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The third sector in Switzerland: The transformation of the subsidiarity principle

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The Third Sector in Switzerland: The Transformation of the Subsidiarity Principle

DANIELLE BUTSCHI and SANDRO CATTACIN

This article analyses the role of non-profit organisations in the construction of the modern Swiss welfare system. It is shown that the non-profit organisations shifted from a substitutive role (with a traditional society orientation) towards a complementary role (with more state-orientated strategies). Our main argument is that this evolution is marked by the environment of the non-profit organisations, in particular the political opportunities. More precisely, whereas the liberal state of the nineteenth century only intervened when civil society failed in solving its problems according to the principle of subsidiarity, the modern welfare state incites civil society to deal with the problem.

The current debate within the European Community has given prominence to the theme of the subsidiarity principle. This principle introduces a division of tasks between institutions and arises either inside the state organisation, or in the relationship between state and civil society. Inside the state, this principle appears in the federal construction of a political system. Thus, everything not falling under the jurisdiction of the higher level is the responsibility of the lower level. Besides this vertical segmentation, the effects of subsidiarity inside the state introduce a horizontal segmentation by giving autonomy to the federal units. Accordingly, federal units can operate independently from each other in some policy areas.

With regard to the relationship between the state and civil society, the principle of subsidiarity gives priority to private initiative. State intervention plays a subsidiary role with regard to private activities (whether they are profit-orientated or non-profit-orientated). When a problem first appears, it is addressed by the civil society either at the individual or organisational level. If private initiative cannot resolve the problem, state intervention is demanded by political and social groups. This intervention consists in participating in, or in completing these pre-existing structures. This process leads to an increasingly complex mix between private and public structures and to a complex *welfare mix* between state, economy and civil society.[1]

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This subsidiarity principle, summarily described, is judged by some authors, such as de Laubier,[2] as one of the best means to solve problems. Thus, rather than imposing uniform solutions that 'give rise to passions and ruin fragile consensus', it is those directly concerned who first address the problems. For others, subsidiarity is a sign of a weak state.[3] We consider that this opinion is closely related to the context in which subsidiarity is applied. Specifically, we should consider the unitary or federal nature of the state to judge the application mode of subsidiarity. Whereas in a unitary state, subsidiarity is a political choice which considers the complexity of society – and is in this sense a concession of the state – subsidiarity is necessary for the functioning of a federal state.

In this article, we focus our attention on Switzerland, a federal state in which subsidiarity has an important and essential regulative function. More precisely, we will study the subsidiarity principle in the field of Swiss social policy in relation to existing literature[4] and its crucial consequences for the third sector or, in other words, for 'all organisations which are neither profit-orientated business nor governmental agencies or bureaucracies'.[5] First, we introduce the subject with a short overview of the development of the organisation of solidarity until the late 1960s. We then analyse the effects of the economic recession of the 1970s on the Swiss welfare mix. Finally, in the light of our present observations,[6] we attempt to interpret the contemporary use of the subsidiarity principle and its significance in social policy both in general and in the third sector in particular. We hope this article may also contribute to clarify the debate on subsidiarity within the European Community in that the Swiss federal structure can be compared to the association of states forming the EC.

SUBSIDIARITY PRINCIPLE: CREATION OF A LEGEND

Industrialisation may be considered as the starting point of the Swiss welfare system. It was accompanied by the emergence of the social question and the failure of traditional aid to the poor, which had mainly been provided by the Church and by family solidarity. According to the subsidiarity principle, these developments forced civil society to look for new ways to face social problems.[7] Before the state became involved with social policy, the task of innovation was undertaken by non-profit organisations.

That is why, in the nineteenth century, before the state did anything in the domain of social policy, two movements grew up whose goals were to reduce and eliminate social disparities.[8] First, we find the labour movement which, apart from its traditional demands, gradually orga-

nised self-help associations in the field of consumption, production, housing and social security. Mutual benefit associations were set up in the area of social security and mainly gave benefits in case of sickness, invalidity, unemployment and old age.[9] In 1865 there were 623 such mutual funds with 97,745 members; by 1880, this had risen to 1,085 funds and membership had more than doubled. In 1903 we find 2006 funds with 505,947 members, which corresponded to about one-sixth of the population. Second, the social reformists mainly composed of intellectuals and philanthropists, organised themselves into non-profit organisations.[10] They were not only motivated by the need to appease their consciences, but also by an attempt to stabilise the existing order.[11]

It would be to minimise the role of the governing Swiss bourgeoisie if one were to maintain that the birth of the Swiss welfare system was only based on workers' and social reformists' pressures. The governing liberals became conscious that the negative consequences of industrialisation represented a threat to the established system and to the bourgeoisie. First, large parts of the population risked falling into poverty, and misery is a bad counsellor from the point of view of internal security and order. Second, industry required qualified manpower, in good health and enjoying at least a minimal measure of security. Finally, the social demands of workers' organisations became more urgent and required conciliatory measures.[12] Therefore, the progressive wing of the Radical Party – enlightened radicals – following the example of Bismarck, considered that the state had the task of providing everyone with the conditions necessary for a decent life. In addition, after the depression of 1870–80, they hoped that state intervention would assure trust and confidence in the economic and political system.[13] The enlightened radicals may, thus, be considered as the ideologists of subsidiarity according to the *liberal pattern of functional transfer* that consists in intervening once the civil society failed to solve problems.[14] In the period considered, their position prevailed inside the Radical Party and led to a consolidation of this liberal pattern of functional transfer.[5]

