss system is designed to be intentionally slow, and it is precisely this slowness that often prevents overregulation.

1. The Referendum as a "Regulatory Brake"

In most countries, the government's biggest fear is losing the next election. In Switzerland, the government's biggest fear is the optional referendum.

- Because any law can be challenged by 50000 citizens, the government is forced to be "economical" with its legislation.
- They rarely propose laws that are purely symbolic or overly meddlesome because they know those are the easiest targets for a referendum.

Result: While the EU might enact over 10000 laws in a five-year cycle, the Swiss Parliament produces far fewer, and those that survive are usually the ones with broad, pre-negotiated support.

2. The "Pre-Parliamentary" Quality Control

- Before a law even reaches the Swiss Parliament, it goes through the *Vernehmllassung* (Consultation).

- The government sends the draft to cantons, parties, and economic associations (like Economiesuisse).
- If the businesses say "this is too expensive/detailed" or the cantons say "this is impossible to implement," the law is often killed or simplified immediately.
- In the EU, this type of stakeholder feedback often happens after a directive is drafted in Brussels, making it feel "forced" upon the member states. Even if it is then weakened under the pressure of circumstances, it is rather symbolic

3. Bottom-up Subsidiarity: "Small is Beautiful"

The Swiss follow a strict principle of bottom-up subsidiarity: nothing should be decided at the federal level if it can be decided by the Canton, and nothing by the Canton if the Commune (village) can do it.

- This keeps regulation "close to the ground." A law about local building zones or school hours is decided by people who must live with the result.
- In contrast, the EU often struggles with "one-size-fits-all" rules that might make sense in Berlin but are "meddling" in a small village in Greece or Portugal.

4. Direct Democracy and Prosperity

There is a strong economic argument that direct democracy boosts prosperity by ensuring long-term stability.

- **Fiscal Responsibility:** Many Swiss cantons have "fiscal referendums," where the people must approve any major spending or tax hikes. This is why Switzerland has one of the lowest debt-to-GDP ratios in the developed world.

Confidence: Businesses in Switzerland know that the "rules of the game" won't change overnight after an election. Because changes require consensus or a public vote, the legal environment is incredibly predictable.

Comparison: Switzerland vs. European Union

Feature	Swiss "Semi-Direct" Model	Typical EU/Representative Model
Origin of Laws	Bottom-up (Consensus-driven)	Top-down (Directive-driven)
Veto Power	The Citizens (Referendum)	The Courts / Future Governments
Regulation Style	Minimalist (to avoid veto)	Comprehensive (to cover all bases)
Citizen Awareness	High (due to 4 voting Sundays a year)	Moderate/Low (laws are often "hidden" in packages)

3.4 The Trade-off:

The Swiss system can be incredibly slow. It took decades for women to get the right to vote (1971) because the "men" had to vote for it and one conservative canton opposed it. It takes years to pass a simple tax reform. But once the law is passed, it has 80% legitimacy,

whereas EU laws often face "compliance issues" because the local population never felt they had a say.

The "slowness" of the Swiss system is its greatest competitive advantage in a fast-moving global economy. In 2025, the tension between Switzerland and the EU provides a perfect case study of how direct democracy acts as a "second parliament" that international negotiators must respect.

While the EU prefers broad, top-down treaties, the Swiss system demands that every detail be "vote-proof" at home. This is illustrated by the way the negotiations with the E.U. take place.

1. The "Negotiator's Dilemma"

When Swiss diplomats sit down in Brussels, they have a unique handicap: they cannot truly promise anything. They are negotiating "under the shadow of the referendum."

- **The "Bilateral III" Package (2025):** As of late 2025, the Swiss government (Federal Council) has finalized a massive new "package" of agreements covering electricity, health, and food safety.
- **The Constraint:** Negotiators had to insist on "safeguard clauses" (like a "handbrake" on immigration) not because they necessarily wanted them, but because they knew that without them, the Swiss People's Party (SVP) would easily win a referendum to kill the whole deal.

2. Mandatory vs. Optional Referendums

Switzerland classifies international treaties into two "danger zones" for the government:

The Mandatory Referendum: If Switzerland wants to join a "supranational organization" (like the EU or NATO), a vote is required by law. It also requires a "Double Majority" (majority of the people AND a majority of the 26 cantons). This is an incredibly high bar, one that famously killed Switzerland's entry into the European Economic Area (EEA) in 1992.

The Optional Referendum: Most other treaties (like the 2025 Bilateral III package) are subject to an optional referendum. If 50000 people sign a petition within 100 days, the treaty goes to a vote. Because the EU is such a sensitive topic, almost every major treaty with Brussels ends up at the ballot box.

3. The "Guillotine Clause"

The EU, frustrated by this "pick-and-choose" approach, created a legal counter-measure called the Guillotine Clause.

If Swiss voters use a referendum to cancel just one specific agreement (for example, the Free Movement of Persons), the entire set of trade agreements with the EU automatically collapses.

The Result: This forces Swiss voters to be "rational." They might hate one part of a deal, but they must decide if they hate it enough to destroy the country's entire economic relationship with its largest trading partner.

4. Direct Democracy as a "Shield"

The Swiss government often uses its citizens as a bargaining chip. In 2024 and 2025, Swiss negotiators effectively told the EU: "*We would love to agree to your terms on wage*

protection, but if we do, our people will vote 'No' in the referendum, and we will both lose everything. You must give us a better deal."

This makes Switzerland a very "difficult" partner for the EU, but it ensures that whatever is finally signed has the explicit consent of the population.

Comparison: Sovereignty in Practice

The "EU Way"	The "Swiss Way"
Integration: Countries transfer power to Brussels to gain efficiency.	Bilateralism: Switzerland keeps its power but negotiates "access" to the market.
Directives: Brussels passes a law; member states must implement it.	Dynamic Adoption: Switzerland agrees to consider EU law changes, but reserves the right to a referendum.
Stability: Laws are hard to change once agreed upon by 27 nations.	Legitimacy: Laws are only stable if the Swiss public continues to support them.

The 2025 Status

As we look at the end of 2025, the Swiss government has just moved the "Bilateral III" package into the final consultation phase. The SVP has already branded it a "colonial treaty," while the FDP and Social Democrats are campaigning for it as the "only way to stay wealthy."

The final "showdown" at the ballot box is expected in 2026. This means that every Swiss household will be debating the technicalities of electricity grids and healthcare standards, a level of civic engagement almost never seen in the EU.

3.5 The Double Majority

The Double Majority (**Ständemehr**) is the "**ultimate safety switch**" of the Swiss federal system. It ensures that the large, urban cantons (like Zurich or Geneva) cannot simply steamroll the small, rural, and conservative mountain cantons (like Uri or Appenzell). It is a core reason why Switzerland remains a stable country despite being a "nation of minorities" with four languages and two main religions.

1. How it Works

For a vote to pass a Double Majority, it must win two separate counts:

- The Popular Majority: More than 50% of the total voters in Switzerland must say "Yes."
- The Cantonal Majority: A majority of the 26 cantons must say "Yes."

The Calculation:

To determine the "Cantonal Majority," each canton is treated like a mini-election.

- If 51% of people in Canton Uri vote "Yes," Uri provides one full "Yes" vote to the national count.
- If 80% of people in Canton Zurich vote "Yes," Zurich also provides only one full "Yes" vote.

There are 23 "votes" in total (20 full cantons and 6 "half-cantons" that get 0.5 votes each). To win, you need at least 12 "Yes" votes from the cantons.

2. When is it Required?

Not every vote needs this high bar. It is reserved for the "big stuff":

- Constitutional Amendments: Any change to the Swiss Constitution (including all Popular Initiatives).
- Joining Supranational Groups: If Switzerland ever voted to join the EU or NATO, it would require a Double Majority.
- Urgent Federal Laws: Laws passed by Parliament as "urgent" that lack a constitutional basis.
- In contrast, Optional Referendums (challenging a normal law passed by Parliament) only require a simple popular majority.

3. The "Collision" of 2025

This system often creates a situation where the People say "Yes" but the Cantons say "No."

* In these cases, the law fails.

This effectively gives a voter in the tiny canton of Appenzell Innerrhoden (pop. 16,000) roughly 30 to 40 times more power than a voter in Zurich (pop. 1.5 million) when it comes to the cantonal count.

The Argument for It	The Argument against It
Protects Minorities: Prevents urban centers from imposing a "lifestyle" or high taxes on rural farmers.	Anti-Democratic: A small minority of the population (about 9-15%) can block a law supported by the other 85%.
Federal Balance: Keeps the 26 cantons united as "sovereign" partners rather than mere administrative districts.	Progress Killer: It makes progressive changes (like environmental laws or social reforms) much harder to pass because rural cantons tend to be more conservative.
Stability: Changes only happen when there is truly national "buy-in" across geographic and linguistic lines.	Urban Frustration: Leads to resentment in cities like Basel or Zurich, who feel their "Yes" votes are ignored by the "mountain dwellers."

4. Real-World Impact: The 1992 EEA Vote

The most famous example of this system in action was the 1992 vote on joining the European Economic Area (EEA).

The result was incredibly close: 50.3% "No" vs. 49.7% "Yes."

However, in the cantonal count, it was a landslide: 18 Cantons said "No" while only 8 said "Yes."

The French-speaking part of Switzerland voted overwhelmingly "Yes," while the German-speaking rural parts voted "No." Without the Double Majority, the country might have split apart; because of it, the "No" was seen as a decisive federalist victory.

Summary of Swiss "Veto" Power

The Swiss system is built to favor status quo over radical change. If you want to change the rules in Switzerland, you don't just need to convince the majority, you need to convince the neighborhoods.

3.6 Cantonal differences in democracy, economic performance and tax rates

While all 26 Swiss cantons are "semi-direct" democracies, they are far from identical. Switzerland is a "laboratory of federalism," where each canton's constitution reflects its unique history, language, and economic priorities. While in many countries this leads to friction, in Switzerland diversity is part of the system. This makes the Swiss system even more unique.

Variations in Cantonal Democracy

The "strength" of democracy in a canton is typically measured by the accessibility of its instruments.

- **Signature Thresholds:** In Canton Glarus, a single citizen can bring an issue to the Landsgemeinde (open-air assembly). In contrast, larger cantons like Zurich or Bern require thousands of signatures, making the "People's Veto" harder to trigger.
- **Financial Referendums:** This is the most critical difference. Some cantons (like Aargau or Schwyz) have mandatory financial referendums, meaning the public must vote on any government expenditure above a certain amount (e.g., 25 million CHF).¹ Others only have optional ones, where citizens must actively collect signatures to stop a project.
- **Individual Motions:** Some cantons allow a "single-person initiative," while others require a collective of citizens.

2. The Link to Economics and Taxation

There is a proven correlation between strong direct democracy and fiscal discipline.

