Homo Oeconomicus
https://doi.org/10.1007/s41412-022-00131-w

RESEARCH PAPER

On Curing Political Diseases: The Healing Power of Majoritarian Elections in Multi-Member Districts

Reiner Eichenberger[1,2] · **Patricia Schafer**[1]

Received: 12 January 2022 / Accepted: 8 August 2022

Abstract
Democratic politics suffers from numerous diseases such as lack of inclusiveness, time-inconsistency, short-termism, negative campaigning, lack of trust in and between governments, and many more. These diseases affect all countries, albeit to a differing extent. How can they be cured? From a politico-economic perspective, an institutional approach is required. We look at a country where these political diseases seem to play a relatively minor role: Switzerland. So far, Switzerland is renowned for its extensive direct democracy and federalism. However, its electoral system has been largely neglected. It uniquely combines proportional representation and majoritarian elections on all government levels. In contrast to the international standard, Swiss majority votes do not take place in single-member districts but in multi-member districts. We analyze how the interplay of majoritarian elections in multi-member districts and proportional representation mitigates many of the political diseases.

Keywords Institutions · Electoral system · Multi-member districts · Majority rule · At-large · Convergence

JEL Classification D02 · D72 · P48

✉ Reiner Eichenberger
reiner.eichenberger@unifr.ch

[1] University of Fribourg, Bd. de Pérolles 90, 1700 Fribourg, Switzerland

[2] CREMA – Center for Research in Economics, Managements and the Arts, 8008 Zürich, Switzerland

Published online: 28 October 2022

1 Introduction

Democratic politics suffers from many diseases, which most adherents of rule of law and constitutional democracy would like to see reduced. Typical examples of such diseases are a lack of inclusiveness, time inconsistencies, short-termism, overwhelming government debts, negative campaigning, and a lack of trust in and between governments. These diseases affect all countries but in varying degrees. What determines these differences? Political economists agree that it is the institutions as "humanly devised constraints that structure political, economic, and social interaction" (North, 1991: 97). Good institutions incentivize the relevant political actors—the citizens as principals and the politicians as agents—to pursue sound policies and to overcome the diseases of politics (Buchanan & Tullock, 1962; Acemoglu & Robinson, 2012), not least because there is a close analogy between institutionally determined polycentric political competition and market competition, as Eusepi & Wagner (2011) fervently emphasize.

Institutional reforms can help to mitigate these problems in politics. But which reforms are effective? Although scholars from various disciplines—but especially from political science and economics—have dealt extensively with institutions and their effects, concrete proposals for the optimal design of institutions are rather scarce. In order to derive such recommendations, we try to learn from a country which seems to be less affected by political diseases than most other countries: Switzerland. While many academics believe Switzerland to perform well because it is highly decentralized and grants its citizens encompassing direct-democratic instruments at all governmental levels, we argue that there is a third institution, namely its electoral system, which plays an important role in preventing political diseases. We first describe this neglected Swiss institution (Sect. 2), which is characterized by the coexistence of proportional and majoritarian elections in multi-member districts at all governmental levels. Then we discuss how the Swiss electoral system mitigates some typical diseases of politics (Sect. 3). Finally, we draw some conclusions (Sect. 4).

2 Switzerland's Electoral System

For a better understanding on how to best control diseases of politics—such as lack of inclusiveness, time-inconsistency, short-termism, negative campaigning, lack of trust in and between governments, and others—it makes sense to analyze historical and present cases, in which such diseases were, or are, successfully mitigated. The economic standard approach involves econometric analyses of a sample of countries or a sample of local jurisdictions within a country. However, apart from the fact that such econometric analyses need much data, which at the time is not available, they also have three other significant disadvantages. First, they have problems to identify successful recipes that are used in only one or a few countries or jurisdictions. Second, as the diseases develop slowly, it is difficult to find the traces of successful remedies. Third, cross-jurisdictional estimates suffer from the fact that, usually, there is intense competition between the jurisdictions of federal countries, which levels the differences in performance and makes it difficult to identify the effects of institutions.

Therefore, we concentrate on one country only and try to explain the impact of its institutions on the discussed political diseases through a disciplined argumentative politico-economic analysis.

The country we look at as a kind of case study is Switzerland. We believe it to be an interesting case, as it seems to be less affected by political diseases than most other countries, as is reflected in analyses on the quality of governance, competitiveness, infrastructure, innovativeness, etc. (World Economic Forum 2020; IMD World Competitiveness Center 2021). Actually, there is much politico-economic research on Switzerland and its political institutions. Yet, the focus is almost exclusively set on two institutions that are often associated with Switzerland: federalism in the form of extensive decentralization (Eichenberger, 1994; Oates, 1999; Christl et al., 2020) and direct democracy in the form of referenda and initiatives (Frey, 1994; Matsusaka, 2005, 2018). However, there is a third important and highly interesting institution which is specific to Switzerland: its electoral system. It has so far been largely neglected by political economists, and political scientists have only looked at it from a different angle. In the remainder of this section, we describe the main features of the Swiss electoral system and explain its mechanics. We can then go on to analyze how the system mitigates various diseases in politics in the next section.

