Switzerland Report
Klaus Armingeon, Fritz Sager, Reimut Zohlnhöfer (Coordinator)

Sustainable Governance in the Context of the COVID-19 Crisis
Executive Summary

Switzerland was one of the first European countries to be affected by the coronavirus pandemic. As with other countries that were affected early, Switzerland took longer to respond than countries that were affected later (Kohler et al. 2020; Wenger et al. 2020), because there were no best practice examples to copy (Plümper and Neumayer 2020). Measured in terms of controlling the coronavirus incidence rate (average number of new infections per 100,000 inhabitants), the country’s response to the first wave of the coronavirus pandemic and its aftermath (March – April 2020) was extraordinarily successful. However, its response to the second wave, which began in late August and reached its preliminary peak in November 2020, was significantly poorer.

During the first wave, Switzerland pursued a strict, time-consistent lockdown policy. However, the country’s approach to the second wave was hesitant, less strict and less time-consistent, with various temporary, light lockdowns pursued. In particular, during the first wave, efficient and pragmatic economic policies were implemented, including a light-handed lending program managed by private banks and fully guaranteed for loan defaults by the federal government, while a generous short-time work compensation program and several à fonds perdu payments (hardship cases) were introduced by cantonal and federal governments.

At the end of the period under review, Switzerland’s economic growth, government deficit and unemployment rates appeared to have been relatively unaffected. This was due to very favorable conditions at the start of the coronavirus pandemic, namely Switzerland's highly competitive economy, booming and flexible labor market, efficient infrastructure, reliable public administration, and sound public finances. In addition, the government recently enacted an ordinance regulating lockdown measures within the framework of the Swiss Epidemics Act (EpA 2012). By international standards, democracy in Switzerland has functioned well, and few restrictions have been placed on civil liberties and rights. As a federal state with a weak federal government due to sovereignty residing mainly in the cantons, policy responses to the coronavirus crisis involved complex coordination between cantons, and between cantons and the federal level. Consequently,
Policymaking was prone to conflict, slow and idiosyncratic, while policy actors were incentivized to avoid blame for policy failures.

Policymaking has been strongly path dependent. With the exception of the emergency law period (“exceptional situation”), which increased federal government powers over the cantons, federal economic policy has been coordinated with cantonal policies and worked to a large extent by matching funds. The need for negotiations and compromise in policy formulation resulted in a sluggish process that ultimately delivered relatively inconsistent policies. Corporatist coordination between the state and economic actors continued to be highly effectively. The major achievement was the introduction of a program that entitled struggling firms to request credit from private banks, which would be guaranteed in case of default by the federal government. This program was designed and implemented within a few days by representatives of five major banks together with the Federal Ministry of Finance, and demonstrates the extent of mutual trust and familiarity between the banks and the ministry as well as the country’s pragmatic heterodox economic ideology. Beyond corporatist cooperation, economic interest groups (in particular small- and medium-sized enterprises) were highly successful in achieving their goals, provided there was no opposition from other economic elites or liberal counterparts in the political systems. For example, representatives of the hospitality industry successfully lobbied to remove lockdown restrictions on hotels and restaurants earlier than planned during the first wave (Sager and Mavrot, 2020). However, their demands for a rent reduction program to support hotels and restaurants during the lockdown failed, as the proposal provoked opposition from economic-liberal politicians and other interest groups (e.g., landlords). Path dependence characterized the likelihood of interest groups’ success. While well-organized producer interests (particularly associations of employers and firm owners) could carry the day, weakly organized groups and employees were much less successful. It was only in December 2020 that short-time work compensation for low-wage employees was increased, as requested by trade unions. Meanwhile, the demands of nursing personnel for better working conditions were rejected by parliament in the fall of 2020. Finally, during the coronavirus pandemic, tensions between expert scientific advice and political decision-making became pronounced. It took several weeks following the start of the coronavirus pandemic for the Federal Council to institutionalize a scientific task force, and when it was formed it was composed mainly of life scientists and economists (with sociologists, psychologists and political scientists poorly represented). Scientific advice has been treated as one among many inputs and some politicians – in particular from the right-populist Swiss People’s Party – have made it clear that they do not appreciate scientific input into political decision-making.
Key Challenges

The coronavirus pandemic has made it clear that the success of a country’s response to crisis varies with respect to its resources and structures at the beginning of the crisis. When the coronavirus crisis hit, Switzerland was in good shape – economically, politically and socially. In particular, it is a resource-rich country with a competitive economy, working infrastructure, intact social and political trust among citizens, low levels of corruption, and (generally) efficient federal and cantonal administrations. Therefore, the first key challenge will be to keep or restore these starting positions.

One of the major achievements of Switzerland’s response to COVID-19 has been its pragmatic, efficient, consensual and heterodox economic policies. Frequently, coordination between political actors on the federal and cantonal levels worked well, indicating the effectiveness of the traditional consociational politics. Likewise, the liberal-corporatist economic coordination model – which brings economic actors (among them banks), economic interest organizations and the state together – worked effectively and smoothly. Hence, a second key challenge will be the preservation of consensual and corporatist politics – even if this comes at the cost of policy consistency and speed of response, and is an easy target for populist politicians.

Swiss citizens strongly support federalism, which is part of what makes up their national-constitutionalist identity. Federalism allows for “closeness” of administration and citizens, and for regionally adjusted policy responses that reflect regional problem loads and needs. A third key challenge, therefore, will be improving policymaking within the federal system. Some observers have noted that regional governments have become captured by regional interests.
and interest groups. Furthermore, there is some evidence that the coordination of cantonal governments was sub-optimal, and that some regional governments – which first tried to impress local voters by implementing autonomous, idiosyncratic policies based on strong regional capacities – tried to avoid or shift blame when policies failed. Once policies failed, regional governments and regional interest groups were happy to pass responsibility for imposing policies on to the federal level, and tried to avoid being held accountable.

The coronavirus pandemic also made regional and federal administrative deficits clear. This concerns general administrative efficiency, increased preparedness for external threats (e.g., sufficient stocks of protective medical materials), efficient and flexible interaction with external actors (in particular from the scientific community), and specific deficits such as outdated technologies and digitalization backlog. Improvement of administrative efficiency and flexibility will, therefore, be a fourth key challenge.

The government has addressed the needs of various societal interest groups to different degrees during the coronavirus pandemic. In particular, weakly organized groups, employees and nursing staff fared worse than employers and firm owners. If, as stated in the Swiss constitution, “the strength of a people is measured by the well-being of its weakest members,” increasing social fairness in Switzerland will improve the country’s resilience and capacity to cope with future challenges.

Switzerland enjoys many benefits through its integration into European policy networks and crisis management systems (Kamasa and Thiel, 2020), though these benefits were not palpable during the coronavirus pandemic. Maintaining Switzerland’s European integration will, therefore, be another key challenge.

The tensions between scientific advice and politics have been a major problem during the coronavirus pandemic. Disregard for scientific insights, ignorance of science as a structured discussion (and hence an unwillingness to accept that there is no eternal scientific truth, and that the state of research is insecure and requires continuous updating) and the idea that scientific advice can be handled like another societal interest are widespread among politicians and citizens. The restoration of the reputation of science and a broader acceptance of science as the basis of modern enlightened societies may be a final key challenge for the years ahead.

These conclusions, based on developments up to mid-January 2021, have been largely supported by developments around the end of the reporting period and afterwards. While Switzerland performed worst in terms of reported new
infections per one million inhabitants (p.m.i.) during the second wave – as compared to neighboring countries – the number of deaths (p.m.i.) associated with coronavirus have been lower than in Austria and Italy, similar to Germany, but higher than in France. Starting in mid-February 2021 and judged on the basis of data from 28 March 2021, the third wave hit Switzerland (together with Germany) least in terms of reported new infections (p.m.i.), while France suffered most. In terms of deaths (p.m.i.) during the third wave, Switzerland has a lower death rate than its neighboring countries. Finally, looking at the total number of reported infections or coronavirus-related deaths (p.m.i.) at the end of March 2021, Switzerland fared better than France or Italy, but worse than Austria or Germany. The total number of reported infections in Switzerland is similar to France, but higher than in Austria, Germany and Italy, with Germany faring the best.

At the end of March 2021, there were striking similarities in the field of vaccinations. About 6% of all inhabitants have been fully (twice) vaccinated. This is about the same proportion as in Austria, Germany and Italy (5%), and France (4%). Obviously, Switzerland experienced similar problems in receiving a large number of vaccination doses, and in implementing an efficient and swift broad vaccination strategy.

The political process in the field of pandemic policies at the end of the period under review is dominated by demands to loosen restrictions from organized economic interest groups, some cantonal administrations and new action groups, the latter differing in organizational consolidation.

Citation:
Resilience of Policies

I. Economic Preparedness

Economic Preparedness

The Swiss economy is highly competitive. In its 2020 annual report on competitiveness, the Swiss-based management school IMD Lausanne ranked Switzerland third in the world, stating that the country had improved in recent years. The report argued that “(r)obust international trade fuels its strong economic performance, while its scientific infrastructure, and healthcare and education systems show steadfast displays” (IMD 2020a). In particular, Switzerland excels as the highest ranked country with regard to how its economy fosters domestic talent; the extent to which its economy retains homegrown talent and draws from the international talent pool; and the quality of skills and competences that are available in the Swiss economy. In contrast, in the Digital Competitiveness ranking of 2020, Switzerland ranked sixth (IMD 2020b). In this field, Switzerland is still within the top ten, but behind the highest performing countries, such as the Nordic countries. Likewise, the use of IT is still limited in private industries and public administration (OECD 2019).

Similar overall rankings are produced by other organizations such as the World Economic Forum, which states that Switzerland “… obtains the maximum score [in the field of macroeconomic stability] and a near-perfect score for infrastructure … Its financial market is among the most developed and most stable … Switzerland’s performance is outstanding in areas related to human capital. Switzerland boasts the fifth-longest healthy life expectancy in the world and it ranks first [in the field of skills] overtaking Finland. It is the best in the world for vocational training, on-the-job training … and employability of graduates. Combined with a well-functioning labor market … Switzerland’s talent adaptability with regard to the disruptions brought about by the [fourth industrial revolution] is second to none. Its talent base contributes to making Switzerland one of the world’s top three innovators,
ranking third … [in the innovation] capability pillar behind Germany and the United States.” Less convincing are Switzerland’s achievements with regard to “market efficiency … which is severely undermined by high trade barriers and business dynamism… undermined by a relative aversion for entrepreneurial risk … and the relative reluctance of companies to embrace disruptive ideas” (WEF 2019: 9 – 20).