- **Tax Competition:** Because cantons and municipalities (Gemeinden) have the power to set their own tax rates, they compete to attract residents and businesses.
- **The "Veto" Effect:** In cantons with mandatory financial referendums, taxes tend to be lower. Why? Because politicians know that if they raise taxes to fund a wasteful project, the people will simply vote "No" on the spending.
- **Economic Freedom:** German-speaking cantons (Central Switzerland) generally prioritize economic freedom (low taxes, fewer regulations), while French-speaking cantons (Romandie) often prioritize social freedom (higher public services, more welfare spending).

3. Comparative Table: Democracy, Tax, and Economy (2025 Data)

The following data reflects rankings from the Avenir Suisse Freedom Index 2025 and current tax reports.

Col 1	Col 2	Col 3	Col 4	Col 5
Zug (ZG)	Highly Liberal / Low Threshold	22.2%	11.85%	Top Tier: Global crypto/finance hub.
Schwyz (SZ)	Direct / Low Threshold	23.6%	13.45%	Strong: High-wealth residential hub.

Aargau (AG)	Highest Freedom Index	32.8%	15.03%	Balanced: Industrial and high-tech.
Zurich (ZH)	High Threshold (Representative)	39.7%	19.59%	Financial Engine: Large but high-cost.
Bern (BE)	Centralized / Representative	41.1%	20.54%	Stable: Public sector heavy.
Geneva (GE)	Social-Focused	43.2%	14.70%	International Hub: Very high services/tax.

4. Direct Democracy's Impact on the Gemeinde (Municipality)

In many smaller municipalities, the Town Meeting replaces the parliament.

- Direct Control: Residents vote directly on the local tax multiplier (Steuerfuss).
- Efficiency: Research shows that municipalities with town meetings spend roughly 10% less per capita than those with representative local councils, as the direct link between "paying" and "spending" is most visible here.

5. References:

- Avenir Suisse (2025): Freedom Index 2025. This is the gold standard for comparing cantonal economic and social liberties.
- PwC Switzerland (2025): International Tax Comparison. Provides the raw data for the 2025 cantonal and capital tax rates.
- Zentrum für Demokratie Aarau (ZDA) (2024): National and Cantonal Referendums in Comparison. Analyzes how different "democracy toolboxes" affect political outcomes.
- Feld & Schaltegger (2025 update): The Effect of Direct Democracy on the Level and Structure of Local Taxes. Academic study demonstrating the downward pressure referendums exert on tax rates

3.7 Conclusion

Key Comparison Summary

Feature	Switzerland (Consensus)	Majoritarian (Conflict)
Pace of Reform	Slow but Stable. Laws take years to pass but are rarely repealed.	Fast but Fragile. Laws are passed quickly but can be overturned after an election.
Treatment of Minorities	Must be consulted to prevent a referendum.	Can be ignored if the majority has enough votes.
Primary Arena	The Negotiating Table (Pre-parliamentary phase).	The TV Studio / Street (Post-legislative phase).
Goal	Finding the "Smallest Common Denominator."	Implementing a "Clear Mandate."

Is it "Better"?

Lijphart's research suggests that Consensus Democracies (Switzerland, Belgium, Denmark) generally perform better at:

- **Higher long-term stability**, which is important for the economy but also for social well-being
- **Representing women and minorities.**
- **Preventing civil unrest** (conflicts are resolved through the ballot box, not in the streets).
- **More competitive economy and lower tax rates.** Note that this is also visible when comparing the democratic differences between Swiss canons.

However, the "price" of this model is slowness. It took Switzerland until 1971 to grant women the vote at the federal level because a consensus had to be built among the male electorate.

4 A political comparison between Switzerland and Belgium



Although www.Schuman2030.eu aims at a next reform of the European Union, it is interesting to compare Switzerland with a similar European country in size. We select Belgium, the country where the European Parliament and Commission is housed.

There are many parallels between Switzerland and Belgium. Both are small countries with a small population that is diverse in language and culture. Whereas Switzerland has 26 cantons, Belgium has 10 provinces and 3 cultural regions. While both countries are "Consociational Democracies" designed to manage diverse populations, they are structured in fundamentally opposite ways. This results in very different outcomes, especially at the economic and social level.

Note that this chapter does not include a complete analysis. This is the subject of later publications.

4.1 Bottom-up vs. top-down

Belgium is characterised by a "gridlock" situation resulting from successive reforms that partially decentralized competences to the different regions.

The federal government still plays the dominant role and transfers tax income to the regions. Switzerland has a "**bottom-up**" model highlighting a key structural difference: Belgium is a **centrifugal federation** (pushing apart), while Switzerland is an **aggregative federation** (pulling together).

1. The Party Problem: Who is the "Boss"?

In Belgium, the political party leaders (partijvoorzitters) hold immense power. They often negotiate the State Reforms and budgets behind closed doors. Members of Parliament are expected to follow the party line to maintain the fragile coalition. Dissident are harshly treated.

- **In Belgium:** The power flows from the Parties towards a coalition government and the Parliament and then to the Citizens (although they have very little to say after the elections).
- **In Switzerland:** The power flows from the Citizens to the Parliament and then to Parties. Citizens can intervene any moment by way of a referendum.

Because any citizen can launch a referendum, a Swiss party leader cannot "dictate" a deal that the public won't accept. If they try, the people will simply veto it at the ballot box.

2. Linguistic Barriers vs. Cross-Cutting Cleavages

One of the most radical ideas for Belgium is the use of Direct Democracy as a bridge.

- **The Belgian "Silo":** Currently, Flemish voters can only vote for Flemish parties, and Walloons can only vote for French-speaking parties. There is no "shared" political space.
- **The Swiss "Mix":** In Switzerland, a farmer in French-speaking Vaud and a farmer in German-speaking Bern often vote the same way on agricultural subsidies. A liberal in Zurich and a liberal in Geneva vote the same way on corporate tax.

A line of thought for Belgium: If Belgians would be able to vote on issues (e.g., "Should we extend nuclear power?" or "Should we reform pensions?") instead on politicians (i.e. parties), the linguistic border might vanish. You might find that a worker in Liege and a worker in Antwerp have more in common than they do with their respective party elites.

3. Provinces as Cantons: A Path to Simplicity?

Some reformers call this "Provincial Federalism":

Current Belgian Model (Regions/Communities)	Belgium "Swiss-Style" Provincial Model
Overlapping Competences: Belgium has a Flemish Government, a Walloon Government, a Brussels Government, and French/Flemish Communities all fighting over the same territory.	Clear Territoriality: The Province (Canton) has "sovereignty" over its schools, police, and taxes. No overlapping "Community" governments.
Bipolar Tension: It's always "North vs. South.", although now shifting towards left/right nation-wide	Multi-polar Balance: With 10 provinces acting as cantons, alliances would shift. West Flanders might ally with Liège on one issue, and Limburg with Luxembourg on another.
Top-Down Reforms: State reforms are negotiated every 10 years by elites.	Bottom-Up Evolution: The provinces can experiment. If a "Canton of Namur" finds a great way to accelerate new technology companies, other provinces can copy it.

4. The "Taboo" of the Referendum in Belgium

Despite these benefits, there is a historical "trauma" in Belgium regarding referendums.

- The 1950 "Royal Question": Belgium held a referendum on whether King Leopold III should return. The country split perfectly down linguistic lines (Flanders said "Yes," Wallonia said "No"), leading to riots and nearly a civil war.
- Since then, Belgian politicians have viewed referendums as "explosive devices" that threaten national unity. The Swiss, however, argue that referendums are "safety valves" as they allow people to vent their frustration through a vote rather than through a strike or a protest.

4.2 Are linguistic borders the right solution?

In Belgium, the linguistic border is often treated as a "wall". This reflects the history but also that the borders are reflections of differences in economic, social and cultural conditions. While Belgium was originally a unitary state, over the last 50 years, the country became partitioned in 4 regions, following linguistic borders, mainly French and Flemish. Brussels is a special case. While officially bilingual, today it is still mostly French speaking but its international inhabitants share some 150 languages. Today, its governance is in a gridlock, not so much because of language differences but because of political power plays. The Flemish speaking North is more rightist and economic oriented, whereas the French speaking South is more leftist and socialist oriented. This often blocks a coherent and strong policy at the federal level.

In Switzerland, several cantons are officially bilingual (Fribourg, Valais, Bern) or even trilingual (Graubünden). In Switzerland "Communities" follow people; they use **Territoriality and Bottom-Up Subsidiarity** to keep the peace. This could be an appropriate blueprint for a city like Brussels or a reformed Belgium. Then each region can make the decisions locally that best suit the region. Also note that today the different provinces within a region also show considerable differences.

1. The Power of the "Commune" (The Municipality)

In Switzerland, the language of the school and the administration is determined by the Commune, not the region.

If you live in a German-speaking village in the bilingual Canton of Fribourg, the official language is German. If you drive five minutes to the next village, it might be French.

This avoids the Belgian "Facilitated Communes" tension because there is no "higher" linguistic community trying to claim the territory. The village itself decides.

2. The "Fixed" Linguistic Border

Switzerland operates on the principle of Linguistic Peace. Unlike Belgium, where the language expansion is a constant source of political friction, Swiss linguistic borders are historically fixed.

If a French speaker moves to a German canton, they don't bring "French-speaking rights" with them for their children's schooling. They adapt to the local language. This sounds harsh, but it prevents the "conquest" narrative that plagues Belgian politics.

3. How are cantons governed? (The "Mini-Magic Formula")

In bilingual cantons like Fribourg or Bern, they don't just have a majority-rule cabinet. They use a localized version of the Magic Formula.

The Cantonal Constitution often mandates that a specific number of seats in the government must go to the linguistic minority.

For example, in the Canton of Bern, one seat in the seven-member executive is guaranteed to a French speaker from the Bernese Jura.

4. A Swiss "Blueprint" for Brussels?

A special case in Belgium is Brussels, its official capital that at the same time is an independent region composed of 19 communes. A combination of poor management and power struggles between the numerically dominant French speaking parties and Flemish parties result in a permanent crisis. If Brussels were to adopt the "Swiss Canton" model with its 19 communes, the structural changes would be radical, not considering that such a change might need a very deep crisis to trigger it. This could be the stalemate in 2026.

The Current Brussels Model	The "Swiss Canton" Brussels Model
Bipolarity: Constant negotiation between French and Flemish "Communities."	Autonomy: Brussels becomes a fully sovereign Canton, independent of both Flanders and Wallonia. Each Brussels municipality can form a mini-canton in turn.
Complexity: Citizens deal with overlapping ministers for culture, education, and transport.	Unified Administration: One single "Cantonal" government for all Brussels residents, regardless of language.
Identity Politics: Voters choose parties based on language.	Issue-Based Voting: Voters use referendums to decide on city-wide issues (e.g., traffic plans) across language lines.