The Swiss electoral system is characterized by two main elements:

Coexistence of proportional representation and majoritarian elections at all governmental levels. At the federal level, citizens can elect the two chambers of the national parliament, which have identical competencies but are subject to two different electoral rules. Members of the lower chamber (National Council) with 200 seats are elected by proportional representation in 26 districts, which are congruent to the cantons. In contrast, members of the upper chamber (Council of States) with 46 seats are in general elected by majority vote in the same 26 districts. At the cantonal and municipal level, the electorate directly elects not only the parliament but also all (typically five to nine) members of the government. Again, two different electoral systems are in use. Cantonal and municipal parliamentarians are mainly elected by proportional representation.[1] In contrast, members of cantonal and municipal governments are mainly elected by majority votes within one large district which is congruent to the whole jurisdiction.

Majoritarian elections with different rules. In Switzerland, majoritarian elections exhibit three specific characteristics. (i) They are usually held in multi-member districts. In other countries, majoritarian elections typically take place in single-member districts. In all Swiss multi-member majoritarian elections, voters dispose of as many votes as there are seats to be filled, and they can freely allocate all or only some of their votes to candidates (cumulation is usually not allowed).[2] Generally, these elections take place in two rounds. In the first round, a candidate needs to receive an

[1] On the municipal level the legislative branch either consists of a proportionally elected parliament or a town meeting. A town meeting is often seen as the prototype of direct democracy, since all eligible voters are invited one to four times a year to discuss and decide on municipal topics. In 2013, approximately 20% of the municipalities made use of a parliament and 80% of a town meeting (Ladner, 2016).

[2] This electoral system is related to the "Approval Voting" in multi-member districts (see Van der Straeten et al., 2018). In both electoral systems, voters can freely allocate more than one vote. However, whilst under approval voting, voters can indicate their preferences for all candidates, under the majority rule in

absolute majority of votes to get elected. In the second round, the relative majority is sufficient. (ii) Elections of government members are held at large, such that the district covers the whole jurisdiction. In other countries, only the heads of local governments (e.g., mayors or governors) are elected at large. (iii) Majoritarian elections are used for the offices which are especially attractive to ambitious politicians. At the federal level, members of the majority-elected Council of States have greater individual influence on politics than members of the much larger, proportionally elected National Council. At the cantonal and local levels, members of the majority elected governments have greater individual influence on policies and are much better paid than members of the cantonal or municipal parliaments.

The combination of proportional representation and majority elections with these specific rules has far-reaching implications for the behavior of politicians and parties. On the one hand, the widespread use of proportional representation at all governmental levels results in a multi-party system (Duverger, 1954), with a large and fluctuating number of parties, which are distributed all over the political spectrum but with rather small ideological distances between neighboring parties. This system supports the inclusion of a large variety of ideological positions into municipal, cantonal, and federal politics and guarantees that even very specific political positions may enter the political stage in a clearly visible way. This corresponds to the idea of broad representation. The variety of the represented political positions grows in the number of seats per constituency (Stadelmann et al., 2019). On the other hand, the majoritarian elections in multi-member districts incentivize the relatively ambitious politicians to take moderate positions in the middle of the political spectrum, as this increases their chances of winning seats in local governments or in the Council of States. These mechanisms are worth closer examination.

2.1 Convergence in Multi-Member Majoritarian Elections

In standard majoritarian elections with single-member districts, each voter disposes of one vote. This rule favors a two-party system (Duverger, 1954) under which the representation of different interests is rather weak. This results from voters strategically voting not for the preferred candidate but for the candidate closest to their preferences with real chances of winning the elections. In these standard majority voting systems with single-member districts, candidates and parties tend to settle in the center of the political spectrum (Downs, 1957). Deviations from the median voter position can, however, be considerable (Portmann et al., 2012; Stadelmann et al., 2014, 2019). Theoretically, the centripetal forces dominate as long as only two candidates compete. When three or more candidates enter the race, there are also centrifugal forces. A candidate remaining at the median voter position of the political spectrum, with one or more candidates to his right and his left, gets squeezed. He will only receive the votes of the voters positioned in the middle of the political spectrum, while the more extreme candidates will skim all votes to the right and the left. Thus, the moderation of politics and convergence to the median voter position is not

multi-member districts, voters only dispose of as many votes as there are seats to be filled. For an overview of the literature on approval voting, see Laslier and Sanver (2010) or Brams & Fishburn (2007).

ensured when more than two candidates compete under single-member majoritarian elections (Cox, 1990).

