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THE HISTORY OF MODERN ADMINISTRATION

Swiss (and Transnational) Sources on the History of Modern Administration

This anthology of the Swiss Federal Archives (SFA) outlines the history of modern (federal) administration using selected sources put in context in this introduction. This assemblage sheds light onto several important stages of building a central public administration in the 19 th and 20th century. In Switzerland, public administration is characterized by the three-stage state structure of communities, cantons, and federal government. The anthology illuminates measures of professionalization of government activity on the federal level, the discussion about extension, rationalization, and efficiency enhancement of federal administration, as well as the debate on the privatization of areas of public administration on a federal level and its impact orientation.[1]

What is public administration?

Public administration assists a government, the executive, in its function, which means in the execution of decisions made by the parliament (the legislature). In political science there is an ongoing discussion on the separation and the boundaries of government and administration. An international reference regarding this debate is Woodrow Wilson who spoke of a "Politics-Administration dichotomy."[2] His concept distinguishes fundamentally between elected representatives of the people in a parliament or government and officials of a public administration. A national reference in this debate is Fritz Fleiner who refers to the administration as "acting state power."[3]

As part of assisting the executive, the administration's tasks include the preparation, implementation, and execution of laws and regulations. In this process the administration produces "binding decisions" (Niklas Luhmann) that not only set the framework conditions for society, but also increasingly entail a controlling function.[4] The substance, direction, and extent of these controlling functions take different national and supranational forms.

What is administrative history?

Administrative history analyzes the origin, development, and change of interactions that produce such binding decisions within the administration. These analyses start with the actors and their respective logic of action, for instance regarding questions of "departmentalization," "labor division," or "delegation." This anthology focuses on the practices of the Swiss Federal Administration and especially on the time after 1918, when these decisions were increasingly made through internal and external coordination processes. Particular emphasis is placed on the definition of problems and the capacity for their resolution from an organizational point of view. A transnational perspective strives for a connection to international research taking a look at similarities, discrepancies and interdependencies.

Source Selection

The anthology on administrative history includes 14 sources and texts. They were selected based on their importance regarding the description of essential developmental phases of the Federal Administration and their relevance to a possible transnational comparison:

- Six SFA sources on laws and the organization of the Swiss Federal Administration between 1849 and 1979, including three messages of the Federal Council, one Federal Council resolution, one report, and one legislative text;
- Eight expert reports, including six on the Swiss Federal Administration between 1947 and 2000, Heinrich Friedrich Karl vom und zum Stein's 1807 *Nassau Memorandum*, as well as the 1854 *Report on the Organisation of the Permanent Civil Service* by Northcote and Trevelyan.

The twelve selected Swiss documents primarily shed light onto the executive on a federal level. But, since a modern and meaningful history of administration should envision a transnational orientation, two additional and exemplary texts—a German and a British source—are included in this anthology.

The Development of the Swiss Federal Administration

The Modern Swiss Federation was founded in 1848, after a short war between catholic conservative (losing side) and progressive liberal cantons (winning side). Since the decentralized administrative structures largely dating back to the *Ancien Régime* no longer met the requirements of a modern 19th century political system, [5] a new central administration, a "classical state apparatus," [6] was needed. In this process, the chancellery model was given up in favor of a delegation model.[7]

The groundwork for this was laid by the federal law on the organization and the course of business of the Federal Council of July 7th 1849 (in German). The law text was surprisingly short: Its 17 pages only listed 38 articles. The first paragraph regulated the organization of the Federal Council, the government of the Swiss federal state. The second paragraph dealt with the "general authorities and performances of the Federal Council," meaning its tasks. And the third paragraph regulated the division and roles of the departments and the Federal Chancellery. With this, the law defined the relationship toward the National Council and the Council of States—the two chambers of legislative authority of the Swiss Federal State.