In December 2020, the World Economic Forum published its updated Competitiveness Report, which examined how countries are performing on the road to recovery following the coronavirus pandemic. In the report, Switzerland dropped in ranking from fifth to 12th due to limited energy transition, digital transformation, tax system (with weak tax progression and inheritance tax), family policy and old-age care, and public incentives for long-term investment (WEF 2020: 73 – 76).

With regard to sustainable development, on 25 September 2020, the Federal Assembly adopted a new CO2 law, which introduced new standards and measures to reduce greenhouse gas emissions. The package includes stricter emission standards as well as incentives (e.g., companies can receive a partial exemption from the CO2 tax if they commit to reducing their emissions). A new aviation tax is also planned, from which part of the revenue will be used to promote innovation. While this new law has received strong support from various branches of the economy, the environmental community has taken a more critical approach, arguing that the law favors the status quo and will not achieve the desired objectives, particularly because some measures would be based primarily on the goodwill of economic players. For example, in the case of financial market measures, the Federal Council relies on a voluntary system, with subsidiary measures available only if no progress is made through the voluntary system.

The success of the Swiss economy is due to a number of factors. Among them is arguably the highly pragmatic and heterodox economic policy pursued at the federal and cantonal levels with a tradition of successful “muddling through” (Armingeon 2017; Emmenegger 2021). Limited and measured economic liberalization in the 1990s, which reduced the influence of special interest groups, in particular agriculture, may be another contributing factor to Switzerland’s good economic position (Sciarini 1994). On the other hand, organized interests cooperate and coordinate with governments on the federal and cantonal levels, although this has varied over time (Armingeon 2011; Mach et al. 2020). Furthermore, Switzerland has never had smoke-stack industries – due to the country’s lack of coal and steel – with their problematic consequences for industrial structure and the environment.
There are several problems, however. Productivity growth (GDP growth per capita) is low due to the dual structure of the Swiss economy, which combines a highly competitive and innovative export industry with relatively sheltered domestic industries in which most job-seekers find employment (Eberli et al. 2016; Müller 2019; OECD 2019). Finally, tourism plays a limited but increasing role in overall employment (4% in 2019) and gross value added (3% in 2019). However, it is an important industry, particularly in the mountainous regions, and may suffer from declining international demand (BFS 2020).

Citation:


Labor Market Preparedness

The Swiss labor market is performing very well in terms of low unemployment and high employment rates. Although Switzerland’s unemployment figures increased, reaching levels similar to Germany and Austria, this performance is still outstanding in comparison to most European countries. Labor market dualization – the division between workers with permanent contacts and workers with contingent or no contracts – is comparatively very low in Switzerland. Likewise, the rise of market wage inequality has been contained.

One of the reasons for this favorable performance is the international competitiveness of the Swiss economy. Over the past 30 years, its current account has been very high – much higher than that of Germany. By implication, Switzerland’s economic growth and employment rates depend heavily on the development of international markets rather than on domestic demand. As long as international markets thrive, there is limited concern about domestic employment. Another reason is Switzerland’s social partnership model and almost complete absence of industrial conflict. Although globalization and competition threaten to erode the harmonious relations between both sides of industry, the liberal-corporatist relationship still exists and contributes to the smooth working of the labor market (Katzenstein 1985). In addition, unemployment compensation (measured as unemployment compensation for a married wage earner standardized by the wage of an average production worker) is generous (Scruggs et al. 2014) – much higher than in neighboring countries. This creates incentives for workers to invest in sector and firm specific skills (Hall and Soskice 2001), and the conditions for developing high-quality products. Consequently, hire-and-fire policies are unattractive to most employers given their need to retain highly qualified workers with firm-specific skills even during periods of decreasing demand. Finally, Switzerland relies very much on foreign labor, with foreign workers attracted by the income level and quality of life in Switzerland. While in the immediate post-war period this was frequently low-qualified labor, in recent years the share of highly trained employees has increased dramatically. On average, for the past 15 years, almost 60% of migrants from the European Union hold a tertiary degree. In the past, recruitment of foreign labor added some flexibility to the labor market, as foreign workers with temporary residence permits risked not having their residence permits renewed or departing foreign workers were not replaced during periods of economic slack. In times of economic boom, demand for workers could easily be met by adding foreign workers to the domestic workforce. However, this labor flexibility has been reduced by domestic developments, which include issuing unlimited residence permits, and by bilateral treaties with the European Union.
regarding the free movement of persons. While hiring-and-firing is not widespread in Switzerland, in principle employers can easily lay off workers due to very liberal employment protection legislation similar to legislation in Anglo-Saxon countries.

Nevertheless, all of these contributing factors to the success of labor market performance are vulnerable. On the one hand, Switzerland needs access to international capital, goods, labor and service markets, and depends on international business cycles beyond the control of the national government. On the other hand, globalization and international competition threaten Switzerland’s domestic social partnership between employers’ associations and trade unions.

The Swiss People’s Party represents an insider threat to the stability of the labor market as the party regularly launches new initiatives and campaigns to reduce immigration and limit access to the Swiss labor market for foreigners. These initiatives could endanger Switzerland’s relations with the European Union (Graf 2018), and create insecurity among employers and the international workers on whom Switzerland’s economic competitiveness depends. The last popular initiative “For moderate immigration (Limitation Initiative)” was rejected by the Swiss electorate on 20 September 2020, meaning that, for now, there is no imminent populist threat to the labor market.

Citation:


**Fiscal Preparedness**

Budgetary policy in Switzerland is fiscally sustainable. Gross public debt (general government debt operationalized according to Maastricht rules) rose from a low 26% of GDP in 1990 to a peak of 47% in 1998, but receded to 26% by 2019 (BFS 2020). In the operationalization of the OECD, public debt is around 40% of GDP (OCED 2020).

Structurally adjusted budgets were balanced even during the crisis of 2008 and 2009. It must be noted that the Swiss federal state is very slim by international
comparison: the federal government accounts for only one-third of state expenditure. Since the turn of the century, the federal budget has remained in the black or at least balanced – with the government spending less than it receives – with the exception of the period between 2002 and 2004. In 2019 as in previous years, the surplus of the federal budget has been much larger than anticipated. In 2020, the increase in debt is projected to be around four percentage points, with the public deficit expected to be 3.7%, according to the estimations of the Federal Statistical Office in September 2020 (BFS 2020).

Switzerland’s sustainable fiscal position is mainly due to the political decision to prioritize a low tax load and lean state. In addition, keeping the public deficit and debt low has been a major concern for politicians across all levels of the political system. Various rules and structures have been developed to avoid the dynamics of expanding budgets. For example, on the federal level, there is the constitutional debt brake (Article 126): “The maximum of the total expenditures which may be budgeted shall be determined by the expected receipts, taking into account the economic situation.” Direct democracy offers another effective means of keeping the budget within limits. In popular votes, people have proven reluctant (compared to members of parliaments when elections are drawing near) to support the expansion of state tasks with a corresponding rise in taxes and/or public debt.

The current system of national financial equalization was introduced in 2008 and revised in 2020. The basic idea of this system is that economically strong cantons and the confederation should support financially weaker cantons. The system aims to reduce differences between cantons in financial performance and performing government tasks effectively. About two-thirds of the equalization system is financed by the federal government, one-third by the more affluent cantons.

The Swiss tax ratio is significantly below the OECD average and tax rates, particularly for business, are moderate. Taxation policies are competitive and generate sufficient public revenue. Fiscal federalism (which requires municipalities, cantons and the federation to cover their expenses with their own revenue) and Swiss citizens’ right to decide on fiscal legislation have led to a lean state with relatively low levels of public sector employment. Nonetheless, it is important to note that due to the principle of federalism, tax rates can differ substantially between regions, as individual cantons and local communities have the power to set regional tax levels.

Switzerland has relatively limited tax progression and inheritance taxes, which the WEF’s 2020 competitiveness report considers to be a competitive disadvantage in recovering from the coronavirus crisis.
However, it should be noted that Switzerland’s apparently small government revenue as a percentage of GDP can be partially attributed to the way in which the statistics are calculated. Contributions to the occupational pension system (the so-called second pillar) and the health insurance program – which are managed by non-state organizations – are excluded from government revenue calculations. The share of government revenue as a percentage of GDP would be about 10 percentage points higher if contributions to these two programs were included. This would bring Switzerland up to the OECD average in terms of public revenue.

Tax policy has been used to support environmental policy. In September 2020, the parliament passed a new law on CO2 emissions. The law will make the installation of oil heating systems more difficult, require CO2 emissions from cars to be further reduced and increase taxes on gasoline. In addition, the law contains measures to reduce greenhouse gas emissions from aviation. Currently, signatures are being collected to secure a public vote on this law. A referendum on the law is strongly supported by the Swiss People’s Party, which argues that the law goes too far, and by small groups of radical climate activists, who think that the law is not ambitious enough.

Citation:
WEF 2020: The Global Competitiveness Report. How countries are performing on the road to recovery, Special edition, Geneva: WEF,

Research and Innovation

Switzerland’s achievements in terms of innovation are considerable. Switzerland spends 3.3% of GDP (2017) on research, compared to about 2% on average for EU member states. In per capita terms, Switzerland is an international leader in patent applications, with strengths in healthcare technologies and biotechnology. Corporate spending on economic innovation, an important factor in the country’s strong overall competitiveness, accounts for 67% of total research spending. Public research funding plays a lesser role in Switzerland than in other European countries. However, the share of public spending is increasing. Research in Switzerland depends on five main actors: cantonal universities, two federal institutes of technology, the National Science Foundation, the Federal Commission for Technology and Innovation, and the Swiss Academies of Arts and Sciences. These actors are independent
of each other, but cooperate based on complementarity and (limited) competition. The various institutions are highly autonomous, and research policies and processes are driven by bottom-up operations. Consequently, Swiss research policy is not centralized, but rather relies on a concept of decentralized innovation with the federal government intervening periodically. The output of the research system is impressive. The two federal institutes of technology in Zürich and Lausanne belong to the top-ranked universities in the world, and the universities of Basel, Bern, Geneva and Zürich regularly rank among the 150 best universities worldwide.

Some deficits persist, however. These include poor coordination among universities and the new universities of applied sciences, and the weaknesses of social science and humanities research compared to natural science and technology research.