In majoritarian elections in multi-member districts, however, voters dispose of several votes. If the number of candidates on each side of the political spectrum is smaller than the number of votes per voter, a candidate who is positioned at the median of the political spectrum will get votes from voters on both sides of the spectrum. This is the case because such a centrist candidate is closer to each voter on both the right and the left side of the political spectrum than the candidates on the opposite side of the political spectrum. Thus, as long as the number of candidates does not exceed twice the number of seats, convergence of all candidates arises endogenously (Cox, 1990).[3] Hence, in majoritarian elections in multi-member districts, centripetal forces may stay dominant also in a multi-party environment, if there are not too many candidates. In Switzerland, the number of candidates is most often below the threshold number required for convergence, as the electoral system incentivizes the parties to reduce the number of candidates.

2.2 Endogenous Reduction of the Number of Candidates

In the literature on majority elections in multi-member districts, the perspective is mostly critical. It is feared that voters adhere to block voting, by giving all their votes to candidates who belong to their own group (e.g., ethnicity, religion, party members), ignoring all other characteristics of the candidates. If voters vote in blocks, majoritarian elections in multi-member districts end in the largest group winning all seats in a landslide victory (Niemi et al., 1985; Gerber et al., 1998). Thus, a group or party with a relative majority of votes can win all seats and leave the absolute majority of voters unrepresented. However, in Switzerland there is neither widespread block voting nor are there landslide victories.

As emphasized by various authors (Dutta et al., 2001), a serious comparison of different electoral system needs to consider endogenous candidacy. The number of candidates in Swiss majoritarian elections in multi-member districts is determined by an interplay of the party system and the citizens' voting behavior. In Switzerland, the majority rule in multi-member districts is used in a multi-party context, which results from the use of proportional representation on all governmental levels. However, due to the large number of parties, the ideological distances between them are rather small, which decreases voters' psychological costs of voting for candidates from other than their favorite parties. Therefore, voters split their votes over candidates from different parties, for instance because they perceive candidates from other parties as very competent, know them personally, or like their personal characteristics. Moser (2019) finds for multi-member majoritarian elections in the Canton of Zurich that voters indeed extensively split their votes over candidates from various parties. Such voting behavior changes the strategic calculus of parties in multi-member majoritarian elections. Presenting a full list of candidates is not the best strategy – not

[3] Convergence holds at least as long voters use most of their votes. This is mostly the case in Switzerland (Eichenberger et al., 2019).

even for the largest party.[4] Voters, who split their votes over candidates from various parties, cannot elect all candidates of their favorite party but have to somehow distribute their votes over the respective candidates. Thus, each candidate receives fewer votes than he or she would if the party had nominated fewer candidates. The parties can, therefore, increase their candidates' chances of election by reducing the number of candidates. This, in turn, increases pressure on other parties to reduce the number of their candidates as well. Reducing the number of candidates per party provides all voters (even those who would like to give all their votes exclusively to their favorite party) with incentives to distribute some of their votes to candidates from different parties. This again incentivizes candidates to pursue policies that make them attractive to as many voters of other parties as possible by moving to the political center. As a result, the ideological differences between the candidates are shrinking, which induces the voters to put more weight on other characteristics of candidates and increases the likelihood of voters voting for candidates from parties other than their favorite. This, in turn, strengthens the incentives of all parties to further reduce the number of candidates. The result of this process is a potential equilibrium, where parties only present candidates with realistic electoral chances (Eichenberger et al., 2021). Therefore, the outcome of multi-member majoritarian elections, in terms of representation, depends on the interplay of voting behavior, party strategies, and party landscape. The criteria for convergence (Cox, 1990) in majoritarian elections in multi-member districts, therefore, endogenously arises in a multi-party system with heterogeneous voting behavior, which itself is heavily determined by the party landscape. Hence, governments on the local and cantonal levels elected by this rule usually consist of politicians who are members of various parties but do not differ much with respect to their ideological position. Similarly, in the Council of States, the two representants of the two-member districts most often belong to different parties (Eichenberger et al., 2021).

3 How Switzerland's Electoral System Cures Political Diseases

So far, our arguments can be summarized as follows: In the Swiss electoral system, majoritarian elections in multi-member districts result—due to the interaction with proportional elections—in local and cantonal governments and a chamber of the federal parliament that are majority elected and composed of members of many parties from both sides of the political spectrum. Parties, and even more so candidates, who want to win seats in the cantonal and municipal governments and the Council of States in multi-member majoritarian elections must move toward the political center.[5] Therefore, the ideological differences between incumbents are often smaller than

[4] For a closer discussion of these mechanisms, see Eichenberger et al., (2019) or Eichenberger et al., (2021).