The Federal Administration was particularly in charge of designing the framework conditions for a modern economy and society. These measures—which were based on resolutions of the Federal Assembly (parliament) and the Federal Council (government)—aimed at unifying a culturally, linguistically, religiously, and economically highly fragmented territory.[8] In addition to providing the legal and administrative infrastructure for a liberally composed "night-watchman state,"—as Raimund E. Germann noted in his standard work on public administration in Switzerland—foreign policy played an important role.[9] During the 19th century bilateral treaties were paramount. These treaties were, however, oftentimes not negotiated by the Federal Administration, but by corporations respectively appointed representatives by the Federal Council. This civilian-like nature characterized the political system in Switzerland for a long time as Max Weber also remarked.[10] Germann even spoke of a civilian administration and criticized Weber, whose typology did not comply with the Swiss Administration in Germann's opinion.[11] Similarly to Germann, Fritz Fleiner distinguished between "bureaucratic states" and "people's state[s]."[12]

The growing tasks of the administration repeatedly lead to reorganizations of the government. In the 1890s the Federal Council complained about the "continuous change of departments in regards to the members of the Federal Council; [the] more or less relevant development of all departments with the exception of the Federal Political Department which lack[s] consistency and continuity in its conduct of business due to the yearly change of

directors [as well as the] unequal distribution of affairs among the departments." This complaint was further developed in the Federal Council's message to the Federal Assembly concerning the organization and course of business of the Federal Council of June 4, 1894 (in German). The message also included a suggestion for reorganization that lead to a solution of the problem: From this time on, the Federal Council would be segmented in seven departments, distributing the clearly defined tasks anew each year. This delegation of tasks was put in concrete terms in the Federal Council's resolution concerning the competences of the departments and the section chiefs of April 9, 1897.[13]

The two international sources included in the anthology point to a desideratum—namely, that a comparative transnationally oriented research approach generates new insights, and increases knowledge of administrative history in a way a strictly national approach never could. A German source on the development of the Prussian administration, and a British source on the organization of the Civil Service are a testimony to this potential. They exemplarily stand for two different directions that dominated the development of administrations internationally.

Heinrich Friedrich Karl vom und zum Stein's memorandum on the purposeful setting up of the highest authority as well as provincial, financial, and police authorities in Prussian Monarchy is renowned. It proposed a program aimed at restructuring the Prussian state administration in 1807. This draft of an extensive state reform focused on two main demands: First, the remodeling of the General Directorate (the highest Prussian state authority) according to the "Sachprinzip" (ministries of affairs), instead of a side by side of provincial ministries and ministries of affairs. Second, Stein demanded a functional redistribution of affairs. 50 years later, such questions on delimitation and distribution of administrative competences were asked in the modern Swiss Federal State, too. And, since the organization of affairs soon no longer conformed to the actual tasks, both Federal Council and Administration had to be reorganized yet again in 1894. It has henceforth been shown that the modern societal change—industrialization, mobilization, globalization etc.—force administrations to constantly reorganize themselves in order to comply with their respective control functions and supply tasks.

In 1854, Stafforth H. Northcote and C.E. Trevelyan followed a different approach than Stein. In their Report on the Organisation of the Permanent Civil Service they dealt with the selection, education, and promotion of personnel. This approach seemed extremely modern and aimed at professionalizing the British administration—a method that gained importance in Switzerland only much later, in the 20th century, under the title of "management of human resources." The goal was a Civil Service that would be made up only of the best employees. Similar to Switzerland, the main focus of attention in this process lied on economic needs and not on the improvement of administration's effectiveness as such. Based on experiences

made with the administration of the British Colonial Empire, the Northcote-Trevelyan-report argued the administration's tasks should be divided into mechanical and intellectual jobs, and personnel selection and recruitment should occur accordingly. This differed essentially from Switzerland, where, as mentioned above, a civilian-run administration remained in charge until the 20th century.

It was the necessity to direct the country's defense and national supply via central state during the two World Wars that primarily advanced the Federal Administration's professionalization. Yet, the tasks of a young, slowly growing welfare state—cf. the regulation of work in factories and of the social security —also aided this process. This is shown paradigmatically in the Federal Council's message to the Federal Assembly concerning the organization of the Federal Administration of March 13, 1913 (in German). The report raises the question of whether the number of Federal Council members should be increased to nine, and whether the organization of the Federal Administration should be subjected to a uniform legal basis. In order to coordinate and finance military tasks the federal government additionally required a new source of revenue. So far the government had paid its modest number of employees using only customs revenue. Since this no longer sufficed the government applied for the introduction of a federal tax, the so-called "Kriegssteuer" (war tax). This process initiated the advancement of the Federal Department of Finance to convert itself into the federal government's key department.