Citation:
BfS (Bundesamt für Statistik) 2020 https://www.bfs.admin.ch/bfs/de/home/statistiken/bildung-wissenschaft/technologie.html

II. Welfare State Preparedness

Education System Preparedness

Switzerland’s education system is strongly influenced by the country’s federal and decentralized structure, with education policy falling under the jurisdiction of the cantons and municipalities. The system provides high-quality education. The university system performs very well, as is the case in many other small and open European countries. Vocational training is very solid and seems to be one of the most important factors contributing to Switzerland’s low levels of unemployment, particularly among younger people. Two out of three young people undertake basic vocational training. The permeability of vocational and tertiary education has improved in comparison to other countries. Over the past 20 years, Switzerland has experienced very strong growth in tertiary education. The share of citizens having completed tertiary education in the total population doubled between 1997 and 2019. This was chiefly due to a growth in colleges of education and universities of applied sciences, which were institutionalized in 1998. Students with vocational training can acquire a
diploma to enter universities of applied sciences either during their training or through a special one-year course after they have finished their apprenticeship. In 2019, 61% of all students in tertiary education attended a university, 31% a university of applied sciences and 8% a college of education.

While women and – with some exceptions – persons from peripheral regions have equal access to higher education, the Swiss education system continues to discriminate at all levels against students from low social status families. There is no empirical evidence that the education system discriminates against children born in the country to non-Swiss parents. Their lower success rates can be attributed to discrimination against students from low social status families.

There is, however, a federal particularity in higher education. Cantons such as Geneva, Basel-City and Ticino have followed international trends favoring general qualification for university entrance, while others, especially in the German-speaking parts of the country, have focused on a system that splits university and vocational training. Thus, in the canton of Basel-City, 30% of the respective age group acquire the matura secondary school diploma, allowing them to go directly on to a university or university of applied sciences, while in the canton of Schaffhausen only 14% gain direct access to a university or university of applied sciences (2018). However, the effect of this “federal” discrimination is somewhat reduced by permeability within the school and university systems.

The vocational training system also offers considerable career prospects. For example, over the course of their work lives, men with vocational training and men with a tertiary education have similarly high employment rates. However, there is a significant difference in earnings. At the age of 50, the median annual earnings of a male academic is about CHF 125,000 compared to about CHF 80,000 for a male worker with vocational training. Meanwhile, average figures indicate that workers with vocational training earn about 60% of the wage of a worker with a university degree (Korber and Oesch 2016; BASS 2017).

With regard to digital skills (43% of the population possess digital skills, according to Eurostat and OECD), Swiss adults lag adults in top performing countries such as the Netherlands and Norway (where the equivalent rate is around 50%), but outperform adults in neighboring countries: Austria 36%, France 29% and Germany 37% (OECD 2019). Given the competences of cantons, there are limited national plans and policies for digital education. A study by the European Commission showed that learning outcomes across all three educational levels address six out of eight basic areas of digital
competence. This is fewer than in the highest performing countries (e.g., Estonia), almost equal to neighboring Austria, and slightly more than in Germany and Italy (European Commission 2019: 43).

Resource allocation within the educational system appears to be very efficient. In general, the quality of the Swiss education system is outstanding. However, given the strong impact of parents’ social status on access to higher education, there are questions about overall equity in terms of access.

Citation:
BfS (Bundesamt für Statistik) 2020a: Bildungsabschlüsse (Ausgabe 2020), Neuchâtel: BfS

Social Welfare Preparedness

In contrast to many western European countries (e.g., Germany), Switzerland has not recorded a major increase in income inequality over the past 20 years. The country has been largely successful in preventing poverty. This is due to an effective social assistance system, in particular with regard to older people. It is rare for people in Switzerland to fall into poverty after retirement. Where this risk materializes, it is typically among foreigners, women and people who belonged to low-income groups during their working lives (BfS 2014). The main social insurance programs regulated on the federal level (addressing sickness, unemployment, accidents and old age) work effectively, are comparatively sustainable and provide a generous level of benefits. Social assistance is means tested, with some stigma attached to receiving social assistance.

Life satisfaction is very high, income inequality is moderate and stagnant, the share of working poor in the population is small, and gender inequality has been reduced substantially in recent years. Nonetheless, some problems and tensions relating to social inclusion are evident.
First, the transition to a knowledge-based service economy entails new social risks. These will be faced most by workers unable to cope with the challenges of this new economy. These vulnerable workers include young people who lack either the cognitive or psychological resources to obtain sufficient training and begin a career, single mothers who are unable to finish vocational training, highly skilled female employees who cannot reconcile work and family life, and people (typically women) who care for elderly relatives. Like most continental welfare states, Switzerland has not sufficiently reformed the welfare system to address the challenges of a service-based economy. There is, however, considerable variance between local communities in the degree to which they address these challenges.

Second, tensions between Swiss citizens and foreigners over the welfare state benefits as well as their financing are increasing. In November 2020, the unemployment rate of foreign workers was 2.4 times higher than the unemployment rate of Swiss workers. Remarkably, this was the same ratio as one year before. The moderate increase in unemployment during the coronavirus pandemic (from 2.3% in 2019 to 3.3% in November 2020) has affected Swiss citizens and foreign-born workers equally (EDWBF/seco 2020a, 2020b). The share of social assistance recipients was 2.3% for Swiss nationals and 6.1% for foreign nationals in 2018 (BSV 2020). The share of social assistance recipients varies strongly by national background. It is highest among non-EU citizens. On average, EU/EFTA citizens have a slightly higher share (2.9%) than Swiss citizens (2.2%), while non-EU citizens are much more likely to rely on social assistance (16.3%) (EDI/BSV 2020). It should be noted that unemployment and poverty is most pronounced among low-skilled workers, where immigrants are over-represented. At the same time, highly skilled foreign-born employees subsidize a Swiss welfare state that benefits low-skilled foreign-born workers and middle-class Swiss workers. For example, citizens from EU/EFTA countries pay 25% of all contributions to the first pillar of the pension system (AHV), while they receive only 15% of all AHV spending (EDI/BSV 2017)

The Disability Insurance (DI), which enables Swiss workers to receive a minimum income in the event that they are unable to work due to a disability, was at the center of several reforms in the 2000s. The main aims of these reforms included encouraging the reintegration of the people concerned into the workforce, avoiding as far as possible the granting of new pensions and presenting pensions as a temporary bridge to final reinsertion into the workforce (BSV 2011). These investments were made in anticipation of improving reintegration into the labor market, suggesting that the participation and inclusion of this traditionally marginalized and precarious population
group would increase. However, the ever-decreasing number of new pensions granted, the growing insecurity regarding these pensions (which are now largely granted on a transitional basis), the uncertain outcomes for recipients once reintegration measures have been completed and they are expected to return to the labor market, and the intensive campaign against alleged fraudsters (“Scheininvalidität,” which contributes to a climate of fear, mistrust and insecurity on the part of the public, institutions and beneficiaries alike) does not speak in favor of the demarginalization of precarious population groups (Hassler 2016).

During the coronavirus pandemic, pandemic-related risks of inclusion have become obvious. Certain sectors were hit particularly hard by the coronavirus crisis, such as tourism within Switzerland, travel agencies organizing trips to foreign destinations and service industries (especially restaurants, hotels, fitness studies and hairdressers). The two major means to moderate the impact of the coronavirus crisis on these sectors – short-time work compensation and federal loans – could not offset all of the asymmetrical effects of the crisis on the economy.

Citation:
BfS (Bundesamt für Statistik) 2014: Armut im Alter, Neuchâtel: BfS
EDIBSV (Bundesamt für Sozialversicherungen), 2020: Auswirkungen der Freizügigkeit auf die schweizerischen Sozialversicherungen, Bern : BSV 19.8.2020

Healthcare System Preparedness

Healthcare in Switzerland is qualitatively excellent. According to the OECD, Switzerland’s healthcare system is among the best in the OECD, but also one of the most expansive (OECD 2020). Mandatory health insurance ensures that the whole population is covered. However, care is expensive. Health insurance premiums (at constant prices) have nearly doubled over the past 20 years. Cost efficiency is a potential problem, in particular with regard to the organization of hospitals. Life expectancy is very high, with life expectancy at birth 82 for
men and 88 for women (2019). As of 2019, a 65-year-old man could expect to live for another 20 years on average, while a woman of the same age could look forward to another 23 years (BfS 2020a). Obviously, the healthcare system is important in this respect, but it is not the only explanatory variable. Differences may also be due to the country’s socioeconomic resources and natural environment, among other variables.

Health insurance is managed according to a very liberal formula. Premiums for health insurance do not depend on income and premiums do not take into account the number of family members. Hence, insurance must be bought for each member of the family, although premiums are reduced for children. In recent years, this liberal model has been modified through the provision of subsidies for low-wage earners and their families. These subsidies vary by canton and policy change is frequent. In general, healthcare reforms have not been particularly successful in terms of improving efficiency or controlling the structural rise in healthcare expenditures. In 2018, healthcare expenditure was equal to 12% of GDP, compared to 17% in the United States, 11% in France and Germany. In 2018, the healthcare system was financed by the public sector (29%), health insurances which are organized as private mutual funds (37%), other (private) health insurances (9%) and out-of-pocket payments by patients (26%) (BfS 2020b). These out-of-pocket payments are very high by international comparison. According to a 2011 OECD report, “Switzerland has amongst the highest percentage of out-of-pocket costs as a share of health expenditure in the OECD” (OECD 2011: 35). Based on several studies the federal government reported that the proportion of people who forego medical services for cost reasons is in the range of 10% – 20% of the population. According to a report by the OBSAN, the proportion of the population that has given up going to the doctor because of cost-related reasons rose sharply between 2010 and 2016, and is most marked in the 18 – 45 age group, with an increase of around 15% (Merçay 2016). However, some of these cases do not necessarily refer to treatments in the strict sense of the word. The proportion of people who would forego necessary services is in the lower single-digit percentage range, although it is very difficult to define “necessary treatments” (Bundesrat 2017: 22 – 26). It remains to be seen whether this strong reliance on out-of-the-pocket financing has had a significant impact on the health behavior of the population during the coronavirus pandemic.

During the coronavirus pandemic, the healthcare system showed considerable staffing vulnerabilities, in particular with regard to practicing professional nurses with a Diplom-Pflegefachleute. The number of professional nurses is relatively high in Switzerland. In 2012, Switzerland had 11 professional nurses per 1,000 inhabitants compared to about eight nurses per 1,000 inhabitants in a sample of modern societies. In 2017, Switzerland had 18 nurses (including all
levels of qualifications) per 1,000 inhabitants compared to eight nurses per 1,000 inhabitants in 20 EU member states. However, Switzerland trains only 60% of its own nurses and staff needs are increasing. A large share of nurses are recruited from abroad (GDK 2016; OECD 2020b). The level of remuneration for nurses (measured by the average wage) is one of the lowest in the OECD (OECD 2019: 181; for further qualifications see NZZ 9 December 2020). Notwithstanding the high density of nurses, the availability of trained staff during the pandemic became a critical bottleneck for healthcare coverage.