[5] The seven members of the federal government, the Federal Council, face related incentives. They are not directly elected by the citizens but delegated by the parliament (i.e. by all members of both chambers) based on an exhaustive ballot. For each of the seven seats, there is an independent exhaustive ballot. In consecutive voting rounds, the list of candidates is reduced by dropping the candidate with the lowest number of votes from the list. As soon as a candidate wins an absolute majority of the votes, he or she is

those between incumbents and their own parties. Most politicians elected under the Swiss multi-member majoritarian system tend to be moderate and to take positions close to the median of the political spectrum so that different party affiliations do not hinder them from working together effectively.[6] As a consequence, Swiss politics often looks a bit boring when viewed from the outside, but the electoral system has an exciting potential to mitigate various diseases of politics. In the following, we discuss the role of the Swiss electoral system in curing some of these diseases.

3.1 Broader Perspectives

Usually, representants are elected either with majority rule in small districts or with proportional representation in large districts, which incentivizes them to cater either to specific regional interests or to narrow group interests. As a consequence, they rather focus on distributive measures which serve their clientele than on developing allocative measures which serve the general public (Weingast et al., 1981).

In contrast, multi-member majoritarian elections are held at large, i.e. in one single district which covers the whole jurisdiction. To be elected, they need broad support in the whole constituency. Such broad support cannot be achieved by redistributive and regulatory measures which benefit a minority at the cost of the general population. Rather, broad support can be achieved by efficient policies which aim at increasing total welfare. Thus, government members are interested in effectively solving problems and reaching fruitful compromises that serve the entire electorate. Moreover, with at-large elections, incumbent politicians and parties lack opportunities to affect their re-election chances by gerrymandering. The most effective instrument to achieve re-election is good overall politics.

3.2 De-Concentration of Power

In order to overcome the above-mentioned distributive bias of politics, in many countries attempts have been made to implement institutions that incentivize national or local governments to care for the whole country or local jurisdiction, respectively. The general approach is to elect the head of the government by majority vote in one single large district that covers the whole country, state, or municipality. Typical examples of such strong politicians are presidents, governors, and mayors. However, these politicians enjoy some form of monopoly power (see e.g., Eusepi & Wagner 2011, 2017) that they can misuse to cater to narrow interests at the expense of broader interests. The incumbency effect in the elections of these high-ranking politicians illustrates power accumulation.

elected. There is an informal agreement between the parties stipulating that each of the three largest parties get two seats and the fourth largest party one seat. As parliamentarians are not bound to vote for or against the official candidate of a specific party but can allocate their vote freely to all Swiss citizens, candidates are also incentivized to take moderate positions in the middle of the political spectrum.

[6] In Eichenberger et al., (2019), we provide empirical evidence for executive members elected under the majoritarian rule in multi-member districts to report a better working climate and fewer performance limits than those elected with proportional representation.

With multi-member majoritarian elections, the governments consist of several politicians who are elected with the same procedure. Thus, Swiss government councils de-concentrate power effectively, by sharing it between individuals who are formally equal. The president of the government is often merely *primus inter pares*. In almost all cantons and many municipalities, the president is not elected by the citizens, but presidency is rotating among the members of government. Equality has at least three significant effects. First, it is a precondition for a constructive problem-focused discourse within the government, which is conducive to wise solutions. Second, important government decisions are made by all members by majority vote. This brings the decision even closer to the median position. Third, the Condorcet-Jury theorem can unfold its effect. According to the law of large numbers, the probability of erroneous group decisions due to errors of individual members decreases with the size of the group—if the group decides by a majority vote and the errors of the individual group members are independent of each other (Stadelmann et al., 2014). With multi-member majority elections, the elected politicians are independent of each other and there is no hierarchy between them, which allows to decide by majority vote. As they are members of different parties with different ideological backgrounds, they are unlikely to be subject to the same misperceptions, i.e., their individual errors are independent of each other.

Power is also constrained by electoral competition. However, in single-member majoritarian elections, competition is weakened. During the term, competition is muted as long as the candidates for the next elections have not yet been designated. In the election contest, the incumbents have a large advantage over their competitors because the latter do not command equivalent resources, and there is no valid benchmark to judge the achievements of the incumbent. In contrast, with multi-member majoritarian elections, there is always intense competition. During the term, the members of government compete among each other for popularity and better re-election chances. In the election contest, the incumbents can be benchmarked against each other.

3.3 Time Consistency

Instability of democratic politics originates from at least three sources. First, successive governments often pursue different ideologies and strategies, which may generate political cycles and policy reversals (Hibbs, 1977). This is due to the fact that full convergence only arises in a two-party system (Downs, 1957) and, thus, stable median voter outcomes are typically not met. Second, in multi-party systems there is an additional source of instability as government may be formed by unstable coalitions. A famous case in point is Italy (Gianetti & Laver, 2001). Third, in order to fight the above-mentioned problem of power accumulation, in many countries term limits have been implemented. Thus, presidents have to step back after one or two terms, which may induce economically costly policy discontinuities and political business cycles (Alesina & Roubini, 1992).