After World War One, the federal government reduced its administration partially, only to extend it again massively during the 1930s and 1940s. In addition to national defense, wartime economy during World War Two was mainly responsible for this process. The government centralized the planning and coordination of the acquisition and distribution of resources, food, and consumer goods. In exchange, the government assigned private organizations to supply the Swiss population with said commodities and create expert reports. In the case of agriculture, this division of labor remained intact even long after the war ended. The transfer of public responsibilities to non-administrative institutions should again intensively be discussed in the 1990s in the context of the New Public Management (cf. below).

After World War Two, the government wanted to reduce administration again. Corresponding efforts are visible in the expert reports on savings that were issued for almost every department at the time. A report issued between 1947 and 1952 by "savings experts" for the field "agriculture, War Office of Food" was selected as an example of this. The savings suggestions were only partly implemented. The extensive material that served as a basis for this report can also be found at the SFA.[14] On the one hand, these reports document the removal of wartime economical structures after the end of the war. On the other hand, they also already foreshadow the importance given to corporate organizations in the 1950s and

1960s: agriculture managed to expand its position toward the government that it had established during World War Two as a liaison between shaping politics and the implementation of said politics.

Because of the development and expansion of the welfare state after World War Two and a corresponding population increase, a significant part of the government's savings efforts went unnoticed. A popular initiative was launched as a reaction of the liberally-oriented political public to this controversial development. The initiators of the "Popular Initiative Concerning a Federal Administrative Control" attempted to limit, or rather curb, the growth of Federal Administration. The exciting response of the Federal Council can be found in its Report on the Popular Initiative Concerning a Federal Administrative Control to the Federal Assembly of April 30, 1954 (in German). In the report, the Federal Council tries to convert the initiative into a motion in favor of the establishment of a Central Office for Organizational Matters of the Federal Administration. In essence, this would have lead to a further expansion of the Federal Administration and was therefore highly controversial. As the transformation of the Central Office for Organizational Matters of the Federal Administration into the Federal Office of Organization proves (cf. below), the debate on the Federal Administration continued well into the 1970s.

The request for an administrative reform was eventually advanced by a veritable scandal: in 1964 the "Mirage scandal" was on the public's mind: In 1961 parliament had decided to acquire airplanes of the Mirage type. Soon the difficulties surrounding this project became visible: construction plans continually changed and costs exploded. The Federal Council was forced to apply to parliament for an additional credit. Angered, parliamentarians decided to reinforce the surveillance of the government and its administration. From now on, "events of great impact" should run through specially appointed parliamentary investigation committees (PIC). This instrument was first employed during the withdrawal of Federal Councilor Elisabeth Kopp. Additional parliamentarian measures can be found in the fascinating Expert Report on Improvements of Government Activity and Administrative Management of the Federal Council of 1967.

As a consequence of the growth of Federal Administration, more and more information had to be processed in ever decreasing time. In view of this, a technological change that would have a lasting effect on Federal Administration began. During the 1960s, the collecting and processing of data, payroll accounting, and other processing of big volume data, and standardized procedures were increasingly computerized. Automatic data processing appeared to be able to fulfill the promise of more efficiency. The number of computers used by the Swiss Federal Administration quadrupled between 1960 and 1980.[15] Even if we speak of a digital revolution today, this change was, seen as a whole, incremental. In the administrative sector data processing developed into information and communication

technology during the 1990s. A fascinating snapshot of this change are the "progress report" and the "assessment report" of the Central Office for Organizational Matters of the Federal Administration on automatic data processing in the Federal Administration of 1969.

As set out in the 1971 Report and the Legislation Proposed by the Expert Committee for the Total Revision of the Federal Law on the Organization of the Federal Administration [link in pdf], the increasing interconnectedness of tasks lead to a higher demand for coordination inside the Federal Administration. The Federal Office of Organization (BfO) was in charge of systematically planning work processes, evaluating, and further develop them. This task was thought of as being so important that—although only after long deliberation by the parliament (cf. above)—the tasks regarding planning, organization, and coordination within the Federal Administration were given their own legal basis. This legal basis gave the new Federal Office of Organization the competence to centrally coordinate the application of automatic data processing within the Federal Administration, as can be read in the Message Concerning the New Federal Law on the Federal Department of Organization (in German) of July 11, 1979. In 1990 the Federal Council dissolved the office and transferred its tasks to the Federal Office of Information Technology, upon which parliament repealed the corresponding law again.