At the beginning of the coronavirus pandemic, coronavirus testing capacity and the availability of personal protective equipment were limited, and there were problems in the logistics of distributing protective equipment. However, these deficits were subsequently reduced.

Another aspect of the Swiss healthcare system is decentralization, with healthcare policy largely the responsibility of the cantons. By implication, Switzerland has 26 different healthcare systems, which are only loosely coordinated. This could be an asset, if all of these healthcare administrations reacted appropriately, swiftly and professionally to the challenges of the coronavirus pandemic, which showed regional variation in depth and development. However, it could also be a major vulnerability, if some of these healthcare administrations failed to cope with the challenges due to political reasons or due to the quality of administration.


MERCAY 2016: Expérience de la population âgée de 18 ans et plus avec le système de santé – Situation en Suisse et comparaison internationale: Analyse de l’International Health Policy Survey 2016 du Commonwealth Fund sur mandat de l’Office fédéral de la santé publique (OFSP) (Obsan Dossier No. 56) (p. 186). Neuchâtel: Observatoire suisse de la santé


Families

In general, Swiss family policy has a clearly conservative outlook with a strong liberal undertone. It is mildly supportive of the traditional family: there are some tax deductions, a period of 14 weeks of parental leave is available to mothers and there are a very limited number of childcare facilities. In September 2020, a constitutional amendment was accepted in a public vote, which introduced two weeks of parental leave for fathers with 80% of the father’s previous wage covered.

Recent statistics show that women spend an average of 16.6 hours a week in paid employment compared to 27.3 hours for men. Likewise, women spend an average of 28.1 hours a week on domestic work and men 17.9 hours (BfS 2017). Other figures show that for couples living in the same household, domestic chores are largely carried out by women in 60% of households, while in 33.7% of households the tasks are divided equally between men and women. However, it was noted that inequalities in the distribution of domestic chores increase with children: 49.5% of couples without children distribute tasks equally, while 25.9% of couples with children under 25 years old distribute tasks equally (BfS 2019).

In international comparison, Swiss family policy has done relatively little to enable women to enter the workforce. Policies to reconcile work and family life lag far behind comparable modern societies. Overall, spending on family benefits is low by international comparison. Switzerland ranks very low for the length of paid maternity leave and the enrollment of children between the ages of three and five in formal pre-primary education.

A January 2009 federal law that provides subsidy payments to families – and accounted for 4% of all social policy spending in 2015 – has done little to change the country’s ranking in international comparisons nor has it changed the substantial variation between cantons, one of the most salient characteristics of Swiss family policy. The new federal law defines minimum child and education benefits, but cantons may add a variable amount to this basic federal benefit level. In 2018, a new law was enacted that introduced two weeks of paternity leave. Currently, additional initiatives proposed by the left and green-liberal parties to extent parental leave are being considered.

In 2020, the Global Competitiveness Report, which focused on countries’ recovery from the coronavirus pandemic, ranked Switzerland 12th with regard to expanding old-age care, childcare, healthcare infrastructure and innovation, behind countries such as Canada, Germany and the United States (WEF 2020: 74).
There are substantial variations in family policy on the cantonal and municipal level. The canton of Ticino has a very generous family policy aimed at helping mothers reconcile work and family life. However, other cantons (and their municipalities) frequently fail to offer any substantial help to mothers (e.g., childcare facilities). Differences and reform dynamics are particularly pronounced between municipalities with regard to external childcare. For example, in the largest canton of Zurich, the costs of preschool care (Kitas) are up to 75% covered privately by parents (NZZ 09 December 2020). Local communities with minimalistic family policies co-exist with municipalities that promote the reconciliation of work and family life for young mothers. It has been argued that the interplay of local, canton and federal family policies makes the policy process and power distribution very disparate.

Likewise, tax policies that provide incentives either to stay at home or re-enter the labor market vary from canton to canton. However, taking the median canton and municipality, the portrait of a liberal-conservative family policy applies. Policies tend to create incentives for young mothers to stay at home during the first years of their children’s lives. Afterwards, mothers are provided reasonable opportunities to find employment; however, in most cases, these opportunities involve part-time jobs. This allows mothers to care for their children, while also having some limited employment opportunities. Part-time work usually reduces the ability of mothers to sustain a career compared to full-time employment. In this regard, the OECD recently suggested expanding affordable childcare and access to early childhood education so that women can increase the number of hours they work. Currently, the system works in the sense that it mobilizes women within the labor market, but without giving them opportunities for income and career advancement equal to those afforded to men – with considerable regional variation.

During the coronavirus pandemic, this system of family policy turned out to be a major vulnerability. Given the limited availability of childcare facilities, many young families rely heavily on grandparents for support with childcare. Consequently, parents had severe difficulties reconciling work and family life when grandparents had to stop caring for their grandchildren due to the vulnerability of older people to the coronavirus.

Citation:
Bundesamt für Sozialversicherungen 2017: Schweizerische Sozialversicherungsstatistik 2017, Bern: BSV
BfS (Bundesamt für Statistik) 2017: Schweizerische Arbeitskräfteerhebung, Unbezahlte Arbeit (Modul der Schweizerischen Arbeitskräfteerhebung SAKE), No je-f-03.06.00.01
BfS (Bundesamt für Statistik) 2019: Enquête sur les familles et les générations, No su-f-01.07.05.08.
III. Economic Crisis Response

Economic Response

The recovery package on the federal level consists of six major elements:

(a) Payments for short-time work (CHF 11 billion).
(b) Income compensation for self-employed workers (CHF 2 billion).
(c) Income compensation for loss of earnings for employees in case of quarantine or for those who must interrupt their professional activity to take care of children.
(d) Hardship payments (CHF 680 million from the federal government, CHF 320 million from the cantons) based on the COVID-19 law introduced on 25 September 2020 (SR 818.102). Article 12 regulates that in general payments by the federal government must be matched by payments from the cantons. On 11 December 2020, the federal government announced that it will increase funding for the program by CHF 1.5 billion (SRF 11.12.2020), which has been realized – together with additional income replacement schemes for self-employed workers by 18 December 2020 (Bundesrat 2020). In the case of similar hardship programs on the municipal and (probably) cantonal levels (Thuner Tagblatt 17.12.2020), not all of these funds have been required by firms.
(e) Federal guarantees for credits to employers. These credits amounted to CHF 17 billion. The total guaranteed losses for the federal government were CHF 52 million (EFD 2020a). This is based on a regulation of 25 March 2020 (SR 951 – 261). An additional element includes guarantees on bank credit to start-up firms. These guarantees cover credits over about CHF 100 million (EFD 2020b).
(f) Additional minor support programs, such as a credit of CHF 2 billion to the
former national airline (now owned by the German company Lufthansa) Swiss (NZZ 29 April 2020).

With this package, Switzerland continued its liberal-corporatist economic strategy. On the one hand, no explicit stimulus packages were introduced at the federal level. This is due to a number of institutional, political, technical-administrative and economic reasons. Institutionally, federal government expenditure as a proportion of total public expenditure (30% in 2018) is small by international comparison (BfS 2020a). If the federal government wants to introduce a substantial stimulus package it must join forces with the cantons and municipalities, which will require time-consuming coordination. Politically, during the Great Recession (2010 – 2015) the federal government tried to introduce several stimulus programs. However, these programs were limited in size due to the opposition of center-right parties in parliament and these political constellations of anti-cyclical policy have not changed substantially in the years since. Technical-administratively, anti-cyclical policy needs to be timely, targeted, temporary and swift. Previous experiences with such policies in Switzerland have shown that there were not enough projects of sufficient size that could be started immediately. The take-up rate of stimulus payments was sufficiently high during the Great Recession. Economically, Switzerland is strongly interlinked with other (European) economies and, in the absence of similar stimulus programs in Europe, there is the danger of exporting the stimulus program to other countries while being ineffective within the countries.

The liberal-corporatist strategy, which delivered federal government credit guarantees, was mainly built on cooperation between private banks and the state. At the beginning of the coronavirus pandemic, the federal government and private banks devised a system in which banks could provide loans swiftly and without much additional analysis. The system would enable banks to provide credit to their existing customers, with the federal government guaranteeing the credits in case of default (NZZ 18 November 2020). These facilities have not been fully used by businesses.

At the end of the first wave, liberal corporatism took on a strong lobbyist character due to the advocacy of restaurant interest groups (e.g., GastroSuisse) who lobbied successfully for a swift reopening of restaurants (Sager and Mavrot 2020). Meanwhile, during the second wave, interest organizations like GastroSuisse lobbied forcefully to avoid further restrictions being placed on hotels and restaurants, frequently alongside cantonal administrations.

A major failure involved designing policy for reducing the impact of the coronavirus pandemic on small- and medium-sized enterprises in service
sector (e.g., restaurants and hairdressing salons). The plan failed to get landlords to waive a proportion of rents owed during the lockdown. This plan failed due to opposition from center-right parties in parliament and lobbying from the landlords’ organization (NZZ 30 November 2020). Apart from ideological and interest-driven arguments (e.g., the rejection of state interventionism), it was argued that in many cases landlords and tenants have voluntarily agreed on a rent rebate. In addition, there were some cantonal schemes in place that provided relief to tenants who did not generate enough income to pay the full rent.

An example of a cantonal scheme involved Basel-city and was replicated by the canton of Zurich. Under the scheme, the canton covered one-third of the rental costs for the lockdown months of April, May and June if the landlord agreed to waive one-third of the rent. Small- and medium-sized enterprises would therefore only have to pay one-third of their rent for this period (NZZ 11 December 2020). Likewise, during the second wave, the canton of Zurich swiftly developed a program to support troubled firms, which supplemented the existing federal programs (NZZ 15 December 2020; for further information on cantonal programs see Baublatt 26 March 2020).

In Switzerland, economic recovery policies are path-dependent. The federal government tries to incite the cantonal governments – which usually are sovereign in their cantonal economic policy – to pursue certain strategies by providing match funding.