These different lines of thought occurred at a time when the federal government lacked any capacity to legislate in social policy matters. Nevertheless, these ideas influenced the integration of social issues in Swiss legislation.[16] With the introduction of Constitutional Article 34 in 1874, the Confederation became able to legislate on the work of children in factories, on the duration of work and on workers' protection in unhealthy and dangerous industries.[17] The first article concerning social security was introduced in 1890 (article 34bis of the Constitution) and enabled the Confederation to introduce, by means of legislation,

health and accident insurance. But once again, subsidiarity played an important role since the article required that the existing mutual funds should be maintained to manage health and accident insurance. On the basis of this new article, national counsellor Ludwig Forrer set out to draft a bill on a compulsory health and accident insurance. His propositions were progressive for that time.[18]

The project, however, gave rise to widespread opposition even beyond the right-left cleavage. The employers and their associations considered the contributions exceedingly high and feared that the law would be a first step towards state socialism. The mutualists considered the law as a death sentence for mutual funds. Workers organisations feared employers' interference, since the latter were heavily involved in financing the insurance, as well as loss of influence for recruiting members through the funds.[19] As these various opinions show, the subsidiarity principle was widely accepted and political forces had more confidence in private initiatives than in public intervention. In order to satisfy everybody, the Federal Assembly tried to create a consensus in elaborating a watered-down version of the original draft. These efforts were nevertheless insufficient and the bill was rejected by referendum in 1900.[20] In 1912, after several years of indecision, the Federal Assembly accepted a compromise which treated risks of sickness and accident separately. Accident insurance became compulsory for all workers, while health insurance was conceived as voluntary.[21] According to subsidiarity, both were to be administrated by existing private mutual funds which were largely subsidised by the Confederation. The essential principles of that law still exist.

These early developments of Swiss social security illustrate the importance of the third sector. The Swiss Confederation did not venture to introduce a health-accident insurance before the idea was put forward by mutual benefit associations which created private sickness funds. However, once the idea of a federal insurance scheme had been accepted, private sickness funds were sufficiently established and it was impossible to replace them by compulsory federal insurance.[22]

Welfare state development continued from the beginning of First World War until the end of the Second World War, although no spectacular extensions occurred. The main innovation concerned old-age and survivors' insurance, for which a constitutional article was accepted in 1925 following pressure from workers. But it was so difficult to reconcile the different political actors that the corresponding legislation was only adopted in 1946.

This period is important for the third sector. It not only saw the foundation of important non-profit organisations such as Pro Senectute

(1917), Pro Infirmis (1920) and Pro Familia (1942), but non-profit organisations also moved from a conflictual participation in the welfare system towards collaboration with the state. The general strike of 1918 was the high point of working-class protest and this also marked the turning point towards integration, since it failed to introduce any fundamental institutional changes. Later, the social-democratic left moderated its position and separated from the communists who became a minor political force.[23] The trade unions, instead of striking, began to prefer negotiation. In the face of deep economic crisis and threat of war, the peace treaty in industrial relations was introduced in 1937. This negotiation system led to a regulation of social conflicts that avoided violent confrontations.[24] This 'peace treaty' may be seen as a model for the shaping of the welfare mix, the parts of which, from that time on, were more and more interdependent and integrated. It thus introduced a co-operation model inside the welfare mix which represented a favourable basis for subsidiarity.

THE ECONOMIC GROWTH AND THE MINOR ROLE OF SUBSIDIARITY

The development of social policy in the 1950s followed economic growth – Swiss GNP rose by an annual average of 4.6 per cent[25] – without anything being undertaken to fill gaps in the welfare system.[26] Social policy did not provoke any debate. The assets of the compensation fund for old-age insurance grew beyond all predictions,[27] health insurances received an increasing flow of federal subsidies, and cantons and municipalities were beginning to routinely fund a major part of hospital costs.[28] The state attempted to improve the welfare system in a pragmatic manner by taking step-by-step measures, as part of a punctual debate, which led to an incoherent structure of the welfare system. This pragmatism is a constant of Swiss politics where problems are treated as they emerge, without any general doctrine.[29] The authorities' difficulty in establishing general political programmes is inherent in the Swiss political system. Global projects can easily be attacked with the referendum instrument, and the more complex the project, the more numerous are the possibilities offered to opponents to fight it. In addition, a constitutional right for the associations to take part in decisions and influence these in a crucial way is another factor which impedes the elaboration of global projects.[30] Moreover, what appears as a global project is often a compromise resulting from political accommodation.

In the 1960s Switzerland still enjoyed economic growth but, during that period, externalities and the degrading effects of limitless growth started to make themselves felt. In spite of this, the welfare state did not

introduce any innovations but preferred a quantitative sectoral extension of what existed: with regard to education, university financing was extended; in 1968 a seventh revision of old-age insurance ended in a substantial increase in pensions;[31] public health was also increasingly subsidised.[32] The reasons for this extension can be found as much in the pressures exerted by initiatives (such as the initiative launched in 1962 aimed at increasing pensions), as in the compromise between the political forces attained through the *consociational principle* (the informal representation of which, at federal level, is the magic formula set up in 1959 when the socialists entered the Government). This compromise, which was initially rather weak, was reinforced during the 1960s at all levels of the Swiss political system.[33]

The subsidiarity principle still existed during this growth period but in the 1960s lost its practical value and played a minor role. For instance, the low fees paid by patients for medical treatments contradicted the subsidiarity principle. Moreover, in the political arena, various actors gave different meanings to subsidiarity and confined the debate to a symbolic sphere.[34] The discussion concerning the introduction of compulsory health insurance serves to illustrate this point. Despite 16 of 25 cantons already having compulsory health insurance, and more than 90 per cent of the population affiliated to health insurances, the bourgeois parties refused, in the name of subsidiarity, to make health insurance compulsory.