In Switzerland, this is different. On the one hand, proportional elections include a large variety of interests in politics and adapt directly to changes in the electorate's will. On the other hand, multi-member majoritarian elections ensure stability for the

more attractive offices over time. The incentives specific to multi-member majoritarian elections in a multi-party context result in governments (and parliaments) with politicians from various parties, who are ideologically closer to each other than the positions of their parties. After a legislative term, there is almost always a change in the composition of government. However, it is never the entire government that changes. Only some of its members get replaced, while the party composition of government is marginally adjusted. Thus, the system combines continuity with permanent adaptation, which allows for more time-consistent politics.

3.4 Long-Termism

Democracy is dependent on political competition and the re-election constraint, which both shrink the time horizon of governments and, thus, may induce short-termism in various policy fields. For instance, over-taxation and over-regulation result from governments focusing on their short-run benefits but neglecting the long-run elasticity of the tax base (Brennan & Buchanan, 1980); underinvestment in infrastructure stems from the respective costs occurring much earlier than the benefits; and strategic debt accumulation results from governments accumulating debts in order to spend as much money as possible to benefit their own clientele and to constrain the policy choices of their successors (Alesina & Tabellini, 1990).[7]

In contrast, in the Swiss electoral system, politicians and parties are incentivized to also consider the long-term consequences of their decisions, as they have to carry a relatively large share of the positive and negative effects of their decisions for three reasons. First, although term-limits exist in some jurisdictions, members of governments usually stay for 8 to 16 years in office. Therefore, it may be worthwhile for politicians to tackle long-term projects since they experience not only the costs but also the benefits of successful projects. Second, although there are always members of government who are in their last term and, thus, have a short individual time horizon, the majority of the members can expect to stay in office and are, therefore, interested in effective long-term policies. Third, there are rarely abrupt changes in the party composition of multi-member majoritarian elected governments. Thus, present politicians have no reason to strategically overspend and go for debts in order to benefit their clientele and to constrain the future government, as they know that the future government will be composed quite similarly to the present one. This may also explain why most Swiss cantons introduced effective debt brakes (Salvi et al., 2020).

3.5 Constructive Competition

Normally, opposition parties want to get into power themselves. Thus, they have no incentive to make constructive proposals for improving the present governments policies. Rather, they have to prevent the government from looking successful by permanently bashing and blocking its decisions so that a reform deadlocks result.

[7] These theories depend on government debt being a burden to future tax payers. Eusepi & Wagner (2017) convincingly show that this applies.

In contrast, in the Swiss political system, there is no well-defined opposition, as all larger parties are, to some extent, part of the government. For the parties, the policy game is not to topple government but to try to win additional seats. For being successful, they have to convince the voters that they have better candidates and proposals than the other parties. However, when they already have a seat in government, they cannot just condemn the government and promise the voters heaven and earth, as the voters can assess what the respective parties' government members achieved so far. Therefore, parties try to pinpoint the valuable contribution of their member(s) in the governing council.

The predominant role of majoritarian elections incentivizes even parties with no seats in government not to take too extreme positions, as their candidates only have a chance to be elected into government if they take moderate positions. Therefore, in the Swiss political system, competition between parties and politicians is much more intense than it may look to outside observers. However, competition is neither rough and loud nor does it result in abrupt changes of the entire governmental power or parliamentary majority. But it runs smoothly and permanently as the number of governmental seats and, thus, the relative influence of the parties, changes frequently. In addition, intra-party competition is strong because voters are not bound to predefined party lists but can distribute their votes freely among the candidates of various parties.

3.6 Positive Campaigning

In many countries, there is an intense public debate on how to prevent negative campaigning by politicians and parties, especially those who overly focus on alleged personal weaknesses and the immoral behavior of their opponents, instead of developing their own political program and competencies (Lau & Rovner, 2009).[8] In two-candidate races, candidates can increase their election prospect by impairing their rival's reputation via negative campaigning (Nai, 2020). Thus, negative strategies may well pay off in majoritarian systems with single-member constituencies and are, for instance, quite common in the United States.

However, strategies change in a multi-party environment and even more under majoritarian elections in multi-member districts. The relatively large number of candidates per district makes it unattractive for all parties to conduct negative election campaigns which aim at disparaging, damaging, and sabotaging other government members and candidates, as the returns of negative campaigning—the failings of competitors—are spread among all the other remaining candidates. Candidates and parties, therefore, have incentives to run primarily positive campaigns and to present their own achievements and ideas in a positive way. Moreover, as government is composed of members of most larger parties, the performance of all members and parties largely depends on the contribution of other parties, which further reduces

[8] The literature is inconclusive on whether negative campaigning might lead voters to disengage from politics (Krupnikov, 2011). However, in a meta-analytic assessment, negative campaigning is found to lower feelings of political efficacy and trust in government (Lau et al., 2007), which may damage the political process in the long run.

the incentives to harm and sabotage other candidates and potential future colleagues in government. As parties usually (due to the endogenous candidate reduction, see Sect. 2) only present candidates with realistic chances of winning the elections, most competitors are potential future colleagues.

