
6 Benchmarking sustainable development in the Swiss confederation*

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Over the past decade, Switzerland has developed a collaborative system of intergovernmental benchmarking to promote sustainable development across the country. It is a voluntary arrangement, wherein participating Cantons (states) and municipalities report on an agreed range of performance indicators and the full results are made public. In this system an agency of the federal government — the Federal Office for Spatial Development — plays a facilitative and coordinating but not directing role. Over time, the system has proven successful in attracting participation from more and more Cantons and municipalities and in having its findings incorporated into policy making processes. A good part of its success can be attributed to the highly collaborative and consensual way in which it has developed, an outcome that reflects the realities of Swiss federalism and concurrent nature of responsibility in this area.

6.1 Swiss federalism

The *Confœderatio Helvetica*, or Swiss Confederation, is the oldest and most decentralised federation in world. With fewer than 8 million people, it is made up of 26 Cantons and has three national languages.² Under the Constitution (Article 3), ‘the Cantons are sovereign except to the extent that their sovereignty is limited by the Federal Constitution. They shall exercise all rights that are not vested in the

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² 64 per cent of the population speak German; 21 per cent speak French; 6 per cent speak Italian; 9 per cent speak another language.

Confederation.’ With a strong sense of identity and a strong tax base, the Cantons continue to be major players in the federation, insisting on their independence and rejecting direction from the federal government (Linder 2010). Municipal government also has a well-established place in the Swiss political system, and, like the Cantons, is largely self-financing.

The imposition of programs by the federal government on the Cantons or municipalities is thus not a characteristic part of Swiss federalism as, for instance, it is in Australia or the United States. In the case of sustainability policy, coordinated action reflects constitutional requirements. Article 2 (‘Aims’) of the Constitution states that sustainable development is a national objective; and Article 73 (‘Sustainability’) makes environmental protection a mandatory criterion of policy. ‘The Confederation and the Cantons shall endeavour to achieve a balanced and sustainable relationship between nature and its capacity to renew itself and the demands placed on it by the population’. Since many of the substantive matters relevant to sustainability fall within the jurisdiction of the Cantons, this constitutional task falls as much to the Cantons as to the Confederation to execute and is thus a concurrent responsibility.

6.2 A collaborative framework

This program of sustainability benchmarking is open to all the Cantons and the cities that are ready to commit the necessary resources. The group of participants has grown steadily over the last few years, reaching 19 Cantons and 16 cities at the end of 2011 (figure 1). It is a classic case of what Fenna (this volume) describes as ‘external’ or ‘collegial’ benchmarking. That is to say, it is a voluntary exercise where the central government plays a strictly facilitating and moderating role and no sanctions of any form are involved. The federal agency’s facilitative role is particularly in respect of providing the technical foundation for benchmarking.

The participating Cantons, cities and federal offices together form the sponsors of the *Cercle indicateurs*, or ‘indicators group’ — ‘a forum dedicated to the development and use of sustainability indicators for Swiss cities and Cantons’. The Federal Office for Spatial Development is responsible for managing the project. Initially, a private consulting firm oversaw the project office and all the technical issues concerning data collection and management. Since 2008, the Federal Statistical Office has been a partner in the project and is responsible for managing the project office and the data. Through this change in leadership of the project office from a private consulting firm to the Federal Statistical Office, it was possible to reinforce the legitimacy of the data through greater quality control. Today, the

indicators and the operation of the indicator system correspond to a large extent to the requirements of official statistics.

Participation in the *Cercle indicateurs* is voluntary and essentially open to all Cantons and cities; there is no legal requirement or pressure to participate. Over the last few years, because of the growing number of participants and the stricter requirements regarding the quality of the indicators, managing the project has become increasingly labour-intensive — so much so that the financing of a project office by the participants became necessary. To do this, the Cantons and the cities had to commit for the first time to a long-term contract for the period of 2010–13. Participation continues to be voluntary, but it is linked to sharing the project costs and a multi-year commitment. Whoever signs the contract with the Federal Office for Spatial Development declares their support for the quality charter for official statistics (Eurostat 2005; Federal Statistical Office and Konferenz der Regionalen Statistischen Ämter der Schweiz Korstat 2002) and also states that they agree to the collected data being published.

There are no direct political consequences for participants in the *Cercle indicateurs*. It is purely a monitoring system and not part of the control or management systems of a higher-ranking office and thus has no reward, penalty or sanction mechanisms at its disposal. A poor performance at the *Cercle indicateurs* level does not result in reduced subsidies or any other punitive measure. This promotes largely unrestricted participation in the discussions and exchanges relating to experience.

A statute setting clear rules of the game

A statute agreed to by all sets out clear rules regarding collaboration within the *Cercle indicateurs*. As well as the aims, administration and processes of the collaboration, the statute governs, in particular, the following points:

Meetings and resolutions

The sponsors are to meet at least twice a year. Working groups may be formed as needed, to which the sponsors can also delegate decision-making powers (for example, in connection with a review of the indicators). As a matter of principle, a consensus should be strived for when making decisions. If this proves impossible, the decision by the majority shall apply. Each participating federal agency, canton and city has one vote.