Generally speaking the 1960s were characterised by a lack of willingness to search for new instruments for the welfare system. Those existing were considered to be sufficient and the state found it enough to inject more money into the system at a time when the Swiss welfare state was little developed and wanting in many ways (for example, there was no compulsory unemployment or maternity insurance). These lacunae were mainly due to liberalism which was opposed to compulsory affiliation and resisted centralised organisations.[35] As a result of the liberal tradition existing in a limited but growing welfare system, we suggest that liberalism found in Switzerland a social-democratic version. The Swiss welfare system was a compromise between liberalism and socialism, between social conservatism and reformism.[36]

THE THIRD SECTOR IN THE YEARS OF TRANSITION

Consociational accommodation, social peace – the economic version of political accommodation – economic growth and its negative externalities were the central economic and political features that led to the rapid enlargement of the Swiss welfare system up to the mid-1970s.

In addition, the institutional element of semi-direct democracy played a crucial role in welfare state growth and in its social-democratic element. If the referendum acts as a brake upon social policy development,[37] the initiative may be considered as a dynamic instrument. At federal level, the numerous initiatives concerning social security or social legislation, mainly launched by the left, doubtless led to a rapid and permanent updating and development of social policy. Among these initiatives, we find that launched by the Communist Party in 1969 'for a real popular pension' (rejected 1972), the socialist initiative to create universal pensions as well as the one launched by a bourgeois committee (initiative for a modern provision for old age, survivors and invalids) which were withdrawn in 1974 after the government and Parliament had agreed to deal with the problem. We should also underline the role of further initiatives such as that of the trade unions for a 40-hour week (rejected 1976), that for the reduction of retirement age (rejected 1978), for the introduction of maternity protection (rejected 1984) or for longer holidays (rejected 1985). Therefore, the Swiss social policy 'progressed, so to speak, from defeat to defeat'.[38]

Until the middle of the 1970s, the Swiss welfare state grew at a pace never previously reached (mainly because of the eighth revision of the old-age insurance). This evolution may be understood as a need to improve the welfare system.[39] The third sector, during this period, did not decrease in size. However, it lost part of its importance in the welfare mix because of the growth of the welfare state. Attempts to estimate the size of the third sector are difficult because of a lack of empirical research. Wagner,[40] using the National Account Statistics (based on the System of National Accounts), estimates its economic weight to be 1.8 per cent and concludes it occupies about 85,000 employees, that is about three per cent of the working population.

The third sector, in the 1970s, shifted gradually from the substitutive function it held at the beginning of the construction of the welfare system towards a complementary function. The important non-profit organisations such as Pro Infirmis, Pro Juventute, Pro Senecute, Caritas, HEKS, the Red Cross and Women's Associations nevertheless remained central to the welfare mix, although they lost their pioneering role. The third sector operated in a less dynamic manner and included a stable number of traditional, large and polyvalent organisations and institutions which, at that time, did not face financial problems.

With the economic crisis of 1974/75, the development of the Swiss welfare state came to a halt. The recession provoked a change in trend from growth towards stagnation and, in particular areas, towards the

cutting down of state social benefits.[41] The economic system reacted to the crisis in a rather rigid manner and initiated a belated radical process of structural change. Thus, the economic system failed to offset rising social costs with commensurate growth in salaries.[42]

Stagnation did not mean however a total stop to the evolution of social policy. Though they were weakened, watered-down or delayed, decisions taken prior to the recession were honoured, especially in the field of social security. Moreover, after the years of strong economic crisis, a compulsory unemployment insurance has been introduced in the welfare system.[43]

The reasons given by the dominant political parties for this change in trend towards stagnation were that the welfare state had reached its limits and that a consolidation of what had been achieved was needed, as well as better co-ordination of the existing system.[44] But both intentions failed because of a blockage in the Swiss welfare state in the middle of the 1970s.

This blockage appears in an exemplary way in health policy. This field is characterised by many heterogeneous interests which, until the deterioration of the economic framework, formed distributional coalitions. Conflicts were traditionally resolved by increasing the volume of resources for distribution among members of the coalition.[45] The economic crisis led to a blockage of this logic and to zero-sum conflicts as there were no more additional resources, but rather cuts in resources for distribution.[46] The more important interests which from then practically held a power of veto, became organised in constantly changing coalitions that mutually blocked each other. What appeared as a consolidation was in reality a *status quo* resulting from the constellation of interests.[47]

Efforts to improve co-ordination between the distinct levels of the welfare state, as well as between the different public and private agencies, also failed. The unsteady and unplanned construction of the Swiss welfare state and the important autonomy of cantonal welfare systems led to a hardly less entangled jumble of authorities than before.[48] The welfare state did not result from restructuring but rather from the completion of what already existed. In particular, there was a failure to rationalise the federal system through a legislative unification and a new distribution of tasks. For example, the proposition made by a federal commission in 1975 – and for the first time – to introduce distribution of tasks and to provide intense centralisation had no result. It was heavily criticised by the cantons during the consultation procedure (*Vernehmlassungsverfahren*) and because of their crucial influential power, it was adjourned until the 1980s.[49]

The blockage of the welfare state drastically influenced the third sector. Especially in the political system the logic of constraint arising from the financial crisis played an important role. It led, on the one hand, to a halt in employment (policy of *Personalstopp*) at federal level, imitated by cantons and local governments, and, on the other hand, to a financial disengagement of the welfare state. These two elements resulted in the third sector facing a growth in demand for social benefits.