3.7 Inclusive Institutions

Political institutions can be broadly divided into two subcategories: "extractive" or "inclusive" (Acemoglu & Robinson, 2012, see also North et al., 2009). When political institutions are extractive, the majority of citizens is excluded from political decision-making. When institutions are inclusive, the interests of all citizens are effectively included in the political process. Many democracies lack inclusiveness. Governments are either right, middle, left, middle-right, or middle-left, but barely left-middle-right. Thus, generally, a large share of the population is not represented in government. Such exclusive or at least partially exclusive politics may lead to political alienation of some groups and opens the political field for populism.[9]

In contrast, the Swiss electoral system integrates a large variety of positions and ideologies without losing governability. Due to proportional representation in the municipal and cantonal parliaments as well as the National Council, the demands of voters at the boundaries of the political spectrum are formulated more clearly and more perceptibly than in pure majority systems. As a result, it is easier for the politicians who occupy the majority-elected positions to find good compromises, which are capable of winning a majority while incorporating marginal interests. Moreover, since governments in Switzerland generally consist of five to nine members and block voting is not prevalent (see Sect. 2), politicians from most important political strands are present in governments. All these factors help to limit political alienation, as all interests are included in the political process.

3.8 Fundamental Trust

Trust is an important ingredient for good politics. While trust of citizens in governments is largely endogenous to the quality of politics, trust among governments is also influenced by institutional factors. In federal states, such as the US or Germany, cooperation among states and municipalities (Brollo & Nannicini, 2012; Dell, 2015) and between the different governmental levels (Durante & Gutierrez, 2015; Magontier et al., 2021) largely depends upon trust. Inter-governmental cooperation is affected by the degree of political homophily (Olson, 1965; Feiock, 2009) and typically, cooperation between jurisdictions is more difficult when their governments have different partisan backgrounds and pursue different ideologies. The same holds for the willingness of governments and citizens to support other jurisdictions via grants and fiscal equalization. The lack of trust might be one of the reasons why most grant and fiscal equalization schemes do not rely on unconditional transfers (which

[9] For instance, the "Alternative for Germany", a right-wing populist party, could attract many voters who were dissatisfied with, and felt alienated from, German democracy, because they felt that their 'voice' was excluded from being heard in the process (Hansen & Olsen, 2019).

are efficient from an economic point of view) but closely regulate how recipients may spend their money.

By contrast, cooperation among Swiss multi-member majoritarian elected governments thrives, although there are large differences between cantons and municipalities with respect to language, size, tax levels, income, etc. If the cantons and municipalities had ideologically different governments, the potential for conflict between the cantons, between the municipalities, and between the cantons and their municipalities would be large. However, because governments tend to be broadly mixed along party lines and most members of the governments are politically moderate (as they are to be elected in multi-member majoritarian elections) the ideological differences between the various cantonal and municipal governments are small, and their goals and policies are similar. This fosters trust between governments and citizens of the various jurisdictions, as well as their willingness to cooperate with, and assist other jurisdictions via fiscal equalization (Pickard, 2020).

4 Conclusion

Democratic politics suffers from many diseases, for instance, narrow perspectives, overconcentration of power, short-termism, negative campaigning, and lack of trust in and between governments. From a political economy perspective, the extent of these diseases is heavily influenced by the prevailing political institutions. Therefore, we have taken a closer look at Switzerland, which seems to be less affected by these political diseases than many other countries. While there is extensive literature on Swiss political institutions, it focuses mostly on direct democracy and federalism. We argue that there is a third, so far often neglected, set of institutionalized rules, which provides beneficial incentives to the political actors and helps to mitigate some of the aforementioned political diseases: Switzerland's electoral system.

The Swiss electoral system is characterized by a combination of proportional representation and strong majoritarian features. The two electoral rules co-exist at all government levels. At the federal level, proportional representation is used for the large lower chamber (National Council) and the majority rule for the small upper chamber (Council of States). At the cantonal and municipal level, the electorate elects not only parliamentarians but also all members of governments. While parliamentarians are mainly elected by proportional representation, most members of governments are elected by majority vote in multi-member districts at large. In general, majoritarian elections are used for the offices that are especially attractive to ambitious politicians.

This specific combination of proportional representation and majoritarian elections has far-reaching implications for the behavior of politicians, parties, and voters. The widespread use of proportional representation supports the inclusion of a large variety of ideological positions into politics and results in a multi-party system. The majoritarian elections in multi-member districts provide incentives to the relatively ambitious politicians to take moderate positions in the middle of the political spectrum. The interplay of a multi-party system and majoritarian elections in multi-member districts results in most governments consisting of members of all larger

parties from both sides of the political spectrum, a phenomenon which is also called "concordance." On the whole, the Swiss system combines broad representation and governability in ways that mitigate many of the political diseases which may become subversive for constitutional democracy over the long haul.

