

**AN INTEGRAL REGIONAL POLICY PERSPECTIVE
LESSONS FROM SWITZERLAND**

**Alain Thierstein
Urs Karl Egger**

Swiss Institute for Research in International Economics,
Regional Science and Structural Problems (SIASR)
University of St. Gallen, Dufourstrasse 48, CH-9000 St. Gallen
phone: +41 71 30 23 50
fax: +41 71 22 93 03
e-mail: thierstein@sgcl1.unisg.ch
uegger@sgcl1.unisg.CH

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Fast changing macro-level conditions in the 1990s like globalisation and regionalisation, European Integration, ecological crises and socio-political changes require a widened and dynamic perspective for regional policy. The traditional hierarchical 'top-down' approach concentrated on bottlenecks like lack of infrastructure in peripheral regions or on instruments like financial aids. To date the federalist political system of Switzerland can tackle the current challenges only to a limited extent. One possible response is the formation of an 'Integral Regional Policy'. This approach includes a comprehensive framework of 'top-down' and 'bottom-up' concepts and focuses on tackling new challenges, an orientation towards European integration, sustainable development and cooperative-federalist policy. Therefore, effective regional policy has to integrate all relevant sectoral policies like agricultural, environmental or zoning policies. The integral regional perspective requires five elements: a strategic orientation, initiation of learning processes, limiting of measures, concentration on top priority problems and institutionalized evaluation. Implementation of 'Integral Regional Policy' is based on the involvement of regionally relevant actors, on improving their cooperative behaviour, public-private partnerships and networking processes.

Introduction

Regional policy in the 1990s has to tackle challenges of a new scale and complexity, confronting not only economic development, but political and social issues as well. In this situation of high uncertainty, the countries of the European Union (EU) are challenged by the new economic reality of the Single European Market. An intensive search for new political and economic structures is under way, and most European countries have started to respond by reformulating their regional policies (CHICOYE, 1992; KLEYN and OOSTERWIJK, 1992; ROBERTS, 1993) or will soon have to do so (BACHTLER and MICHIE, 1994).

Although *Switzerland* is one of the last non-EU-countries in Western Europe, it too has been touched by this wave of change. A political and scientific debate is under way to reformulate or abolish long standing instruments of Swiss regional policy such as infrastructure aids, subsidies for enterprises in less favoured regions, and coordination of sectoral policies. Regional disparities in Switzerland have not reached - until now - a level similar to other European countries. Though Switzerland is a relatively wealthy country, the special status as a non-EU-member and the current challenges require the search for new policy options.

One possible response is the formation of an '*Integral Regional Policy*' (THIERSTEIN AND EGGER, 1994). THIS APPROACH CONCENTRATES NOT ONLY ON THE PROCESS OF DEVELOPMENT BUT ALSO ON AN INTEGRAL ORIENTATION. THIS IMPLICATES AN INTEGRATION AND COORDINATION OF SECTORAL POLICIES AND POLICY MEASURES FOCUSING ON PROCESSES, REGIONAL ACTORS AND THEIR BEHAVIOUR. ALTHOUGH 'INTEGRAL REGIONAL POLICY' FITS WITHIN THE POLITICAL AND ECONOMIC CONTEXT OF SWITZERLAND, SOME ELEMENTS COULD ALSO BE OF INTEREST TO OTHER COUNTRIES.

THE PAPER DEALS FIRST WITH THE PREVAILING GLOBAL CHALLENGES GIVING THE FUTURE CONTEXT: GLOBALISATION AND REGIONALISATION, THE EUROPEAN INTEGRATION, THE WORLD WIDE ECOLOGICAL CRISES AND SOCIO-POLITICAL CHANGES. THIS GLOBAL PERSPECTIVE IS FOLLO WED BY A BRIEF INTRODUCTION INTO THE CONTEXT FOR SWISS REGIONAL POLICY: THE GEOGRA PHY, THE CULTURE, THE SPECIFIC POLITICAL SYSTEM AND THE ECONOMY. THIRD, AN EVALUATION OF THE TRADITIONAL SWISS REGIONAL POLICY IS GIVEN. BASED ON THIS ANALYSIS, THE PER SPECTIVE OF AN 'INTEGRAL REGIONAL POLICY' IS DEVELOPED. FINALLY, IMPLICATIONS FOR SWISS REGIONAL POLICY FROM THIS PERSPECTIVE ARE ILLUSTRATED.

THE GLOBAL CONTEXT

FOUR GLOBAL CHALLENGES SHAPING POLITICAL AND ECONOMIC STRUCTURES CAN BE IDENTIFIED: GLOBALISATION AND REGIONALISATION, THE EUROPEAN INTEGRATION, THE WORLD WIDE ECOLOGICAL CRISES AND SOCIO-POLITICAL CHANGES. AMONG THESE,

REGIONALISATION AND GLOBALISATION OF POLITICAL AND ECONOMIC STRUCTURES WILL HAVE THE MOST SIGNIFICANT SPATIAL IMPLICATIONS (FISCHER AND PFISTER, 1992), WHEREBY GLOBALISATION SEEMS TO BE THE DOMINANT PROCESS (AMIN AND THRIFT, 1992). GENERALLY, IT CAN BE DEFINED 'AS THE GROWTH OF ECONOMIC ACTIVITY SPANNING POLITICALLY DEFINED NATIONAL AND REGIONAL BOUNDARIES' (OMAN, 1994). ON THE FLIP SIDE OF THE COIN, A TREND TOWARDS REGIONALISATION CAN BE OBSERVED AND CONSENSUS SEEMS TO GROW, 'THAT SOME OF THE DYNAMIC FORCES IN CONTEMPORARY CAPITALIST DEVELOPMENT ARE BOTH LOCALIZED AND TERRITORIALY SPECIFIC' (STORPER, 1994). AS THE GLOBALISATION PROCESS SEEMS TO PREVAIL, A CERTAIN DEGREE OF FREEDOM FOR AN ENDOGENOUS REGIONAL DEVELOPMENT IS LEFT (THIERSTEIN AND LANGENEGGER, 1994).

EMBEDDED IN GLOBAL AND REGIONAL CHANGE IS THE COMPLETION OF THE *SINGLE EUROPEAN MARKET*, WHICH IS THE SECOND PROCESS SIGNIFICANTLY INFLUENCING EUROPEAN COUNTRIES, THEIR REGIONAL DEVELOPMENT AND POLICY. THE SINGLE EUROPEAN MARKET SEEMS TO ENFORCE REGIONAL PROBLEMS IN EUROPE (CAMAGNI, 1992) AND THERE IS 'RENEWED CONFIRMATION OF PERSISTING WIDE DIFFERENCES BETWEEN THE REGIONS OF THE EUROPEAN COMMUNITY' (HALL AND VAN DER WEE, 1992). THIS ECONOMIC DEVELOPMENT IS ACCOMPANIED BY THE REGIONALISATION OF POLITICAL STRUCTURES. THE NEW INSTITUTION 'COMMITTEE OF THE REGIONS' PROVIDED BY THE MAASTRICHT-TREATY GIVES THIS TREND A MAJOR IMPULSE.

EUROPEAN 'INTEGRATION' TENDS NOT ONLY TO ENFORCE REGIONAL DISPARITIES BUT ALSO AGGRAVATES THE POLLUTION OF THE ENVIRONMENT (TASK FORCE ENVIRONMENT AND THE INTERNAL MARKET, 1992) AND THUS CONTRIBUTES TO THE *GLOBAL ECOLOGICAL CRISIS*, THE THIRD SIGNIFICANT PROCESS. THE 1992 UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED) POINTED OUT CLEARLY THE GLOBAL DIMENSION OF ENVIRONMENTAL PROBLEMS AND THE NEED TO ACT LOCALLY. ENVIRONMENTAL PROBLEMS, ALSO CAUSED BY REGIONAL POLICY AS FOR EXAMPLE THROUGH PROJECTS FINANCED BY THE EC-STRUCTURAL-FUNDS (EUROPÄISCHER RECHNUNGSHOF, 1992), ARE FAR FROM BEING SOLVED (VON WEIZSÄCKER *ET AL.*, 1992).

FOURTH, MAJOR *SOCIO-POLITICAL CHANGES* ARE CHALLENGING REGIONAL POLICY. ON A GLOBAL SCALE FREE TRADE IS STILL REINFORCED THROUGH MAJOR AGREEMENTS LIKE THE WORLD TRADE ORGANISATION (WTO), THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) OR THE EUROPEAN UNION (EU). CURRENTLY, THE SEARCH IS GOING ON FOR NATIONAL, SUB-NATIONAL AND REGIONAL POLITICAL STRUCTURES AND INSTITUTIONS TO RESPOND TO THE NEW CONDITIONS. UP TO NOW, IDEAS FOR REFORM ARE VAGUE AND WIDESPREAD OVER A CONTINUUM BETWEEN NATIONAL COMPETITIVENESS AND COOPERATIVE ACTION BUILT ON PARTNERSHIP AND SOLIDARITY.

AT PRESENT, THESE FOUR GLOBAL PROCESSES SHAPE THE FUTURE POLITICAL AND ECONOMIC STRUCTURES NOT ONLY ON A NATIONAL BUT ALSO ON A REGIONAL LEVEL.