Significance of official statistics

In principle, the quality criteria of official statistics must be observed when selecting and defining indicators. All the statistical activities of the *Cercle indicateurs* must comply with the production and distribution standards of official statistics. This relates in particular to the independence, impartiality and quality of the data, data security, and the publication of the statistical results.

Responsibilities

In addition to organising surveys, including exact instructions aimed at the Cantons and cities on how to uniformly record decentralized indicators and publish all the results on the internet, there is also—with regard to obtaining the best quality and comparison possible—the periodic check and review, if and when necessary, of the indicators. Discussing experience gained concerning the application of the results counts as one of the responsibilities.

Periodicity

The Cantons collect data every two years and the cities every four. The Federal Statistical Office also makes centralised data available to the cities every two years.

Products

The products of the *Cercle indicateurs* are defined as:

- (a) the original values of the indicators
- (b) a profile of the strengths and weaknesses of each participant (expressed as utility values)
- (c) a graphic representation for each participant of the deviation from the mean of the utility values
- (d) a comparison with the other Cantons or cities, respectively for each indicator (expressed as original values)
- (e) aggregated benchmarking, on the one hand, with a total value for each sustainability area and, on the other hand, a comprehensive total value.

Financing

The Cantons share the costs by each one paying one standard amount representing a total of approximately 50 per cent of the costs, while the cities pay approximately

20 per cent of the costs depending on population. The remaining costs are covered by the participating federal agencies.

Responsibility and entrenchment in the cantons and cities

Since the *Cercle indicateurs* is not a sectoral-political system, responsibility and entrenchment within the Cantons and cities will be managed differently. The contract partners with the Federal Office for Spatial Development, for example, are government departments, cantonal chancelleries, city councils or the agencies responsible for the environment, spatial development, the economy and statistics. The representatives among the sponsors are the officials of the various agencies, mostly from the areas of the environment, spatial development, the economy or statistics. Various Cantons and cities are each represented by two people, most of them by a specialist in one of the three key areas of sustainable development and by one statistics expert.

6.3 Sustainable development and the *Cercle indicateurs*

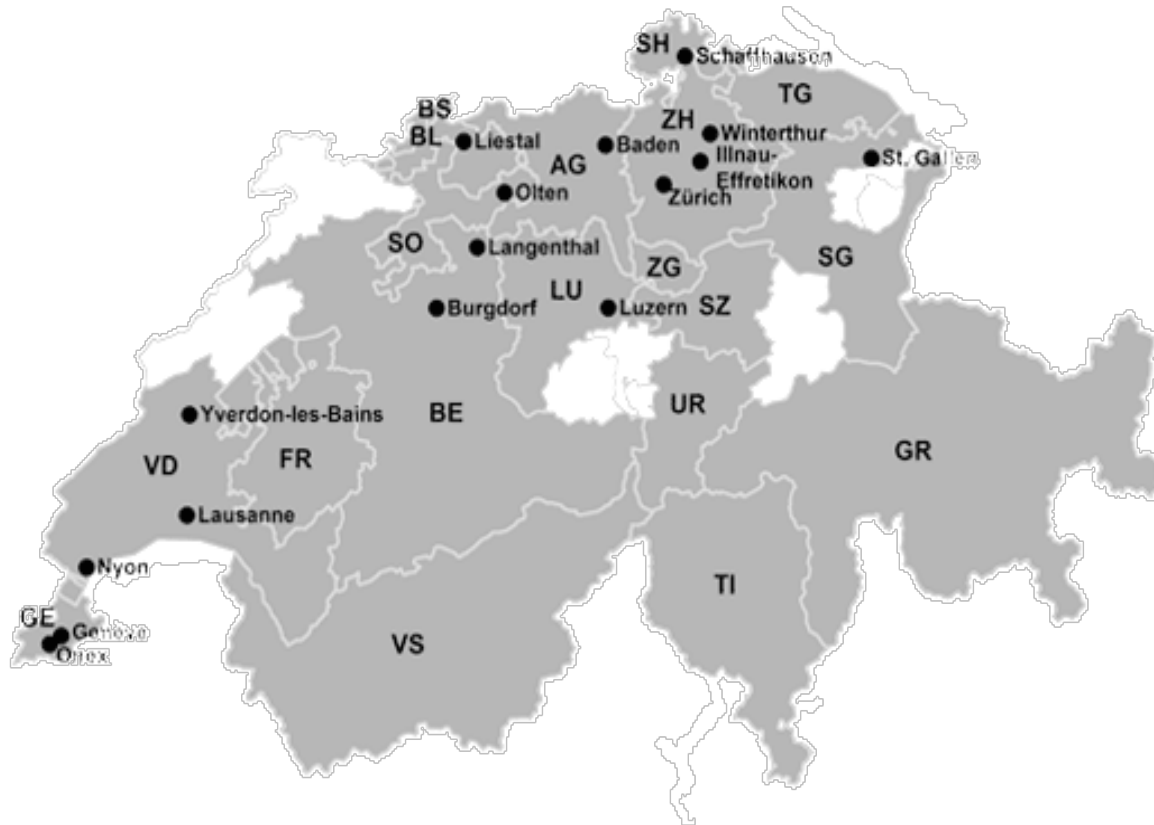
The Swiss approach to sustainable development seeks to address major environmental, economic and social challenges. Domestically, these relate most importantly to the unsustainable ecological footprint of modern industrial society — with the *per capita* level of the Swiss population 200 per cent higher than can be maintained globally over the long term. At the same time, sustainable development also involves a commitment to meeting the economic and social needs of the world's population. This requires long-term, fundamental, economic and social structural change.