Therefore, more and more organisations were set up in the second half of the 1970s. These no longer had a complementary function but above all one of criticising the bogged down welfare state (by cantons and interest groups) and thus presented alternatives to its functioning. In addition, the reactive policy made at federal level gave these new organisations further reasons for voicing their criticism of the welfare state.[50]

These new organisations, in comparison with traditional ones, may be distinguished by their strong mass base (providing financial resources but also determining the organisations' programmes), in many instance by their self-help character and their dominant movement character.[51] Examples of such organisations can be found in the field of drug treatment and prevention[52] and in the system of associations of immigrants in the country.[53] This division of non-profit organisations into old, traditional and heavily bureaucratised institutions, and new organisations active in the area of social policy, is the central feature of changes in the third sector during the 1970s.

THE WELFARE MIX IN THE 1980s' MINIMAL STATE STRATEGIES

At the end of the 1970s, the dominant political parties learnt to deal with the situation of finance shortages and regulation problems, and therefore transformed the logic of the subsidiarity principle.[54] Three tendencies stood out.

First, subsidiarity was no longer only a support to existing structures, but it became *reflexive*, that is the state itself, in particular the public administration, created situations needing subsidies under the auspices of subsidiarity. This way of using subsidiarity was the only possibility in reacting to new social problems in the context of personnel restrictions. Thus, subsidiarity lost its original function (according to which it is the failure of self-organisation of civil society that provokes state intervention) and evolved such as it is the state that intervenes to create non-profit organisations. The Foundation AIDS Info Docu, founded in 1988, illustrates this logic. This documentation centre, now 90 per cent subsidised by the Confederation, was founded after the Federal Health

Department had proposed that the AIDS Help Foundation create such a centre. The Public Health Department needed such a structure but could not create it alone.

Second, the use of 'seed-money' for the third sector was increasingly introduced at federal level as a means to reduce social expenditures. According to this procedure, a start-up subsidy is provided to non-profit organisations in order to overcome difficulties at the initial stage of a project. Projects were only supported if the subsidised organisation sought other possibilities of finance.[55] These start-up subsidies consisted either of small sums or of financial contracts limited in time, both being flexible forms of financing.[56] By this means, subsidiarity found a new temporarily limited form.

Third, the bourgeois parties instrumentalised subsidiarity to justify state deregulation policies. These policies, which found their expression in the Liberal Party's slogan 'more market–less state' and which led to a further politicisation of the debate concerning the welfare state, regarded cuts in welfare spending as the best condition for revitalising civil society.[57] This policy particularly operated with regard to health insurance, where federal subsidies were cut by two billion francs between 1975 and 1982. Another example concerns the old-age insurance which was confronted with a temporary reduction of the Confederation's contributions. Rey[58] estimates the total cut back in the Confederation's subsidies to be about five milliard francs. In these strategies, the third sector occupied the central role to replace the state in the organisation of solidarity.[59] Although this task belongs traditionally to the third sector, given the range of new tasks to be fulfilled it overstretched its capacity.

These three new interpretations of subsidiarity belong to a minimal state strategy of the Swiss government which constitutes a framework that has shaped the development of the third sector in a decisive manner. The principal effects of this new orientation with regard to the third sector are, on the one hand (a), a more acute awareness of its role within the welfare system on the part of the third sector and, on the other hand (b), efforts by non-profit organisations to take into account the framework given by the government's minimal state strategy in the development of their own strategies.

(a) Because of the new strategy of the minimalisation of the welfare state, the non-profit organisations are being confronted with insecurity problems due to the precariousness of guarantees of state financing and legitimacy. This situation leads to a confidence crisis in the third sector towards the state. That is why non-profit organisations developed or promoted a range of institutions with the aim of raising the legitimacy of

the third sector.[60] We may mention examples of such institutions as that of ZEWO (Central Office of Information for Welfare Organisations) that provides something akin to a quality label and controls welfare organisations. It was already established as an association in 1936 but only became a central institution of the third sector in the 1980s. Nowadays, in addition to its control function, it also deals with training tasks and public campaigns for non-profit organisations. A similar development can be noted in respect to ASKIO (Swiss Federation of Self-help Organisations for Sick Persons and Invalids) which was created in 1951 and which, in addition to its supply of training (which considerably increased during the 1980s), undertakes many more tasks concerning social policy. The National Conference for Social Affairs (LAKO) which exists since 1932, also deals with tasks legitimating the third sector. In recent years in particular, LAKO has moved from a co-ordination office to a forum for social affairs and now mainly organises meetings aimed to help raise the quality of social services.[61] This development of the third sector changes conditions for newly-created organisations. Previously, it was only the state that supplied legitimacy to organisations by accepting their legal status and/or by subsidising them. Now the institutions of the third sector also provide quality labels, carry out controls and, therefore, contribute to developing the identity of the third sector.[62]

(b) The efforts of non-profit organisations to integrate the new modes of subsidiarity lead to different responses:

1. Traditional, polyvalent non-profit organisations face precarious financial situations since the increasing tasks they are supposed to assume are no longer subsidised by the state. In addition, more organisations are entering the third sector at a time when the resources available stagnate. This situation limits long-term project planning and forces organisations to develop a conservative strategy consisting of working only in known fields without taking care of newly arising problems. For instance, the Swiss Haemophiliacs Association reacted only belatedly to the growing distress among its members infected by HIV. The problem had long been pushed aside and, only in 1988, due to strong internal protests, led to successful political action by the organisation. A social fund destined for haemophiliacs and transfused persons with AIDS and their families was established.[63]
2. State strategy consisting of subsidising new projects with seed-money, but withdrawing its support later on, implies a passive attitude from organisations because of the risks of lacking financial means once the start-up subsidy has been spent. The example of the introduction of

courses by the Swiss Red Cross for professionals and volunteers treating people with AIDS illustrates this problem. First, such courses covering AIDS programmes had been suggested by nurses working for the organisation. The management rejected the project because of the financial risks. The Federal Health Department then approached the Red Cross with a request to organise such courses based on a single injection of start-up aid. The Red Cross agreed to set up these courses which started in 1988, a long time after the problem had been raised. In the meantime finance has been exhausted and the Red Cross faces serious problems in continuing the courses. Present efforts aim at an agreement with non-profit organisations which should finance these courses.