The Federal Administration's adjustment to a changing environment shows itself, among others, in the number and focus of federal offices. In 1928 there were 30 offices in six different departments. This number grew to 50 until 1980. After a revision in 1991 the administrative organization law listed 70 federal offices. But after that, offices were partly dissolved or combined with others, so that their number was again decreased to ca. 50.[16] The growth of the Federal Administration can also be measured by the continuous personnel increase: shortly after the Federal State's foundation roughly 100 people worked for the general Federal Administration and around 3'000 for the postal, telephone, and telegraph services, and for customs. After an increase in personnel to almost 140'000, reforms introduced in the 1990s reversed the trend: at the turn of the millennium only 36'000 staff still worked for Federal Administration.

These reforms were the result of the *New Public Management* (NPM), whose models were implemented in Federal Administration since the 1980s. A very interesting report on this can be found under title "EFFI-QM-BV" in the Final Report of the Potential Analysis ("Phase 1") of May 4, 1987, drafted by consulting firm McKinsey.[17] These models were tested and evaluated in reports inside administrative entities that acted as pioneers. Their aim was to enhance administrative orientation regarding citizen needs. A constitutive part of these NPM-reforms was the "entrepreneurial responsibility" of the Federal Administration. From now on, the Federal Administration would take greater account of said responsibility. Both Parliament and Federal Council defined objectives that had to be achieved using the provided means. This

model that is still applied by today's administration is called MPM—management by performance mandate and global budget. The Swiss Federal Chancellery described the importance and effectiveness of this model in its 2000 Final Report on the Governmental and Administrative Reform.

In connection with NPM, a new organizational structure that is still valid today was established for the Federal Administration. The realignment divided the tasks of the Federal Administration into four concentric circles: (1) central administration; (2) fields guided by budgetary performance mandates (e.g. the Federal Office of Communications, MeteoSwiss); (3) formally independent fields which are under full governmental control (e.g. ETH; pension provider Publica) as well as (4) actual private sector firms with the majority of share belonging to the state (e.g. SBB; Swisscom; La Poste).[18]

Conclusion

The described sources represent breaches in the administration's continuity from a primarily Swiss point of view. They refer to a federal administrative history understood as an analysis of the origin, development, and change of interactions that produce binding political decisions on a federal level as conceptualized by Niklas Luhmann. From an organizational point of view, this documentarian description starts with important executive actors and their respective logic of action. In order to maintain a capacity for resolving problems in light of increasing government spending, the Federal Administration was continually reorganized. This reorganization included the expansion of the principle of departments, the delegation of tasks within the administration, and the outsourcing of tasks to third parties. As described by Urs Altermatt in the biographical lexicon of Federal Councilors, the continuous debate on governmental reforms since the foundation of the modern federal state lead to administrative reforms largely replacing government reforms.[19]

Since the focus of the selected sources lies on the organizational history of the Federal Administration, another important aspect could not be discussed here: the increasing internal and external consultation processes that lead to political decisions. Keywords in regards to this would be the increasing consultation of non-administrative institutions and experts, as well as the growing number of hearings. As initially stated, the selected documents primarily examine the executive on a federal level. Additionally, the interactions with parliament, the legislative power, and—to complete the separation of powers—the relations with the judiciary could be further researched.

In Switzerland, administration is rarely discussed outside of constitutional law and political science. Administrative history in particular is a desideratum. With its presentation of twelve

different Swiss and two international sources, this anthology points out the relevance of the development of a Swiss administrative history following a transnational comparative research approach.

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[1] On the periodization of (federal) administrative history in Switzerland see Gees, Thomas: Verwaltungsreformen als Substitut für gescheiterte Regierungsreformen: Ein Muster?, in: Öffentliche Verwaltung im Wandel. Verwaltungsreformen in der Schweiz im 19. und 20. Jahrhundert, Schweizerisches Bundesarchiv, Bern 2011. Online: Schweizerisches Bundesarchiv, <https://www.bar.admin.ch/bar/de/home/service-publikationen/verwaltungsgeschichte/fruehere-veranstaltungen/tagung--oeffentliche-verwaltung-im-wandel.html>, Stand: 30.06.2016.

[2] Wilson, Woodrow: The Study of Administration, in: Political Science Quarterly 2 (2), 1887. Reprint in: Shafritz, Jay M.; Hyde, Albert C. (Hg.): Classics of public administration, Chicago 1987[2].