Sustainable development is often illustrated using three circles or pillars to represent the key areas of the environment, the economy and society. On the one hand, this is to illustrate the link between economic, social and ecological processes and, on the other hand, that negotiations among public as well as private stakeholders should not occur in an isolated and one-dimensional manner, but rather that they take into account the interplay between on the three key areas and its impact. The measures developed by the *Cercle indicateurs* also follow this structural principle (table 6.1).

The indicator sets consist of approximately 35 indicators that cover the areas of environment, economy, and society. On the one hand, some of these are taken from the official statistics of Switzerland (the so-called centralised indicators), while, on

the other hand, some are those that must be collected by the participants themselves (decentralised indicators).

Figure 6.1 Overview of the group of participants in 2011



Source: Federal Office for Spatial Development

Since 2000, various Cantons and cities have been hard at work defining a cantonal and a municipal indicator system for sustainable development. In total, there were five bottom-up indicator initiatives with several participants for the most part (*Cercle indicateurs* 2005, p. 4). The *Cercle indicateurs* was created in 2003 out of these various bottom-up initiatives. In 2003, the Federal Office for Spatial Development switched to coordinating the various cantonal and municipal initiatives to produce uniform and, therefore, comparable indicator systems for Cantons and cities.

Goals of the *Cercle indicateurs*

The *Cercle indicateurs* program pursues the following goals (*Cercle indicateurs* 2005, p. 4):

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- Determination of a consensus-building indicator system and periodical data collection — this presumes the availability of indicators capable of building a consensus. To do this, all corresponding data must be made available to the participants, and the majority of the participants must speak out in favour of these indicators. This also includes the periodic collection of data.
 - Monitoring and benchmarking of sustainable development at the strategic level of general policies — on the one hand, the data collected help the participants to observe their own development over time (monitoring) and, on the other hand, they help them to draw comparisons with other participants (benchmarking). The highly aggregated indicator set covering a number of sectoral issues provides information on sustainable development primarily at the strategic level of general policies and not individual sectoral policies.
 - Enhanced indicator content — the basic data may change, new data may become available, or data used to date can no longer be collected. Moreover, as the indicators were applied, deficiencies in some indicators were discovered which meant that the affected indicators had to be adapted. Therefore, a systematic, regular review of the basics must be performed and a discussion held by the sponsors about the possibility of making improvements.
 - Platform to exchange ideas on how to apply the indicators, for example, for reporting on sustainable development — the *Cercle indicateurs* does not specify how the Cantons and cities should use the indicators; however, it does serve as a platform for exchanging ideas on a variety of topics relating to the indicators such as data collection, outcome controls and the application of the indicators.

Misunderstandings always arise with respect to indicator systems when their goal in relation to the three-sided concept of monitoring–controlling–evaluation is unclear. The concept of monitoring refers to constant observation. In this way, problematic developments can be detected early. The concept of controlling is rooted in business administration where it is an instrument of a goal-oriented business management defined within the closed loop of planning, translation, control and (counter-) managing. A continuous and documented analysis of the deviation from goals within a reporting system forms the foundation for measures to counter-manage. Evaluation is defined to a large extent as a scientific and empirically supported judgment of the concept, the execution and/or the effectiveness of state activities. Evaluations assess state activities based on transparent criteria and present cause and effect relationships between the activities and the impact. This kind of information can help with decision-making, financial reporting and controls, or serve as the basis for qualified discussions.

The *Cercle indicateurs* program is clearly aimed at monitoring, that is, it is about the observation of sustainable development. The indicators were not designed to

control policy, that is, they are not about performance management; nor do they directly serve policy assessment goals. Instead they form, at the most, a basis for raising issues (the ‘can opener’ role). The participating Cantons and cities are free to decide on how the indicators are applied. That said, some of them are moving entirely in the direction of applying them to policy control.

More clarity is needed to transfer the concept of ‘sustainable development’ to the political realm. Indicators correspond to this kind of reality and help to provide an ongoing assessment of the situation. Within the framework of the *Cercle indicateurs*, a set of so-called core indicators was defined to allow the Cantons and cities to assess a situation in terms of sustainable development. The core indicators are those indicators that describe the central elements of sustainable development for the entire system and are chosen by participating Cantons and cities for each corresponding level. In concrete terms, this was about developing one indicator system for Cantons and another one for cities that makes sense at the cantonal and the municipal level, respectively. This objective requires that easily understood measurements be selected when choosing the core indicators and that they allow as much room to manoeuvre as possible for each canton or city.