From an international perspective, multi-member majoritarian elections in the context of a multi-party system are a largely neglected option to increase the effectiveness of governance. Notably, this political institution can be easily implemented if there exist already a multi-party environment and direct elections by the citizens of the head of governments, such as in municipalities in Germany, Italy, and many other countries. There, the election of the mayors (with a majority or plurality rule) could be substituted by the election of a decent number of government members with the multi-member majority rule. To implement multi-member majoritarian elections is therefore not only simple and cheap but could be easily tested in a sample of local jurisdictions. Finally, it is probably less frightening to politicians than direct democracy and federalism, the other two Swiss recipes. Therefore, we recommend multi-member majority elections to be admitted into the toolbox of good governance.

Funding Open access funding provided by University of Fribourg

Declarations

Conflict of Interest On behalf of all authors, the corresponding author states that there is no conflict of interest.

References

Acemoglu, D., & Robinson, J. A. (2012). *Why nations fail: The origins of power, prosperity and poverty* (1st.). New York: Crown

Alesina, A., & Roubini, N. (1992). "Political cycles in OECD economies,". *Review of Economic Studies*, *59/4*, 663–688

Alesina, A., & Tabellini, G. (1990). "A positive theory of fiscal deficits and government debt,". *Review of Economic Studies*, *57/3*, 403–414

Brams, S., & Fishburn, P. C. (2007). *Approval voting*. New York: Springer Science & Business Media

Brennan, G., & Buchanan, J. M. (1980). *The power to tax: Analytic foundations of a fiscal constitution*. Cambridge: Cambridge University Press

Brollo, F., & Nannicini, T. (2012). "Tying your enemy's hands in close races: The politics of federal transfers in Brazil,". *The American Political Science Review*, *106/4*, 742–761

Buchanan, J. M., & Tullock, G. (1962). *The calculus of consent*, Volume 12, 3rd edition, Ann Arbor: University of Michigan Press

Christl, M., Köppl-Turyna, M., & Kucsera, D. (2020). "Determinants of public-sector efficiency: Decentralization and fiscal rules," *Kyklos* 73/2: 253–290
Cox, G. W. (1990). "Centripetal and centrifugal incentives in electoral systems,". *American Journal of Political Science*, *34/4*, 903–935
Dell, M. (2015). "Trafficking Networks and the Mexican Drug War,". *American Economic Review*, *105/6*, 1738–1779
Downs, A. (1957). "An economic theory of political action in democracy,"Journal of Political Economy65/2.
Durante, R., & Gutierrez, E. (2015). "Fighting crime with a little help from my friends; Political alignment, inter-jurisdictional cooperation and crime in Mexico," *CEPR* Discussion Paper 10769
Dutta, B., Jackson, M. O., & Le Breton, M. (2001). "Strategic candidacy and voting procedures,". *Econometrica*, *69/4*, 1013–1037
Duverger, M. (1954). *Political parties: Their organization and activity in the modern state*. New York: Wiley
Eichenberger, R. (1994). "The benefits of federalism and the risk of overcentralization,". *Kyklos*, *47/3*, 403–420
Eichenberger, R., Portmann, M., Schafer, P., & Stadelmann, D. (2021). "Mehrheitswahlen in Mehrpersonenwahlkreisen: Ein Schweizer Erfolgsrezept?,". *Perspektiven der Wirtschaftspolitik*, *22/4*, 315–329
Eichenberger, R., Schafer, P., & Stadelmann, D. (2019). "Making public infrastructure work: Multi-seat majoritarian elections as a new institutional approach,". *Journal of Infrastructure Policy and Development*, *3/2*, 244–260
Eusepi, G., & Wagner, R. E. (2011). States as Ecologies of Political Enterprises. *Review of Political Economy*, *23/4*, 573–585
Eusepi, G., & Wagner, R. E. (2017). *Public debt: An illusion of democratic political economy*. Cheltenham and Massachusetts: Edward Elgar Publishing
Feiock, R. C. (2009). "Metropolitan governance and institutional collective action,". *Urban Affairs Review*, *44/3*, 356–377
Frey, B. S. (1994). "Direct democracy: Politico-economic lessons from Swiss experience.,". *American Economic Review*, *84/2*, 338–342
Gerber, E. R., Morton, R. B., & Rietz, T. A. (1998). "Minority representation in multimember districts,". *American Journal of Political Science*, *92/1*, 127–144
Gianetti, D., & Laver, M. (2001). "Party system dynamics and the making and breaking of Italian governments,". *Electoral Studies*, *20/4*, 529–553
Hansen, M. A., & Olsen, J. (2019). "Flesh of the same flesh: A study of voters for the Alternative for Germany (AfD) in the 2017 federal election,". *German Politics*, *28/1*, 1–19
Hibbs, D. A. (1977). "Political parties and macroeconomic policy,". *American Political Science Review*, *71/4*, 1467–1487
IMD World Competitiveness Center (2021). *World competitiveness ranking*, available at: https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness/
Krupnikov, Y. (2011). "When does negativity demobilize? Tracing the conditional effect of negative campaigning on voter turnout,". *American Journal of Political Science*, *55/4*, 797–813
Ladner, A. (2016). "Gemeindeversammlung und Gemeindeparlament: Überlegungen und empirische Befunde zur Ausgestaltung der Legislativfunktion in den Schweizer Gemeinden," *Cahier de l'IDHEAP 292/2016*.Laslier, J.-F. and Sanver, M.R. (2010), *Handbook on approval voting*, Berlin und Heidelberg: Springer Science & Business Media
Laslier, J. F., & Sanver, M. R. (Eds.). (2010). *Handbook on approval voting.* Springer Science & Business Media
Lau, R. R., & Rovner, I. B. (2009). "Negative campaigning,". *Annual Review of Political Science*, *12/1*, 285–306
Lau, R. R., Sigelman, L., & Rovner, I. B. (2007). "The effects of negative political campaigns: A meta-analytic reassessment,". *The Journal of Politics*, *69/4*, 1176–1209
Magontier, P., Sole-Olle, A., & Viladecans Marsal, E. (2021). "The political eonomy of coastel development," *CESifo* Working Paper No. 9059
Matsusaka, J. G. (2005). "Direct democracy works,". *Journal of Economic Perspectives*, *19/2*, 185–206
Matsusaka, J. G. (2018). "Public policy and the initiative and referendum: A survey with some new evidence,". *Public Choice*, *174*(1–2), 107–143
Moser, P. (2019). *Wie eine Regierung gewählt wird*, available at: https://statistik.zh.ch/internet/justiz_inneres/statistik/de/aktuell/mitteilungen/2019/si_2019_06_RRwahl.html, accessed March 12, 2021