As a final note one has to add that there is no proactive anti-cyclical policy recovery package to create additional demand. Instead, federal and cantonal policies have tried to prevent companies going bankrupt and laying off employees. This necessitates a strong reliance on automatic stabilizers. Since unemployment could be contained quite successfully by short-time work compensation, automatic stabilizers worked mainly through short-time work compensation.

Citation:
BFS 2020a: https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/oeffentliche-haushalte.assetdetail.11787278.html
Sustainability of Economic Response

The recovery packages of the federal government and cantons have been reactive, and have attempted to prevent bankruptcies and a large increase in unemployment. Generally, the recovery packages have not had a proactive element, which could involve creating a “green” recovery program or something similar. Likewise, no major infrastructure investment, which could achieve a sustainable recovery, have been planned.

However, there may be more proactive policies on the cantonal and municipal levels. On the federal level, the government has guaranteed credits for startups, in particular for innovative startups. This scheme was available from May to August 2020 and the federal government guaranteed bank credits for startups amounting to almost CHF 100 million – which is a modest sum compared to the CHF 17 billion in guarantees for bank loans in the overall scheme for all firms (EDF 2020a, 2020b).

Citation:

Labor Market Response

The economic policies of federal government and cantons aimed primarily to mitigate the number of bankruptcies and increasing unemployment. They have been relatively successful in this respect. Unemployment grew only slightly
from 2.6% in January 2020 to 3.2% in November 2020, with the unemployment rate decreasing with increasing formal education. Youth unemployment decreased. Short-time work peaked in 2020 compared to the past 20 years. The number of short-time work hours has been 18 times higher compared to the high point during the Great Recession (SECO 2020a, 2020b). Early in the second wave (September 2020), some 200,000 individuals were engaged in short-time work, which is 100 times that the number of people in short-time work in September 2019 (SECO 2020a).

The requirements for short-time work have been extended and the procedures simplified. Several categories of workers not previously eligible – and often in vulnerable work situations – have been included, namely those with fixed/short-term contracts as well as apprentices (Swiss Federal Council 2020). On-call workers were also included in a further extension of the requirements in October 2020 with retroactive effect (SECO 2020d).

Short-time work compensation covers 80% of earnings lost due to reduced working hours. The federal government has relaxed the administration criteria in order to avoid increasing unemployment (SECO 2002c). In December 2020, the parliament decided that short-time work compensation should exceed the previous level of 80% of a person’s equivalent full-time wage for low-income groups, covering up to 100% (NZZ 16.12.2020). In 2020, the short-time work scheme was financed directly by the federal budget. In 2021, the unemployment insurance – based on wage deductions – will carry the burden of these costs. However, this has been disputed since the costs result from a political decision on the federal level and, hence, should be covered by the ordinary budget of the confederation.

Compensation for loss of earnings for parents who have to interrupt their professional activity to care for children was also introduced in March 2020 (Swiss Federal Council 2020).

While there are some passive labor market policies in place for the most vulnerable (low-wage short-time) workers in December 2020, no active labor market policy changes have been introduced.

Citation:
Fiscal Response

The government has no plans to implement expansionary fiscal policies in order to increase demand. The current expenditures aim to finance short-time work compensation, avoid hardship cases and reduce the number of bankruptcies. However, these measures increase public expenditure in a period of stagnant or even decreasing public revenues. In 2020, extraordinary expenses related to the coronavirus pandemic amounted to about CHF 18 billion, which is about a quarter of the normal federal expenditure prior to the pandemic. At the time of writing (December 2020), no clear plans have been decided upon for the compensation of the coronavirus-related debts. The federal finance minister has proposed that these debts will be repaid over the course of 15 years by annual austerity strategies. There is a debt brake in Switzerland, which requires amortization of new debts within six years, but this period may be extended due to the extraordinary situation. The budgetary process and burden-sharing arrangements – in particular between the federal government and cantons – are transparent and established. Future-oriented investments in critical infrastructure are not planned; however, Switzerland’s infrastructure is currently in good shape.

In December 2020, the parliament accepted the federal budget for 2021. The ordinary budget has a deficit of CHF 2 billion and the extraordinary budget (which includes most coronavirus-related expenditures) has a deficit of about CHF 4 billion. The growth rate of the federal debt will therefore be 6% (NZZ 17 December 2020; Bundesrat 2020).

Citation:
NZZ 17.12.2020: Bund budgetiert Corona-Defizit von 6,1 Milliarden.

Research and Innovation Response

The Ministry of the Economy reported on 11 November 2020 that the Federal Council had launched the impulse program Innovative Strength Switzerland. The program provides easier conditions for project funding so that companies can maintain their innovative strengths during the coronavirus crisis and...
ensure their long-term competitiveness. The impulse program from the innovation promotion agency Innosuisse is intended to support companies with a maximum of 500 full-time equivalent employees in 2021 and 2022. The additional costs will be absorbed by the increase in the payment framework of Innosuisse 2021 – 2024 decided by parliament. Specifically, the funding of innovation projects will be supplemented by two measures. First, companies’ own contribution can be limited to 30% (instead of 50%) of the project costs and the cash contribution that the company normally makes to its research partners can be waived on a case-by-case basis. Second, in the case of projects intended to cope with structural change, for which additional external consulting services are required to develop new business models or radical innovations, the companies’ own contribution can be reduced to 20% of the project costs (WBF 2020).

Switzerland developed its own coronavirus tracking app, which has been downloaded by two out of Switzerland’s eight million inhabitants. Unfortunately, the app was not compatible with older smartphones prior to January 2021 (SRF 2020; BAG 2020). Due to the lack of a frame agreement with the European Union, this app could not be sufficiently coordinated with the so-called EU Gateway which tries to reach inter-operationality of the various European apps (NZZ 16 July 2020; Kamasa and Thiel 2020: 157). On 11 December 2020, the federal government enacted a two-year program to support innovation during the coronavirus pandemic (Bundesrat 11.12.2020).

The Swiss National Research foundation launched two programs in spring 2020 to deal with the coronavirus pandemic. First, a special call for proposals for coronaviruses, which awarded CHF 10 million to 36 research projects. Second, the National Research Program “COVID-19” (NRP 78) awarded CHF 18.6 million to 28 research projects. These projects, as well as those funded by Innosuisse and the European Horizon 2020 framework program, are listed in the COVID-19 project register (SNF 16 December 2020), which includes 103 Swiss research projects that focus on the coronavirus pandemic (SNF 16 December 2020).

Attempts were made to develop a vaccine in Switzerland, but all of these attempts failed mainly due to a lack of resources (NZZ 5 December 2020). At the time of writing, there are no policy programs that target the development of social innovations to handle the coronavirus pandemic in the future.

Citation:


IV. Welfare State Response

Education System Response

Education policy is the responsibility of the cantons, and as such the variation in education strategies and structures is rich. However, it is clear that schooling has been guaranteed during the coronavirus pandemic, frequently using online teaching. To the best of our knowledge, there is no evidence that access to preschool care or schools has penalized socioeconomically disadvantaged groups. Likewise, no evidence points to hardship compensation for students and pupils. Particularly in tertiary education, the coronavirus pandemic has encouraged the widespread use of new forms of online teaching (Malandrino and Sager 2021).

While schools and high schools closed for only a limited time in 2020, universities and other tertiary institutions relied heavily on online teaching and exams as long as teaching did not absolutely require physical presence (e.g. in lab teaching). While this has made it possible to maintain the technical aspect of education and ensure the smooth continuation of studies, little or no peripherical action has been taken to mitigate problems linked to an increase in isolation and insecurity among young people. The mental health of young people and students is suspected to be deteriorating (RTS 2020).
Self-employed workers benefited from hardship compensation provided by federal, cantonal and municipal governments. Employees benefited from generous short-time work compensation, which covered 80% of an employee’s prior wage. However, this was a particular challenge for low-wage earners, since 80% of a low-income earners’ wage is not sufficient to meet basic needs in Switzerland. Therefore, on 16 December 2020, the parliament amended the COVID-19 Act to increase short-time work compensation for low-wage earners. Consequently, the compensation now covers 100% of wages up to CHF 3,470 per month, while wages up to CHF 4,340 per month receive more than 80% in short-time compensation (Bundesrat 2020). Furthermore, the requirements for short-time work were extended to include workers in less secure employment and precarious situations (e.g., on-call workers, workers on short-term contracts and apprentices) following demands by the left and the trade union movement (SGB 16 December 2020).

Self-employed workers have also been able to benefit from a loss of earnings allowance, but no specific federal measures have been put in place to support those who may be more sensitive to the coronavirus crisis.

Employed parents who had to interrupt their work to care for their children were entitled to an allowance to cover loss of earnings. No specific assistance was granted to single parents.

Some ad hoc aid has been allocated to specific sectors, namely people working in culture and artists, but also to sports organizations.

No further social inclusion policies were introduced at the federal level. However, there may have been additional schemes introduced at the cantonal or municipal level.
Healthcare System Response

During the first wave, the healthcare system was able to respond swiftly and appropriately to the coronavirus crisis while providing the necessary resources. This was due to the excellent qualification of healthcare specialists, excellent healthcare resources available, additional and flexible recruitment of staff, the willingness of healthcare specialists to work overtime, and the Federal Council granting hospitals and clinics more flexibility in working hours and rest periods for healthcare workers (Swiss Federal Council 2020). However, expectations of wage increases, better working conditions and additional employment in the healthcare sector have been left largely frustrated. The parliament has been reluctant to improve the training and working conditions of nurses (SBK 21 October 2020). Furthermore, there was a lack of masks and testing capacities at the beginning of the first wave, although these problems were quickly resolved. Regional imbalances were swiftly and efficiently balanced.

During the second wave, the healthcare system was placed under severe stress in December and January 2020 due to the high number of hospitalizations. Nevertheless, the healthcare system still performed well.

Citation:
SBK 21.10.2020: direkter Gegenvorschlag zur Pflegeinitiative: SGK-S verharrt auf Positionen, https://www.sbk.ch/aktuell/news-single/tx_news_pi1%5Bnews%5D=515&cHash=ed263b3f7d1b6f8a0f329162ce6508e936, last accessed on 17.12.2020

Family Policy Response

Outside of the compensation for loss of earnings for employed parents who had to interrupt their work to care for their children, no specific assistance was granted to single parents. Family support policies have not been revised, except for a constitutional amendment that was accepted in a public vote in September 2020. The amendment introduced two weeks of parental leave for fathers with 80% of the father’s previous wage covered. However, this vote was not related to the coronavirus pandemic.
Preliminary results from a PH Zug study show that, while schools were closed, responsibility for homeschooling fell on mothers in 80% of cases (Tages Anzeiger 2021). This indicates that, in times of crisis, the traditional division of gender roles within households is reinforced. Switzerland, which already lagged far behind internationally in terms of family policy, has not introduced any specific measures at the national level to try to limit this phenomenon.