3. The insecurity of financial guarantees given by the state has resulted in new non-profit organisations being increasingly sceptical about the possibility of public subsidy. Organisations often opt for non-public financing or for a limitation of public financing through self-restriction of certain parts of their budget to avoid the risk of being affected by financial shortages. For instance, the AIDS Help Bern or Zurich accept only two-thirds of their funds from public sources.
4. The further politicisation of the welfare state in the debate concerning the limits of the welfare state[64] leads also to a more conscious relationship with public departments. The discussion partner is no longer the politician who poses the practical problems behind budget restrictions (and manages his political career with black budget figures), but the administrator who is considered to be more reliable and more understanding.

FROM TRADITIONAL TO NEW SUBSIDIARITY

To summarise the debate of the 1980s about subsidiarity, in our view, the new practice of subsidiarity implies that it is the state which asks civil society to organise solidarity. Compared to traditional subsidiarity where civil society, once it had failed to solve a problem, turned to the state, it is now state intervention that determines the shaping of the welfare system. State intervention based on a new interpretation of subsidiarity occurs in particular for new problems such as AIDS. By contrast, for traditional sectors, governments at different levels of the federal state tend to promote deregulation practices (see Table 1).

The various interpretations of subsidiarity during the evolution of the welfare system influenced the importance and the role of the third sector in Switzerland. In a first stage which covers the period up to the 1960s, civil society was primarly responsible for the organisation of solidarity.

TABLE 1
FROM TRADITIONAL TO NEW SUBSIDIARITY

type of problems / transfer of tasks	traditional problems	new problems
from civil society to the state	traditional subsidiarity (until 1960)	state regulation (1965-75)
from the state to civil society	deregulation (since 1975)	new subsidiarity *start-up subsidies* *reflexive subsidiarity* (since 1980)

Hence, the third sector above all had a substitutive function and subsidiarity was used according to the liberal pattern of functional transfer. In the 1960s, the state became more and more involved in producing social solidarity. The first signs of the negative effects of economic growth on the social field appeared and were then compensated by an extension of social security benefits and continuous increase of salaries. Both aspects put the role of traditional solidarity furnished by the third sector into perspective, and traditional subsidiarity became less important. This evolution culminated in the mid-1970s with the third sector no longer being substitutive but complementary to the state's organisation of solidarity.

The economic crisis introduced a stagnation in the evolution of the welfare state although numerous problems remained unsolved, in particular that of new poverty.[65] Neither the state nor the traditional non-profit organisations reacted in an appropriate manner to new problems, which opened an opportunity for new non-profit organisations to intervene. They dynamised the third sector, competing with traditional organisations and criticising the welfare system. As for government and public administration, they attempted to unblock themselves adding to traditional subsidiarity new practices with the consequence of putting into perspective the ideological content of the traditional subsidiarity.

NOTES

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1. For the philosophical bases of the subsidiarity principle, see Chantal Millon-Delsol, *L'Etat subsidiaire* (Paris: Presses Universitaires de France, 1992).
2. Patrick de Laubier, 'Dix ans de politique sociale en Suisse', *Revue française des affaires sociales* 4, (1985), p.124.
3. Manfred G. Schmidt, *Der Schweizerische Weg zur Vollbeschäftigung* (Frankfurt a/M.: Campus Verlag, 1985), pp.123ff.
4. An important bibliography on Swiss social policy has recently been published by Jean-Pierre Fragnière, *L'étude de la politique sociale* (Lausanne: Cahiers de l'EESP, 1990). Little research has however been done on the third sector; see Jürg H. Sommer and François Höpflinger, *Wandel der Lebensform und soziale Sicherheit in der Schweiz* (Grüsch: Verlag Rüegger), p.40 and Martin Niederberger, *Die Konfiguration des Helfens im gesellschaftlichen Wandel* (Zurich, 1985).
5. Wolfgang Seibel and Helmut K. Anheier (eds), *The Third Sector Comparative Studies of Nonprofit Organizations* (Berlin and NY: de Gruyter, 1990), p.7. We do not use the term of 'third sector' empirically, but in an analytical sense.
6. We take these observations from the present research that we are conducting as part of the Swiss National Fund for Research (Programme 29) concerning the third sector in Switzerland and related to two case studies on HIV/AIDS and alcoholism.
7. See Jürg H. Sommer, *Das Ringen um soziale Sicherheit in der Schweiz* (Diessenhofen: Verlag Rüegger), pp. 45ff. See also Mark Hauser, Serge Gaillard and Martin Renggli, 'Transferts de revenus', in Conférence nationale suisse de l'action sociale LAKO (ed.), *Manuel suisse de l'action sociale* (Lausanne: Réalités sociales, 1989), pp. 239–58.
8. Christoph Häfeli, 'Bases juridiques de l'action sociale en Suisse', in Conférence nationale suisse de l'action sociale LAKO (ed.), *Manuel suisse de l'action sociale*, pp. 52–72.
9. Jean-Pierre Fragnière and Gioia Christen, *Sécurité sociale en Suisse* (Lausanne: Réalités sociales, 1988) p.36.
10. One of the most important philanthropic associations of that period is the Schweizerische Gemeinnützige Gesellschaft (SGG). Apart from its social work, this organisation took part in the creation of several Swiss traditional organisations of the third sector such as Pro Juventute and Pro Senectute. For an historical study of the canton Zurich's SGG, see A. von Schultess, *Einhundertfünfzig Jahre Gemeinnützigkeit. Geschichte der Gemeinnützigen Gesellschaft des Kantons Zürich* (Zurich: Gemeinnützige Gesellschaft des Kantons Zurich, 1979). See also Silvano Möckli, *Der Schweizerischer Sozialstaat* (Bern and Stuttgart: Verlag Paul Haupt, 1988), p.20.
11. Möckli, pp.18–19.
12. René Knüsel and Félix Zurita, 'Aux origines de la politique sociale en Suisse. Une sécurité pour qui?', in Jean-Pierre Fragnière and Pierre Gilliand (eds.), *Santé et politique sociale* (Vevey: éditions Delta, 1980), pp.119–29.
13. Hansjörg Siegenthaler, 'Konsens, Erwartung und Entschlusskraft: Erfahrungen der Schweiz in der Überwindung der Grossen Depression vor hundert Jahren,' *Schweizerischer Zeitschrift für Volkswirtschaft und Statistik* 3 (1983), pp.213–35. See also Sommer (note 7), p.117.
14. See Beat Hotz, *Politik zwischen Staat und Wirtschaft* (Diessenhofen: Verlag Rüegger, 1979), pp.36–42.