4.3 Why the "Swiss Model" works where Belgium struggles

The key difference is Direct Democracy. In Belgium, language is the only tool citizens have to express their identity in a gridlocked system. In Switzerland, a citizen can be a "French speaker" but also a "Conservative," a "Hiker," and a "Taxpayer."

Because they vote on specific laws (pensions, climate, taxes), their identity as a "French speaker" is less important than their identity as a "Homeowner" or "Commuter."

Direct democracy dilutes linguistic tension by providing other ways to disagree. Citizens are also much more directly involved in issues that matter in their life.

Many Belgian reformers suggest starting with "Citizens' Assemblies" or "Local Referendums" at the provincial level. This would allow people to "practice" direct democracy without immediately triggering a national crisis.

4.4 Opposite subsidiarity of competence levels

The competence assignment in Switzerland and Belgium follows two opposite directions. Switzerland is a **bottom-up** Confederation whereby power is delegated "upward" (**Bottom-Up Subsidiarity**), while Belgium is a devolved Federal State whereby power was transferred **"downward"** from a formerly unitary level (Devolution) but the financial autonomy is controlled by the federal level.

The following breakdown categorizes which level of government is responsible for some selected sectors.

4.5 Competences Comparison Table

Sector	Switzerland	Belgium
Defense & Army	Federal: Exclusive competence. The Swiss Army is a national militia.	Federal: Exclusive competence. Defense policy and the Armed Forces are national.
Social Security	Federal: Frame & Legislation (AHV, IV). Cantons: Implementation and social assistance.	Federal: 90% Federal (Solidarity). Regions/Communities: Child benefits (since 2014) and care for elderly.
Education	Cantons: Primary and secondary are strictly cantonal. Federal: Higher education/research (shared).	Communities: Exclusive. Education is split by language (Flemish, French, German-speaking).
Traffic & Mobility	Shared: Federal (National highways/Rail). Cantons (Regional roads). Communes (Local).	Regions: Roads, ports, and public transport. Federal: National Rail (SNCB) and air traffic control.
Foreign Affairs	Federal: The Confederation leads. Cantons: Must be consulted on treaties affecting them.	Divided: Regions/Communities can sign international treaties in their own areas of competence.
Public Health	Shared: Federal (Insurance/Safety). Cantons: Own and operate the hospitals.	Federal: Insurance & Med-reimbursement. Communities: Prevention, home care, and hospital infrastructure.
Taxation	All 3 Levels: Confederation, Canton, and Commune all levy their own income/corporate taxes.	Federal: Collects 90% (Income/VAT). Regions: Specific taxes (Registration, Succession, Road tax).

4.6 Institutional Logic: "Bottom-Up Subsidiarity" vs. "Exclusive Powers"

Switzerland applies the principle of subsidiarity from the bottom up. The canton is the "sovereign".

- **Residual Powers:** If a competence is not explicitly listed in the Federal Constitution as a Federal power, it automatically stays with the Canton.
- **Execution:** Even when a law is Federal (like the Civil Code), it is usually the Cantons that organize the courts and execute the law.

Belgium: The Principle of Exclusive Competences

In Belgium, the goal was to avoid overlapping "clashes" between languages.

- **Exclusivity:** A competence is usually, but not always, 100% in one hand. If it's "Environment," it belongs to the Regions; the Federal level has almost no say in it.
- **No Hierarchy:** Unlike Switzerland, where Federal law breaks Cantonal law, in Belgium, there is **no hierarchy**. A Flemish Decree has the same legal status as a Federal Law.

4.7 Structural Breakdown

The Swiss "Russian Doll"

1. **Confederation (Bern):** Focus "The Big Picture" (Diplomacy, Currency, Defense, VAT).
2. **26 Cantons:** They handle Police, Education, and most Taxation. They compete.
3. **~2,100 Communes:** Local autonomy. They run primary schools and set local tax multipliers.

The Belgian "Patchwork"

1. **Federal State:** Handles the "Residuals" (Justice, Debt, Social Security, Defense).
2. **Regions (Territory):** Flanders, Wallonia, Brussels with a total of 581 communes (Flanders: 300, Wallonia: 262, Brussels-Capital Region: 19). Handle territorial issues (Economy, Roads, Environment).
3. **Communities (Cultural Identity):** Flemish, French, German. Handle People issues (Language, Culture, Schools). Note: In the North, the Flemish Region and Community merged into one single governmental entity.

4.8 Swiss Referendum on the Splitting of the Jura Canton

The Swiss referendum on the splitting of the Jura canton is a notable example of Switzerland's direct democracy and peaceful management of linguistic and regional differences. The approach is in strong contrast with the language battle that has raged for decades and is still a major source of conflict. Note however that today the language as such is not the major source of conflict but the difference in the and economic political domain. In addition, while the North has made its economic progress in the last 100 years, Belgium was historically dominated by a French speaking elite who made their fortunes in older economy sector (coal and steel). Their wealth translated in a sequence of power positions. Hence the emergence of the language based regions was not just a matter of language but also a socio-economic struggle.

Background:

- The Jura region, located in northwestern Switzerland, historically belonged to the canton of Bern but was predominantly French-speaking and Catholic, unlike the largely German-speaking, Protestant Bern.
- Tensions over linguistic and religious identity led to demands for autonomy.

Creation of the Jura Canton

- In the 1970s, a series of local referendums were held to determine whether districts in the Jura region wished to separate from Bern and form their own canton.
- In 1978, the Swiss national referendum approved the creation of the Jura canton, which officially became Switzerland's 26th canton in 1979.
- However, not all districts chose to join the new canton; the southern part (Bernese Jura) remained with Bern.

Subsequent Referendums and the Splitting Issue

- The question of whether the Bernese Jura should join the Jura canton persisted for decades.
- Multiple local referendums were held in municipalities and districts to decide on joining Jura or remaining with Bern.
- Most recently, in 2017, the town of Moutier, located in the Bernese Jura, voted in a local referendum to leave Bern and join the canton of Jura. This process involved legal challenges and repeat votes to ensure fairness and proper procedure.
- The Swiss federal government and cantonal authorities respected the outcome, highlighting a commitment to direct democracy and local self-determination.

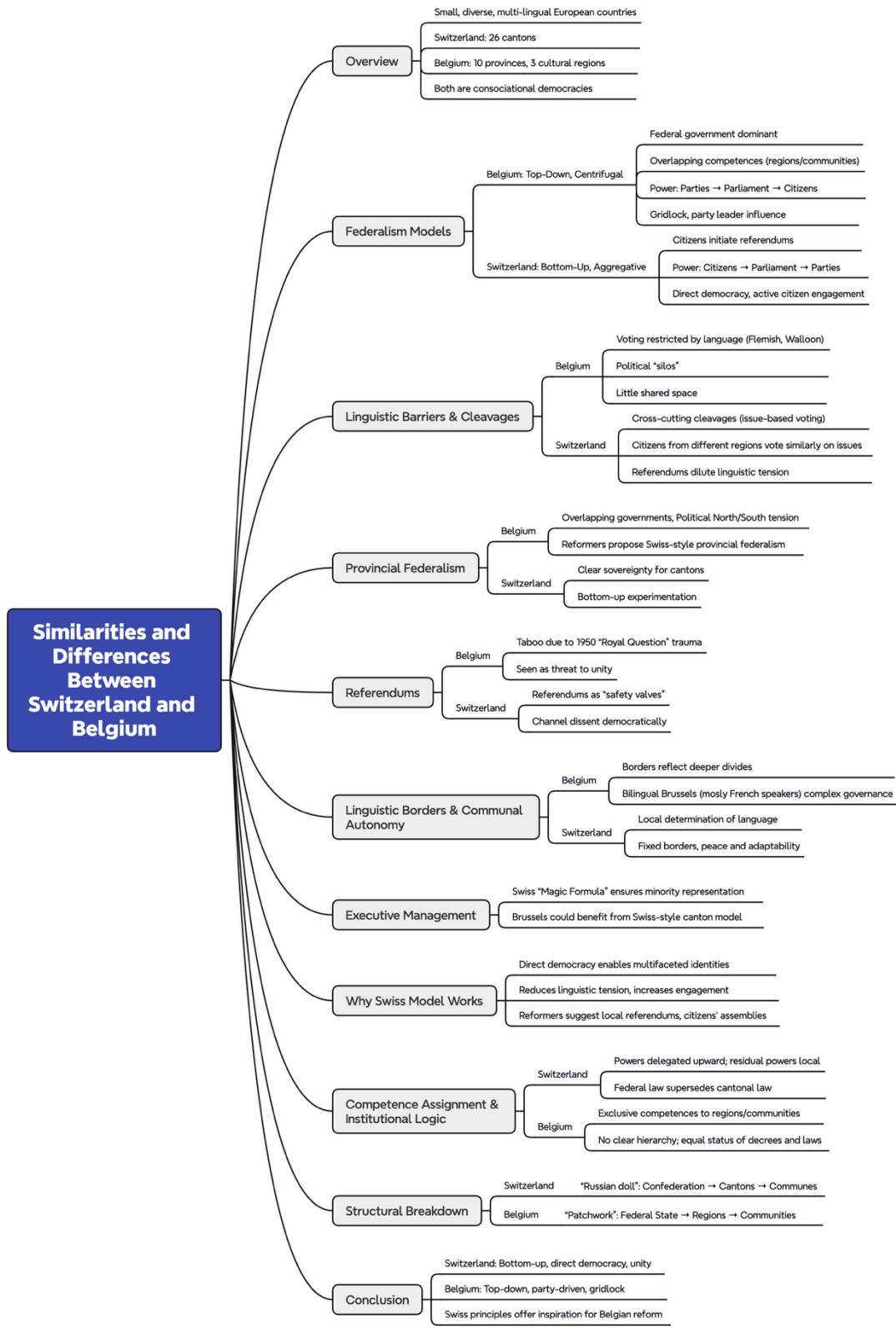
Significance

- The Jura referendums demonstrate how Switzerland uses democratic tools to address regional, linguistic, and cultural conflicts.
- The process was marked by peaceful negotiation, respect for local identities, and the principle that communities should decide their own affiliations.
- The splitting and realignment of districts between Jura and Bern set a precedent for resolving similar disputes in Switzerland.

Key Points

- Jura was created as a canton after a series of referendums due to linguistic and cultural differences with Bern.
- Not all areas joined Jura; some chose to remain with Bern, leading to ongoing referendums in border areas.
- The process exemplifies Switzerland's bottom-up democratic approach and respect for minority rights.
- The Swiss approach is based on respecting minorities by granting them sovereignty, whereas the Belgian approach is to keep the power central with special provisions in the Constitution to provide them with blocking power. The latter is now a major source of "gridlock" preventing further reforms.

