

## Greater Switzerland

by Daniel Nientiedt

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In March 2026, a social media post saying “Greater Switzerland has never been tried”<sup>135</sup> garnered popularity on the platform X (formerly Twitter). Attached to the post was a map showing an imaginary nation-state that would combine the Alpine regions of France, Southern Germany, Northern Italy as well as Austria, Liechtenstein, Slovenia and Switzerland. The author argued that this “might immediately be the best country in the world to live in.”<sup>136</sup> The post struck a nerve with the platform’s audience who seemed to appreciate the notion of extending Switzerland – and with that, its well-functioning political and economic system – to the neighboring regions. Many also remarked on the great natural beauty of the imaginary state.

Meditating on the map of Greater Switzerland, one is immediately faced with the question of whether

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<sup>135</sup> Burja, Samo. 2026.

<https://x.com/SamoBurja/status/2030461999512199347>

<sup>136</sup> Burja, Samo. 2026.

<https://x.com/SamoBurja/status/2030462462009725251>

and how such an entity could emerge in practice. The obvious way would be for the non-Swiss regions to withdraw from their original states, as in the case of Southern Germany, or give up their statehood, as in the case of Austria. In principle, a country's borders are artificially drawn and can be changed in the same way that any other human-made institution can be changed. At least economically speaking, the "optimal" size of a country is the result of a cost-benefit tradeoff that varies over time.<sup>137</sup>

The above scenario seems to be of little practical relevance, though. Separation, secession, or the relinquishment of statehood are not particularly likely in the case of the countries we are discussing. There are, however, other options of how their integration might be achieved. Those options are generally characterized by the fact that the regions and states in question would not give up their sovereignty but would instead cooperate in certain

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<sup>137</sup> As argued by Alberto Alesina and Enrico Spolaore, the post-WWII era of trade liberalization has made smaller nation-states more economically viable, shifting their optimal size downward. This is because states no longer need to be large to access big markets. See Alesina, A., and Spolaore, E. *The Size of Nations*, MIT Press 2003. The current rollback of free trade might change this dynamic.

well-defined areas. The Greater Switzerland map would then show a federation of sorts combining different kinds of territories.<sup>138</sup>

International federalism is an attractive concept for many reasons. Friedrich Hayek contended as early as 1939 that the creation of an “interstate federation” would lead to greater security, economic prosperity, and individual liberty.<sup>139</sup> Today, it is sometimes suggested to extend actual existing federations beyond their traditional boundaries to provide a counterweight to increasing economic fragmentation and political conflicts. For example, the “American proposal” argues that the United States should allow foreign political entities to federate under the US constitution, thus making the wisdom of its institutional design available to many

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<sup>138</sup> Such a structure is not unheard of. For example, the Holy Roman Empire included kingdoms, duchies, ecclesiastical principalities such as prince-bishoprics, free imperial cities, counties, and other territories. See, e.g., Peter H. Wilson, *The Holy Roman Empire. A Thousand Years of Europe's History*, Penguin 2016.

<sup>139</sup> See Hayek, F. A. “The Economic Conditions of Interstate Federalism,” in: Lewis, P. (ed.) *The Collected Works of F. A. Hayek, Vol. 18, Essays on Liberalism and the Economy*, University of Chicago Press 2022, pp. 102-117.

more people.<sup>140</sup> In a similar vein, European and Canadian politicians have (half-jokingly) floated the idea that Canada might join the European Union (EU), a notion that enjoys a certain degree of popularity on both sides of the Atlantic.

However, this article seeks to shed light on another possibility through which the integration of the Greater Switzerland area could be pursued, namely the concept of Functional Overlapping Competing Jurisdictions (FOCJ).<sup>141</sup> Swiss economists Bruno S. Frey and Reiner Eichenberger originally proposed FOCJ to complement and work alongside the EU's quasi-federal framework, with the aim of strengthening institutional competition and democratic representation. While FOCJ are discussed here as a way to improve existing federal structures, they could also replace traditional federalism.<sup>142</sup>

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<sup>140</sup> See Christensen, B. L. "Reviving the Libertarian Interstate Federalist Tradition: The American Proposal." *The Independent Review* 26.3 (2021): 429-450.

<sup>141</sup> For a comprehensive treatment, see Frey, B. S., and Eichenberger, R. *The New Democratic Federalism for Europe: Functional, Overlapping and Competing Jurisdictions*, Edward Elgar 1999.

<sup>142</sup> On this interpretation of FOCJ, see particularly Frey, B. S. "A Utopia? Government Without Territorial Monopoly."