[3] Fleiner, Fritz: Institutionen des Deutschen Verwaltungsrechts, Tübingen 1911, S. 7.

[4] Luhmann, Niklas: Reform und Information, Theoretische Überlegungen zur Reform der Verwaltung, in: Luhmann, Niklas: Politische Planung : Aufsätze zur Soziologie von Politik und Verwaltung, Opladen 1970, S. 182.

[5] See for instance Bäumlin, Richard: Verfassung und Verwaltung in der Schweiz, in: Verfassungsrecht und Verfassungswirklichkeit. Festschrift für Hans Huber zum 60. Geburtstag, 24. Mai 1961 dargebracht von Freunden, Kollegen, Schülern und vom Verlag, Bern 1961, S 69ff.

[6] Raimund E. Germann uses the term referring to the administration in his standard work, his "anatomy" of administration: Germann, Raimund E.: Öffentliche Verwaltung in der Schweiz, Bern 1998 (chapter 2).

[7] On the early federal state and its relationship with the 1815 constitution see Eichholzer, Eduard: Ein geschichtlicher Überblick von Werden und Wachsen der Bundesverwaltung, in: Schweizerisches Zentralblatt für Staats- und Gemeindeverwaltung 70, 1969, S. 113-120.

[8] Bäumlin, Richard: Verfassung und Verwaltung in der Schweiz, in: Verfassungsrecht und Verfassungswirklichkeit. Festschrift für Hans Huber zum 60. Geburtstag, 24. Mai 1961 dargebracht von Freunden, Kollegen, Schülern und vom Verlag, Bern 1961, S. 69ff.

[9] Germann, Raimund E.: Öffentliche Verwaltung in der Schweiz, Bern 1998 (chapter 3).

[10] Weber's chapter on the "Honoratiorenverwaltung" in "Wirtschaft und Gesellschaft" from 1922 compares U.S. *tonwships* with the "directly democratic Swiss cantons"; see Weber, Max: Wirtschaft und Gesellschaft, Tübingen 1922. Online: textlog.de, < http://www.textlog.de/7402.html>, Stand: 06.11.2015.

[11] Germann, Raimund E.: Öffentliche Verwaltung in der Schweiz, Bern 1998 (chapter 3).

[12] Fleiner, Fritz: Beamtenstaat und Volksstaat, in: Fleiner, Fritz: Ausgewählte Schriften und Reden, Zürich 1941, S. 138–162.

[13] See Altermatt, Urs: Die Departemente der Bundesverwaltung : eine historische Skizze, in: Prongé, Bernard u. a. (Hg.): Passé pluriel : en hommage au professeur Roland Ruffieux, Fribourg 1991, S. 291-305, and cf. Altermatt, Urs: Der Bundesrat zwischen Regieren und Verwalten, in: Altermatt, Urs: Die Schweizer Bundesräte. Ein biographisches Lexikon, Zürich, München 1991.

[14] Sparexpertisen in der Bundesverwaltung; Berichte der Sparexperten; Abteilung für Landwirtschaft, Kriegsernährungsamt, 1947-1952, Schweizerisches Bundesarchiv, Eidgenössische Finanzverwaltung, Zentrale Ablage, Signatur: E6100A-25#1000-1925#20#3#1*.

[15] Koller, Guido: Early Digital Visions in the Swiss Federal Administration, Conference ICT@Admin, 27.03.2015. Online: YouTube, <https://www.youtube.com/watch?v=_ZBuJnY8cTA >, Stand: 20.07.2015.

[16] Detailed information can be found in the Federal Directory under the heading "digital government documents" of the Swiss Federal Archives. The Federal Military Department was left out of this comparison due to its special situation during World War Two.

[17] The report can be found in the file E1048A#1999/129#52*, *EFFI-QM-BV: Schlussbericht Phase 1.* This file is subject to a closure period under Article 9 of the Federal Act on Archiving (ArchA). On request of the SFA, the Federal Chancellery granted access to this file for this anthology.

[18] Varone, Frédéric: L'administration fédérale, in: Klöti, Ulrich (Hg.): Handbuch der Schweizer Politik, Zürich 2006, S. 291.

[19] Altermatt, Urs: Die Schweizer Bundesräte. Ein biographisches Lexikon, Zürich 1992.