A tool of a broader governance system for sustainable development

The *Cercle indicateurs* is one part of a comprehensive system of knowledge-based approaches used today in Swiss policies on sustainable development (Wachter 2007; 2010). It consists of instrumental approaches to observe sustainable development using indicators — the *Cercle indicateurs* at the cantonal and municipal levels complements MONET,³ the monitoring system for sustainable development at the national level (Federal Statistical Office *et al.* 2003a) — at the national as well as the subnational level, to differentiate mostly qualitative decisions regarding projects from the point of view of sustainable development (Federal Office for Spatial Development 2008) as well as the management and periodical political assessment of the translation of the Federal Council’s sustainable development strategy.

In addition, the *Cercle indicateurs* is part — or a project — of a broader sustainable development arrangement between the confederation, the Cantons and the municipalities: the so called ‘Forum for Sustainable Development’ is a vertical co-ordination and exchange platform focusing on policy issues related to sustainable development with regular plenary meetings and a number of ancillary activities, like among others the *Cercle indicateurs*. The Forum is the place where peer review approaches are practiced — when, for example, a canton reviews its

³ ‘Monitoring der nachhaltigen Entwicklung’ (Monitoring Sustainable Development).

sustainable development strategy and invites representatives of other Cantons to comment and give advice.

6.4 Operationalisation

The core indicators of sustainable development have the following characteristics (*Cercle indicateurs* 2005, p. 2):

- Objective — monitoring sustainable development (raise awareness, present strengths and weaknesses, assess a situation, indicate development trends)
- Geopolitical reference — the political limits of a canton (and not a region) or a city (and not a metropolitan region)
- Decision-making levels — general policies, not individual concepts or projects
- Content orientation — overall, not oriented towards individual areas of expertise
- Scope — a manageable number of indicators that are easily communicated.

The core indicator system is aimed at the three key areas concept of sustainable development introduced earlier. It makes the three key areas real by using 35 so-called ‘target areas’ that are each measured as a rule by one indicator for the Cantons and one for the cities (table 6.1). Depending on the complexity of the target area and the data available, no core indicator or two core indicators will be set for individual target areas.

Table 6.1 Overview of the target areas and core indicators

<i>Target area</i>	<i>Cantonal core indicator</i>	<i>Municipal core indicator</i>
ENV1: Biodiversity	Cantonal breeding bird Index (place holder)	Municipal breeding bird index
ENV2: Nature and Landscape	Surface area of valuable natural spaces	Surface area of valuable natural spaces
ENV3: Energy Quality	Renewable energy, incl. waste heat (place holder)	Renewable energy, incl. waste heat (place holder)
ENV4: Energy Consumption	Total energy consumption (place holder)	Electricity consumption
ENV5: Climate	CO ₂ emissions (place holder)	CO ₂ emissions (place holder)
ENV6: Raw Material Use	Amount of waste per inhabitant	Amount of waste per inhabitant
ENV6: Raw Material Use	Sorted collection rate	Sorted collection rate
ENV7: Water Balance	Water discharge via waste water purification facility	Water discharge via waste water purification facility
ENV8: Water Quality	Nitrates in the ground water	Transport of effluent from the waste water purification facility
ENV9: Land Use	Built-up areas	Built-up areas
ENV10: Soil Quality	Heavy metal contamination of land (place holder)	No indicator
ENV11: Air Quality	Long-term pollution Index	PM10 Emissions (place holder)

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Table 6.1 (continued)

<i>Target area</i>	<i>Cantonal core indicator</i>	<i>Municipal core indicator</i>
Key Area: Economy		
ECON1: Income	Cantonal aggregate income	Taxable income of individuals
ECON2: Cost of Living	Rental price level	Rental price level
ECON3: Labour Market	Rate of unemployment	Rate of unemployment
ECON4: Investments	Renovation and maintenance costs	Renovation and maintenance costs
ECON5: True Costs	No indicator	Application of the polluter pays principle
ECON6: Resource Efficiency	No indicator	No indicator
ECON7: Innovation	Employees in innovative fields	Employees in innovative fields
ECON8: Economic Structure	Employees in high value-added industries	Employees in high value-added industries
ECON9: Know-how	Qualification level	Qualification level
ECON10: Budget	Health of cantonal finances	Health of municipal finances
ECON11: Taxes	Tax burden index	Tax burden of individuals
ECON12: Production	No indicator	No indicator
Key Area: Society		
SOC1: Noise/Quality of Housing	Impact of traffic noise	Traffic calming zones
SOC2: Mobility	Access to public transit	Access to public transit
SOC3: Health	Potential lost years of life	Potential lost years of life
SOC4: Security	Road traffic accidents with personal injury	Road traffic accidents with personal injury
SOC4: Security	Violent offences	Criminal charges
SOC5: Income/Wealth Distribution	Low-income taxpayers	Gini Coefficient for income distribution
SOC6: Participation	Voting and polling	Voting and polling
SOC7: Culture and Recreation	Cultural and recreational expenses	Cultural and recreational expenses
SOC8: Education	Youth education	Broken educational thread
SOC9: Social assistance	Access to social assistance services	Access to social assistance services
SOC10: Integration	Naturalisation of immigrants	Naturalisation of immigrants
SOC11: Equal Opportunity	Women in management positions	Number of daycare spaces
SOC12: Supraregional Solidarity	Relief operations	Relief operations

Source: Federal Office for Spatial Development.