15. Erich Gruner, '100 Jahre Wirtschaftspolitik, Etappen des Interventionismus in der Schweiz', *Schweizerischer Zeitschrift für Volkswirtschaft und Statistik* (1964), pp.34–70.
16. Federalism also played an important role towards this integration. It is often the cantons which made the first steps. For example, in 1846, Glarus became a pioneer in promulgating an ordinance limiting the work length of adults.
17. Beyond this legislation, we may see the premises of 'concordance' between employers, workers and Church.
18. Forrer's propositions were: compulsory insurance for a majority of workers, a national and centralised fund, complete financing of accident insurance by the employer and his participation in half the illness insurance, covering benefits for medical costs and guaranteeing a daily indemnity. See Sommer and Höpflinger (note 4), pp. 83–9.
19. Pierre Gilliand, *Politique sociale en Suisse* (Lausanne: Réalités sociales, 1988), p.37.
20. See Sommer (note 7) pp.17–26 and René Knüsel, 'Genèse de l'"Etat social" en Suisse au XIXe siècle', in Pierre Gilliand, *Les coûts de l'assurance* (Lausanne: Réalites sociales, 1986), pp.247–60.
21. Gilliand, *Politique sociale en Suisse*, p.47.
22. Hanspeter Kriesi, 'La politique sociale', Geneva: MS, 1991, p.7.
23. David E. Bohn, 'The failure of the Radical Left in Switzerland', *Comparative Political Studies* 1 (1986), pp.71–103.
24. Wolf Linder, 'Entwicklung, Strukturen und Funktionen des Wirtschafts- und Sozialstaates in der Schweiz', in Alois Riklin (ed.), *Handbuch Politisches System der Schweiz*, Vol. 1 (Bern: Verlag Paul Haupt, 1983), p.276.
25. Peter Tschopp, 'De la conquête de la prospérité à la gestion collective de ses effets', in Riklin, pp.419ff.
26. Sommer and Höpflinger (note 4), p.87.
27. Gilliand, (note 19), p.125.
28. From 1950 to 1975, the growth of the sums assigned to the hospital system was almost double that for GNP. See Pierre Gilliand, 'Santé publique: évolution des coûts, sources de financement, perspectives', in idem (ed.), *Assurance maladie. Quelle révision? Suisse 1889–1989* (Lausanne: Réalités sociales, 1990), p.30.
29. Joseph Deiss, *Economie politique et politique économique de la Suisse* (Fribourg: éditions Fragnière, 1979), p.251.
30. See Sandro Cattacin, Armin Kühne and Erwin Rüegg, 'Neokorporatismus und Ökologiesierung von Politik: Die Rolle des Parlamentes bei der Reform des institutionellen Designs', in Parlamentsdienste (ed.), *Das Parlament – Oberste Gewalt des Bundes?* (Bern: Verlag Paul Haupt 1991), pp.39–52.
31. Gilliand, (note 19), p.126 and Rudolf Steiner, 'Sozialpolitische Rahmenbedingungen von freiwilligen sozialer Tätigkeit und Selbsthilfe im Zeichen der Trendwende', in Ruth Brack, Judith Giovanelli-Blocher and Rudolf Steiner (eds.), *Freiwillige Tätigkeit aus der Sicht beruflicher Sozialarbeit: Vorträge und Aufsätze* (Bern and Stuttgart: Verlag Paul Haupt, 1986), p.14.
32. See Eidgenössische Finanzverwaltung, pp.4–7. See also Linder (note 24), pp.290–7.
33. Hans Werder, 'Das politische System der Schweiz – eine Skizze seiner Funktionsweise', in Wolf Linder, Beat Hotz and Hans Werder (eds.), *Planung in der schweizerischen Demokratie* (Berne and Stuttgart: Veralg Paul Haupt, 1979), pp. 37ff. See also Yannis Papadopoulos, *La Suisse un 'Sonderfall' pour la théorie politique* (Lausanne: Travaux de Science Politique, 1991).
34. See Sommer (note 7) pp.683ff.
35. Pierre-Yves Greber, 'Présentation du système suisse de sécurité sociale', *Cahiers genevois de sécurité sociale* 7 (1990), p.20. See also Jean-Pierre Fragnière, 'Spécificités helvétiques', *Revue Française des Affaires sociales* 4 (1985), p.13.
36. Gösta Esping-Anderson, *The Three Worlds of Welfare Capitalism* (Cambridge: Polity Press, 1990), p.74. See also Möckli (note 10), p. 27.
37. Leonhard Neidhart, *Plebiszit und pluralitäre Demokratie* (Bern, 1970).
38. Edwin Schweingruber, *Sozialgesetzgebung der Schweiz. Ein Grundriss* (Zurich,

1977), pp. 116ff. See also A. Maurer, 'La Suisse', in Peter A. Köhler, Hans F. Zacher and Philippe-Jean Hesse (eds.), *Un siècle de sécurité sociale 1881–1981* (Nantes: S. Chiffoleau, 1982), pp.592ff.