4.9 Overview in a mindmap



Presented with xmind

References & Further Reading

4. **Lijphart, A. (2025):** *Patterns of Democracy*. (Comparative analysis of Swiss vs. Belgian consensus models).
5. **Swiss Federal Constitution** (Art. 3 & 42-120): Detailing the assignment of federal tasks.
6. **Belgian Constitution (Art. 35 & 39):** Detailing the transition to exclusive regional powers.
7. **V-Dem Institute (2025):** *Multi-Level Governance Report*. Benchmarking regional autonomy scores.

5 An economic comparison between Switzerland and Belgium

Comparing Belgium and Switzerland is fascinating because both are small, highly developed, "open" economies in the heart of Europe. However, their structural approaches to fiscal policy and debt financing are worlds apart, largely due to the "brakes" provided by Swiss direct democracy. As of **late 2025**, here is how the two nations compare:

5.1 Macro-economic differences

1. Macro-Economic Overview

Switzerland consistently ranks as one of the most competitive economies in the world, while Belgium remains a powerhouse of logistics and services but faces higher structural costs. However, economically Belgium performs 20 to 30% less well than Switzerland. The structural differences expose even greater discrepancies acting cumulatively over time, so that public debt, unemployment (see also inactivity) and inflation are much higher and represent a huge risk in the long run.

Metric (20243-2025 Estimates)	Belgium 	Switzerland 	Difference in % (Belgium / Switzerland)
Population	11,83 mio	9,11 mio	+30%
GDP (Nominal)	~€607,3 billion	~€859,3 billion	-30%
GDP per Capita (PPP)	~€64445	~€82943	-22%
Real GDP Growth	~1,1%	~0,9%	--
Public expenditures as % GDP	52,2%	32,8%	+159%
Public debt (federal)	107,1% of GDP (estimated 110% in 2026)	36,9% of GDP	+290%
Official Unemployment Rate*	~6,1%	~2,19%	+278%
Inflation (CPI)	~2,8%	~0,1%	+2800%

*: later, we will compare inactivity gaps.

2. The Debt and Tax "Gap"

This is the most striking difference. Switzerland's **Debt Brake** (*Schuldenbremse*), a constitutional rule approved by voters in 2001, forces the government to run a balanced budget over the business cycle. Belgium, lacking a direct democratic brake on spending, has one of the highest debt-to-GDP ratios in Europe. The Debt Brake is worthwhile exploring more in debt as it highlights a fundamental difference in how a budget is made up.

2.1 The Debt brake acting on Switzerland's budget

The **Schuldenbremse** a constitutional fiscal rule in Switzerland designed to control government spending and prevent the accumulation of excessive debt.

- **Purpose:** The primary goal is to ensure the federal budget remains balanced over the course of an economic cycle. It protects the budget from structural deficits by requiring that all expenditures be financed primarily by revenues.
- **Mechanism:** The rule sets an annual ceiling on federal government expenditures. This ceiling is calculated based on expected revenues, adjusted by a factor that reflects the current position of the economy in the business cycle. During economic booms, the government is required to run a surplus and pay off debt. During recessions, the rule allows for temporary deficits, which act as automatic stabilizers for the economy.
- **Implementation:** The debt brake was approved by a large majority of Swiss voters in a 2001 referendum and was enacted in 2003.
- **Effectiveness:** Since its introduction, the mechanism has helped to significantly stabilize or reduce the federal debt level, positioning Switzerland well by international standards.
- **Exceptions:** The rule does allow for exceptions for extraordinary expenditures in emergency situations (e.g., natural disasters or major bailouts), but these debts must still be repaid over time.

2.2. Deficit spending derailing the Belgian budget

Belgium's system is based on "deficit spending" (one borrows what one has in deficit) and is in stark contrast to the Swiss system. It relies on adherence to the broader European Union (EU) fiscal framework and is characterized by a significantly higher public debt burden.

Although the E.U. can take sanctioning action, the threshold for this is very high (103%) and is rarely applied. The result is that politicians rarely make strenuous efforts to reduce expenditure, because they fear losing popularity and then often resort to various burdens (taxes and other) increases. In addition, the preparation of a budget is very slow, often being overtaken by economic reality. Budgets are also drawn up for a full term of office (4 years or the remaining term of office) and not every year, even though revisions are possible.

2.3 Results

- **Public Debt:**
 - **Belgium:** ~107% of GDP. Belgium spends a significant portion of its budget just servicing the interest on this debt.
 - **Switzerland:** ~40% of GDP (including cantons/communes).
- **Tax Burden:**
 - **Belgium:** One of the highest "tax wedges" in the OECD. Personal income tax can quickly reach **50%**. Social security contributions are high to fund the extensive (but struggling) "silo" system.
 - **Switzerland:** Significantly lower. Income tax varies by canton (competition!), but the average total tax burden is roughly **20-25%** for middle earners.

- **VAT:** Belgium is at **21%**; Switzerland is at **8.1%** (one of the lowest in Europe).

3. Trade Balance and Innovation

Both countries are "export nations," but their baskets are different.

Trade Balance:

- **Switzerland:** Consistently runs a **massive surplus**. It exports high-value goods: pharmaceuticals (Roche, Novartis), watches, machinery, and financial services.
- **Belgium:** Generally, runs a **small surplus or deficit** depending on energy prices. It is a vital transit hub (Port of Antwerp-Bruges) and a leader in chemicals, biopharmaceuticals, and food processing.

Innovation Ranking:

Switzerland has been ranked **#1 in the Global Innovation Index** for 13 consecutive years.

Belgium ranks highly (Top 15), especially in biotech, but struggles to "scale up" startups compared to the Swiss venture capital environment.

4. Why the difference?

The economic disparity isn't just about "wealthy people"; it's about the **Political Structure** as discussed earlier:

Fiscal Referendums: In many Swiss cantons, if the government wants to spend more than a certain amount (e.g., on a new stadium or bridge), they **must** ask the voters. This prevents the "pork barrel" spending often seen in Belgian coalition deal-making.

Labor Peace: Switzerland has an incredibly low strike rate. In 1937, the "Peace Agreement" in the machine industry set a precedent: disputes are settled by negotiation, not strikes. In Belgium, labor relations are much more confrontational and centralized. Unions are a kind of fourth power (together with the media) with heavy public funding.

Currency: Switzerland retains the **Swiss Franc (CHF)**, which acts as a "safe haven." While this makes exports expensive, it has kept inflation much lower than in the Eurozone.

Summary: The "Price" of the System

Belgium's economy is hampered by its **institutional complexity**. The "overlapping competences" lead to massive administrative overhead and inefficient use of the available resources. Switzerland's economy benefits from **institutional simplicity and transparency**. Power is at the bottom, debt is legally capped, and the "Magic Formula" ensures that economic policy doesn't swing wildly every four years. It also avoids nice to have expenditures that only please a small part of the voters or an industrial group.

5.2 Public vs. private employment

In Belgium about 1/3 of the active population has an income from the government, about 1/3 lives from benefits ("inactive") and about 1/3 has an income in the private sector. This is a common political observation used to highlight the country's high public spending and extensive social safety net. While the exact numbers vary slightly by year, the comparison with Switzerland reveals a fundamentally different economic structure.

In Switzerland, the "Private Sector" is significantly larger, and the "Inactive" population (those living primarily on benefits) is much smaller than in Belgium. These differences originate in fundamental differences on how the country is organised.

5.2.1 Comparative Breakdown (2025 Estimates)

Category	Belgium	Switzerland
Private Sector Income	~28%	~67%
State-based income (education, healthcare...)	~14%	- -
Government Income (Public Employees)	~19%	~12%
Benefits / Inactive (Welfare, Pension, Disability)	~39%	~21%

In **Belgium**, public sector employment is roughly 18-20% of the total workforce. However, if one includes "government-funded" sectors like education, healthcare (which is largely subsidized), and state-owned enterprises, the "1/3" estimate is very close to the reality of who is paid by the taxpayer.

In **Switzerland**, the public sector is lean, employing only about 12-14% of the workforce, mainly core administration and public education. Switzerland relies heavily on private-public partnerships where the government regulates but does not necessarily employ the staff (e.g., in health insurance and parts of the infrastructure).

5.2.2 The "Inactive" (Benefits) Group

This is where the biggest gap exists.

Belgium: The "inactivity" rate is one of the highest in the EU. This includes retirees, but also a significant number of people on long-term sick leave, disability, or early retirement schemes. Roughly **25-30%** of the working-age population in some Belgian regions is not active in the labor market.

Switzerland: Switzerland has one of the highest labor participation rates in the world (~84%). The percentage of people living strictly on social assistance is very low (around 2.9%). While there is a retired population, the "working-age inactive" group is much smaller because of strict activation policies and a cultural emphasis on employment.

5.2.3 Key structural differences

The "Government Income" Group

In Switzerland, the definition of "government-funded" is much narrower than in Belgium because the state acts more as a **regulator** than an **employer**.

- In **Belgium**, public sector employment is roughly 18-20% of the total workforce. However, if you include "government-funded" sectors like education, healthcare (which is largely subsidized), and state-owned enterprises, a "1/3" estimate is very close to the reality of who is paid by the taxpayer.
- **Switzerland:** The public sector is lean, employing only about 12-14% of the workforce, primarily core administration (4%) and public education (7.2%). Switzerland relies heavily on private-public partnerships where the government regulates but does not necessarily employ the staff (e.g., in health insurance and parts of the infrastructure).

The "Private Sector" Engine

- **Belgium:** The private sector is robust but bears a heavy tax burden to support the other two-thirds. This leads to the "1/3" feeling where the wealth created by one group is distributed across the others. This is also visible in the breakdown of the labour costs.
- **Switzerland:** The private sector is the undisputed dominant force. Because social spending is lower and the public sector is smaller, a much higher proportion of every Swiss Franc generated stays within the private economy or is reinvested.

Deeper structural differences

1. **Labor Participation:** Switzerland has high participation across all ages, including older workers (55-64) who frequently retire early in Belgium.
2. **Social Security Structure:** The Swiss system is "multi-pillar." While the state provides a basic pension, a large portion of a Swiss person's "benefit" comes from their own private or company-managed pension fund (*LPP/BVG*), not directly from the state's current tax revenue.
3. **Fiscal Policy:** Switzerland has a "Debt Brake" (*Schuldenbremse*) which legally prevents the government from spending more than it receives, naturally capping the size of the public sector.

5.3 The inactivity trap of Belgium

The inactivity gap in Belgium is very high and represents about 39% of the active population.

The comparison with Switzerland is stark because the Swiss system is designed to prevent precisely the "net income drop" and "lack of control" issues that largely explain the very high inactivity gap in Belgium.

1. The Financial "Trap": Why working doesn't pay in Belgium

In 2025, Belgium remains the European leader in the inactivity trap for single people.