The proposed core indicators were selected from a range of possible indicators based on the following criteria. They had to:

- be as representative and as meaningful as possible for the target area
- be quantifiable
- be easy to understand and to communicate

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- represent the greatest possible consensus among those participating in the process
 - be capable of being influenced as a general rule by municipal and cantonal authorities.

It should be added regarding the last point that the *Cercle indicateurs* — in contrast to MONET, a much more extensive and detailed monitoring system of sustainable development on the national level (Federal Statistical Office *et al.* 2003b) — does not have access to a sophisticated typology of indicators concerning circumstances, resources, production rates, the source of problems or political measures. Instead, there is a simple underlying policy outcome model that differentiates between policy inputs (money or other resources), outputs (specific services or products), impact (effect on target groups) and outcomes (effects at the end of the causal chain). Indicators are always being sought for outcomes, even when this is not always possible due to limited data availability.

Data collection

The centralised indicators rely primarily on the official statistics of the federal government and are provided by the Federal Statistical Office. A few centralised indicators rely on data that are purchased or collected by data suppliers outside the official statistical system. The decentralised data must be collected by the Cantons and the cities themselves — with the help of precise instructions from the Federal Statistical Office — and reported to the Federal Statistical Office within the deadline. The accuracy of the data must be checked by the participating Cantons and cities. The Cantons must collect the data every two years and the cities must collect the data every four years. The Federal Statistical Office also makes the centralised data available to the cities every two years, as needed.

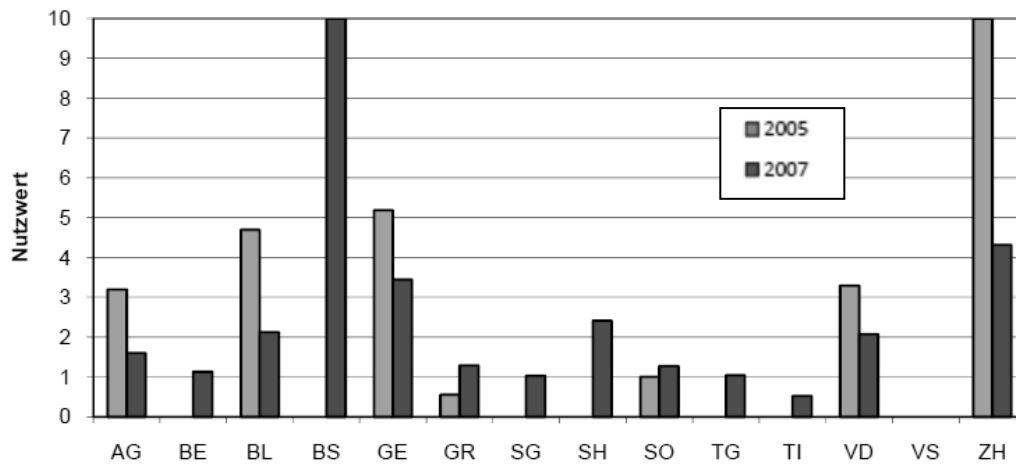
For cost reasons, as a general rule *Cercle indicateurs* relies on existing data sources. Inevitably this sometimes entails compromises in the selection of indicators. However, where the data situation has been truly unsatisfactory, *Cercle indicateurs* has selected place-holders, signalling to the relevant bodies, such as statistical offices, a need to generate new data. In certain cases, such as ENV2 (surface area of valuable natural spaces), *Cercle indicateurs* itself not only defined the indicator, but also organised the generation of corresponding data.

The benchmarking principle

At the start of the *Cercle indicateurs* program, the actual indicators were converted to typical utility values for the purpose of comparison and also to calculate the mathematical aggregation. The values of all participants were applied proportionately to a scale of zero to ten, with the ‘best’ participant receiving a ten and the ‘worst’ participant receiving a zero. There were two deciding factors. First, the change in the indicator (increase or decrease), indicating the direction of sustainable development, can be determined for the 35 target areas of the *Cercle indicateurs*; however, in most cases there are no concrete normative target values. Only the ‘best’ and the ‘worst’ can be indicated among the recorded participant values. Secondly, the conversion of actual values into utility values makes it possible to compare indicators using different measurements, such as amount of money, or units of weight or square measurements. Moreover, the utility values also allow for a mathematical aggregation of indicator values in the three key areas or as a total value, which makes it possible to prepare a ranking ideal for communication purposes.

This original benchmarking principle certainly had an annoying disadvantage in connection with the —fortunately— growing group of participants that would change from survey to survey: the ranking of a participant with respect to an indicator or an aggregate could vary greatly because of the addition of a new participant, even if the actual values had hardly changed. This impact is shown in figure 2. Between the surveys of 2005 and 2007, the Cantons of Basel-City (BS), St. Gallen (SG), Schaffhausen (SH), Thurgau (TG), Ticino (TI) and Valais (VS) joined as new participants. In the 2005 survey, the canton of Zurich, for example, had the highest value for cantonal aggregate income per capita, for which it received the utility value of ten. In 2007, another canton was added when Basel-City (BS) joined, which, because of the many corporate headquarters there, also has an exceptionally high aggregate income compared with Zurich (ZH). Zurich’s (ZH) utility value dropped to approximately four in 2007 only because of the new participant, without its own aggregate income changing appreciably in any way. These kinds of jumps are highly misleading and difficult to explain to the public.

