SWITZERLAND

Overview

|  |  |
| --- | --- |
| Population *(specify date)* and territory | 8 812 700 (as of January 1, 2022), 41 291 km2 |
| Administrative structure *(unitary/federal)* | federal |
| Regional or state-level governments *(number)* | 26 cantons |
| Intermediate-level governments *(number)* | N/A |
| Municipal-level governments *(number)* | 2148 (as of January 1, 2022) |
| Share of subnational government in total expenditure/revenues (2021) | 60.1% of total expenditure  61.4% of total revenues  [Source: [Subnational governments in OECD countries: key data, 2023 edition](https://stats.oecd.org/Index.aspx?DataSetCode=SNGF)] |
| Key regional development challenges | * The rural exodus and its corollary, the strong ageing of the remaining population, pose problems for the peripheral regions of the Alpine region and their economic development. * Demographic change and with it, the industrialization of agriculture that leads to a multiplication of constructions outside of the building zone, which reinforces the sprawl and degrades the landscapes in a more visible way. * The lack of an adequate local workforce * Sustainable use of (esp. water) resources in mountain areas and rural areas to ensure security of supply, especially with energy. * Complex Swiss ecosystem (decentralized country) |
| Objectives of regional policy | The federal government and the cantons created the Swiss regional policy to support Switzerland's mountain regions, other rural regions, and border regions in dealing with their structural changes. This economic development program promotes projects, initiatives, and programs that improve the economic framework conditions for entrepreneurial activities and sustainably enhance innovation capacity, value creation, and, thus, competitiveness. In this way, the Swiss regional policy contributes to creating and preserving jobs in the regions concerned. Indirectly, it contributes to the decentralized use of the territory and the reduction of regional disparities. |
| Legal/institutional framework for regional policy | 700 / Federal act on Spatial Planning  700.1 / Ordinance on Spatial Planning  709.17 / Ordinance on coordination and cooperation in spatially relevant federal tasks  901.0 / Federal Law on Regional Policy  901.021 / Ordinance on Regional Policy  910.1 / Federal Act on Agriculture  19.016 / Message on economic promotion for the years 2020 – 2023 |
| Budget allocated to regional development (i.e., amount) and fiscal equalisation mechanisms between jurisdictions (if any) | Approximately CHF 320 million are available to regional development for the years 2016 to 2023. On the fiscal equalization mechanisms, we possess the National fiscal equalization. Federalism is one of Switzerland’s fundamental principles. The 26 cantons and 2,148 communes have extensive powers. Fiscal equalization is thus also important for the unity of the country. It is based on the principle of solidarity: the economically strong cantons and the Confederation help out the economically weaker cantons. |
| National regional development policy framework | Broader Sense: Swiss Umbrella strategy on “coherent spatial development” which aims at aligning spatial effects of sectoral and regional policies in urban and rural areas and their interlinkages  Narrow Sense: The New Regional Policy (NRP) is the Swiss national regional development policy framework based on the Federal Law on Regional Policy.  Regional innovation system  Interreg programs A / B & C |
| Urban policy framework | Through the agglomeration policy (AggloPol), the federal government supports Switzerland's agglomerations with their cities and municipalities in further sustainable development. Several specific measures are available for the implementation of the policy. These complement the measures of various sectoral policies, such as transport or social policies. As a cross-cutting policy, AggloPol also provides a framework of objectives and actions for implementing and coordinating the various sectoral policies in urban areas. |
| Rural policy framework | PERM - Policy for rural areas and mountain regions  The New Regional Policy (NRP)  The agricultural policy |
| Major regional policy tools (e.g., funds, plans, policy initiatives, institutional agreements, etc.) | 26 Cantonal development policies are active and work with the government to enhance each region and answer their particular needs. |
| Policy co-ordination at national level | State Secretariat for Economic Affairs, Regional and spatial planning policy |
| Multi-level governance mechanisms between national and subnational levels (e.g., institutional agreements, Committees, etc.) | Conference of Cantonal Services |
| Policy co-ordination tools at regional level |  |
| Evaluation and monitoring tools | Regional systems of evaluation and monitoring  Regular extern assessments  Governmental Indicators (outcomes / output) from defined objectives |
| Future orientations of regional policy | Broader Sense: Strategy on coherent spatial development undergoes an actualization.  Narrow Sense: With the program 2024-2017, the future orientations of the NRP will enter its third eight-year period (2024-2031). The former priority themes of "Industry / Innovation" and "Tourism" will be maintained. Smaller infrastructures can now be supported under certain conditions with non-repayable contributions. In addition to "local economy," which complements the export-oriented approach of NPR, sustainability, and digitalization will be particularly important cross-cutting themes. |

Recent policy developments

The Confederation's multi-year program 2024-2027 defines the following priorities:

*Industry:* Innovative products and companies are an important factor in Switzerland's prosperity. The NPR supports innovation in SMEs at the business-to-business level in rural areas, mountain regions, and border regions. This support is provided mainly through the six "Regional innovation systems" (RIS), which promote competitiveness and innovation capacity, help for access to technological innovation and innovation that goes beyond technological innovation, offer support and coordinated services in the areas of information, advice, networking, infrastructure, and financing.

*Tourism:* Tourism is vital to the regional economy, especially in mountain regions. The NPR encourages the development of new tourism offers and innovative products in this field. It also promotes collaborative projects between destinations and participates in financing tourism infrastructures that increase value creation in the region.

*Digitalisation:* Digitalisation affects all areas of the economy. NPR supports and promotes digitalisation projects within its scope of impact. It also invests in awareness-raising and networking measures to prevent regions from being left behind in the digital age.

In addition to these priorities mentioned above, for the period 2024-2027, sustainability and social innovation will become central. As a result, projects in these areas will be fostered.