REGIONAL POLICY HAS TO ADAPT TO THESE CHANGES, TO ANTICIPATE UPCOMING DIFFICULTIES AND TO GRAB EXISTING OPPORTUNITIES.

CONTEXT FOR SWISS REGIONAL POLICY

A LOOK AT THE GEOGRAPHICAL, CULTURAL AND SOCIAL STRUCTURES OF SWITZERLAND REVEALS A GREAT *DIVERSITY*. SWITZERLAND IS LOCATED IN THE HEART OF EUROPE CONTROLLING AN IMPORTANT TRANSIT CORRIDOR BETWEEN THE NORTH AND THE SOUTH. IT COVERS AN AREA OF ONLY 41'284 KM², WITH JUST 6% OF THAT BEING SETTLED. DESPITE ITS SMALL SIZE, THE COUNTRY ENCOMPASSES THREE GEOGRAPHICAL ENTITIES. THE JURA, A MOUNTAINOUS REGION, COVERS 10% OF THE AREA OF SWITZERLAND, THE 'MITTELLAND' 30% AND THE ALPINE REGIONS 60%. POPULATION AND MAIN ECONOMIC ACTIVITIES ARE CONCENTRATED IN THE 'MITTELLAND'. THE SWISS POPULATION IS ABOUT 7 MILLION. ABOUT 69% OF THE POPULATION LIVES IN URBAN AND 31% IN RURAL AREAS. FOUR MAIN LANGUAGES ARE SPOKEN: GERMAN (63%), FRENCH (19%), ITALIAN (8%) AND ROMANSCH (1%) WHEREAS 9% SPEAK OTHER LANGUAGES.

CULTURAL AND GEOGRAPHICAL DIVERSITY HAVE INFLUENCED THE *POLITICAL SYSTEM* A GREAT DEAL, LEADING TO A SYSTEM OF DISPERSED POWER CHARACTERIZED BY THREE INSTITUTIONAL FEATURES (LINDER, 1994). FIRST, THE POLITICAL SYSTEM IS BASED BOTH ON PROPORTIONAL REPRESENTATION OF THE DIFFERENT CULTURAL GROUPS AND ON A POLITICAL CULTURE WHICH ENABLED A SYSTEM OF POWER-SHARING INSTEAD OF A COMPETITIVE SYSTEM FOR POLITICAL POWER. SECOND, SWITZERLAND IS A FEDERALIST STATE WITH THREE LEVELS OF GOVERNMENT: THE CENTRAL (FEDERAL) LEVEL, THE CANTONAL (STATE) LEVEL (26 CANTONS) AND THE COMMUNAL (LOCAL) LEVEL (3'016 COMMUNES). THE CENTRAL GOVERNMENT HAS ONLY LIMITED AUTHORITY. ALL MATTERS NOT SPECIFIED IN THE FEDERAL CONSTITUTION FALL UNDER THE JURISDICTION OF THE CANTONS. THEREFORE, THEY HAVE CONSIDERABLE POWER AND AUTONOMY: AN OWN CONSTITUTION AND A LEGISLATIVE AND AN EXECUTIVE BODY. ACCORDING TO THE CULTURAL VARIETY CANTONAL ORGANISATION AND ADMINISTRATION VARIES FROM ONE TO ANOTHER. SUBSIDIARITY AMONG THE THREE POLITICAL LEVELS IS WELL DEVELOPED, WITH PROBLEMS FIRST ADDRESSED IN THE LOWER BODIES. IN ADDITION TO THEIR OWN LAWS, CANTONAL AND LOCAL AUTHORITIES ARE INCREASINGLY RESPONSIBLE FOR THE IMPLEMENTATION OF FEDERAL LAWS. 'COOPERATIVE FEDERALISM', A MECHANISM OF INTENSIVE COOPERATION AMONG THESE THREE LEVELS, FACILITATES THIS TASK (LINDER, 1994). THIS SYSTEM OF DELEGATION IS INHIBITED TO SOME EXTENT BY THE 'PETER PRINCIPLE'. THE 'PETER PRINCIPLE' SAYS THAT IN 'A HIERARCHY, EVERY EMPLOYEE TENDS TO RISE TO HIS LEVEL OF INCOMPETENCE' (PETER AND HULL, 1970). IN THE SWISS FEDERAL SYSTEM THIS PRINCIPLE APPEARS REVERSED BECAUSE THE EXECUTION OF FEDERAL LAWS TENDS TO BE DELEGATED TO THE LOWER POLITICAL LEVEL OF CANTONS OR COMMUNES, WHERE THE

FINANCIAL, PROFESSIONAL AND ORGANISATIONAL CAPACITIES TO SOLVE COMPLEX PROBLEMS ARE LACKING. THIS 'REVERSED PETER PRINCIPLE' REVEALS AN IMPORTANT LESSON FOR COUNTRIES WHICH ARE UNDERGOING DECENTRALISATION AND RENEWING SUBSIDIARITY. THE DELEGATION OF RESPONSIBILITIES TO LOWER BODIES HAS ITS LIMITS IN THE DEGREE OF INCOMPETENCE ONE REACHES. THE THIRD FEATURE OF THE POLITICAL SYSTEM IN SWITZERLAND IS A REGIME OF DIRECT DEMOCRACY; PEOPLE MAY DIRECTLY PROPOSE A CHANGE IN THE FEDERAL CONSTITUTION BY MEANS OF A POPULAR INITIATIVE SIGNED BY 100'000 CITIZENS. WITH A REFERENDUM SIGNED BY 50'000 CITIZENS, FEDERAL AUTHORITIES ARE FORCED TO SUBMIT LEGISLATION OR IMPORTANT TREATIES FOR POPULAR APPROVAL. IN THE FEDERAL COUNCIL, THE EXECUTIVE BODY AT THE NATIONAL LEVEL, ALL MAJOR PARTIES DECIDE TOGETHER ON FUTURE POLICIES. THIS SYSTEM OF CONSENSUS DEMOCRACY AMONG POLITICAL PARTIES HAS LED TO CONSIDERABLE STABILITY (MOSER, 1996).

IN COMPARISON WITH OTHER COUNTRIES THE *ECONOMIC CONTEXT* OF SWITZERLAND IS IN GENERAL STILL FAVOURABLE. THE STRENGTHS ARE SOCIO-POLITICAL STABILITY, AN ADVANCED RESEARCH AND SCIENCE SYSTEM, A HIGHLY QUALIFIED WORK FORCE, AND A WELL DEVELOPED PUBLIC TRANSPORT INFRASTRUCTURE. THE LABOUR MARKET IS QUITE BALANCED AND THE RATE OF UNEMPLOYMENT OF ABOUT 4.5% IS STILL FAIRLY LOW. ABOUT 26% OF THE LABOUR WORK FORCE ARE FOREIGNERS, MANY OF WHOM ARE SEASONAL WORKERSⁱ AND WORKERS IN BORDER REGIONS. A RESTRICTED IMMIGRATION REGIME WITH QUOTA REGULATIONS, PROVIDES CHEAP AND OFTEN LOW QUALIFIED FOREIGN LABOUR AND FAVOURS IN GENERAL LOW PRODUCTIVITY BUSINESS ACTIVITIES LIKE TOURISM, CONSTRUCTION AND OTHER SERVICES. THESE BUSINESSES ARE CONCENTRATED IN MONO-INDUSTRIAL STRUCTURED OR PERIPHERAL REGIONS. THIS RESULTS IN 'DOUBLE TROUBLE', AS BUSINESSES IN PERIPHERAL LOCATIONS ARE MARKED BY RELATIVELY LOWER PRODUCTIVITY AND HIGHER JOB INSECURITY THAN THOSE IN THE REST OF THE COUNTRY. LESS FAVOURED REGIONS, THEREFORE, ARE A PRIMARY TARGET FOR A COMPENSATORY REGIONAL POLICY. AS A CONSEQUENCE, THEY DEPEND ON A STEADY INFLUX OF FUNDS. DUE TO THE WEAK ECONOMIC STRUCTURE IN THESE REGIONS, LOCAL OFFICIALS ARE WARY OF AMBITIOUS PROJECTS FOR STRUCTURAL CHANGE. FOR EXAMPLE, ADHERENCE TO THE EUROPEAN ECONOMIC AREA (EEA) WAS REJECTED BY POPULAR VOTE IN SPITE OF THE ENORMOUS ECONOMIC INTERDEPENDENCE BETWEEN SWITZERLAND AND THE EUROPEAN COMMUNITY. NEVERTHELESS, A BILATERAL FREE TRADE AGREEMENT FOR INDUSTRIAL GOODS AND, TO SOME EXTENT, FOR SERVICES EXISTS BETWEEN SWITZERLAND AND THE EUROPEAN UNION (EU). BECAUSE OF THE STRONG EXPORT ORIENTATION OF THE ECONOMY, SWITZERLAND IS VERY DEPENDENT ON FOREIGN MARKETS. ABOUT 74% OF ALL IMPORTS ORIGINATE FROM EU-COUNTRIES AND ABOUT 56% OF ALL EXPORTS GO TO THE EU.