Figure 6.2 Typical benchmarking using the example of the indicator ‘cantonal aggregate income per capita’

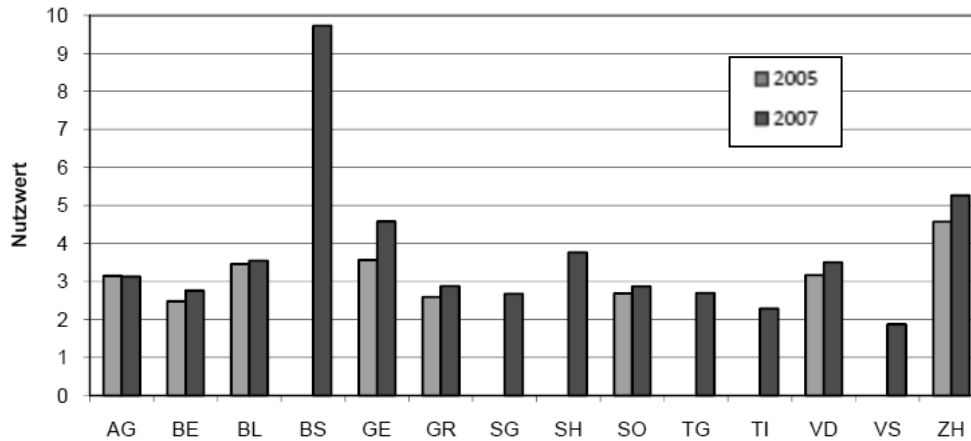


Nutzwert = Utility value.

To address this problem, a new utility value principle was introduced in the 2009 survey (using 2007 data). The end points of zero and ten no longer represent the ‘worst’ and the ‘best’ value. Rather, an absolute scale was established. For every indicator, the sponsors decided on a range for which the end points were not to represent normative target values, but rather help to calculate the utility values only. The lower and upper limits were established based on the values of earlier surveys, so that the anticipated values for the next 20 years or so could be mapped out. In the example of the cantonal aggregate income, the lower limit of CHF 20 000 (with a utility value of zero) and the upper limit of CHF 110 000 (with a utility value of ten) were used to set the range. Given that the utility values will now be based on an absolute scale, it will be possible to compare the utility values over time even when the group of participants changes. Also, it will still be possible to compare different indicators and calculate the mathematical aggregation.

Figure 3 shows the dramatic consequences of the new benchmarking principle. The utility value of the canton of Zurich (ZH) is no longer falling in 2007 because of the new participant Basel-City (BS), rather its value is rising because the aggregate income actually rose.

Figure 6.3 **New benchmarking using the example of ‘cantonal aggregate income per capita’**



Nutzwert = Utility value.

Products of the *Cercle indicateurs*

The products of the survey consist of the original values (values in the specific unit of measurement); a profile of strengths and weaknesses (in utility values); a graphic representation of the deviation from the mean of the utility values; as well as a comparison with other Cantons and cities, respectively, for each indicator (in original values). These products, along with the meta-data (indicator definitions and other background information), are published on the website of the Federal Statistical Office.

Another product of the *Cercle indicateurs* is aggregated benchmarking, that is, the mathematical sum of a total value per key area (the environment, the economy, society) and of a total value overall. For the aggregation for each key area, all indicators for each key area are weighted equally. For the total aggregation the three key areas are weighted equally, which do not have the same number of indicators because of individual indicator gaps and a few target areas that have more than one indicator.

While the members of the *Cercle indicateurs* must participate in the collection and publication of the data, participation in aggregated benchmarking is voluntary. The result is not published on the website of the Federal Statistical Office, but rather on that of the Federal Office for Spatial Development. This situation is based on a certain ambivalence in relation to the aggregation of the indicator values and the preparation of a list ranking the Cantons and the cities. On the one hand, the aggregation has indisputable communications advantages in that the results of the *Cercle indicateurs* appeal to the media interested in simplification and pithy

slogans. And, in fact, in each case the publication of the aggregated benchmarking generates a lot of media attention. On the other hand, balancing ‘apples’ and ‘oranges’ invites a justifiable scepticism about the methodological integrity of the exercise. This is also reinforced in that the *Cercle indicateurs*, despite the applicable aim, cannot always determine the outcome indicators that would illustrate the results of political negotiations, so that the *Cercle indicateurs* does not exclusively show political achievements, but rather, at least, partly structural characteristics, such as an urban or rural situation.

In discussing and weighing the pros and cons of aggregated benchmarking, the sponsors decided on the following course of action:

- With every survey, the participants can voluntarily decide — only prior to the publication of the results, though — whether or not they want to participate in the aggregate benchmarking. Usually, two-thirds of the participating Cantons and cities do.
- Because of the questionable methodology set against the backdrop of the quality requirements of official statistics, the results of the aggregate benchmarking are not published on the website of the Federal Statistical Office, but rather on that of the Federal Office for Spatial Development, which is better able to weigh the different criteria of political and communications-related considerations versus statistical considerations.