In a nutshell, the FOCJ concept envisions a government without a territorial monopoly that emerges from below and remains in constant competition with other governmental units. To provide a definition, FOCJ are democratic governmental units that possess authority over their citizens and the power to levy taxes. These jurisdictions, called FOCUS in the singular, are established at the initiative of their members in order to provide a particular public service (the “function” in the acronym). Potential functions might include waste management, running a school, providing an old-age pension scheme or managing a shared natural resource. Membership in a FOCUS is held either by a country’s lowest political units, such as municipalities, or by individuals. In the former collective case, the decision to join the FOCUS is made democratically by the municipality’s citizens. Tax financing is intended to follow the principle of fiscal equivalence, meaning that the beneficiaries of a public service should bear its costs.

FOCJ possesses no territorial monopoly: their reach is defined solely by the position of their members

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*Journal of Institutional and Theoretical Economics* 157.1  
(2001): 162-175.

(who need not be spatially contiguous), and they have no exclusive legal authority to provide public services where they do. Combined with the fact that FOCJ are purpose-specific, and thus that members may wish to belong to multiple FOCJ, a situation arises in which jurisdictions will “overlap” in space (hence the acronym’s second letter). Put differently, in any given location, multiple FOCJ can operate simultaneously. It should be noted that Frey and Eichenberger envision that FOCJ provide their services across the borders of traditional nation-states, bringing people together around the “geography” of problems.<sup>143</sup>

Lastly, and related to their overlapping structure, FOCJ are “competitive” in that members can exit underperforming FOCJ or join better-performing alternatives, creating incentives for efficiency that conventional territorial governments often lack. In the case of individual membership, exit is particularly straightforward and does not require the person in question to change their physical location.

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<sup>143</sup> One pioneering real-world example the authors cite is the cooperation among Austrian, German, and Swiss jurisdictions to coordinate environmental protection and other issues concerning Lake Constance, which is shared by all three countries (*Internationale Bodensee-Konferenz*).

It is only in the case of collective membership that a person who wishes to exit independently of their fellow citizens must move to a different municipality to leave a FOCUS.<sup>144</sup>

Overall, the potential advantages of the FOCJ concept in contrast to unitary governments are impressive. As summarized by its authors, they could include: “A more flexible politics” that responds to citizens’ actual preferences; “more efficient provision of public services” because of the market-like discipline introduced by institutional competition; and “more innovation” in the supply of public services and taxation.<sup>145</sup>

The establishment of FOCJ is a constitutional decision. To make the concept a reality, the European Union, the Swiss Confederation, or similar organizations would have to formally

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<sup>144</sup> Regarding the different operating characteristics of FOCJ with collective and individual membership, see especially Vanberg, V. J. “Functional Federalism: Communal or Individual Rights? On B. S. Frey’s and R. Eichenberger’s Proposal for a New Federalism.” *Kyklos* 53.3 (2000): 363-386.

<sup>145</sup> See Frey, B. S., and Eichenberger, R. “Functional, Overlapping and Competing Jurisdictions (FOCJ): A Complement and Alternative to Today’s Federalism,” in: Ahmad, E., and Brosio, G. (eds.) *Handbook of Fiscal Federalism*, Edward Elgar 2006, pp. 154-181.

provide the lowest political units and/or individual citizens with a guarantee of participation in FOCJ. In the case of the EU, Frey and Eichenberger suggest establishing a “fifth freedom” to join FOCJ, in addition to the existing freedoms of the free movement of goods, services, capital, and persons. The guarantee of participation in FOCJ would have to include the right to leave a jurisdiction and receive a corresponding tax rebate for services no longer consumed. Note that granting people the right to organize in FOCJ would not constitute a radical change; nation-states and established governance structures would undoubtedly persist. Still, the concept would open new doors for directly controlling the performance of governments and for cooperation across national borders.

Economic history tells us that the political fragmentation of early modern Western Europe and the associated competition between political actors were important preconditions for the sustained economic development, innovation, and cultural flourishing that followed.<sup>146</sup> The concept of FOCJ has the potential to introduce some of the same beneficial institutional competition to political

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<sup>146</sup> See Mokyr, J. *A Culture of Growth. The Origins of the Modern Economy*, Princeton University Press 2016.

systems in Europe and beyond. Building a greater Switzerland, then, can also be taken to mean embracing this radical Swiss proposal for a trans-national institutional environment in which government units are created from below, are financed by the people who benefit from them, and are always subject to (potential) competition.

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*Daniel Nientiedt is Senior Researcher at the Walter Eucken Institute. Send him mail: [nientiedt@eucken.de](mailto:nientiedt@eucken.de).*

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