- **The Gap:** Recent studies show that a single person in Belgium moving from benefits to a low-wage job often sees a net income increase of only 6% to 9%.
- **Hidden Costs:** Once you factor in commuting, losing social energy tariffs, and childcare costs, many people lose money by going back to work.
- **Swiss Contrast:** In Switzerland, because income tax is lower and the "tax-free allowance" is high, the gap between benefits and a starting salary is much wider (usually at least 30-40% more net income).

2. The "Long-Term Sick" vs. The Swiss "Control"

Recently (2025) a few "scandales" have come to light in Belgium's social security system highlighting the lack of control in the Belgian system. In Belgium, a person can often stay in the "medical silo" for years with very little proactive pressure to return. Besides the fact that many people use the system as an alternative to work (for reasons explained above), the system also shows a lack of control, be it because of laxity or because of political pressure.

Belgium	Switzerland
Passive Monitoring: Control is often purely administrative. Once you are "invalid," the system rarely checks if a partial return is possible.	Active Case Management: If a Swiss worker is sick for >30 days, the insurance company sends a "reintegration coach" to the workplace immediately.

All or Nothing: You are either 100% sick or 100% working. Partial returns are complex and can threaten your benefit status.	Partial Disability: The Swiss system calculates disability in percentages (e.g., 40% disabled). You are encouraged to work the remaining 60% and keep a partial pension.
Rising Numbers: Over 526,000 people are on long-term disability, with psychological cases (burnout/depression) up 44%.	Stable Numbers: Strict referendums in the 2010s capped disability spending, forcing the state to focus on "rehabilitation before pension."

3. High salary costs undermine net income

The inactivity trap is largely due to the salary cost (to the employer) vs. the net sum that finally paid to the employee. Belgium has the highest "tax wedge" in the OECD.

- **The Math:** To give a Belgian employee €100 extra in their pocket (net), a Belgian employer often must pay nearly €250 (gross + social contributions) more.
- **The Consequence:** This makes labor incredibly expensive, so companies over-regulate and automate, which further pushes people toward the benefit system. But another consequence is that salaries are pushed down in the market, even more reducing the net sum paid out. Another consequence was the emergence of a wide range of salary based "benefits" undermining the link between work and renumeration.
- **The 2025 Reform:** The new Belgian federal agreement (July 2025) aims to ensure a minimum €500 net difference between working and not working, but experts argue this is difficult to achieve without massive cuts to the very "overlapping" services that cause the high taxes. Also €500 might not be always enough to drastically motivate long term beneficiaries of social security benefits to take on regular work.

4. Direct Democracy as the "Cleanup Crew"

Why can't Belgium just fix this? Because the "Silo System" protects itself.

In Belgium, every benefit is tied to a political "pillar" (unions, health funds). Cutting a benefit means a political war.

In Switzerland, the Debt Brake is the law. If the disability fund goes into debt, the government must reform it or raise taxes via a referendum. The public usually chooses "reform" over "paying more," which provides the political cover to tighten the rules and increase control.

The 2025 Outlook

Following the Belgium government "Summer Agreement" unemployment benefits will be limited to 24 months and "long-term sick" controls will be tightened. However, without the Swiss-style territorial simplicity (getting rid of the overlapping regions), the administrative cost of "controlling" these 2 million people often costs more than the benefits themselves. In addition, real taxes were raised so that the gap between net and salary cost was not reduced.

5.4 Individual Income Tax (Personal)

Comparing tax rates between Switzerland and Belgium is a study in **decentralization vs. centralization**. In Switzerland, the local levels (Canton and Commune) are the primary tax authorities, whereas in Belgium, the Federal level dominates the collection process.

Level	Switzerland (Highly Variable)	Belgium (Highly Standardized)
Federal	0% – 11.5% (Progressive)	25% – 50% (Progressive)
Regional / Cantonal	2% – 25% (Depends on Canton)	0% (Included in Federal base)
Municipal / Local	~2% – 15% (Tax Multiplier)	0% – 9% (Regional/Communal Surtax)
Total Top Rate	~22% (Zug) to ~45% (Geneva)	~50% – 53.5% (Nationwide)

Key Differences:

The Swiss "Steuerfuss": In Switzerland, your local town (Commune) decides its own "multiplier." If you move five kilometers to the next village, your tax bill could drop by 10%.

Belgian Surtax: In Belgium, your municipality simply adds a small percentage (usually between 6% and 9%) on top of what you already owe the Federal government.

5.5 Corporate Income Tax (Business)

The effective tax rate (ETR) includes all levels of government.

Level	Switzerland	Belgium
Federal	8.5% (Statutory)	25% (Flat rate)
Cantonal / Regional	~3% – 12%	0% (Minimal regional levies)
Total Effective Rate	~11.9% (Zug) to ~21% (Bern)	25% (Standard)

Key Differences:

- Tax Competition: Swiss cantons compete fiercely to attract headquarters. Zug and Schwyz are famous for keeping combined rates near 12%.
- Belgium's SME rate: Belgium offers a reduced rate of 20% for the first €100,000 of profit for small and medium enterprises (SMEs), provided certain conditions are met.

5.6 Consumption Tax (VAT / MWST)

Type	Switzerland	Belgium
Standard Rate	8.1%	21%
Reduced Rate	2.6% (Food, Books, Medicine)	6% (Food, Books) 12% (Food service)
Special Rates	3.9% (Accommodation)	0% (Daily newspapers)

5.7 Summary Table of Tax Autonomy

Feature	Switzerland	Belgium
Primary Collector	Canton (The "Sovereign")	Federal State (The "Hub")
Tax Progressivity	High (Varies wildly by location)	High (Varies by income bracket)
Wealth Tax?	Yes (At Cantonal level)	No (Only on large securities accounts)
Succession / Gift Tax	Varies by Canton (0% for direct heirs)	Varies by Region (High for non-direct)

Switzerland uses **Vertical and Horizontal Competition**. Cantons and Communes compete to keep taxes low to attract residents.

Belgium uses **Vertical Solidarity**. The Federal government collects the bulk of the revenue and redistributes it to the Regions and Communities to ensure equal service levels across the country. However, average taxes are substantially higher, partly because the system is largely inefficient. The operating costs of the government itself take up a large part of the tax revenue.

5.8 Salary taxation

Below is a comparison of the net salary for a single person with no children, residing in Zurich (the Swiss financial hub) versus Brussels (the Belgian administrative hub). For the "Average Canton," we use a mid-range location like Aargau or Solothurn, which sits between the tax havens (Zug) and the high-tax cities (Geneva/Zurich).

5.8.1 Salary Breakdown: €100,000 Gross

Note: All figures are approximate for 2025 and assume standard professional status.

Component	Brussels (Belgium)	Zurich (Switzerland)
Gross Salary	€100,000	€100,000 (approx. 94,000 CHF)
Social Security (EE)	~€13,070 (13.07%)	~€10,200 (approx. 10.3% OASI/DI/ALV)
Pension Fund (2nd Pillar)	Included in above/voluntary	~€6,500 (Age-dependent)
Taxable Income	~€86,930	~€77,300
Income Tax	~€36,500 (Top bracket 50%)	~€9,500 (Federal + Cantonal + Local)
Health Insurance	Deducted from tax/ social security	~€4,500 (Private but mandatory)
Net Annual Take-Home	~€50,430	~€69,300
Effective Tax Rate	~49.6%	~30.7%
Cost to employer (gross + social contributions)	~€127,000	~€112,000

5.8.2 Salary Breakdown: €50,000 Gross

	Zurich	Average Swiss Canton	Brussels (Belgium)
Effective Tax Rate for €50000 gross	~30.7%	~32.3% (incl. health insurance)	~36.7%

5.8.3 Why the difference is so vast?

The Belgian "Solidarity" System

- High Brackets:** In Belgium, the 50% tax bracket starts relatively early (at approximately €48,320 in 2025). Most of a €100k salary is being taxed at the maximum rate.
- Social Safety Net:** The high social security contributions cover comprehensive healthcare, generous unemployment benefits, and state pensions.
- Company Cars:** To offset the high tax, Belgium uses a wide variety of "salary optimization" (extralegal benefits). Many professionals at this level receive a company car, fuel card, and meal vouchers, which can add €10,000–€15,000 in "real" value not shown in the cash net.

The Swiss "Competitive" System

- Decentralized Tax:** Your tax is split three ways: Federal (low), Cantonal (moderate), and Municipal (varies). Zurich is competitive, but moving to nearby Zug would increase the net take-home even further.
- Individual Responsibility:** While the tax is lower, you must pay for your own Private Health Insurance out of your net salary (roughly €350–€500/month).
- Purchasing Power:** While the net salary is higher, the cost of living in Zurich (rent, food, services) is significantly higher than in Brussels.

5.8.4 The Corporate Perspective: Cost to Employer

To pay you €100,000 gross, the employer must also pay "Employer Contributions."

- Belgium:** The employer pays roughly **25-30%** on top of the €100k
 - (Total cost: ~€127,000).
- Switzerland:** The employer pays roughly **10-15%** on top of the €100k
 - (Total cost: ~€112,000).

5.8.5 Summary Table of Tax Autonomy

Feature	Switzerland	Belgium
Vertical Competition	High (Cantons compete on rates)	Low (Federal rates are fixed)
Horizontal Solidarity	Low (Rich cantons pay to poor cantons)	High (Massive transfers via Social Security)
Transparency	High (You pay tax via a bill later)	Low (Tax is withheld at the source)
Wealth Tax?	Yes (Annual tax on net assets)	No (Only on specific stock accounts)

Moving from a high-income bracket (€100k) to a medium-income bracket (**€50,000 gross per year**) changes the dynamic significantly. In Belgium, the tax burden remains high due

to the rapid progression of brackets, while in Switzerland, a middle-class earner often falls into very low tax territory at the federal level.

5.9 The "Middle Class" Analysis

Belgium: The Fiscal "Squeeze"

- **The Threshold Problem:** In Belgium, even at €50,000, you are already hitting the **45% tax bracket** (which starts around €28,000) and moving toward the **50% bracket**.
- **The "Invisible" Tax:** While the net is lower, health insurance is covered by your social contributions from the gross and a surplus paid for by the employer.
- **Net result:** A middle-income earner in Belgium keeps roughly **63%** of their salary.

Switzerland: The Fixed-Cost Burden

- **Low Taxation:** At €50,000, the Swiss Federal tax is almost zero (around €50). Most of the tax you pay goes to the Canton
- **The Health Insurance "Flat Tax":** In Switzerland, health insurance is not percentage-based; it is a fixed premium. Whether you earn €50k or €100k, you pay roughly **€4,500/year**.
- **The Regressive Effect:** Because health insurance is a fixed cost, it hits the €50k earner **twice as hard** (9% of gross salary) as the €100k earner (4.5% of gross salary).
- **Net result:** After paying mandatory health insurance, the middle-income Swiss earner keeps roughly **67%** of their salary.