REGIONAL PROBLEMS IN SWITZERLAND

REGIONAL PROBLEMS IN SWITZERLAND ARE NOT OF THE SAME MAGNITUDE AS IN OTHER EUROPEAN COUNTRIES. IF SWITZERLAND WERE A MEMBER OF THE EU, MOST SWISS REGIONS WOULD NOT RECEIVE SUBSIDIES FROM THE EU STRUCTURAL FUNDS (SAB, 1992). NEVERTHELESS, THE *DISPARITIES* AMONG THE 26 CANTONS ARE BY NO MEANS NEGLIGIBLE (OECD, 1991A). IN 1993, FOR EXAMPLE, THE RICHEST CANTON HAD A PER CAPITA INCOME OF 74'382 SWISS FRANCS AND THE POOREST CANTON HAD A PER CAPITA INCOME OF 31'737 SWISS FRANCS WHEREAS THE SWISS AVERAGE WAS AT 43'704 SWISS FRANCS. THE RATIO BETWEEN THE RICHEST AND THE POOREST CANTON IS ABOUT 1:2.3. THE UNEMPLOYMENT RATE VARIES BETWEEN 1.6% AND 7.2%.

REGIONAL PROBLEMS VARY WITH GEOGRAPHY AND ECONOMIC BASE. *MOUNTAIN REGIONS* FACE SEVERAL STRUCTURAL PROBLEMS. TOURISM - THE MOST IMPORTANT ECONOMIC SECTOR IN THE ALPINE REGIONS - CEASED TO INVEST IN HIGH QUALITY STANDARDS AND IN INFRASTRUCTURE DUE TO CHEAP AND ILL-QUALIFIED FOREIGN LABOUR AND NOW FACES STRONG COMPETITION FROM NEIGHBOURING COUNTRIES. ALPINE AGRICULTURE IS CONFRONTED WITH A CONTINUAL RESTRUCTURING OF AGRICULTURAL POLICIES AND CONSTRUCTION BUSINESS HAS BUILT UP OVERCAPACITIES DUE TO CHEAP LABOUR. MOREOVER, THE REDEFINITION OF CULTURAL VALUES IS UPROOTING THE NATIVE POPULATION, WITH QUALIFIED EMPLOYEES MIGRATING TO CITIES. LASTLY, THE SENSITIVE ENVIRONMENT IS ENDANGERED BY TOURIST ACTIVITIES AS WELL AS BY LONG-DISTANCE TRANSIT TRAFFIC CROSSING THE ALPS.

BESIDES THE MOUNTAIN REGIONS SEVERAL OLD *INDUSTRIAL AREAS* - E.G. JURA AND PARTS OF THE 'MITTELLAND' - STILL SUFFER FROM SPECIFIC PROBLEMS RELATED TO THE RESTRUCTURING OF THEIR FORMER MONO-INDUSTRIAL ECONOMIC ACTIVITIES. ONLY RECENTLY *BORDER REGIONS* TO THE EU HAVE BEGUN TO FEEL THE SETBACKS OF NATIONAL BORDERS THAT FUNCTION AS BARRIERS BETWEEN POLITICAL SYSTEMS AND INSTITUTIONS. TODAY, BORDERS ACT MORE AS FILTERS THAN BARRIERS AND MAY EVEN MAKE THESE REGIONS A CONTACT AREA OF GREAT PROMISE (RATTI AND REICHMAN, 1993). SWISS BORDER REGIONS PROFITED HEAVILY FROM CHEAP AND OFTEN LOW QUALIFIED FOREIGN CROSS-BORDER WORKERS, WHICH INDUCED THE BUILT-UP OF LABOUR-INTENSIVE ACTIVITIES ALONG THE BORDERLINE.

SPATIAL PROBLEMS ARISE ALSO IN *URBAN AGGLOMERATIONS*. THE CONCENTRATION OF ECONOMIC ACTIVITIES AND POPULATION IN AGGLOMERATIONS RESULTS IN CONGESTION OF INFRASTRUCTURE, ENVIRONMENTAL AND SOCIAL PROBLEMS LIKE AIR POLLUTION, CRIME OR DRUG-ABUSE (FREY, 1990). THIS HAS LED TO SOME EXTENT TO A DECENTRALIZED SETTLEMENT CAUSING EVEN MORE TRAFFIC AND WASTE OF LAND.

THIS SHORT OVERVIEW SHOWS ONLY A PART OF THE *COMPLEX* PATTERN OF REGIONAL PROBLEMS, WHICH ARE FOUND ALL OVER THE COUNTRY LIKE BLACK SPOTS ON A LEOPARD SKIN

OR AS THE OECD (1991A) STATES: 'ALL THE REGIONAL PROBLEMS IN SWITZERLAND CAN THUS BE SEEN AS A KALEIDOSCOPE, COMBINING MANY PROBLEMS IN DIFFERENT TYPES OF REGION'.

TRADITIONAL SWISS REGIONAL POLICY

IN COMPARISON WITH OTHER COUNTRIES, SWITZERLAND WAS RATHER LATE IN ADOPTING AN EXPLICIT REGIONAL POLICY. IN THE BEGINNING, REGIONAL POLICY WAS AN IMPLICIT TASK OF THE FEDERAL SECTORAL POLICIES. THE FIRST ELEMENTS OF MORE EXPLICIT REGIONAL POLICY DATE BACK TO THE 1930S, WHEN THE GOVERNMENT BEGAN SUPPORTING FARMERS IN THE ALPS. IN THE 1950S, THE GOVERNMENT ESTABLISHED A MECHANISM FOR BETTER COORDINATION OF SECTORAL POLICIES AND A LAW INTRODUCING FINANCIAL EQUALIZATION BETWEEN RICHER AND POORER CANTONS.

IT WAS NOT UNTIL 1974 THAT THE GOVERNMENT ARTICULATED AN EXPLICIT REGIONAL POLICY WITH THE *LAW ON AID FOR INVESTMENT IN MOUNTAIN REGIONS (LIM)*. THE OBJECT OF THE LIM IS TO STOP THE DEPOPULATION OF THE MOUNTAIN AREAS BY FOSTERING MORE INVESTMENT IN INFRASTRUCTURE TO AMELIORATE THE POOR LIVING CONDITIONS. BETWEEN 1975 AND 1983, 54 LIM-REGIONS WERE DESIGNATED. THEY HAVE NO POLITICAL FUNCTION AND SERVE ONLY AS ADMINISTRATIVE UNITS FOR THE INFLUX OF FUNDS. EVERY LIM-REGION EMPLOYS A SO-CALLED REGIONAL SECRETARY, WHO MEDIATES BETWEEN REGIONAL ACTORS AND THE FEDERAL LEVEL. THE LIM-REGIONS COVER APPROXIMATELY TWO-THIRDS OF THE COUNTRY'S AREA AND ALMOST A QUARTER OF THE POPULATION. THEY INCLUDE THE ALPINE AND PRE-ALPINE REGIONS, AND THOSE OF THE JURA. TO RECEIVE INVESTMENT CREDITS, REGIONS ARE REQUIRED TO DESIGN A REGIONAL-DEVELOPMENT PLAN IN WHICH THEY REVEAL THEIR WEAKNESSES AND STRENGTHS, DEFINE THEIR IDENTITY, AND DECLARE THEIR DEVELOPMENT OBJECTIVES. CURRENTLY, REVISIONS TO THE FIRST GENERATION OF DEVELOPMENT PLANS AND WORK ON THE SECOND GENERATION OF REGIONAL-DEVELOPMENT PLANS ARE UNDER WAY.

DUE TO UNEMPLOYMENT PROBLEMS IN REGIONS WITH MONO-INDUSTRIAL STRUCTURE DURING THE MID 70'S A FEDERAL RESOLUTION TO SUPPORT ECONOMICALLY THREATENED REGIONS WAS ENACTED, THE SO CALLED '*BONNY-RESOLUTION*'. THIS OTHER MAIN INSTRUMENT OF REGIONAL POLICY COVERS 14 REGIONS - MAINLY IN THE JURA - FACING ECONOMIC DIFFICULTIES AND INCLUDES FINANCIAL AID FOR COMPANIES, TAX EXEMPTIONS, AND SUBSIDIES FOR INFORMATION CENTRES. THE '*BONNY-RESOLUTION*' HAS RECENTLY BEEN REVISED AND ENLARGED TO REGIONS, WHERE THE UNEMPLOYMENT RATE IS 10% HIGHER THAN THE COUNTRY'S AVERAGE.

SINCE THE MIDDLE OF THE 1980S, THE GOVERNMENT HAS PURSUED A *BROADER APPROACH* IN REGIONAL POLICY (FISCHER AND BRUGGER, 1985), CONCENTRATING MORE ON DEVELOPMENT OF HUMAN RESOURCES, ON IMPROVEMENT OF TECHNOLOGICAL DEVELOPMENT

BY AN INNOVATION ORIENTED POLICY (BRUGGER AND STUCKEY, 1987), AND ON INVESTMENT IN FURTHER EDUCATION. IN SEVERAL CANTONS, 'INNOVATION CONSULTING' AND ECONOMIC PROMOTION CENTRES ARE NOW OPERATING. AT THE BEGINNING OF THE 1990s, THE CENTRAL GOVERNMENT STARTED A 'CIM-ACTION-PLAN' INSTALLING SEVEN EDUCATION CENTRES THROUGHOUT SWITZERLAND FOR COMPUTER INTEGRATED MANUFACTURING (CIM). THESE CIM-CENTRES OPERATE IN COOPERATION WITH PRIVATE INDUSTRY, LOCAL GOVERNMENT, AND EDUCATIONAL INSTITUTIONS.