39. Schmidt, *Der Schweizerische Weg zur Vollbescäftigung*. See also Steiner (note 31), p.14.
40. Antonin Wagner, 'Aufgabenteilung zwischen privaten Werken und öffentlichen Stellen im Sozialwesen', in Schweizerische Landeskonferenz für Sozialwesen LAKO (ed.), *Aufgabenteilung zwischen privaten und öffentilchen Stellen im Sozialwesen* (Zurich: LAKO, 1989) p.16. See also Antonin Wagner, 'The Nonprofit Sector in Switzerland: Taxonomy and Dimensions', in Anheier and Seibel (note 5) and Antonin Wagner, 'Finanzierung des Sozialwesens', in Schweizerische Landeskonferenz für Sozialwesen LAKO (ed.), *Handbuch Sozialwesen Schweiz* (Zurich: Verlag Pro Juventute, 1987), pp. 204–12. See also Antonin Wagner, 'L'évolution du budget social de la Suisse', *Revue française des affaires sociales* 4 (1985), pp.39–58.
41. Fragnière describes this as a shift from the 'temps des conquêtes sociales à celui de la défense des acquis'. Fragnière (note 35), p.24.
42. This failure of the market has essentially been perceived by trade unions that made a move from the 'bread and butter' policy towards a wider representation of interests.
43. Gilliand, *Politique sociale en Suisse* (note 19), p.53 and Pierre-Yves Greber, 'L'évolution de la sécurité sociale en Suisse de 1974 à 1984 – une synthèse', in Jean-Pierre Fragnière (ed.), *Dix ans de politique sociale en Suisse: 1975–1985* (Lausanne: Réalités sociales, 1986), p. 14.
44. Jean-François Charles, *Die soziale Versicherung in der Schweiz. Grundzüge, aktuelle Probleme und Schwerpunkte unserer Sozialpolitik* (Bern, 1984), p.5.
45. See Georg Kocher and Pierre Rentchnik, *Teure Medizin* (Bern: Huber, 1980).
46. See Wolf Linder, 'Abflachendes Wirtschaftswachstum und gesellschaftlicher Wertwandel als Prüfstein Helvetischer Konkordanz', *Annuaire Suisse de Science Politique* (1983), pp.121–39.
47. See Kurt Nüssli, *Neokorporatismus in Der Schweiz: Gesundheitspolitik* (Zurich: Kleine Studien zur Politischen Wissenschaft, 1988). See also Cattacin, Kühne and Rüegg (note 30). Aprile and Rossi interpret this situation in general terms as follows: 'Dans la période de stagnation économique qui a suivi la période de croissance, on constate que, non seulement les échelons institutionnels les plus élevés se trouvent dans une situation peu favorable, mais aussi que le compromis entre les différentes forces sociales devient difficile. Dans cette phase, nous assistons donc, non seulement à une restructuration de la répartition des tâches à l'intérieur du secteur public, mais aussi à une remise en question de la croissance des services fournis par les collectivités publiques. Au niveau politique, dans cette phase, c'est plutôt l'autre aspect du fédéralisme qui est souligné: celui de l'indépendance des différents échelons institutionnels. On décharge alors les échelons supérieurs de certaines tâches pour les confier aux échelons inférieurs'. Gianni Aprile and Angelo Rossi, 'L'imbrication de la gestion financière des différents échelons des pouvoirs publics en Suisse', *Annuaire Suisse de Science Politique*, (1980) p.217.
48. Wagner, 'L'évolution du budget social de la Suisse'. See also Till Bandi, *Soziale Sicherung in der Schweiz. Institutionnelle Grundlagen, volkswirtschaftliche Probleme* (Diessenhofen: Verlag Rüegger, 1982), p.307.
49. Ulrich Klöti and Kurt Nüssli, *Erste Vorschläge zur Neuverteilung der Aufgaben zwischen Bund und Kantonen. Evaluation eines Entflechtungsprogramms* (Zurich: Kleine Studien zur Politischen Wissenschaften, 1984).
50. Hanspeter Kriesi, 'Perspektiven neuer Politik: Parteien und neue soziale Bewegungen', *Annuaire suisse de science politique* (1986), pp.340ff. Wolf Linder, 'Entwicklung, Strukturen und Funktionen', p.347.
51. See Hanspeter Kriesi, 'Neue soziale Bewegungen – der Protest einer Generation?', in Martin Dahinden (ed.), *Neue soziale Bewegungen – und ihre gesellschaftlichen Wirkungen* (Zurich: Verlag der Fachvereine, 1987), pp.25–42. See also Ulrich Mäder, 'Neue Subsidiarität contra Sozialstaat?', *Widerspruch* 14 (1987), pp.97–106.