There may be response measures on the cantonal or municipal level, but such data is not yet available.

Citation:
Tages Anzeiger 2021: Mütter deutlich mehr belastet: So wirken sich Schulschliessungen auf die Eltern aus (13.02.2021):
https://www.tagesanzeiger.ch/so-wirken-sich-schulschliessungen-auf-die-eltern-aus-656290912905, last accessed 15.02.2021

International Solidarity

The focus of public policy and discourse has been on the domestic situation during the coronavirus pandemic. However, efforts were made to help other countries. For example, when Alsace-Lorraine was hit hard and available ICU beds became scarce during the first wave, hospitals in the cantons of Jura and Basel-City/-Land accepted sick patients from Alsace-Lorraine (Bund 23 March 2020). In October 2020, the Federal Customs Administration (FCA) and the Swiss Agency for Therapeutic Products (Swissmedic) joined a coordinated global action to combat the trade in illegal medicines and medical devices (Eidgenössische Zollverwaltung 2020). The Federal Department of Foreign Affairs has provided emergency humanitarian aid, supporting international actions, and targeting ongoing bilateral and global development programs to deal with COVID-19 (EDA 2020a). Another example involved aid to Greece. The Federal Department of Foreign Affairs handed over two specialized patient transport vehicles and two so-called ISO boxes – mobile examination rooms – to the Regional Health Service for the Aegean Islands on 15 December 2020. An initial tranche of aid for Greece was delivered on 4 December 2020, with further deliveries being made on 18 December 2020 and at the end of January 2021 (EDA 2020b). With regard to vaccines, Switzerland pursued a double track strategy. On the one hand, Switzerland cooperated with international organizations (e.g., WHO, the Coalition for Epidemic Preparedness Innovation, Gavi: the Vaccine Alliance and COVID-19 Vaccines Global Access) in order to fairly distribute vaccines to all countries around the world. On the other hand, the federal government concluded advance booking contracts with BioTech, Moderna and AstraZeneca for 9.8 million doses, which created vaccine shortages on the internal markets for poor countries (Kamara and Thiel 2020: 154 – 155)
Citation:
Bund 23.3.2020: Trotz knapper Bettenzahl – Kantone helfen dem Elsass
https://www.ezv.admin.ch/ezv/de/home/aktuell/medieninformationen/medienmitteilungen.msg-id-80606.html, last accessed on 17.12.2020
EDA 2020a: IZA: Das EDA federt weltweit die Folgen von COVID-19 ab
EDA 2020b: Schweiz unterstützt Griechenland bei der COVID-Bekämpfung, 15.12.2020,
https://www.eda.admin.ch/eda/de/home/das-eda/aktuell/newsuebersicht/2020/01/corona-virus.html, last accessed on 17.12.2020
Resilience of Democracy

Media Freedom

Switzerland has a system of free and unconstrained media – notwithstanding the usual processes of media concentration and dominance of mainstream media reporting. Some conspiracy theories and alternative media reporting have circulated during the coronavirus pandemic and have been disseminated by well-known actors and formerly prominent journalists. However, this never amounted to a massive wave of fake news; rather one could argue that this is an effect of a free media which allows for the presentation of alternative interpretations. Throughout the crisis, media reports have not been subject to any interference from the government.

Civil Rights and Political Liberties

Government powers during a pandemic are regulated by the constitution and in particular by Article 185: “The Federal Council … may in direct application of this Article issue ordinances and rulings in order to counter existing or imminent threats of serious disruption to public order or internal or external security. Such ordinances must be limited in duration.” The legislation regulating related measures include the Epidemics Act (EpA, SR 818.101) of 2012 and, since 25 September 2020, the COVID-19 Act (Federal Act on the Statutory Principles for Federal Council Ordinances on Combating the COVID-19 Epidemic, SR 818.102). Limitations have been placed on the right to demonstrate and freedom of assembly. Travel bans have been temporarily imposed. Likewise, public votes have been postponed. However, all these measures were based on the constitution and extant law. Clear time limits were placed on restrictions of civil rights and liberties.

Except for the vote held on 15 May 2020, which was postponed to September, all other votes (called “votation” in Switzerland) were maintained. Other political activities, such as the collection of signatures for initiatives or referendums, have also not been impacted beyond measures since they are not subject to most of the restrictions and can be carried out in the public domain while respecting the rules of hygiene in force, such as the wearing of masks (COVID-19 Special Situation Ordinance Art. 6c al.2). Political
demonstrations, such as the women’s strike in June 2020 or demonstrations related to the Black Lives Matter movement, were also not banned, providing participants observed the usual protective measures and wore masks (COVID-19 Special Situation Ordinance Art. 6c al.2). Switzerland belongs to the small group of European countries (together with Austria, Finland, Germany and Portugal) with no limitations placed on democratic standards according to the criteria of the V-Dem project in the period March – December 2020 (Kolvani et al. 2020).

Acting within the scope of Article 7 of the EpA, the government declared that an “exceptional situation” would apply from 16 March to 19 June 2020 and invoked emergency law. A particular aspect of the emergency law was that the Federal Council could act without securing the consensus of cantonal governments and could even act in defiance of them. Once the “exceptional situation” had concluded and the situation was deemed to be merely “special,” cantonal governments, together with the federal government, were back in charge of controlling the coronavirus pandemic.

Since the coronavirus pandemic started at the end of February 2020, there have been three major episodes. First, there was a very brief period of a few days (the “special situation”), between 28 February and 16 March 2020, which concluded with the Federal Council enacting the emergency law on 16 March 2020. Second, there was the emergency law period (the “exceptional situation”), between 16 March and 19 June 2020, during which the Federal Council limited civil rights and political liberties without restriction of cantonal government or national parliament opposition. Third, since 19 June 2020 (a second “special situation”) the Federal Council has retained extraordinary powers, but must now consult with cantonal governments and the cantonal governments may pursue additional policies (Kohler et al. 2020).

A fourth period could be added to this first chronology, which started on 18 December 2020. This period would still correspond to what is defined as a “special situation.” However, during this fourth period, the Federal Council decided to take the lead in order to strengthen and unify measures at the federal level, albeit with a few exceptions and some flexibility for cantons where the coronavirus crisis was less severe (Swiss Federal Council 2020). Since then, restaurants, sport facilities, cultural and leisure venues, and various other businesses have been forced to close or to adapt their activity. On 13 January 2021, individual liberties have again been curtailed with a further strengthening of the national measures, including the five-week extension of the closure measures, the closure of shops selling non-essential goods, the requirement for employees to home office, and the further restriction of private and public gatherings to no more than five people including children (Swiss
Federal Council 2021). This new set of measures will likely last until at least the end of February 2021 and will probably be extended until March 2021. There is no clear time limit on these new – relatively strong – limitations of individual freedoms.

Citation:
Ordinance on Measures during the Special Situation to combat the COVID-19 Epidemic (COVID-19 Special Situation Ordinance), Art. 6c al. 2.

Judicial Review

Although emergency laws have been introduced and the right of assembly has been restricted, no information could be found that points to a limitation of judicial review. It must be added that Switzerland has – in contrast to most other democratic countries – no strong constitutional review process. Ordinances of the federal government or federal laws cannot be declared unconstitutional, and made null and void by the Federal Court (Vatter 2018: 517)

All else being equal, it seems that, despite the absence of an independent court oversight, Switzerland has been able to manage the crisis in such a way as to maintain compliance with the law and without undermining democratic structures and processes.

Citation:

Informal Democratic Rules

Switzerland is one of the main examples of a consociational democracy, with political parties used to cooperating and building broad consensus to make laws. This system is based on the country’s structural characteristics, which include a segmented nation without a common culture or language, the
historical learning processes of the political elites and the institutional effects of direct democracy. These characteristics motivate Switzerland’s political parties to agree on projects with oversized majorities, so that the projects are not at risk of being immediately rebuked in a national referendum (Lehmbruch 1967; Lijphart 2012; Neidhart 1970; Steiner 1974; Vatter 2018). However, at least since the 1990s, polarization between political parties – in particular between the right-populist Swiss People’s Party and the remaining four large parties – has increased.

Between the beginning of the coronavirus pandemic and winter 2020, the political system remained characterized by the established consociational pattern and almost all pandemic-related decisions were based on the broad consensus of all the large parties. However, this consensus started to crumble in the second half of 2020, when particularly the Swiss People’s Party opposed strict coronavirus control measures. The major arguments against introducing strict controls have focused on the economic costs and disputed efficiency of the containment policies.

With the start of the second lockdown in December 2020, voices from the right-wing fringe started to openly politicize government policy and accuse the Federal Council of acting as a dictatorship (ignoring the fact that two members of the Federal Council belong to the SVP). The right-wing of the political spectrum has fallen back into the pre-crisis scheme of openly opposing government policy, despite being part of the government. By the end of 2020, consensus on coronavirus crisis policymaking had faded.

Citation:
Resilience of Governance

I. Executive Preparedness

Crisis Management System

In various respects the crisis management system has developed well since the experiences of the SARS-epidemic of 2002/2003, during which Switzerland reported only one case but which alerted policymakers to the dangers of pandemics. The spread of the avian flu-virus (H5N1) of 2004 accelerated this process. This led to a new law on epidemics, which was enacted in 2012 (SR 818.101) and established an up-to-date institutional framework to deal with epidemics. The healthcare system has sufficient-to-generous resources at its disposal and has been prepared for a pandemic. In 2014, for the first time since the late 1990s, a drill was run on the national level with relevant actors required to deal with the simultaneous challenges of a power shortage and pandemic.

However, there were a number of deficits (see also Hauri et al. 2020):
(1) Crisis management systems were not prepared to be dependent on international suppliers for vaccines, and personal protective equipment for medical personnel and citizens. At the beginning of the coronavirus pandemic, there was a lack of protective masks, which led to the confusing public announcement that masks were of little use in containing the epidemic. In later stages of the coronavirus crisis, the country’s vulnerability due to its dependence on international vaccine producers and on international cooperation – in particular with the European Union – has become obvious.
(2) The institutionalized cooperation between cantons and the federal government in controlling the coronavirus pandemic was weak and horizontal coordination within the federal government was not sufficiently clear or effective.
(3) While most actors have perceived the need to improve the crisis management system, this has not been taken further due to time, administrative, resource and political constraints.
(4) During the coronavirus pandemic, coordination between specialized federal agencies, the Federal Office of Public Health, the university-based scientific system, the world of politics, economic interest groups and political systems has been deficient. Each of these systems have followed their own internal logic, which had been developed over the course of years. There were serious problems involving coordination and cooperation between interfaces. Frequently, economic and administrative interests trumped scientific advice. Within the Federal Office of Public Health, there have been questions about administrative efficiency (Basler 2020).