EVALUATION OF SWISS REGIONAL POLICY

TRADITIONAL SWISS REGIONAL POLICY HAS DEVELOPED FROM A FRAGMENTED 'TOP-DOWN' APPROACH INTO A MORE 'BOTTOM-UP' APPROACH CHARACTERIZED BY A COMPLEX PATTERN OF ACTIVITIES. THE INITIAL POLICY OF USING TOP-DOWN FINANCIAL TRANSFERS SHIFTED SLOWLY TO INCORPORATE 'REAL' TRANSFERS, SUCH AS EDUCATION, KNOW-HOW TRANSFER, AND INNOVATION CONSULTING. REGIONS AND CANTONS STEPPED IN WITH ADDITIONAL ACTIVITIES. REGIONAL DEVELOPMENT HAS THUS BECOME A 'MULTI-INSTITUTIONAL' TASK ENCOMPASSING NEW ACTORS LIKE REGIONAL DEVELOPMENT GROUPS BASED ON COOPERATIVE NETWORKS AND PUBLIC-PRIVATE PARTNERSHIPS.

THE EFFECTS OF THE TRADITIONAL SWISS REGIONAL POLICY ARE AMBIGUOUS (OECD 1991A; ROREP, 1992). LET US REVIEW THE *LIM* FIRST. WHILE THE DEPOPULATION OF THE MOUNTAIN AREAS IN SWITZERLAND HAS STOPPED, FINAL PROOF IS STILL LACKING WHETHER THIS IS THE RESULT OF THE *LIM* OR OF STRUCTURAL CHANGE IN GENERAL. NEVERTHELESS, THE URGE TO ESTABLISH REGIONAL-DEVELOPMENT PLANS AND THE INSTALLATION OF *LIM*-REGIONS PROVIDE A SOLID FOUNDATION FOR ONGOING INTERCOMMUNAL AND INTERREGIONAL COOPERATION. THE INFRASTRUCTURE IN MOUNTAIN REGIONS IS NOW WELL DEVELOPED AND HAS ALMOST THE SAME STANDARD AS IN THE 'MITTELLAND'. SUCCESS GOES ALONG WITH FAILURE. EVALUATIONS SHOW, THAT MANY INFRASTRUCTURE PROJECTS WOULD HAVE BEEN REALISED EVEN WITHOUT THE *LIM*. FURTHERMORE, DISPARITIES IN INCOME, WEALTH AND EMPLOYMENT HAVE NOT DECLINED OR HAVE AT LEAST REMAINED AT ABOUT THE SAME LEVEL. FINALLY, ONE HAS TO STATE THAT THE *LIM*-REGIONS NOWADAYS ARE TOO SMALL TO SOLVE COMPLEX DEVELOPMENT PROBLEMS OR TO PROVIDE A MORE AMBITIOUS INFRASTRUCTURE.

THE EVALUATION OF THE '*BONNY-RESOLUTION*' INDICATES THAT MOST OF THE FINANCIAL SUPPORT FOR COMPANIES IN ECONOMICALLY DEPRESSED REGIONS 'WAS USED FOR RATIONALISING AND HARDLY EVER FOR EXPANDING COMPANY OPERATIONS. ADDITIONALLY, RATIONALISATION OFTEN TOOK PLACE WITHIN THE FRAMEWORK OF THE MAIN (TRADITIONAL) PRODUCTION TECHNOLOGY AND PRODUCT LINE' (ERNSTE, 1992). OFTEN, NOT CAPITAL BUT RATHER 'REAL CAPACITIES' LIKE QUALIFIED LABOUR AND INFORMATION WAS LACKING. THESE ASSETS ARE REGARDED TO BE MORE AND MORE IMPORTANT FOR LONG-LASTING ECONOMIC

DEVELOPMENT. SEVERAL INQUIRIES ALSO FOUND THAT UNEMPLOYMENT HAS BEEN REDUCED, HOWEVER, PROOF OF WHETHER THIS COULD BE ATTRIBUTED TO THE 'BONNY-RESOLUTION' WAS WEAK (OECD, 1991A).

DESPITE THE URGENT PROBLEMS, TRADITIONAL REGIONAL POLICY IN SWITZERLAND DOES NOT DEAL WITH BORDER REGIONS AND AGGLOMERATIONS. THEIR PROBLEMS WERE VIEWED APART FROM DEVELOPMENT IN THE MOUNTAIN REGIONS AND 'MITTELLAND'.

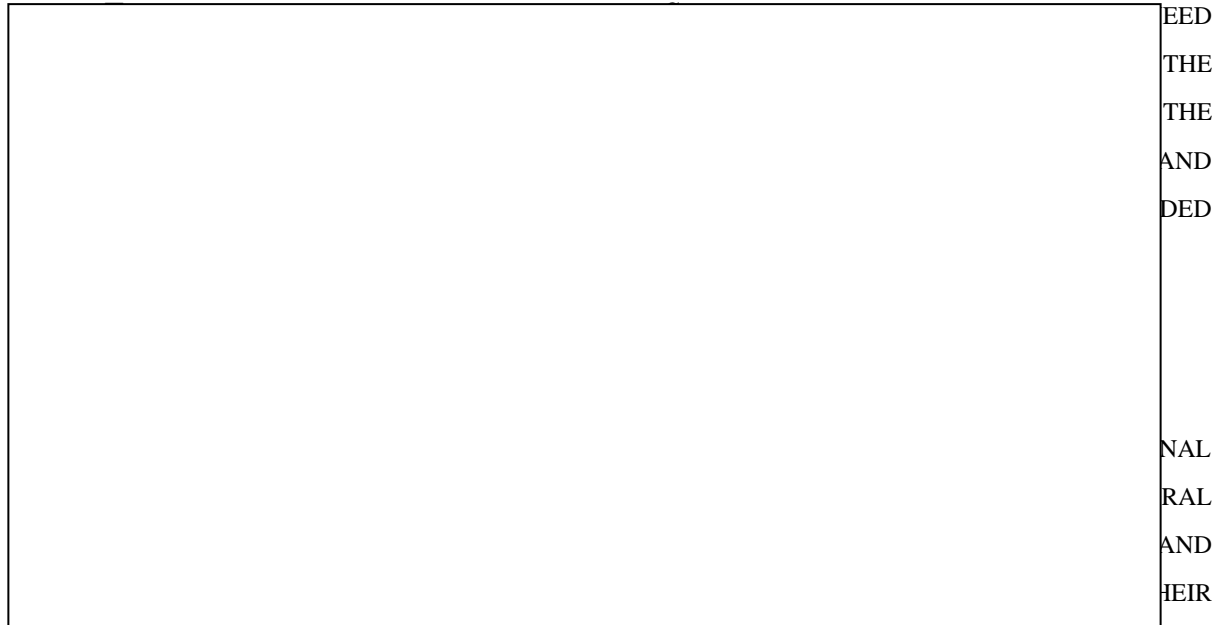
SECTORAL POLICIES AND REGIONAL POLICY

THE OBJECTIVE OF A BALANCED DEVELOPMENT WITH A DECENTRALIZED ECONOMIC AND SOCIAL STRUCTURE AND THE WELL-BEING OF ALL CITIZENS HAS BEEN SUPPORTED TO SOME EXTENT BY THE SWISS FEDERAL STRUCTURE WITH ITS CONSIDERABLE AUTONOMY OF THE CANTONS AND COMMUNES AND WITH ITS SYSTEM OF POWER SHARING AND CULTURE OF 'COOPERATIVE FEDERALISM' (LINDER, 1994). NEVERTHELESS, AN OVERALL OBJECTIVE AND A COHERENT FRAMEWORK FOR THE SWISS REGIONAL POLICY IS MISSING AND COORDINATION OF SECTORAL POLICIES IS PRACTICALLY ABSENT (PVK, 1994).

SOME SECTORAL POLICIES EVEN COUNTER THE OBJECTIVE OF EQUALIZATION BETWEEN REGIONS. A STRIKING EXAMPLE IS THE SYSTEM OF *FINANCIAL EQUALIZATION* BETWEEN RICH AND POOR CANTONS WHICH IS AT THE CORE OF SWISS 'COOPERATIVE FEDERALISM'. THE GOAL OF THIS SYSTEM IS AN ADJUSTMENT OF THE DIFFERENCES IN FINANCIAL REVENUE AND EXPENDITURE BY SUPPORTING ECONOMICALLY WEAKER CANTONS AND BY COMPENSATING EXTERNALITIES BETWEEN CANTONS, FOR EXAMPLE FOR CENTRAL INFRASTRUCTURES LIKE UNIVERSITIES OR HOSPITALS. THE FINANCIAL TRANSFERS PAID THROUGH THE FINANCIAL EQUALIZATION SYSTEM THUS OVERCOMPENSATE THE TRANSFERS PAID THROUGH REGIONAL POLICY. ONLY 7% OF THE TRANSFERS TO MOUNTAIN AREAS ACCOUNT FOR SPECIFIC REGIONAL DEVELOPMENT AND LAND-USE PLANNING WHEREAS 22% ARE FOR TRAFFIC PROJECTS AND 64% FOR AGRICULTURE (PVK, 1994). RECENT RESEARCH HAS SHOWN, THAT THIS COMPLEX SYSTEM UNDERMINES THE ORIGINAL INTENTION AND FAVOURS RICHER CANTONS TO THE DISADVANTAGE OF POORER ONES (REY, 1993). IN THE MEANTIME, A POLICY REFORM IS ON ITS WAY.