6.5 Results and effects

As noted above, the *Cercle indicateurs* program concentrates on the definition and periodical survey of indicators as a monitoring/benchmarking exercise only, and does not actively interfere, as a Swiss national institution, in the way in which the indicators are used by the Cantons and cities. This restraint with respect to the objective corresponds to a conscious agreement reached by the participants. It also relates back to the origin of the *Cercle indicateurs* as a bottom-up initiative in which the federal government gradually assumed a largely moderating role. The program is, in other words, not part of a political control or management system. However, the sole objective of monitoring can also be attributed to the limited resources of those taking part, which negated the need to formulate a broader goal. As was already explained, the federal government provides the data, including the decentralised data provided by the Cantons and cities, to all participants. Use of the data is the exclusive responsibility of the participants. Nonetheless, the reality is that that the *Cercle indicateurs* wants to influence how the results are politically applied and, in the end, have an impact ‘on the ground’.

To date, the *Cercle indicateurs* had the following impact on the target groups:

- Increased number of participants — the fact that, in this voluntary benchmarking system, the number of participants rose from eight Cantons and 14 cities in 2005 to 19 Cantons and 16 cities in 2011 can be interpreted in such a way that the Cantons and the cities see this as a valuable system they can reasonably use for one of the following applications.
- Use of data as a basis for analysis — the indicators have many applications as the starting point for deeper analyses of individual problem areas and as the basis for formulating proposals for political negotiations.
- Reporting on sustainability — by 2011, eight Cantons (Aargau, Basel-City, Bern, Geneva, Schaffhausen, St. Gallen, Vaud and Zurich) and two cities (Baden and Zurich) prepared reports on the development of their jurisdiction and installed regular sustainability reporting on the basis of the indicators of the *Cercle indicateurs*.
- Use of the data for government/legislative programs — several Cantons and cities use the reports on sustainability as the basis for the medium- and long-term planning of responsibilities within the framework of government or legislative planning. They implement the indicators as the guiding principle at a political and a strategic level together with the New Public Management.
- Basis for, and adoption of, a sustainability strategy — many Cantons and cities use the *Cercle indicateurs* or, more precisely, the analytical fundamentals that arise, to adopt a broader sustainability political action program (Local Agenda 21 or similar). Provided they are already committed in this regard, they use the *Cercle indicateurs* to monitor progress.

What effect the *Cercle indicateurs* ultimately has at the outcome level is hard to determine in a system that is limited to monitoring objectives and is not part of a policy management mechanism; and is established at a overall political–sectoral meta-level. In addition, effects only occur over longer causal chains, in which the *Cercle indicateurs* assists by initiating or supporting cantonal or municipal sustainability programs, or by contributing to a more coherent and stronger goal-oriented policy by influencing the New Public Management. This also goes along with a long time delay until the effect of the outcomes becomes evident. All the same, we can see from the fact that the — voluntary — group of participants steadily grew, that the Cantons and cities involved in the *Cercle indicateurs* see the value of those longer-term contributory effects.

6.6 Lessons learnt

The following experience, findings and recommendations can be deduced from the roughly ten years the *Cercle indicateurs* program has been building, gradually continuing to develop and to operate.

Clearly defined goals, frames of reference and rules are essential

As research on the indicators shows (see, for example, Interface 2010), unclear goals for indicator projects always lead to conflict. The *Cercle indicateurs* benefited from the fact that its goals were clearly defined from the start. Also significant was the explicit definition of a conceptual frame of reference, which, in the case of the *Cercle indicateurs*, was monitoring. Successful cooperation among the stakeholders of all three government levels, for whom there was no pressure and no legal requirement to participate, is in no way guaranteed. While the first preliminary projects of the *Cercle indicateurs* involved small groups or even individual Cantons and cities, the likelihood of a conflict relating to the objective caused by different visions increased because of the increasing number of participants and their growing closer in a common enterprise. Uniting to set the rules and writing them in a statute proved to be extremely helpful and stabilising for the group. On the basis of this experience, the principle of establishing goals, frames of reference and rules is recommended in the case of indicator projects.

A participative approach ensures permanent support

In the case of the voluntary *Cercle indicateurs*, in which the Cantons, cities and federal agencies are not legally obliged to participate, the collegial benchmarking approach — to come back to Fenna's typology — has proven to be the best. That the long-time partners remain committed and that new ones are always joining can only be explained by the fact that they can articulate their needs in this common project; that useful products are generated for them; and that they do not have to fear any sanctions or backlash. Collegial benchmarking is not to be recommended as the most suitable solution for all conceivable benchmarking applications. When benchmarking is to be used in jurisdictions where the central government, for example, justifiably exercises some control because of the flow of money to local authorities, the principle of purely voluntary cooperation will not suffice. Yet, in this case too, it is recommended that the support of the participating regional authorities be guaranteed by giving them the opportunity to participate as much as possible, for instance, in setting the rules.

With appropriate rules, the incentives and learning benefits outweigh any possible negative effects

Indicators can trigger strategic behaviour (Fenna, this volume), especially when the indicator system is linked to sanctions, or when cash flow is impacted. Neither is, as is well-known, the case with the *Cercle indicateurs*. Therefore, it is not entirely surprising that here — thanks to the approach of the partners (collegial benchmarking) — the mutually beneficial incentives and learning benefits prevail. Within the *Cercle indicateurs*, for example, this was the case with the reporting on sustainability by the local authorities and their inclusion in managing policies. In 2005, the canton of Aargau was one of the first to prepare a report on sustainability — and this as part of its New Public Management policy. Since then, seven other Cantons mentioned above, as well as two cities, have been inspired by the positive rivalry to develop similar approaches.