52. For instance the now-established organisations such as Stiftung Contact Bern or Verein Schweizerischer Drogenfachleute. Both organisations were formed in the social reformist circles that strongly influenced, since the cultural claims of May 1968, the social work scene. For drug work, see Urs Ruckstuhl, 'Die Linke und die Drogenszene', *Widerspruch* 14 (1987), pp.69–81.
53. See Rosita Fibbi, 'Die italienischen Vereine in der Schweiz in einer Übergangsphase: einige Fragen an die Linke', *Widerspruch* 6 (1983), pp.76–85. In this article, Fibbi describes the emergence of new organisations in the context of Italian associations, which, in Switzerland, at the beginning of the 1980s, numbered about 1200. The greater part of these associations emerged after the mid-1970s. See also Sandro Cattacin, 'Rapporto sulla situazione dell'emigrazione italiana in Svizzera: L'emigrazione tra integrazione sistemica et intergazione sociale', Rapporto elaborato par la LABOS in vista della Seconda Conferenza Nazionale dell'Emigrazione (Rome and Zurich, 1988).
54. In the expert report on the 'situation and problems of the Swiss economy in 1977/78' ordered by the Department of Economy, we read the following encouragement to a new orientation: 'Angesichts der heutigen ökonomischen Bedeutung und der künftigen ökonomischen Probleme der Sozialpolitik kann ein Weiterausbau der sozialen Sicherung in den bisherigen Bahnen ohne eine gründliche Abklärung der längerfristigen volkswirtschaftlichen Aspekte nicht verantwortet werden. Die zeitlichen Verzögerungen, die durch eine solche Abklärung in Kauf genommen werden müssten, sollten bei dem heute bereits erreichten Stand der sozialen Sicherung tragbar sein. Spätere Generationen können daduch von für sie unlösbaren Problemen befreit werden'.
55. For instance, we can mention the case of the AIDS Help of Lucern which received federal seed-money for infrastructural equipment (entire office equipment) or the case of Zipp-AIDS, a Zurcher pilot project against AIDS for persons subject to drug risks and IV-drug users.
56. The value of direct annual subsidies (without differentiating between initial subsidies and extensions) that the Confederation pays to organisations that can be considered as belonging to the third sector, is about F8 milliards.
57. See Fritz Ebner, 'Wachsende Gefährdung des Freiraums der Bürger und Unternehmungen. Zur ungdämpften Paragrepheninflation', *Neue Zürcher Zeitung*, 9–10 Oct. 1985. This social criticism of the neo-conservatives found an unexpected partner in the social movements which criticised state intervention into civil society. But social movements, unlike the liberals which favour the freedom of economic actors combined with a strong state concerned with law and order, argue for the autonomy of the citizens. In this sense, see Erwin Rüegg, 'The Executive Meets Organized Interests: Structural and Procedural Changes in Different Polity Areas', Paper presented at the Conference 'Government and Organized Interests' (Zurich, 27–30 Sept. 1989), p.14. See also Mäder (note 51), 'Neue Subsidiarität contra Sozialstaat?' and Ulrich Mäder, 'Auf dem Weg zur Selbsthilfegesellschaft', *Sozialarbeit* no 7–8 (1988), pp.19–26. What is involved is less a financial crisis than a crisis of relations between state and society. For this point, see Jean-Noël Rey, *Trop d'Etat?* (Lausanne: Réalités sociales, 1983).
58. Rey, p.102.
59. Flavio Cotti, 'Sozialstaat Schweiz: ein abgenützter Begriff?', *St. Galler Tagblatt* 25 April 1989. See also Antonin Wagner, 'Die sogenannten Grenzen des Wohlfahrtsstaates und ihre Bedeutung für die soziale Arbeit', in Sylvia Staub-Bernasconi, Christine von Passavant and Antonin Wagner (eds.), *Theorie und Praxis der Sozialen Arbeit* (Bern and Stuttgart: Verlag Paul Haupt, 1983), pp. 88–92 and M. Schwegler, 'Im Sozialbereich fehlen Fachkräfte', *Tages-Anzeiger* 24 March 1990.
60. See Erich von Planta, 'Die neuen Freiwilligen. Konturen einer zukünftigen Problemlösung im Sozialbereich', *Neue Zürcher Zeitung*, 19 May 1990.
61. Beside LAKO, ASKIO and ZEWO, we can also mention the SAEB (Swiss Federation for Rehabilitation of Handicapped Persons) and GELIKO (Swiss National

Conference of Health Leagues). The schools for social workers became also important in the 1970s and 1980s which gave to the third sector more self-understanding.

62. An interesting example of this logic is the attempt of the association AIDS Aufklärung Schweiz to raise public money. It wrote a letter with the request for subsidies to all municipalities of canton Bern. Since this Association is very controversial in the network of AIDS services organisations and thus isolated from other associations, the Help Aids Bern intervened in sending a circular letter in which it explained the controversial positions of the Association. In this example, the control function of the state was virtually taken over by an organisation of the third sector.
63. Botschaft zum Bundesbeschluss über Leistungen des Bundes an HIV-infizierte Hämophile und Bluttransfusionsempfänger vom 12. März 1990.
64. Jean-Pierre Fragnière, 'Les enjeux de l'action sociale. Bilan et perspectives', in idem (ed.), *L'action sociale demain* (Lausanne: Réalités sociales, 1988), p.112.
65. Antonin Wagner, 'Evolutions récentes des politiques sociales en Suisse', in Fragnière, *L'action sociale demain*, p. 90. See also idem 'Conclusion', in idem (ed.), *Droits sociaux et politique sociale en Suisse et en Europe* (Lausanne: Réalités sociales, 1986), pp.147–52 and Martial Gottraux, 'Pauvreté: les syndicats sont interpelés', *Revue syndicale suisse: Face à la nouvelle pauvreté* 5 (1990), pp.162–73.