SPATIAL PLANNING IS CLOSELY RELATED TO REGIONAL POLICY BECAUSE IT ATTEMPTS TO COORDINATE ALL PROJECTS WITH SPATIAL IMPLICATIONS AND ASCRIBES THE DIFFERENT LAND-USE PURPOSES BY ZONINGⁱⁱ. BALANCING BETWEEN ECONOMIC DEVELOPMENT, AGRICULTURAL NEEDS, AND ENVIRONMENTAL PROTECTION PRODUCES A CONSIDERABLE AMOUNT OF CONFLICT. ON THE ONE HAND THERE IS A STRONG INTEREST TO PROTECT NATURE AND LANDSCAPES AND ON THE OTHER HAND THERE IS A NEED OF REGIONAL DEVELOPMENT, FOR WHICH THE AVAILABILITY OF LAND IS INDISPENSABLE. A SWISS NATIONAL RESEARCH PROGRAMME 'LAND-USE IN SWITZERLAND' REVEALED THAT LAND FOR CONSTRUCTION PURPOSES IS AVAILABLE. THE PROBLEM LIES WITH UNDER-UTILIZING EXISTING INDUSTRIAL SITES OR

CONSTRUCTION ZONES DUE TO OVERLY RESTRICTIVE REGULATIONS (HÄBERLI *ET AL.*, 1991). IT IS IMPORTANT, THEREFORE, TO MAKE THE PREVAILING PLANNING SYSTEM MORE FLEXIBLE SO THAT IT CAN REACT FASTER TO CHANGING NEEDS AND BETTER COORDINATE THE VARIOUS INTEREST GROUPS AT ALL LEVELS IN A MORE COOPERATIVE MANNER.



BEHAVIOUR (THIERSTEIN AND EGGER, 1994). THE TWO DIMENSIONS PERVADE ALL ASPECTS OF REGIONAL POLICY, INCLUDING OBJECTIVES, SPATIAL APPLICATION, BEHAVIOUR OF ACTORS AND INSTITUTIONS, AND MEASURES (SEE FIG. 1).

THE TERM 'INTEGRAL' FOCUSES ON TWO ASPECTS. FIRST, THERE IS A WIDESPREAD NEED TO MORE EFFECTIVELY COORDINATE SECTORAL POLICIES. SECOND, REGIONAL POLICY MUST CONCENTRATE ON STRENGTHS AND SPECIFIC QUALITIES OF REGIONS, CONSIDER A EUROPEAN PERSPECTIVE, BALANCE ECONOMIC WITH ENVIRONMENTAL REQUIREMENTS AND STRENGTHEN COOPERATIVE PROBLEM-SOLVING INSTRUMENTS. WHAT DOES THIS MEAN?

IN A WORLD OF *GLOBALISATION* THE DEGREE OF FREEDOM FOR REGIONS TO ACT BECOMES NARROW. DESPITE LIMITED SCOPE OF ACTION, REGIONAL POLICY NEEDS TO CONCENTRATE ON THE REMAINING STRENGTH OF REGIONS (THIERSTEIN AND LANGENEGGER, 1994). COORDINATION AND COOPERATION WITHIN NETWORKS OF PUBLIC AND PRIVATE INSTITUTIONS AND ACTORS COULD BECOME MAJOR PREREQUISITES TO MAKE USE OF REGIONAL POTENTIALS. BORDER REGIONS ESPECIALLY NEED TO DEVELOP NETWORKS WITH FOREIGN LOCAL ACTORS AND INSTITUTIONS BECAUSE THE HORIZON FOR SWITZERLAND TO BECOME AN EC-MEMBER IS DIM. NEVERTHELESS, SWISS REGIONAL POLICY HAS TO TAKE INTO ACCOUNT THE *EUROPEAN* CONTEXT. THE SWISS ECONOMY GETS MAJOR IMPULSES FROM THE SINGLE EUROPEAN MARKET AND SOME REGIONS PROFIT MORE THAN OTHERS FROM THIS OPPORTUNITY (BRUGGER, HANSER UND PARTNER, 1991). FURTHERMORE, REGIONAL POLICY HAS TO INTEGRATE *ENVIRONMENTAL MATTERS* ACCORDING TO THE PRINCIPLE 'THINK GLOBAL, ACT LOCAL'. THE SWISS ARE QUITE SENSITIVE TO ENVIRONMENTAL ISSUES AND ENVIRONMENTAL

PROTECTION IS WIDELY RECOGNIZED AS A PRIORITY. LIKE ENVIRONMENTAL ISSUES, REGIONAL POLICY ALSO CUTS ACROSS VARIOUS SECTORAL POLICIES. THEREFORE THE TWO OF THEM CAN TEACH EACH OTHER LESSONS. NEW PROBLEM SOLVING APPROACHES DEVELOPED IN ENVIRONMENTAL POLICY LIKE COOPERATIVE ACTION, MEDIATION OF DECISION- MAKING PROCESSES OR PUBLIC-PRIVATE PARTNERSHIPS, COULD BE OF USE IN DEVELOPING REGIONAL POLICY AS WELL. POLICY MAKERS ARE JUST BEGINNING TO REALIZE THE IMPORTANCE OF THESE APPROACHES FOR REGIONAL POLICY, WHEREAS THE NATIONAL CONTEXT SEEMS TO BE OF MAJOR IMPORTANCE (ETTLINGER, 1994).

THE SECOND DIMENSION OF OUR APPROACH FOCUSES ON POLITICAL PROCESSES AND INCLUDES FIVE KEY ELEMENTS. REGIONAL POLICY NEEDS A *STRATEGIC* ORIENTATION WITH AN ANTICIPATIVE PERSPECTIVE. LONG-TERM CHALLENGES ARE TO BE IDENTIFIED AND PRECAUTIONARY MEASURES CAN BE INSTALLED IN TIME. THIS REQUIRES, AMONG OTHER SKILLS, AN ORGANISATIONAL RESERVE CAPACITY IN PUBLIC ADMINISTRATIONS AND QUALIFIED STAFF, WHICH IS ABLE TO ACT IN TIME.

SECOND, THE INITIATION OF *LEARNING PROCESSES* AMONG ACTORS GETS MORE AND MORE IMPORTANT (LEEUEW, RIST AND SONNICHSEN, 1994). TODAY, REGIONAL DEVELOPMENT IS NOT SO MUCH A QUESTION OF SIZE, SCOPE OR FINANCIAL AID BUT ALSO A QUESTION OF PROBLEM SOLVING CAPACITIES. 'THE DEBATE TODAY IS NO LONGER ABOUT 'WHAT TO DO' BUT RATHER 'HOW TO DO IT' (OECD, 1993). INSTITUTIONAL LEARNING ALSO MEANS PUBLIC INSTITUTIONS OR PRIVATE ACTORS CREATING EXPERIMENTS TO TEST NEW MEASURES AND INCREASE KNOWLEDGE. THE LEARNING PROCESS CAN BE FACILITATED THROUGH THE NEGOTIATION OF BROAD AGREEMENTS AND MEDIATION OF THE DECISION-MAKING PROCESS.

THIRD, POLICY INSTRUMENTS SHOULD BE *LIMITED* IN TIME. ONE LESSON FROM THE PAST IS CLEAR: POLITICAL MEASURES AND SUBSIDIES CAN HARDLY BE REMOVED ONCE IN PLACE. SETTING TIME LIMITS CAN ALSO HELP TO MAKE REGIONAL POLICY MORE TOLERANT TO ERRORS IN POLICY MAKING. IF LIMITED POLICY INSTRUMENTS CHARACTERIZED BY START-UP FINANCING ARE COMPLETED WITH DECREASING FINANCIAL SUPPORT, MOTIVATION IS SPURRED TO CONTINUE ON A SELF-SUSTAINED BASIS.

FOURTH, FINANCIAL AID MUST *CONCENTRATE* ON TOP PRIORITY PROJECTS. 'POURING' MONEY INTO REGIONS NOT ONLY HAS FEW TRACEABLE EFFECTS BUT ALSO IS EXPENSIVE, AN ASPECT THAT MUST BE CONSIDERED IN LIGHT OF BUDGET SHORTAGES AMONG MANY PUBLIC INSTITUTIONS. ON THE OTHER HAND A POLICY PERSPECTIVE ENCOMPASSING THE WHOLE TERRITORY OF SWITZERLAND IS NEEDED. THIS IS BY NO MEANS A CONTRADICTION AS WILL BE SHOWN LATER.