Nai, A. (2020). "Going negative, worldwide: Towards a general understanding of determinants and targets of negative campaigning,". *Government and Opposition*, *55/3*, 420–455
Niemi, R. G., Hill, J. S., & Grofman, B. (1985). "The impact of multimember districts on party representation in U.S. state legislatures,". *Legislative Studies Quarterly*, *10/4*, 441–445
North, D. C. (1991). "Institutions,". *Journal of Economic Perspectives*, *5/1*, 97–112
North, D. C., Wallis, J. J., & Weingast, B. R. (2009). *Violence and Social Orders. A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press
Oates, W. E. (1999). "An essay on fiscal federalism,". *Journal of Economic Perspectives*, *37/3*, 1120–1149
Olson, M. (1965). *The logic of collective action*. MA: Harvard University Press
Pickard, H. (2020). "The impact of career politicians: Evidence from US governors,". *Kyklos*, *74*, 103–125
Portmann, M., Stadelmann, D., & Eichenberger, R. (2012). "District magnitude and representation of the majority's preferences: Evidence from popular and parliamentary votes,". *Public Choice*, *151*(3–4), 585–610
Salvi, M., Schaltegger, C. A., & Schmid, L. (2020). "Fiscal rules cause lower debt: Evidence from Switzerland's federal debt containment rule,". *Kyklos*, *73/4*, 605–642
Stadelmann, D., Portmann, M., & Eichenberger, R. (2014). "The law of large districts: How district maginute affects the quality of political representation,". *European Journal of Political Economy*, *35*, 128–140
Stadelmann, D., Portmann, M., & Eichenberger, R. (2019). "Preference representation and the influence of political parties in majoritarian vs. proportional systems: An empirical test,". *British Journal of Political Science*, *49/1*, 181–204
Van der Straeten, K., Lachat, R., & Laslier, J. F. (2018). "Strategic voting in multiwinner elections with approval balloting: An application to the 2011 regional government election in Zurich,". *The Many Faces of Strategic Voting: Tactical Behavior in Electoral Systems Around the World* (pp. 178–202). Ann Arbor: University of Michigan Press
Weingast, B. R., Shepsle, K. A., & Johnsen, C. (1981). "The political economy of benefits and costs: A neoclassical approach to distributive politics,". *Journal of Political Economy*, *89/4*, 642–664
World Economic Forum (2020). *The global competitiveness report 2020*, available at: https://www.weforum.org/reports/the-global-competitiveness-report-2020

A core element of this paper – the mechanics of multi-member majority elections – has first been presented at the 2019 conference of the *ECSPC*, the *European Center for the Study of Public Choice* in Rome. We will never forget Giuseppe and Maria's intellectual enthusiasm, organizational zeal and great hospitality, which made the *ECSPC*-conferences as well as the stay at the university La Sapienza and in Rome always a gorgeous academic and social experience.