Comparative Purchasing Power (PPP)

While the Swiss net salary looks slightly higher on paper, the **Purchasing Power** at €50,000 can be higher in Belgium. But this is canton dependent.

Expense Category	Brussels	Zurich
Rent (1-bed city center)	~€1,100	~€2,200
Groceries (Monthly)	~€350	~€700
Public Transport	~€50	~€85
Outcome	Sustainable lifestyle.	Very tight budget (Zurich is the world's most expensive city).

Summary

- **In Belgium:** The "Consensus" is a **Social Safety Net**. At €50,000, the state takes more, but it also protects the citizens from high costs in healthcare and housing through subsidies and socialized systems.
- **In Switzerland:** The "Consensus" is **Low State Intervention**. The state takes very little, but you are responsible for high market-rate costs. At €50,000, a resident in Zurich might have a *lower* quality of life than someone in Brussels because their "disposable" income is swallowed by fixed costs.
- Broadening the perspective from Zurich (a relatively high-tax urban center) to an "average" Swiss canton reveals an even more stark contrast with Belgium. In the Swiss system, moving just 20 kilometers can change your tax bill significantly, whereas in Belgium, the tax system is largely a national monolith.

5.10 Institutional Impact: Why the average is lower

The reason the "average" Swiss canton is so much cheaper than Belgium for a €50k earner comes down to the **Direct Democracy** tools we discussed earlier:

- **The Municipal Surtax:** In Belgium, the city where one lives adds a small % to the Federal bill. In an average Swiss canton, the town has its own **budget sovereignty**. Small towns often keep services minimal to keep the "Tax Multiplier" low, attracting middle-class families.
- **The Referendum on Spending:** In an average canton, any new school or sports hall costing over a few million francs is often put to a mandatory vote. This prevents the "ideological" spending mentioned earlier, keeping the overall tax burden down. In Belgium, cities and municipalities tend to overspend on public infrastructure often in conjunction of deficit spending.

5.11 Corruption

When comparing Belgium and Switzerland, the contrast is between a country that is "clean but declining" (Belgium) and one that is "consistently top-tier but faces unique challenges" (Switzerland).

As of the latest **2024 Corruption Perceptions Index** (released in February 2025), here is how they stack up.

Comparative Rankings (2025 Status)

Switzerland consistently ranks among the top 5 least corrupt countries in the world, whereas Belgium has recently slipped out of the top 20.

Summary	Summary	Summary
Score (out of 100)	69	81
Global Rank	22nd	5th
5-Year Trend	Significant Decline	Stable (slight dip)
Primary Risk	Public spending & Lobbying	Financial secrecy & Money laundering

Estimated Cost in Euros

Because the Swiss economy is significantly larger and wealthier than the Belgian one, the "cost" of corruption manifests differently.

- **Belgium:** Estimated loss of €4.4 billion per year. This is primarily attributed to inefficiencies in public procurement, "grey" areas in political subsidies and lack of control. However, it has reached a level that is becoming visible in poor execution of infrastructure works and emerging scandals.
- **Switzerland:** While hard to pin down a single "loss" figure for domestic corruption (which is very low), Switzerland is a global hub for "foreign" corruption. It is estimated that \$112 billion to \$514 billion (€100B–€470B) in illicit assets from other countries have been traced to Swiss banks between 1985 and 2025.
- **Per Citizen:** In Belgium, corruption costs the average resident roughly €1,100 in potential economic gain. In Switzerland, domestic public sector corruption is so low that this "tax" is negligible for the average resident, though the country pays a high "reputational cost" globally.

Key Differences in the "Type" of Corruption

The two countries struggle with very different issues:

Belgium (The "Political" Challenge):

- **Public Procurement:** High risks in how government contracts are awarded at the local/regional level. Also, the execution shows a lack of competence in supervising the public funded projects, often resulting in very high-cost overruns.
- **Revolving Doors:** A lack of strict rules for politicians moving into high-paying corporate lobby jobs. Some politicians are third generation and often move into lobbying positions in the sector they were responsible for.
- **Enforcement:** Belgium has been criticized by the EU for not having enough specialized staff to prosecute white-collar crime effectively.

Switzerland (The "Financial" Challenge):

- **Money Laundering:** Switzerland's main "corruption" isn't bridge-building or bribes to police; it's being a "safe haven" for dirty money from abroad. However, this has no direct negative impact on the citizens.
- **Lawyer Loopholes:** Until very recently, Swiss anti-money laundering laws did not strictly cover lawyers and notaries who set up shell companies.
- **Banking Oversight:** The Swiss regulator (FINMA) has historically lacked the power to issue large fines compared to US or EU counterparts, though this is currently under reform.

Summary: Perception vs. Reality

In Belgium, citizens are rather skeptical; about 66% believe corruption is a major problem. In Switzerland, public trust is much higher; the average citizen rarely encounters corruption in daily life (getting a permit, dealing with police). However, international NGOs view Switzerland as a "blind spot" in the global fight against cross-border financial corruption.

6 The risk of dictatorship by a hidden majority

The issue whereby a "majority" is not just an electoral count but a pervasive ideological alignment across public and private institutions (media, academia, civil service) is a well-documented phenomenon in political science. It is often referred to as "**Institutional Capture**" or, more traditionally, a modern form of the "**Tyranny of the Majority**" once installed, it is like a Trojan Horse. In representative "Conflict" democracies (like France or the UK), this can lead to a sense that "the system" is detached from the common citizen. Here is a deep dive into how Switzerland's unique architecture addresses this issue differently.

6.1 The Problem: "The Long March through the Institutions"

The observations align with the sociological theory that certain professional classes (journalists, academics, NGO leaders) tend to share similar educational backgrounds and values (often center-left or environmentalist).

- **The Bias:** A **2025 Tilburg University study** on European institutional bias confirmed that across many EU nations, journalists and academics are perceived by the public as significantly more left-leaning than the general population, while police and judges are often perceived as more right-leaning.
- **The Impact:** In a majoritarian system, if the elected government aligns with the "institutional ideology," there is no "check." This creates a "**Dictatorship of the Consensus**," where alternative views are socially or professionally marginalized.

6.2 The Swiss Solution: The Concordance System

Switzerland handles this better not by eliminating bias, but by **institutionalizing diversity**.

- **The Magic Formula:** The Swiss government (Federal Council) is always a "Grand Coalition." It is legally required to include the major parties from across the entire spectrum, from the right-wing SVP to the left-wing Social Democrats.
- **Departmental Plurality:** Each minister (from different parties) runs a different department. This means the "Administration" is never ideologically monolithic. A conservative minister will hire and lead a department differently than a socialist minister.
- **Result:** The Swiss civil service is forced to be **poly-ideological** rather than a single ideological bloc.

6.3 Media Balance: The "fög" Findings

The media are a key driver of this "ideological majority." In Switzerland, the data shows a different trend than in neighboring countries.

- **The Study:** The **Research Center for the Public Sphere and Society (fög)** at the University of Zurich conducts an annual "Yearbook Quality of the Media."
- **The Result:** Their **2023/2024 analysis** found that high-reach Swiss media (like SRF/RTS and *20 Minuten*) are among the most **politically neutral** in Europe. Because they must prepare citizens for four referendums a year, their business model relies on presenting "Pro" and "Contra" arguments fairly.

- **The Safety Valve:** Unlike the BBC or France Télévisions, which can sometimes be seen as reflecting a single state/elite ideology, the Swiss public broadcaster is under constant threat of a **funding referendum**. If the public feels the media is too biased, they can launch an initiative to cut its budget (as seen with the "No Billag" initiative).

6.4 The "People's Veto" on Ideological Overreach

The most effective cure for a "Dictatorship of the Majority" in institutions is the **Optional Referendum**. In the EU, if a coalition of media, activists, and politicians passes a "Climate Tax," it becomes law regardless of public sentiment. In Switzerland, the elite "proposes," but the people "dispose."

- **Evidence from 2025:** On **November 30, 2025**, Swiss voters soundly rejected the "**Initiative for a Future**," which proposed a 50% inheritance tax on the super-rich to fund climate policy.¹ Despite heavy support from "climate advocates" in the media and academia, it was rejected by over **78% of voters**.
- **Evidence from February 2025:** The "Environmental Responsibility Initiative" was also rejected by nearly 70% of voters.²
- **The Lesson:** While the "institutional majority" (media/advocates) may dominate the *narrative*, they cannot dominate the *law*. The referendum acts as a reality check that prevents elite ideology from drifting too far from the common citizen's reality.

6.5 Direct Democracy as a "Veto" on Ideology

The most powerful tool Switzerland has against the "Dictatorship of the Majority" in institutions is the **Optional Referendum**.

- **The Institutional Check:** In most countries, once a "clique" of politicians and advocates passes a law, it is finished. In Switzerland, any law passed by the "ideological majority" in Parliament can be challenged by **50000 citizens**.⁴
- **The "Corrective" Effect:** This forces the elite (the "classe politique") to moderate their ideology *before* the law is passed. They know that if they are too radical or too "leftist/rightist," the people will simply vote "No."
- **Research Evidence:** A **2025 study in the Socio-Economic Review** found that Swiss direct democracy significantly reduces "political inequality" by ensuring that laws reflect the preferences of the broad public rather than just the "well-educated/affluent" institutional class.

6.6 Summary and Comparison

Feature	Representative "Conflict" Democracy	Swiss "Consensus" Democracy
Institutional Ideology	Often mirrors the values of the university-educated elite.	Forced to accommodate a 4-party power-sharing agreement.
Media Role	Often acts as a "gatekeeper" or partisan advocate.	Acts as a "moderator" for referendum debates.
Minority Views	Can be ignored by the "Elected Majority."	Can trigger a Referendum to stop the majority.
Democratic Trust	2025 Ipsos data shows <30% satisfaction in FR/UK.	V-Dem 2025 rates CH as the most participatory globally. ⁵

6.7 Why it is less of an issue in Switzerland

The above-mentioned "dictatorship", in which media, academia and civil service form an ideological bloc, is a less pronounced problem in Switzerland. The way in which a society deals with "institutional ideology" is visible to the extent to which citizens can resist it.

The "Corrective" Mechanism: Referendum vs. Protest

Feature	European Democracies (Conflict/Mixed)	Switzerland (Consensus + Direct)
Pushback Method	Protests and strikes. Citizens take to the streets when they feel the "institutional majority" has ignored them.	The Ballot Box. Citizens launch a referendum to legally kill the specific law they dislike.
Ideological Bias	Institutions can drift toward a "center-left/climate" consensus with no immediate legal check.	Any ideological drift in Parliament is "vetted" by the people every 3 months.
Media Influence	Media can act as a "multiplier" for institutional ideology (e.g., in FR or DE).	Media is forced into a "Neutral Referee" role because they must prepare the public for actual votes.
Trust Outcome	Declining. 2025 data shows rising "alienation" between the public and the "expert class."	Resilient. Trust remains high because the people <i>are</i> the final "experts."