EVALUATION IS THE FIFTH ELEMENT OF 'INTEGRAL REGIONAL POLICY'. EACH EVALUATION ADDS TO OUR UNDERSTANDING OF INSTITUTIONAL ORGANIZATION, REGIONAL INTEGRATION AND POLICY DEVELOPMENT. FOR THIS TO OCCUR, WE MUST HAVE CONSTRUCTIVE COOPERATION BETWEEN THE SCIENTIFIC COMMUNITY AND PUBLIC ADMINISTRATION.

THE COMBINATION OF THE TWO DIMENSIONS, INTEGRAL PERSPECTIVE AND PROCESS-ORIENTATION, TOGETHER RAISE THE POSSIBILITY OF SUSTAINED REGIONAL DEVELOPMENT.

OBJECTIVES AND SPATIAL APPLICATION

TRADITIONAL SWISS REGIONAL POLICY STIPULATED THE FOLLOWING SIX OBJECTIVES: REDUCTION OF DISPARITIES, ECONOMIC STABILITY OF REGIONS, IMPROVEMENT OF WELFARE, FEDERALISM, PROMOTION OF POLITICAL AND SOCIO-CULTURAL DIVERSITY, ENVIRONMENTAL PROTECTION AND A GEOGRAPHICALLY BALANCED PATTERN OF ECONOMIC ACTIVITY. SOME OBJECTIVES SEEM EVEN TO CONTRADICT THEMSELVES LIKE FOR EXAMPLE ECONOMICAL GROWTH OF A REGION AND ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT WHEREAS OTHER REINFORCE THEMSELVES. REGIONAL POLICY HAS TO LEARN TO COPE WITH THESE CONTRADICTIONS AND TO FIND A WAY ON THE RAZOR'S EDGE. COMPREHENSIVE SYSTEMS OF OBJECTIVES ARE LIKELY TO FAIL. BESIDES, SOME OBJECTIVES ARE SET BY EXOGENOUS DEVELOPMENTS LIKE GLOBAL ENVIRONMENTAL PROBLEMS, TECHNOLOGICAL CHANGE OR CYCLES OF ECONOMIC GROWTH AND CAN THEREFORE HARDLY BE INFLUENCED BY REGIONS ALONE. REGIONAL POLICY IS THUS A CONTINUOUS BUT DIFFICULT TASK. TOO MUCH CHANGE PROVOKES REFUSAL, ANGER, AND FEAR WHEREAS TOO LITTLE CHANGE PERMITS A LOSS OF INTERNATIONAL COMPETITIVENESS. IN THIS SCYLLA AND CHARYBDIS SITUATION, REGIONS STILL HAVE A CERTAIN RANGE OF FREEDOM TO DEFINE THEIR OWN OBJECTIVES ACCORDING THEIR PARTICULAR WEAKNESSES AND STRENGTHS. THIS ANALYSIS IS A PROCESS, IN WHICH A MAJORITY OF REGIONAL ACTORS SHOULD BE INVOLVED IN ORDER TO ENHANCE CHANCES FOR SUCCESSFUL IMPLEMENTATION. REGIONAL AND LOCAL AUTHORITIES ARE TO PROVIDE THE PLATFORMS FOR DIALOGUE.

SPATIAL APPLICATION

AS ALREADY MENTIONED, 'INTEGRAL REGIONAL POLICY' EMBRACES THE WHOLE OF SWITZERLAND, BECAUSE REGIONAL PROBLEMS CAN BE FOUND ALL OVER THE COUNTRY, IN PERIPHERAL REGIONS AS WELL AS IN AGGLOMERATIONS. A CONCENTRATION OF THE FORCES IN REGIONAL POLICY IS ONLY POSSIBLE, IF SOLUTIONS FOR REGIONAL PROBLEMS ARE COORDINATED AND INTEGRATED IN OTHER SECTORAL POLICIES COVERING THE WHOLE COUNTRY. BUT THE APPROPRIATE LEVEL OR SIZE OF A REGION IS DEFINED BY THE PROBLEM AND THESE VARY ACCORDING TO THE ISSUE AT STAKE. THIS RESULTS IN A 'POLITIQUE À GÉOMÉTRIE SPATIALE VARIABLE' (ROREP, 1992). IN DOING SO, FLEXIBLE AND VARIABLE FORMS OF TERRITORIAL ORGANIZATIONS RESULT. HOW SUCH ARRANGEMENTS COULD LOOK LIKE AND HOW PRIVATE AND PUBLIC ACTORS COULD BE INTEGRATED IS DESCRIBED IN THE FOLLOWING CHAPTER.

ACTORS AND INSTITUTIONAL CHANGES

TRADITIONAL REGIONAL POLICY FOCUSED MORE ON FINANCIAL AID THAN ON RELEVANT ACTORS AND THEIR RELATIONS. OUR APPROACH URGES TO INTEGRATE ALL RELEVANT PUBLIC AND PRIVATE ACTORS AND TO ENCOURAGE COOPERATIVE BEHAVIOUR. THE MOST IMPORTANT PUBLIC ACTORS OF TRADITIONAL REGIONAL POLICY IN SWITZERLAND ARE THE FEDERAL GOVERNMENT DEFINING PROGRAMMES AND PLANS WHEREAS THE CANTONS AND THE COMMUNES ARE RESPONSIBLE FOR THEIR EXECUTION. ALSO OF MAJOR IMPORTANCE ARE THE RESPONSIBLE AGENCIES FOR REGIONAL MATTERS ON THE LEVEL OF LIM-REGIONS AND FOR ECONOMIC PROMOTION ON THE LEVEL OF THE CANTONS. BESIDE PUBLIC BODIES, A WIDE RANGE OF PRIVATE ACTORS INCLUDING ENTERPRISES, ENVIRONMENTAL GROUPS OR LOCAL TRADE ASSOCIATIONS ARE RELATED TO REGIONAL POLICY. COOPERATION AMONG ACTORS CAN BE DISCUSSED ON THREE LEVELS: COOPERATION BETWEEN PUBLIC INSTITUTIONAL BODIES, COOPERATION NETWORKS OR PARTNERSHIPS AND COOPERATIVE NEGOTIATIONS BETWEEN PUBLIC AND PRIVATE ACTORS (HOFFMANN-RIEM AND SCHMIDT- ASSMANN, 1990). THIS PAPER CONCENTRATES ON THE FIRST AND THE SECOND LEVEL.

PREVIOUS ATTEMPTS HAVE DEMONSTRATED THE DIFFICULTY OF ESTABLISHING HORIZONTAL COORDINATION SYSTEMS IN A VERTICALLY STRUCTURED REGIONAL POLICY. SEVERAL ATTEMPTS TO ENHANCE COORDINATION BETWEEN SPATIALLY RELEVANT SECTORAL POLICIES AND REGIONAL POLICY INSTRUMENTS ACHIEVED LIMITED SUCCESS. NEVERTHELESS, SWITZERLAND MUST STRENGTHEN ITS METHODS OF COORDINATION AND COOPERATION AT SEVERAL LEVELS.

ON THE *EUROPEAN LEVEL*, MORE CONTACTS HAVE TO BE ESTABLISHED AND COMMUNICATION HAS TO BE IMPROVED. MOST CANTONS ARE ALREADY MEMBER OF THE 'ASSEMBLY OF EUROPEAN REGIONS' AND THE ALPINE REGIONS HAVE SEVERAL TREATIES FOR COORDINATION AND COOPERATION LIKE THE 'ALP CONVENTION' CURRENTLY BEING NEGOTIATED.

ON THE *NATIONAL LEVEL* SEVERAL OPTIONS FOR REORGANISATION OF REGIONAL POLICY ARE DISCUSSED: A SEPARATE SECTORAL POLICY WITH A FEDERAL DEPARTMENT FOR REGIONAL POLICY; A PRIVATE AGENCY; A RADICAL REFORM AND IMPROVEMENT OF FEDERAL COORDINATION BETWEEN SECTORAL POLICIES OR A FULL DELEGATION OF REGIONAL POLICY TO THE CANTONS, WHEREBY THE FEDERAL LEVEL WOULD ONLY COORDINATE NATIONAL AND INTERNATIONAL ASPECTS (PVK, 1994). THE DECISION FOR ONE OF THESE OPTIONS WILL BE ON THE POLITICAL FIELD.

IN THE ACTUAL SITUATION, A MORE DECENTRALIZED SOLUTION SEEMS TO FIT BEST, BECAUSE IT IS THE *REGIONAL LEVEL* WHERE THE MOST ENCOURAGING ACTIVITIES CAN BE SEEN. IN MOST BORDER REGIONS, SWISS CANTONS HAVE ESTABLISHED COOPERATIVE ARRANGEMENTS WITH NEIGHBOURING FOREIGN BORDER REGIONS. IN THE ALPINE REGIONS, ORGANIZATIONS

ARE COORDINATING THEIR ACTIVITIES, AND IN SEVERAL AGGLOMERATIONS, THE CORE CITY AND SURROUNDING COMMUNES ARE REINFORCING COLLABORATION. FURTHERMORE, A NETWORK FOR INFORMATION EXCHANGE BETWEEN REGIONS IS IN THE MAKING.