(5) A backlog of digitalization within the federal and cantonal healthcare systems impeded swift transfer of data in critical situations. At the beginning of the coronavirus pandemic, data on new infections was transferred by fax to federal agencies.

Citation:
Bundesgesetz über die Bekämpfung übertragbarer Krankheiten des Menschen (Epidemiengesetz, EpG), 28 September 2012, current version June 2020, SR 818.101

II. Executive Response

Effective Policy Formulation

Following the Pueyo’s metaphor (2020), policy formulation occurred in three phases: shock, hammer and dance.

Shock: The shock phase started at the end of January 2020 with the realization that there might be the danger of a coronavirus pandemic. The pandemic started in Switzerland around 28 February, with the first recording of 15 new infections per day. The political system reacted slowly and hesitantly. It was about two weeks after the start of the coronavirus crisis in Switzerland that political actors on the federal level introduced decisive measures. While Swiss observers criticized the slowness of reaction (Thänert and Zogg 2020), in a comparative perspective this proved typical for countries that were hit early by the coronavirus crisis: The earlier a country was hit, the longer it took to develop a consistent strategy. In contrast, countries that were affected later by the pandemic enjoyed the advantage of backwardness (Plümper and Neumayer 2020), and could consider and learn from countries that already had high numbers of infections.
Hammer: On 16 March, the federal government took the lead, introduced an emergency law (“exceptional situation”) and implemented a lockdown, which closed shops, restaurants, schools, and entertainment and leisure businesses. Grocery shops, pharmacies, banks, post offices, hotels, canteens, kiosks, bakeries and butcher’s shops remained open. The Federal Council also introduced controls at the borders with Austria, France and Germany. The Federal Council took powers from the cantons, which – as canton’s are generally responsible for health issues – caught cantonal actors very much by surprise. The federal government relied heavily on the Federal Office of Public Health, did not coordinate with interest organizations and installed a scientific task force only at the end of March – with the task force assigned an advisory role. Members of the task force later complained that political actors did not sufficiently take scientific insights into account, delayed measures deemed absolutely necessary by the scientific / epidemiologic state of research and treated scientific input as one among many others. The “hammer” strategy has been consistent, credible and – judged by the outcomes – successful in reducing the number of new infections (Sager and Ritz 2020). It was concluded on 16 June 2020 following substantial lobbying from interest organizations, particularly representatives of restaurants and hotels (Sager and Mavrot 2020).

Dance: In early summer 2020, political actors were very optimistic about the coronavirus pandemic given the low numbers of new infections and little to no excess mortality. Interest organizations successfully lobbied for shops to be reopened. Under this new “special situation,” cantons were back in the driving seat alongside the federal government and insisted on their institutional sovereignty in dealing with the coronavirus crisis, belittling the need for coordination. For example, when some cantons introduced stricter measures and suggested that the measures should be copied by other cantons, the president of the government of Valais declared: “The canton of Valais has its own government.” Scientific advice about a second wave has not been taken into much consideration. During this “dance” period, all actors insisted on their own interests and room to maneuver. Only in the latter stage of the dance – between December 2020 and January 2021 – could a greater willingness to develop coherent and coordinated strategies be observed. This greater willingness was based on increasing numbers of new infections, cantonal policy failures in containing the pandemic, the frustration of cantonal governments, attempts to pass the buck on to the federal government after cantonal and interest group policies proved ineffective (for a discussion of blame avoidance see Hinterleitner and Sager 2019), and an the federal government’s increasing insistence on an effective national strategy. This led to a light lockdown in December 2020 and with this the dance resumed more
intensely. This second lockdown-like episode differs from the first in that it came into force under the “special situation” system, which means that the federal government does not have full powers and has to deal with the cantons. The first version of the lockdown therefore remained relatively soft. For example, there were exceptions for restaurant and bar closures in the French-speaking cantons – where the coronavirus situation was much better. This differentiation in policy implementation was due to the dissatisfaction of the French-speaking cantons with the announcement of stricter rules at the national level, even though these same cantons had made considerable efforts and enacted much stricter rules than the German-speaking cantons – which had not put in place any specific measures – more than a month earlier and were only just getting ready to reopen bars and restaurants.

With the worsening of the situation at the national level as well as the appearance of new coronavirus mutations, still under the system of the “special situation,” it was decided to further tighten and unify the rules at the national level. A new regulation came into force on 18 January 2021, which required the closure of shops selling non-essential goods, limited public and private gatherings to five people, included protections for individuals at high risk, and required employees to work from home where possible and to wear masks in the workplace where home office was not possible. More flexible rules for ski resorts are in force. The Federal Council also enacted new rules for entering Switzerland, which came into force on 7 February 2021, including reduced travel quarantine, the requirement for a negative PCR-test result for people traveling by air and extended contact tracing.

A further strengthening consists of the criminalization of breaches of these rules. Since 1 February 2021, people who violate the measures in force, such as failing to wear a mask on public transport, can be fined between CHF 50 and CHF 200.

In this second phase of the dance, coordination between the cantons and the confederation has become more complicated. Public trust in the authorities’ ability to manage the coronavirus crisis has fallen from 61% in March 2020 to 38% in October 2020 to 32% in January 2021 (Swissinfo 2021).
Policy Feedback and Adaptation

The federal government regularly assesses its COVID-19 response. In adapting measures, it must react to other actors, including:

• The cantonal governments, which are – in the “normal” and in the “special” situation (EpA) – responsible for public health. In both situations, the Federal Council and the cantonal governments coordinate between themselves; based on that the Federal Council defines goals and strategies. In the “special situation” (28 February – 16 March 2020, and 16 June 2020 – end of period under review), if the ordinary cantonal administrations are declared unable to prevent and control the coronavirus pandemic, then the Federal Council may implement measures (e.g., close businesses and schools) after consultation with the cantons (EpA, Art. 6). In the “exceptional situation” (EpA, Art 7, mid-March – mid-June 2020), the Federal Council may impose measures unilaterally without consulting the cantons (i.e., emergency measures). By implication, the Federal Council has to develop policy with cantonal actors except in the “exceptional situation,” and any policy adapted is the result of consultation, discussion and negotiation with the cantonal governments. The willingness of cantons to shift power to the Federal Council has been a function of policy success. In summer and early fall 2020, cantons insisted on their room of maneuver. However, in early winter 2020, when cantonal containment strategies failed to a large extent, cantons were increasingly willing to relinquish power and responsibility to the federal government (NZZ 14.12.2020).

• Interest groups – in particular representing hotels and restaurants, and more generally representing small- and medium-sized enterprises – have pressed for less strict policies even when this risked increasing infection numbers. Even trade unions – particularly in the private service sector – pushed for less strict policies in the first months of the coronavirus pandemic since they were concerned about jobs being lost in hotels and restaurants. In general, however, trade unions opted for more cautious policies and generous short-time work compensation.

• The Federal Office of Public Health, which is a sub-unit of the Ministry of the Interior (responsible also for health issues), is responsible for social health and accident insurance, regulations for chemicals, medicines, biosafety legislation, research on humans and transplantation medicine, health promotion, national programs combating addiction and sexually transmitted
diseases, radiation protection, and the regulation of university medical and healthcare professionals (FOoPH 2021).

- Expert advice from scientists in the fields of epidemiology, and the social and economic sciences. While experts have frequently opted for more consistent and strict measures even when this implied major short-term economic disadvantages, the Federal Council has not followed this advice in general and was frequently displeased with the public statements of expert groups. This applies in particular to the two federal councilors belonging to the Swiss People’s Party (Watson 10 January 2021).
- Several units of the federal administration (e.g., the Federal Chancellery, the Federal Office of Public Health and the State Secretariat for Migration) as well as some cantonal governments commissioned evaluations of their crisis management performance in the second half of 2020. The Federal Chancellery has published the study into its performance (BK 2020), the results of other studies will be made public in 2021.

In the end, the Federal Council is constrained in pursuing a consistent policy and adapting measures when circumstances and the available body of expert knowledge changes. The Federal Council did not follow the expert advice of their task force at the end of the summer, which triggered the second wave with an unknown peak in infection and death rates that could have been prevented (Der Bund 2021).

Citation:
BK (Bundeskanzlei) 2020: https://www.bk.admin.ch/bk/de/home/dokumentation/fuehrungsunterstuetzung/krisenmanagement.html

Public Consultation

Policymaking in Switzerland is strongly based on public consultation with interest groups. Traditionally, in the Swiss liberal-conservative political system, business and employer interest groups have more influence and power than trade unions and non-producer interests. The latter, however, have enjoyed significant increases in political influence recently (Kriesi 1980, 1982; Häusermann et al. 2004; Armingeon 2011; Sciarini et al. 2015; Eichenberger 2020; Mach et al. 2020).

Public consultation during the coronavirus pandemic corresponded to this trajectory state and interest group interaction.
The interest groups of small- and medium-sized enterprises were very successful in being heard when the crisis indicators (e.g., the number of new infections) were low or declining and when they did not face opposition from business interest groups. For example, hotel and restaurant interest groups were very successful both on the cantonal and federal levels in pressing for a swift reopening of shops, and opposing any further constraints in summer and fall 2020 (Sager and Mavrot 2020). In this regard, they have been supported by other employer and business groups, such as the major employers’ organization Economiesuisse. However, when the situation worsened in winter 2020/2021, their influence waned. Likewise, while the hotel and restaurant interest groups were successful in opening hotels and restaurants earlier than initially planned, they failed in their attempt to secure generous rent reductions. In this case, they faced opposition from landlord associations and economic-liberal political parties.

At the end of the period under review, restaurant interest groups asked for generous support for members that were suffering from the closure of restaurants and threatened with bankruptcy. In this case, they were opposed by economic-liberal parties that were unwilling to intervene in the economy and provide generous subsidies.

In contrast, employee interest groups were much less successful unless their claims coincided with those of business. It was only in December 2020 that parliament decided to be generous to low-income workers who were on short-time work compensation. Likewise, the interest groups of nursing personnel failed to secure parliamentary support for better working conditions for their members in 2020.