The stimulating and coordinating role of the federal government is both desired and welcomed

In Switzerland, there are always some tensions in the relationship between the federal government, the Cantons and the cities. Time and again, the federal government is refused the right to negotiate in the absence of any explicit legal grounds. In the case of the *Cercle indicateurs*, the Cantons and cities have evidently always appreciated the involvement of the federal government and its coordinating and supporting role. It was very clear to all that a purely autonomous organisation consisting of Cantons and cities would have hardly been capable of uniting all stakeholders under one indicator system. A precondition for the appreciation of the federal government's involvement was, however, the mutual commitment to collegial benchmarking.

Methodological quality legitimises

As mentioned earlier, the *Cercle indicateurs* was formed by several bottom-up initiatives that were created with a lot of enthusiasm but with few resources and often-inadequate methodological and technical support. This initially exposed the *Cercle indicateurs* to a variety of criticisms, for example, by the statistical agencies, and proved to be an obstacle in terms of recruiting new participants. The institutionalised cooperation with the Federal Statistical Office proved to be very useful as much for the factual improvement of the quality of the indicator system as for its legitimisation. That the group of participants has grown even more recently and includes almost all the Cantons must also have something to do with this support from official statistics. That other benchmarking systems must also work

with official statistics should not be immediately assumed. But the investment in a clean and unquestionable methodology is strongly recommended.

Selection of 2nd, 3rd best Indicators as a concession to the reality of data availability

All indicator systems and, in particular, those used in Switzerland's federal system, must balance conceptual demand with the reality of the highly limited availability of data. This is why the *Cercle indicateurs* decided to leave gaps in some target areas, while in other cases it had to settle for a compromise. It was exactly because of these critical considerations that the participation of the Federal Statistical Office was very helpful. An open and transparent discussion of the criteria and the selection of indicators is recommended for all indicator initiatives.

Aggregated benchmarking between methodological scepticism and communications use

The primary target group of the *Cercle indicateurs* is not the general public, but rather the administrative experts and politicians of the Cantons and the cities. Yet, the legitimate need arose, based on the indicators, to raise awareness among members of the public and the media as well. Rankings are a useful instrument to do this. The method used to aggregate the indicators of the *Cercle indicateurs* to a total value can be questioned. There is a certain conflict between the objectives of communication and methodological soundness. In the case of the *Cercle indicateurs*, there is an open and honest approach to aggregation, and participation in aggregated benchmarking is voluntary. It would also be conceivable to have an independent office prepare the aggregated benchmarking and assign 'marks' without the input of those participating. In the interest of permanently maintaining the support of the participants and their impartial debate about the results, the experience has been good using the participative approach. Also even if it is voluntary, there is usually pressure to take part, since those that stand on the sidelines must explain themselves to their citizens or the local media.

Indicators can stimulate political debate

Literature on the topic disputes if and when knowledge-based approaches influence policy (Steurer and Trattnigg 2010). We saw with the *Cercle indicateurs* that, for the Cantons and the cities that had not yet gone through the sustainability process, surveying indicators can represent a step towards a sustainability policy. The results of the survey lead to a discussion of the values and ways to improve them. The

creation of an indicator system can, moreover, clearly lead to defining and structuring the topic of sustainability (Wachter 2010, p. 203). Several Cantons and cities use, as shown above, the data from the surveys for their own reports on sustainability. These reports are prepared, in part, in time with the legislative periods and serve as the basic data within the framework of New Public Management. The inclusion of the data of the *Cercle indicateurs* in the cantonal policy administration process enhances the value of the indicator system. For this effect to trigger action, rules need to be set to encourage an unbiased discussion among the participants and to provide the opportunity to exchange experience gained and to learn.

6.7 Conclusion

Given the substantial degree of autonomy enjoyed by the Cantons in Swiss federalism, it is not surprising that this example of inter-jurisdictional benchmarking has developed in a very bottom-up and collaborative fashion. That it has occurred at all is due in part to the sustainability mandate given to both levels of government by the Constitution. The federal government's role has been an important, but an entirely un-coercive one — confined to facilitating the comparability of data and welcomed on that basis by the participants. The Federal Office for Spatial Development plays precisely the role Fenna (this volume) describes as that of a benchmarking 'node'.

Cercle Indicateurs' strengths lie precisely in its collegial and voluntary nature. Not surprisingly, then, its chief audience is not the public, but the participating organisations themselves. That said, the results are made public and do get employed to draw potentially invidious performance comparisons.

Like other instances of successful benchmarking, the *Cercle Indicateurs* project has also enjoyed the opportunity for iterative improvement and confidence-building which, as Fenna (this volume) notes, is an important element in successful benchmarking. Like other instances of benchmarking as well, the exercise has been constrained by data availability but that is a situation that can be and has been addressed thanks to the project's iterative nature.

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