MOST *CANTONS* HAVE ORGANIZED COORDINATION BODIES AMONG THEMSELVES, LIKE FOR EXAMPLE THE FRENCH SPEAKING CANTONS OR THE CANTONS IN THE 'MITTELLAND' AND JURA WHICH SUFFER FROM ECONOMIC SETBACKS. AN ASSOCIATION OF ALL 26 CANTONS COORDINATES THEIR POLICIES AND REPRESENTS THEM VIS-À-VIS THE FEDERAL AUTHORITIES.

COOPERATION NETWORKS

OUR 'INTEGRAL REGIONAL POLICY' APPROACH SUBSCRIBES ALSO TO THE CONCEPT OF LOCAL AND REGIONAL COOPERATION NETWORKS (CAMAGNI, 1991), LOCAL ECONOMIC DEVELOPMENT PARTNERSHIPS (BENNETT AND KREBS, 1994) AND PUBLIC-PRIVATE PARTNERSHIPS (RUEGG, DECOUTÈRE AND METTAN, 1994). THESE FORMAL AND INFORMAL CONCEPTS ARE REGARDED MORE AND MORE AS INDISPENSABLE FOR REGIONAL DEVELOPMENT. IN SWITZERLAND, SEVERAL NETWORKS FOR REGIONAL DEVELOPMENT CAN BE OBSERVED, ALTHOUGH THERE IS NO PROFOUND ANALYSIS ON THAT MATTER YET. TAKE THE PRE-ALPINE REGION OF THUN AS AN EXAMPLE: A NETWORK OF PUBLIC AND PRIVATE ACTORS IS TRYING TO HANDLE THE REGIONAL CRISIS CAUSED BY A SIGNIFICANT REDUCTION OF SWISS ARMY FORCES AND WEAPON PRODUCTION IN THIS AREA. AN OTHER EXAMPLE IS THE AGGLOMERATION OF ZURICH WHERE AN ASSOCIATION OF PUBLIC AND PRIVATE ACTORS AND THE SWISS FEDERAL INSTITUTE OF TECHNOLOGY (ETH) ARE CREATING ECONOMIC IMPULSES BY BUNDLING THEIR RESPECTIVE COMPETENCIES.

THE APPROACHES IN THIS SECTION CONCENTRATE ON CAPACITIES AND BEHAVIOUR OF ACTORS. ALTHOUGH THERE ARE ALREADY QUITE A FEW EXAMPLES, RESEARCH AND FURTHER DEVELOPMENT JUST HAS STARTED. COMPARED TO OTHER COUNTRIES, SWITZERLAND HAS ONLY RECENTLY RECOGNIZED THE USEFULNESS OF NETWORKS. SEVERAL REASONS ACCOUNT FOR IT: REGIONAL PROBLEMS IN SWITZERLAND ARE NOT OF THE SAME MAGNITUDE AS IN OTHER COUNTRIES. PROBLEMS CAN QUITE OFTEN BE SOLVED BY OUR DECENTRALIZED FEDERAL SYSTEM, AND LAST BUT NOT LEAST, EXISTING SOLUTIONS TEND TO PREVAIL FOR A LONG TIME, DESPITE OF LACK OF SUCCESS.

IMPLICATIONS FOR SWISS REGIONAL POLICY

'INTEGRAL REGIONAL POLICY' OPTS NOT FOR NEW LEGISLATION BUT CALLS FOR UPDATING THE EXISTING ONES AND FOR DEVELOPING LOCAL AND REGIONAL TOOLS TO STRENGTHEN THE PROBLEM-SOLVING CAPACITY OF REGIONAL ACTORS. TO INSURE THAT REGIONAL POLICY IS APPROPRIATE TO THE WHOLE OF SWITZERLAND, INSTRUMENTS ON THE MICRO LEVEL MUST BE

COMPLEMENTED BY INSTRUMENTS ON THE MACRO LEVEL: COOPERATIVE FEDERALISM, FINANCIAL EQUALIZATION, SPATIAL PLANNING, AND ECONOMIC INSTRUMENTS IN THE ENVIRONMENTAL AND AGRICULTURAL POLICY.

THERE IS MUCH DISCUSSION TODAY ABOUT REFORMING THE SWISS SYSTEM OF *COOPERATIVE FEDERALISM* WITH ITS SYSTEM OF FINANCIAL EQUALIZATION AND COOPERATION BETWEEN THE THREE STATE LEVELS. OPPONENTS OF THIS SYSTEM ARGUE THAT THE CURRENT SITUATION ENCOURAGES PUBLIC SPENDING AND THAT SHARED RESPONSIBILITY MAKES ACTORS LESS RESPONSIBLE. THEIR ARGUMENT IS BASED ON ECONOMIC THEORY RELATING FEDERALISM TO COMPETITION BETWEEN AUTHORITIES (OATES, 1972). CITIZENS ARE TO DECIDE WITH THEIR FEET WHICH SET OF COSTS AND BENEFITS THEY LIKE TO LIVE WITH. A MORE THOROUGH ANALYSIS HOWEVER REVEALS THAT MOST SWISS PEOPLE ARE EMOTIONALLY ATTACHED TO THE COMMUNES OR REGIONS WHERE THEY ALREADY LIVE AND THAT THEY ARE WELL AWARE OF THEIR RESPECTIVE CULTURAL ROOTS (LINDER, 1994). THIS EVIDENCE IS SUPPORTED BY A RECENT SURVEY WHICH SHOWS THAT TIEBOUT'S THESIS OF 'VOTING WITH ONE'S FEET' DOES NOT GATHER MUCH EMPIRICAL SUPPORT (DOWDING, JOHN AND BIGGS, 1994). TAX COMPETITION BETWEEN CANTONS IN SWITZERLAND SEEMS TO HAVE SOME INFLUENCE ON THE SPREAD OF PEOPLE WITH HIGH INCOME OVER CANTONS, BUT IT DOES NEITHER LEAD TO A COLLAPSE OF PUBLIC GOOD SUPPLY, NOR MAKES IT REDISTRIBUTION BY THE FISC IMPOSSIBLE (KIRCHGÄSSNER AND POMMEREHNE, 1994). THIS TRAIT OF SWISS MENTALITY IN FOSTERING OF AN EQUALISING POLICY IS AT THE CORE OF COOPERATIVE FEDERALISM. THE SYSTEM IS SUPPORTED THROUGH THE COOPERATION OF POLICY PROGRAMMES ON DIFFERENT LEVELS OF GOVERNMENT, THROUGH A HORIZONTAL AND VERTICAL SYSTEM OF FINANCIAL COMPENSATION BETWEEN THE INSTITUTIONAL LEVELS BY BLOCK GRANTS AND SUBSIDIES AND THROUGH REGIONAL POLICY ITSELF. THOUGH THERE ARE LIMITS TO THIS SYSTEM, RENEWED COOPERATIVE FEDERALISM IS DECISIVE TO DEAL WITH PROBLEMS WHICH SURPASS THE PROBLEM SOLVING CAPACITY OF COMMUNES, REGIONS OR EVEN CANTONS. COOPERATION BETWEEN THESE INSTITUTIONAL BODIES CAN BE A MEANS TO OVERCOME THE LIMITED CAPACITIES ON A LOWER POLITICAL LEVEL DUE TO THE 'REVERSED PETER PRINCIPLE'. SOME CANTONS AND REGIONS HAVE ALREADY TAKEN THE CHANCES COOPERATIVE AGREEMENTS OFFER.

FINANCIAL EQUALIZATION IS, IN FACT, A CRUCIAL ELEMENT OF SWISS FEDERALISM. BUT DUE TO DIFFERENT SETBACKS OF THE CURRENT SYSTEM A REFORM IS BEING DISCUSSED. TO BE EFFECTIVE, A FINANCIAL EQUALIZATION SYSTEM HAS TO GIVE MORE RESPONSIBILITY TO CANTONS BECAUSE - ACCORDING TO THE SWISS EXPERIENCE - SOLUTIONS AT REGIONAL OR LOCAL LEVEL ARE CULTURALLY AND SOCIALLY MORE ADAPTED AND THEREFORE CAN BE BETTER IMPLEMENTED. A PRECONDITION FOR DELEGATING RESPONSIBILITY IS GLOBAL TRANSFERS OF FUNDS INSTEAD OF SPECIFIC TRANSFERS FOR 'TOP-DOWN' PRESCRIBED TASKS. THUS, THREE ELEMENTS ARE IMPORTANT IN A FINANCIAL EQUALIZATION SYSTEM (REY, 1993):

FINANCIAL COMPENSATION FOR TASKS, WHICH CANTONS FULFIL IN THE NATIONAL INTEREST; HORIZONTAL FINANCIAL EQUALIZATION BETWEEN RICHER AND POORER CANTONS; AND FINALLY, A REGIONAL FINANCIAL COMPENSATION FOR LOCAL OR REGIONAL SPILLOVERS FOR EXAMPLE IN AGGLOMERATIONS.