Research from the **University of Basel (2024/2025)** confirms that Switzerland's system acts as a **"Cooling Mechanism"** for ideological heat:

1. **The Referendum Threat:** Politicians and "advocates" know that if they push an ideology that is too far from the median voter, it will be rejected. This forces **moderation** at the source.
2. **No "Winner-Take-All":** In most countries, one "side" wins and occupies the institutions. In Switzerland, the "Magic Formula" ensures that the **Institutional Majority** is always a blend of four conflicting parties.
3. **The Budgetary Check:** Organizations (like the public broadcaster or NGOs) that drift too far into ideology can face **"Popular Initiatives"** to cut their funding, keeping them accountable to the taxpayers.

6.8 Key conclusions

- **Thesis:** In many representative democracies (Conflict models), the "Institutional Majority" (media, civil service, academia) can create an ideological silo that excludes the views of the broader public. This is often seen in climate and social policy, where "expert" consensus overrides popular sentiment. Switzerland's "Consensus" model is superior at preventing the "Dictatorship of the Majority" not because its elites are less biased, but because its **institutions have fewer places to hide**.
- **Key Case:** The **CO2 Act (2021/2023)** whereby the public corrected an "Institutional Consensus" to make it more pragmatic and inclusive. As shown in the 2025 referendum data, the Swiss public consistently acts as a "reality check" on elite initiatives.

- **Key Reference:** Arend Lijphart (2025), who demonstrates that while Belgium and Switzerland are both consensual, the **Direct Democracy** of Switzerland is the critical ingredient that prevents "Elite Capture."
- **The Belgian Context:** While Belgium uses a consensus model, it lacks the direct "People's Veto." This results in lower trust levels (per VUB 2025 studies) because the consensus is made between elites, rather than between the elite and the people.

6.9 Key References

1. Lijphart, A. (2012): Patterns of Democracy. The foundational text on why consensus models (like Switzerland) prevent the tyranny of the majority.
2. fög - University of Zurich (2023): Yearbook Quality of the Media. Specific data on Swiss media neutrality.
3. V-Dem Institute (2025): Democracy Report. Notes Switzerland's resilience against "autocratization" and "elite capture" due to its participatory tools
4. Tilburg University (2025): Citizen perceptions of ideological bias in public service institutions.
5. <https://www.news.uzh.ch/en/articles/media/2023/foeg-media-study.html>
6. https://www.researchgate.net/publication/319677828_Political_Communication_in_Switzerland

7 Historical roots of the Swiss Top-Down Direct Democracy

The Swiss direct democracy system did not appear overnight. It is the result of a centuries-long evolution that combines medieval rural traditions with a fierce 19th-century struggle against "liberal elitism." Given that it goes more than 750 years back in time, it would deserve the status of European cultural heritage. This is not the case today.

An explanation could be that the rest of Europe has very different long history that goes back to feudal times when noble kings ruled over a nation state that was often the result of one dominant lord conquering the domains of his neighboring lords. As a result, such a king had absolute power. Only later were parlements created, albeit only for the nobles, to appease his subjects. One must keep in mind that most habitants were still serfs working on the land of the lords till about some 100 to 200 years ago, a situation that was changed by the industrial revolution whereby voting rights were introduced and parlements could

The European Union, although it was stepwise built up after the second World War, inherited this nation state model. The question is if this model is still what we need for the future we live today.

7.1 The Medieval Roots: The "Landsgemeinde"

The earliest seeds were sown in the 13th century in the "Forest Cantons" (Uri, Schwyz, and Unterwalden). Because these were small, isolated mountain communities, they developed a system called the **Landsgemeinde**.

- **The Concept:** All male citizens would gather in a town square once a year to vote on laws and elect judges by a show of hands.
- **The Logic:** In a small "farming republic," there was no need for a middleman. If you were a freeman allowed to bear a sword, you were expected to vote.
- **The Legacy:** Even as Switzerland modernized, this "bottom-up" identity remained. The idea that "the people are the sovereign" was already culturally baked in before the modern state was even born.

7.2 The 19th Century: Liberals vs. Democrats

The modern system was born from a conflict in the 1830s and 1840s between two groups of reformers:

- **The Liberals** (The "Federal Barons"): They wanted a Representative System like the US or France. They believed a small, educated elite should run the country to ensure efficiency and modernization.
- **The Democrats** (The Grassroots): They feared these new liberal politicians would become a new "aristocracy." They campaigned under the slogan: "Everything for the people, but also everything BY the people."

7.3 Why the Swiss chose Direct Democracy over Representation

1. **Fear of Centralization:** Switzerland is a country of minorities (German, French, Italian, Catholic, Protestant). Many feared that a centralized representative parliament in Bern would simply "dictate" to the smaller cantons.
2. **The "Veto" as a Peace Tool:** After a brief civil war in 1847 (**The Sonderbund War**), the victors realized that the only way to keep the losing Catholic minority

from revolting again was to give them a way to block laws they hated. The **Optional Referendum (1874)** was the peace offering.

3. **The "Initiative" as a Safety Valve:** In 1891, the **Popular Initiative** was introduced. This allowed the people to propose their own ideas, preventing the "Federal Barons" from ignoring the public's concerns.

7.4 Why didn't other countries do this?

Most of Switzerland's neighbors followed a different path for specific historical reasons:

Feature	Switzerland	Neighboring Europe (FR, DE, UK)
National Origin	A "Willensnation" (Nation by Will). Diverse groups choosing to live together.	Often built around a single "Ethnic" or "Linguistic" core (The French, The Germans).
Power Structure	Bottom-Up: Power flows from the Village → Canton → Federation.	Top-Down: Power historically flowed from the Monarch → Capital → Regions.
Scale	Small and decentralized; local issues were the priority.	Large empires or kingdoms that needed strong, fast-acting central leaders.
Trauma	Fear of Elite: The main trauma was a fear of centralized tyranny.	Fear of Chaos: After the French Revolution, many European elites feared "mob rule" and preferred stable representation.

7.5 Key Milestones in the modern adoption

- **1848 Constitution:** Created the modern federal state, but was still mostly representative. It included the **Mandatory Referendum** (any change to the Constitution required a vote).
- **1874 Revision:** Introduced the **Optional Referendum**. If 50,000 people didn't like a law passed in Bern, they could force a national vote to kill it.
- **1891 Revision:** Introduced the **Popular Initiative**. If 100,000 people wanted a new law, they could force a national vote to create it.
- <https://blog.nationalmuseum.ch/en/2022/05/direct-democracy-in-switzerland/>
- <https://www.nationalgeographic.com/culture/article/switzerland-direct-democracy-voting>

7.6 Summary:

Switzerland adopted direct democracy not because it was "easier," but because it was the only way to keep a deeply divided, diverse country from falling apart. It turned conflict into a vote, ensuring that no single majority could ever fully "dictate" to a minority.

This is a central debate in comparative politics. Many historians and political scientists (like **Arend Lijphart** and **David Price**) argue that the fundamental tension in Europe today is indeed a clash between two completely different "genetic codes" of governance: the **Monarchical-Representative** model and the **Communal-Direct** model

8 Historical roots of representative top-down democracies

Although the origin of Switzerland's political system can be seen as an exception in the European continent, it is worthwhile to investigate how the rest of Europe evolved politically over the last centuries. Current representative democracies with full voting rights for the citizens are now about 100 years old and since WW-I, the ruling aristocracy lost much of its power. Nevertheless, the political system remained largely intact. While the hereditary monarchs acquired increasingly a symbolic function, the power in the institutions is now in the hands of new "elite" that is less visible but has its power seen growing in the last decades. The question needs to be asked if the representative democracies have not reached a point whereby a structural overhaul is needed, not only to save political democracy but also to safeguard the wellbeing and welfare of the citizens.

8.1 The "Monarchical Syndrome" of the Nation-State

Most European states (France, Germany, Spain, the UK) were forged through the centralization of power. Feudal lords were united by the most powerful one, often to historical fierce battles with the winner becoming the king and the feudal lords the aristocracy. This top-down structure is still largely in place even if the power has shifted towards a new elite.

- **Feudal Origin:** In the Middle Ages, power was a "gift" from the King to the Aristocracy. **The "People" were subjects, not citizens.**
- **The Shift towards Representation :** When revolutions happened (like in France, 1789), a Parliament replaced the King, but the *structure* of power remained top-down. The "Elite" (now lawyers and politicians instead of dukes) still decided what was best for the "masses."
- **The Result:** This created a "**Conflict Democracy**." Because power is centralized at the top, political parties must "fight" to capture the state apparatus. Once they win, they impose their ideology downward until the next election.

8.2 The Swiss "Alpine Exception"

Switzerland escaped this "syndrome" because it was never a unified kingdom. It was a collection of "valley communities" (Communes) that were too poor or too rugged for knights to easily conquer.

- **Communal Origin:** Power started at the **village level**. If a bridge needed building, the villagers decided. If a law was needed, they gathered in the square (**Landsgemeinde**).
- **The Bottom-Up Build:** When the Swiss state was formed in 1848, the Cantons didn't "give" power to the people; the People **delegated** a small amount of power to the Federal government, while keeping the "Veto" (Referendum) for themselves.
- **Comparison: Power Flow Patterns**

Feature	European Nation-State (Top-Down)	Switzerland (Bottom-Up)
Source of Power	The State (delegated to people).	The Citizen (delegates to the state).
Logic of Law	"We (the elite) pass laws for	"You (the elite) propose; we

	you."	decide."
Political Style	Adversarial: Winner takes all.	Consensual: Power is shared to avoid vetoes.
Institutional Trust	Low (People feel "ruled" by an elite).	High (People feel they <i>are</i> the system).

8.3 The European Union: "Modern Feudalism"?

Critics of the EU often argue that it has inherited the "syndrome" of the nation-states that created it, but on a continental scale.

- **The Technocratic Elite:** The European Commission is often seen as a modern version of the "High Authority" or a "Council of Princes." They are unelected experts who draft complex laws that affect 450 million people.
- **The Democratic Deficit:** Because there is no "European Referendum" or a way for citizens to directly stop a Directive, the EU feels like a "feudal" structure whereby the "Brussels Elite" decides and the national parliaments merely "implement."

The Insight:

The EU's struggle with legitimacy stems from this history. It tries to build a "Consensus" among Governments (Intergovernmentalism), but it has yet to build a "Consensus" among Citizens (Direct Democracy).