Citation:
Crisis Communication

In general, the federal government communicates its measures transparently and it is very clear about how long it anticipates the measures will be required. In case of shortcomings, there are credible attempts to improve measures (SRF 2020). Two qualifications are in order, however:

• At the beginning of the coronavirus pandemic, there was a shortage of protective masks. Instead of admitting that the federal and cantonal governments had failed to prepare for such a situation, it was argued that masks were of not much use. When later masks were available, this was retracted causing public trust in the Federal Office of Public Health’s communications to decrease.

• During the coronavirus pandemic, the federal government is one player among many others and as such is heavily constrained in pursuing a time-consistent strategy. The ensuing process of muddling through, and going back and forth poses major challenges to federal government political communications.

While the Federal Council has frequently informed the public about new measures and their potential duration, the longevity of the last set of measures – which came into force between January and February 2021, and were supposed to last at least until the end of February 2021 – were not defined at all. There is still a great deal of uncertainty as to the actual duration of this latest lockdown. According to the Federal Council’s latest announcements, the lockdown should last until March 2021.

Citation:

Implementation of Response Measures

Unless the federal government acts in the “exceptional situation” (EpA, Art 7; mid-March – mid-June 2020), its policy reflects coordination and accommodation with many other actors, in particular with cantons and economic interest groups. Implementation of these federal policies both in the exceptional situation and in the “special situation” (no unilateral action by the federal government, EpA, Art 6) is undertaken by the cantons. Given the varying political interests, resources and capabilities of these implementing actors as well as differences in regional problem-loads, this creates substantial regional variation in implementation (see Linder 1988; Ritz et al. 2019).
In a relatively consistent manner, certain failures in the implementation of measures can be observed. As RTS noted in a report broadcast in February 2021, aid for cases of hardship is struggling to be paid out in good time, and restaurant owners, who have been among the hardest hit by the coronavirus crisis, are for the most part still waiting for payments from the cantons. While the authorities have been quick to make large sums of money available, technical and human resources seem to be lacking, and the payment of financial aid is lagging behind. The media has also noted that the sums promised by the confederation have not necessarily reached the cantons, which shows that these shortcomings are not only due to differences in implementation between cantons.

In general, the funds actually granted and paid out represent a very small percentage of the total promised by the authorities in most cantons (RTS 2021).

Contact tracing, which was an important part of the strategy to limit cases, experienced problems. For example, tracing centers were quickly overwhelmed, especially at the beginning of the second wave, when cases increased exponentially (RTS 2020). As a result, many contact persons received a call from their cantonal doctor to notify them of the need to quarantine long after their quarantine was supposed to have started. Test centers in some cantons were saturated and in some cantons people had to wait for a few days for an appointment to get tested.

Coronavirus vaccinations in Switzerland started at the end of December 2020. By 11 February 2021, 50,000 people had received the two required doses. Having provided 5.56 vaccination doses per 100 inhabitants by mid-February 2021, Switzerland is in line with most other European countries (Statista 2021).

Citation:
RTS 2020: Les centres de traçage cantonaux sont saturés (18.10.2020):
RTS 2021: Les aides se font attendre pour les hôteliers au bord du gouffre (06.02.2021):
Statista 2021: Number of COVID-19 vaccination doses administered in Europe as of February 14, 2021, by country:
National Coordination

In the political system of Switzerland, political power resides with the cantons, unless the tasks and powers are explicitly assigned to the federal level. According to Article 3 of the Swiss constitution: “The Cantons are sovereign except to the extent that their sovereignty is limited by the Federal Constitution. They exercise all rights that are not vested in the Confederation.” Therefore, the assumption underlying this question that the national government has supremacy over regional governments is not appropriate in the Swiss context. Rather, the question is to what extent and with what efficacy the cantonal governments shared power and sovereignty with the federal government – unless emergency law is in effect (exceptional situation, EpA, Article 7), which empowers the federal government to act unilaterally.

There is considerable evidence that policies implemented between the beginning of the coronavirus pandemic and summer 2020 were very effective. This period mainly covers the exceptional situation when the federal government used emergency law and the cantons were required to execute federal ordinances. By international comparison and considering Switzerland’s disadvantage of being hit early, the Swiss response strategy was swift and successful in reducing the number of infections (Plümper and Neumeyer 2020; Sager and Ritz 2020). This was the “hammer” period when the federal government implemented a strict and consistent strategy to reduce the number of new infections (Pueyo 2020).

There is much less evidence for effective coordination after exiting the “exceptional situation” (emergency law) when federal and cantonal governments started to “dance” after the “hammer” period, with the aim to keep the numbers of new infections low and to avoid or at least mitigate a second wave. By international comparison, Switzerland performed very poorly in terms of the numbers of new infections and the steepness at which cases increased during the second wave. Observers noted major coordination problems both with regard to the interaction between the cantons, and between regional and federal governments (see contributions in Thänert and Zogg 2020). Available anecdotal evidence indicates that cantonal governments were under pressure from cantonal interest groups to pursue relatively lax policies in order to do as little short-term harm as possible to the cantonal economy. At the same time, there was very little ambition to coordinate policies across cantons and requests for coordination were frequently rebuffed in favor of cantonal sovereignty. For example, in December 2020, the president of the government of the canton of Valais rejected the idea of following the stricter policies of other cantons, stating: “The canton of Valais has its own government.”
Cantons pursued very different strategies in reaction to the increase in positive cases at the end of summer 2020. While the French-speaking part of Switzerland quickly chose to return to tighter restrictions and introduced stricter measures than those in force at the federal level, the German-speaking cantons stuck to the basic measures and did not react until much later. This led to disagreements when the federal government decided to take over from the cantons in December 2020 and the French-speaking cantons were threatened with having to close restaurants just as they had reopened. This policy inconsistency between cantons forced the confederation to issue a clause allowing cantons with a low reproduction rate and few new cases to deviate from the particularly strict national rules – a clause that was quickly repealed in view of the number of new positive cases.

Citation:

**International Coordination**

As a small country, Switzerland is unable to play a major role in international coordination. Rather, it took advantage of its integration into European efforts to control the coronavirus pandemic. This has been very efficient and in the interest of Switzerland (Kamasa and Thiel 2020).

Citation:

**Learning and Adaptation**

Evaluation of public policies is routinely done by Swiss governments on the federal and cantonal levels. To the best of our knowledge, no official evaluation studies of policy responses to the coronavirus pandemic have been made public yet. However, recently the Center for Security Studies at ETH Zurich issued a report with strong evaluative elements (Thränert and Zogg 2020). Likewise, initial evaluation studies on the effectiveness of federal prevention campaigns on behalf of the Federal Office of Public Health have
been undertaken (e.g., Sotomo 2020). The website of the federal government lists materials and documents which contribute to systematic policy evaluation. Furthermore, the Federal Office of Statistics publishes statistics on the coronavirus pandemic (see BFS 2021).

Several units of the federal administration have commissioned studies to evaluate their crisis management performance (e.g., the Federal Chancellery, the Federal Office of Public Health and the State Secretariat for Migration), as have some cantons.

The Federal Chancellery has published its study (BK 2020), while the findings from the other studies are expected in 2021.

Citation:
BK (Bundeskanzlei) 2020: https://www.bk.admin.ch/bk/de/home/dokumentation/fuehrungsunterstuetzung/krisenmanagement.html

III. Resilience of Executive Accountability

Open Government

The government and its institutions pursue a highly user-friendly policy of internet-based access to information. Any citizens with access to the internet and interested in public policy will find a large body of qualitative and quantitative data online. The transparency act (Bundesgesetz über das Öffentlichkeitsprinzip der Verwaltung) ensures full access to public documents apart from classified information.

During the coronavirus pandemic, requests were made for a complete list of documents related to the crisis. This contributed to attempts to systematically collect relevant documents (SRF 2020).

Citation:
Legislative Oversight

The Swiss federal parliament suspended its operations early in the coronavirus pandemic, although it reconvened for an extraordinary session in May 2020. The main topic of the extraordinary session was the approval of the government’s emergency measures. The parliament resumed its work in summer 2020 (Uhlmann and Scheifele 2020).

By qualifying the situation as “exceptional” according to the Epidemics Act, the Federal Council gave itself full powers and was able to govern the country as a whole with almost absolute decision-making power. This situation is in total contradiction to Switzerland’s federal structure in which the cantons have a key say in decision-making. There is no indication that the Federal Council abused its power for the entire time that the exceptional situation lasted or afterwards. Indeed, from the very beginning of the coronavirus crisis, the Federal Council indicated a limited time-frame for the exceptional situation and reverted to a “special situation” as soon as possible according to the Epidemics Act. The Swiss parliament ceased its activities only very briefly, interrupting the third week of the spring parliamentary session. It quickly resumed its activities and the various committees were able to continue to deal with urgent matters, particularly those concerning the coronavirus crisis. The parliament was thus able to act as a supervisory authority, passing the Federal Act on the Statutory Principles for Federal Council Ordinances on Combating the COVID-19 Epidemic (COVID-19 Act) on 25 September 2020. The COVID-19 Act came into force on 26 September 2020. Introduced within the framework of emergency legislation, the act is subject to a referendum and is limited in time, ending on 31 December 2021.

Citation:

Independent Supervisory Bodies

Switzerland’s Audit Office is an independent and autonomous body. It supports the Federal Assembly and the Federal Council through the production of analyses and reports. The chairman of the Audit Office is elected by the Federal Council; this election must be confirmed by the Federal Assembly. In administrative terms, the Audit Office falls under the authority of the Department of Finance. To the best of our knowledge, the ability of the office to do its work has not been impaired by the coronavirus pandemic.
Article 13 of the constitution establishes that every citizen must be protected against the abuse of data. Data protection legislation has been in force since 1993. There is a Federal Officer for Data Protection (Eidgenössischer Datenschutzdelegierter, EDÖB) whose office employed 31 people (full-time equivalent) in 2019/20 (EDÖB 2020: 96). A 2011 evaluation of the Federal Data Protection Law attests to the effectiveness, independence and transparency of the EDÖB (Bollinger et al. 2011).

During the coronavirus pandemic, the office pursued its tasks related to issues of the coronavirus pandemic.

Citation:
https://www.edoeb.admin.ch/edoeb/de/home/datenschutz/ueberblick/datenschutz.html
www.edoeb.admin.ch/edoeb/de/home.html, last access 10.01.2021
Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann
Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de


www.bertelsmann-stiftung.de
www.sgi-network.org