IN ORDER TO STRIVE FOR SUSTAINABLE DEVELOPMENT, *ENVIRONMENTAL POLICIES* REQUIRE RESHAPING. THE 'POLLUTER PAYS PRINCIPLE', AND COMPLEMENTS TO TRADITIONAL INSTRUMENTS LIKE REGULATIONS OR COOPERATIVE AGREEMENTS HAVE TO BE IMPLEMENTED (OECD, 1991B). ECONOMIC INSTRUMENTS IN ENVIRONMENTAL POLICY PROVIDE FLEXIBILITY, EFFICIENCY AND COST-EFFECTIVENESS. THEIR IMPLICATIONS ON PERIPHERAL REGIONS ARE DIFFICULT TO ESTIMATE, BUT PROBABLY A MATCH OF ADVANTAGES OR DISADVANTAGES WILL PREVAIL (VON WEIZSÄCKER *ET AL.*, 1992). IN THE CASE OF THE LATTER, COMPENSATION THROUGH THE FISCAL SYSTEM COULD BE ENVISAGED.

AGRICULTURAL POLICY HAS GREAT SPATIAL IMPACT. AGRICULTURE IS, COMPARED TO OTHER SECTORS, OF MAJOR IMPORTANCE IN PERIPHERAL AREAS. IN ADDITION, AGRICULTURE IN THE MOUNTAIN REGIONS IS A MEANS OF MAINTAINING AND CULTIVATING THE SENSITIVE LANDSCAPES AND BIOLOGICAL DIVERSITY. FROM AN ECONOMIC PERSPECTIVE HOWEVER ONE HAS TO REMARK THAT IN COMPARISON WITH OTHER COUNTRIES - EXCEPT JAPAN - THE SWISS AGRICULTURAL SYSTEM IS TREMENDOUSLY SUBSIDIZED (OECD, 1990). A REFORM OF AGRICULTURAL POLICY HAS BEEN INITIATED - REINFORCED BY THE URUGUAY ROUND OF GATT - TO REPLACE PRODUCT SUBSIDIES BY DIRECT FINANCIAL TRANSFERS FOR ENVIRONMENTAL GOALS. THIS STRATEGY CAN HELP TO MAINTAIN JOBS IN PERIPHERAL REGIONS AND TO PRESERVE BEAUTIFUL LANDSCAPES, AN IMPORTANT ASSET FOR TOURISM WHICH IS THE MOST IMPORTANT ECONOMIC SECTOR IN PERIPHERAL AREAS.

SPATIAL PLANNING IS THE FIFTH INSTRUMENT ON THE MACRO LEVEL OF OUR APPROACH TO REGIONAL POLICY. UNTIL RECENTLY, THE SYSTEM MANAGED TO ALLOCATE THE DIFFERENT ECONOMIC ACTIVITIES FAIRLY WELL. HOWEVER, RESTRICTIVE REGULATIONS, A DENSELY POPULATED 'MITTELLAND' AND A SHIFT FROM INDUSTRIAL PRODUCTION TO SERVICE ACTIVITIES POSE NEW CHALLENGES. FIRST, REGULATIONS HAVE TO BE SIMPLIFIED AND IMPLEMENTATION STRENGTHENED. IN CASE OF CONFLICT, MEDIATION AND NEGOTIATION BETWEEN CONCERNED REGIONAL ACTORS HAVE TO BE PROMOTED AND ARE ALREADY NOTED BY CONSIDERABLE SUCCESS (RUEGG, METTAN AND VODOZ, 1992). FURTHERMORE, A MORE COMPREHENSIVE COORDINATION WITH REGIONAL-DEVELOPMENT PLANS HELPS TO BRING IN LINE AVAILABLE LAND RESOURCES, ECONOMIC AND ENVIRONMENTAL NEEDS.

REGIONAL SPECIFIC INSTRUMENTS

INSTRUMENTS COVERING THE WHOLE TERRITORY OF SWITZERLAND ALONE ARE NOT DOING THE JOB OF SECURING BALANCED SPATIAL DEVELOPMENT. 'INTEGRAL REGIONAL POLICY' NEEDS

ADDITIONAL INSTRUMENTS TO TACKLE LOCAL OR REGIONAL CHALLENGES IN A FOCUSED MANNER. TO SOME EXTENT, THE INVESTMENT AID LAW (LIM) AND THE 'BONNY-RESOLUTION' ALREADY PROVIDE SOME OF THESE SPECIFIC INSTRUMENTS. THEY HAVE TO BE COMPLEMENTED BY LOCAL AND REGIONAL STRATEGIES, WHICH ARE NOT UNIQUE TO SWISS PROBLEMS ALONE. REGIONAL PROBLEMS HAVE IN COMMON THE NEED OF INITIALISING STRUCTURED *LEARNING PROCESSES* AND THE CREATION OF *CAPACITIES* FOR COLLECTIVE AND COOPERATIVE ACTION. THAT IS A MAJOR POTENTIAL FOR LOCAL AND REGIONAL ACTION.

CONCENTRATION ON *INNOVATIONS* AND *COOPERATION NETWORKS* IS A FIRST STRATEGY ON LOCAL OR REGIONAL LEVEL (CAMAGNI, 1991; MAILLAT, QUÉVIT AND SENN, 1993). LOCAL INSTITUTIONS CONCERNED WITH TECHNOLOGY TRANSFER, ECONOMIC PROMOTION OR INNOVATION CONSULTING SHOULD BE LINKED WITH NATIONAL OR INTERNATIONAL NETWORKS. PERMANENT *EDUCATION AND VOCATIONAL TRAINING* OF THE LOCAL WORKFORCE IS A SECOND STRATEGY. FINALLY, *PROMOTION OF REGIONAL PARTICULARITIES* AND A DISTINCTIVE REGIONAL MARKETING ARE OF GROWING IMPORTANCE FOR REGIONAL DEVELOPMENT. THIS REQUIRES THAT PEOPLE ARE AS WELL ROOTED IN THEIR LOCAL TRADITION AND CULTURE AS THEY ARE OPEN MINDED TO GLOBAL CHANGES. THIS WALK ON THE RAZOR'S EDGE CAN CERTAINLY BE FACILITATED AND ANIMATED BY REGIONAL OR LOCAL PUBLIC-PRIVATE-PARTNERSHIPS.

CONCLUDING REMARKS

BASED ON THE IDENTIFICATION OF FOUR GLOBAL CHALLENGES FOR REGIONAL POLICY THE CASE OF SWISS REGIONAL POLICY HAS BEEN ANALYZED. SEVERAL WEAKNESSES LIKE AN OVERLY NARROW PERSPECTIVE, NEGLECT OF REGIONAL ACTORS OR LACKING COORDINATION OF SECTORAL POLICIES BUT ALSO STRENGTHS LIKE THE SWISS FEDERAL SYSTEM HAVE BEEN IDENTIFIED. TO OVERCOME THE PREVAILING SITUATION AN *'INTEGRAL REGIONAL POLICY'* HAS BEEN PROPOSED WHICH IS PROCESS-BASED, COMPREHENSIVE AND AT THE SAME TIME CONCENTRATING ON ACTORS AND THEIR BEHAVIOUR. THIS APPROACH HAS TO BE JUDGED AS A FIRST IDEA AND IS FAR FROM BEING PERFECT. ALTHOUGH IT SUITS TO THE CULTURAL, GEOGRAPHICAL, ECONOMICAL AND POLITICAL SYSTEM OF SWITZERLAND SOME ELEMENTS AND IDEAS COULD HAVE A *GENERAL APPLICABILITY* TO SOME EXTENT: THE NEED TO CONSIDER NATIONAL, REGIONAL AND LOCAL CULTURES AND CHARACTERISTICS, THE IMPORTANCE TO INTEGRATE AND COORDINATE SECTORAL POLICIES, THE CONCENTRATION ON PROCESSES IN POLITICS, PLANNING AND IMPLEMENTATION AND THE FOCUS ON REGIONAL ACTORS AND THEIR BEHAVIOUR. IN ADDITION, ANOTHER ASPECT IS HIGHLIGHTED. SINCE THE MAASTRICHT TREATY, THERE IS EVEN AN OFFICIAL TENDENCY TOWARDS DECENTRALIZATION, FEDERALISM AND SUBSIDIARITY IN EUROPE. AS EXPERIENCE IN SWITZERLAND SHOWS, THE 'REVERSED PETER PRINCIPLE' SETS LIMITS TO THIS TENDENCY. THUS COOPERATIVE COLLECTIVE ACTION BETWEEN RELEVANT ACTORS - BE THEY PUBLIC, PRIVATE OR BOTH - CAN BE SEEN AS THE PROPER WAY TO RESOLVE THE DILEMMA OF THE OPTIMUM LEVEL OF PROBLEM SOLVING.

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i Seasonal workers are foreigners who are only allowed to work in Switzerland for nine months a year. After that they have to return home for three months before allowed in again.

ii The goal of the Swiss system of spatial planning is an economical land-use and an orderly settlement of the scarce surface in Switzerland. In order to attain this objective and to coordinate the space relevant activities a national law defines three instruments. On the national level general concepts and plans are designed with the objective to coordinate national and sub-national projects and plans. Second, on the cantonal level, directional plans

show how, when, and with which means space relevant activities are coordinated with development aims. Third, land-use plans are used to define construction zones, agricultural zones and protection zones. Implementation of this law is up to the cantons which use further instruments and plans.