9 The disruptive role of digitalization and AI in politics, a step in the future.

AI assistants have the potential to radically transform the way politics is exercised in the E.U. (and in most countries) in a radical way. It can and will reinforce democratise politics. What is the still “manual” democratic practice in Switzerland can become even more transparent and efficient. It also could be the stepping stone in adopting these democratic processes in representative democracies. Even today, when most governments are hiding important data behind opaque portals, any citizen can now ask how its government spends the money in a few minutes. The answer might be that it doesn't find all data because the government is not publishing it all, but that's an answer in itself. It shows that public disclosure is lacking. AI assistants also answer based on all opinions, not just the ones that officially sanctioned media tell you. It will tell you when politicians didn't follow their own laws and treaties. It can bring democracy back to the citizen like in Switzerland. On-line platforms can support citizens' initiatives and referendums and then final voting.

Let's analyse this more in detail. AI assistants can impact politics in numerous positive and negative ways. Below are some of the most important ways in which AI assistants could impact politics:

9.1 Improving Civic Awareness

By making political information more accessible and complexity less intimidating, AI assistance can enable citizens. For instance:

- **Voter Education:** They can even explain political platforms, policies and candidates in more personalized terms so voters can make better informed decisions.
- **Election Reminders:** Voters can also use AI to bounce reminders off it about registration deadlines, polling places and election days to help make sure they get out and vote.
- **Fact-Checking:** Live fact-checking of political debates or speeches is another way to fight misinformation so voters have the most accurate information.

9.2 Simplifying Political Engagement

AI assistants have the potential to foster participation in political processes, such as:

- **Petitions and Activism:** Helping users sign petitions, become part of political movements or write to their elected officials.
- **Public Sentiment:** In Public Opinion Polls, collecting and analyzing public opinions to inform policymakers about citizens' top concerns.

9.3 Simplifying Governance

AI assistants can deliver better government and better public service:

- **Policy Feedback Loops:** Governments might also deploy AI assistants to solicit citizen feedback on policies, enabling more responsive and adaptive governing.
- **Efficient Governance:** AI could automate bureaucratic procedures to make government services more efficient and accessible.

9.4 Personalizing Political Campaigns

Political candidates and parties can hire AI assistants to:

- **Target Voters:** Use voter data to send tailored campaign messages, ads and policy proposals.

- **Engage with Constituents:** AI chatbots can respond to voter's queries on candidate positions on issues, establishing a line of communication.

9.5 Fighting (or Fomenting) Misinformation

AI can have a twofold effect on the information disorder:

- **Good news:** Fact-checkers powered by AI can label fake news or misleading political content to help users separate fact from fiction.
- **Bad news:** However, AI can be abused and exploited to generate propaganda, produce deepfakes, or influence public opinion through weaponized misinformation campaigns.

9.6 Enhancing Transparency

AI assistants can hold governments accountable by analyzing and summarizing government data:

- **Watching the purse-strings:** Making government budgets and spending understandable to ordinary citizens.
- **Policy Advice:** Allowing them to understand what new bills and new programs will do and how it will impact citizens and business.

9.7 Empowering Marginalized Voices

AI assistants can be used to amplify the voices of voiceless communities:

- **Language Translation:** Removing language barriers to allow for greater involvement in political dialogue.
- **Accessibility:** Helping people with disabilities participate in political activities.

9.8 Ethical and Regulatory Challenges

AI assistants, such as AI deputies, can improve politics, but bring its own set of challenges:

- **Bias and Manipulation:** AI systems trained on biased data may amplify systemic inequalities or privilege particular political ideologies.
- **Surveillance and Privacy Concerns:** Authoritarian regimes or the like may misapply AI to surveil for political control, stifle dissent and manipulate behavior.
- **Algorithmic Transparency:** A lack of transparency around AI decision-making could potentially undermine trust in political systems.

9.9 Shaping Public Discourse

Political discussions can be framed by AI assistants:

- **Moderating Online Platforms:** AI-based moderation of hate speech or toxic content in online political discourse could contribute to better discourse.
- **Echo Chambers:** On the downside, the algorithms powering these AI assistants could also reinforce echo chambers and further divide politically. Freedom of speech must be the guiding strategy and alternate opinions can play an important role in signalling problematic issues before they become a political problem.

9.10 Predictive Analytics and Crisis Management

The AI makes it possible for governments to better anticipate and address relation and political social problems:

- **Predicting Unrest:** AI can use social media and other data to forecast protests and other civil disobedience.

- **Crisis Response:** During disasters, government agencies can also use AI assistants to help them communicate with citizens, delivering real-time information and instructions.

Key Takeaways

AI assistants could transform politics, making it more transparent, accessible, and engaging for citizens. Nevertheless, their abuse could result in political decay and worsening repression. To ensure a positive impact on politics from AI, strong ethical guidance must be put in place, AI systems must be transparent and citizens need to be educated on both the opportunities and risks of AI in the political domain.

10 Some Swiss referendums illustrating how it works

10.1 The 1971 Women's Suffrage Referendum

This is the ultimate example of "Slow Consensus." While most of Europe granted women the right to vote after world wars, Swiss men (the only voters at the time) rejected it in 1959.

- **The Conflict:** The "Institutional Elite" wanted women's suffrage to match international standards, but the "Traditional Majority" in rural areas resisted.
- **The Outcome:** It took until 1971 for a 65.7% majority of men to finally agree.
- **How it changed the country:** It proved that in Switzerland, major social changes cannot be "imposed" by decree; they must be "sold" to the people until a cultural consensus is reached.

10.2 The 1992 EEA Membership (The "Billionaire's Vote")

This is perhaps the most famous vote in Swiss history. The government and all major parties (except the right-wing SVP) wanted Switzerland to join the European Economic Area (EEA).

- **The Conflict:** The "Economic Elite" argued that staying out would lead to economic ruin. The "Opposition," led by Christoph Blocher, argued it was a loss of sovereignty.
- **The Outcome:** The people rejected it by a tiny margin (50.3% No).
- **How it changed the country:** This single vote defined Switzerland's "Bilateral" path. It prevented EU integration and forced the government to negotiate hundreds of specific treaties instead of joining a bloc. It also transformed the SVP into the country's largest political force.

10.3 The 2009 Minaret Ban

- This was a case where the "Institutional Capture" you mentioned was most visible. The Swiss government, Parliament, and even the Church leadership strongly urged a "No" vote on a ban on new mosque minarets.
- The Conflict: Activists argued minarets were symbols of political Islam, while the elite argued the ban violated human rights and religious freedom.
- The Outcome: 57.5% of voters approved the ban, shocking the political establishment.⁸
- How it changed the country: It was a massive "revolt" against the urban elite and showed that the Swiss people are willing to override "Expert Consensus" when it comes to national identity.

10.4 The 2014 "Against Mass Immigration" Initiative

- This vote brought Switzerland to the brink of a crisis with the EU.
- The Conflict: The government warned that limiting EU immigration would trigger the "Guillotine Clause," potentially cancelling all trade deals with Europe.
- The Outcome: The people narrowly approved quotas for immigrants (50.3% Yes).
- How it changed the country: It forced a high-stakes "Consensus" dance. The government eventually implemented a "light" version (favoring local workers)

that satisfied the voters without making the EU cancel the treaties. It showed the system's ability to "bend but not break."

10.5 The 2016 Universal Basic Income (UBI)

- Switzerland was the first country to vote on giving every citizen a guaranteed monthly income.
- The Conflict: Activists wanted to decouple "work" from "dignity." The government and business groups called it a "risky experiment."
- The Outcome: 76.9% No.
- How it changed the country: Despite the loss, the vote forced a national debate on the future of work and automation years before other countries. It showed that the "Initiative" tool can be used to "inject" a radical idea into the public consciousness even if it isn't ready to become law.

10.6 Case studies: Climate Policy and Pension Reform

1. Case Study: The CO2 Act (Climate Policy)

In a conflict democracy (like the US or UK), a climate bill is often passed by a narrow majority, then immediately attacked or repealed when the opposing party takes power. In Switzerland, the "conflict" happens through the Referendum Threat.

- The 2021 Failure: A broad parliamentary consensus (including business and green parties) passed a new CO2 Act. However, a small coalition of car associations and homeowners triggered a referendum. They argued it was a "tax on the poor." The people rejected it (51.6% No).
- The Consensus Correction (2023–2025): Instead of giving up or forcing a "majority" win, the government went back to the drawing board. They "watered down" the levies to appease the rural population and homeowners while keeping the net-zero goal.
- The Result: A revised Climate and Innovation Act was put to a vote in June 2023 and accepted by 59.1% of voters. By including more stakeholders and reducing the financial "conflict" points, a sustainable consensus was found.

2. Case Study: The 13th Pension Payment (March 2024)

Pension reform is the ultimate "conflict" topic in Europe (as seen with the massive strikes in France). Switzerland handled it through the "Consensus vs. Direct Democracy" tension.

- The Initiative: Labor unions proposed a 13th monthly pension payment to help with the cost of living.
- The Conflict: The government and right-wing parties strongly opposed it, fearing it would bankrupt the system. In a "Conflict" democracy, the government would simply block this.
- The Resolution: Because of direct democracy, the people had the final word. In March 2024, voters accepted the 13th pension (58.2% Yes) but rejected a proposal to raise the retirement age to 66.
- Current Status (2025): Now, the "Consensus" machine is working on how to pay for it. The government is currently negotiating between VAT increases or social

security contribution hikes, seeking a solution that won't trigger another referendum.

10.7 Key Comparison Summary

Feature	Switzerland (Consensus)	Majoritarian (Conflict)
Pace of Reform	Slow but Stable. Laws take years to pass but are rarely repealed.	Fast but Fragile. Laws are passed quickly but can be overturned after an election.
Treatment of Minorities	Must be consulted to prevent a referendum.	Can be ignored if the majority has enough votes.
Primary Arena	The Negotiating Table (Pre-parliamentary phase).	The TV Studio / Street (Post-legislative phase).
Goal	Finding the "Smallest Common Denominator."	Implementing a "Clear Mandate."

Conclusion: Is it "Better"?

Lijphart's research suggests that Consensus Democracies (Switzerland, Belgium, Denmark) generally perform better at:

- Higher long-term stability, which is important for the economy but also for social well-being
- Representing women and minorities.
- Preventing civil unrest (conflicts are resolved through the ballot box, not in the streets).
- More competitive economy and lower tax rates. Note that this is also visible when comparing the democratic differences between Swiss canons.

However, the "price" of this model is slowness. It took Switzerland until 1971 to grant women the vote at the federal level because a consensus had to be built among the male electorate.

10.8 How these votes prevent "Institutional Capture"

In a representative democracy, once the "Elite Consensus" is formed, the debate is over. In Switzerland, as these cases show, the debate is only over when the **Sovereign (the people)** has spoken.

- Result of the **People's Veto**
- **Accountability:** politicians know they cannot "outrun" the people's values.
- **Stability:** once a law has been "vetted" by the public, it is rarely repealed or protested later.
- **Moderation:** the threat of a referendum forces the government to find a middle ground before the vote.