



Swiss politics in the digital age

Digitalization is moving forward in great leaps. But, as is so often the case, legislation is lagging behind.

Federal Chancellor Walter Thurnherr sees this as a key political challenge.

Wages and carrying costs in Switzerland are very high compared to other countries. For this reason, relocating production sites to Asia or Eastern Europe has continued to be a topic in industry through to the present day. This is becoming less of an issue nowadays, since efficiency is increasing exponentially as a result of digitalization. Is it therefore possible that Switzerland will develop to become a technology-driven “high-tech outsourcing hub” for companies and other countries?

Yes, that’s certainly possible. Principally because Switzerland has a good reputation for reliability, discretion and security. For data management in the future, these things are likely to be more important than cost considerations alone.

Can you be more specific?

We are witnessing interesting developments in the USA and other countries: certain companies are moving their data to Europe or Switzerland because the government authorities where they are located have demanded access to data that is subject to confidentiality agreements with their customers. Is that a good potential business model?

If you observe developments like 3D printing, the Internet of Things and artificial intelligence, do you think that they will have a significant impact on all of us?

Yes, I think so. Perhaps a bit less so in the case of 3D printing than AI right now. Unprecedented opportunities are arising through technical developments, along with several challenges as well, of course – particularly for the state. Take the Internet of Things, for example. These things – your thermostat, your smart meter and your car – now periodically receive updates. Who is checking what kind of software is being loaded onto them? Until recently, if you wanted to drive your new car, you first had to complete an emissions test, crash test, etc. Then you could drive it around for a while.

And in the future?

This may become a thing of the past. Your car periodically receives new software, perhaps even very good software. But how do you control authorization? How do you ensure that each brand receive the right update? Do you regulate on a national level and, if yes, how exactly? I mention cars because the effects are immediately apparent, but of course it also applies to your TV, which might suddenly be able to record you or do other “things”.

Let’s talk more about regulation: is Switzerland running the risk of lagging behind in the area of digitalization and missing opportunities as a result?

Policymaking is always too slow. And frankly, it would also be presumptuous to believe that technology can always be regulated “in advance”. However, digitalization is likely to put the legislation process as we know it under pressure. It usually takes years before we are able to discuss and hear arguments for revising a law, vote on it if necessary and ultimately adopt it. Technical development and regulation in other countries – you of course see it in the area of data privacy, security, net neutrality, etc. – has a completely different rhythm. So the challenge will be to formulate a given regulation with adequate flexibility so that we don’t constantly have to amend it, or to draft it at the deepest possible level so that we can quickly amend it when we need to.

How will the Federal Administration be transformed by digitalization and what processes can be standardized here in the future?

Federal Chancellor Walter Thurnherr takes a position on this in a KPMG interview.

If we may, first we have a personal question: When you are traveling privately, do you use platforms like TripAdvisor, Airbnb or Uber?

I do use Airbnb, TripAdvisor to a lesser degree, and I've never used Uber.

When was the last time you used one of these platforms?

Thurnherr: A few weeks ago. Looking for a hotel in Ticino. I was on vacation with my family in Australia some years ago and all the hotels were booked up. I downloaded Airbnb and from then on, I didn't have any more problems.

To what extent do you think digital customers on private platforms are also digital citizens in terms of how they would like to communicate with government administration?

That depends on several factors; for example, whether government can offer citizens a good service that is otherwise unavailable through analog channels. In Switzerland, government services tend to be reliable and fast. For this reason, there is less of a need to handle matters electronically than in



"Digitalization will radically transform the culture and structures of modern administrative processes."

other countries. And there is still room for improvement in terms of e-government in Switzerland.

That said, do you think there are services that citizens would prefer to handle electronically?

Yes, there are certain things that citizens would prefer to take care of electronically. For example, postal forwarding would be a bit easier, or filling out tax forms or dealing with driver's license formalities. But if citizens can take care of a specific problem by email or phone, then of course they will be pleased to do it this way. There is also a difference here between whether citizens make use of the service at the municipal or federal level. While problems can often be dealt with easily and in-person at the municipal level, there is a greater need for an electronic platform at federal level.

When answering questions or dealing with complaints, machines are increasingly replacing humans in commerce. Do you see a similar trend in government administration?

Thurnherr: There's likely to be more of this, which is where artificial

intelligence comes into play. In ten years, I think it will be the norm for machines to communicate certain information and handle specific matters – including verbally. On the other hand, from the responses to customer complaints, I see that it is often less helpful for computers to deal with complaints.

In this context, we often use the term "cognitive reflection". Cognitive reflection is used to help a machine understand the human it is interacting with and know what the issue is. The machine is therefore capable of reflection in response to the person. A robot used in a call center, for example, can respond to the customer based on the emotion it detects in their voice. What do you think about that?

I've observed this trend, particularly in standardized processes. But it will probably take a while before it results in more than a form of triage. Ultimately, it's not just about communicating; the customer wants a problem to be solved. That takes more intelligence than you might think, and you can of course observe this when you contact a call center that hasn't started using AI.

Standardized processes will be automated in commerce. How do you define standardized processes in the context of administration? Do you have an idea about the share of processes that are and could be standardized?

Within the Federal Administration, there aren't that many standardized processes. The reason for this is that many parts of the federal government do not have any direct contact with citizens at all. The contacts of the Federal Administration aren't so much the citizens themselves, but the cantons, municipal administrations, associations, other governments, parliament or internal staff. Meanwhile, in specific federal offices, there is a massive amount of business to be dealt with, even though there are already many standardized processes, such as processing customs or taxes. Documents in government agencies are, however, already being digitized and with the appropriate access restrictions made available to the other administrative bodies.

How will government administration change as a result?

Organization and culture. The organizational charts and hierarchical processes have become less important since digitalization began. In the past, we adapted the structure to what was available to us at the time. In the future, it will be the other way around. The possibilities available to us through digitalization will determine the structures; more horizontal, inter-divisional, project-supported and more flexible forms of collaboration.

What does that mean specifically?

In the past, for example, an ambassador holding a foreign post had a monopoly on information: the diplomatic pouch sent from Bern went to his office first. I've even met ambassadors who couldn't accept the fact that their staff received an email

"In order to take advantage of the opportunities, we should primarily consider whether, where, how and how fast we need regulation. And then leave the rest up to researchers and the business sector."

regarding an important matter before they did. They demanded that the emails first be sent to them so that they could pass them on themselves – fully absurd from a present-day perspective, but it shows you what has changed. There used to be many women in government administration, but nearly all of them were secretaries who typed up documents from hand-written papers. That's no longer the case either. In the past and, in fact, in many parts of government administration, we still produce, manage, mail and archive in a "document-based" way. In the future, the format will become less important, and the content and data will circulate more freely. For example, it will be possible for multiple employees to edit a document simultaneously. And that will also change how we work and collaborate.

So a philosophical shift is underway: digitalization will bring about a new culture and thus new working conditions and a new type of collaboration that should function across government agencies. Do you sense that this will develop of its own accord?

No. Firstly, these IT applications don't materialize out of thin air. And secondly, they have to be phased in and monitored. There are, of course,

several risks associated with them as well. If such a system ever fails, major damage is caused relatively quickly in one blow. Plus, new forms of collaboration always require some getting used to. That takes time. Not only in government administration.

Employees often express fears that digitalization will take away their jobs, particularly wherever it might be possible to standardize processes. Take the Federal Archives, for example...

Yes, I understand that. Documents, of course, used to be physically archived in the Swiss Federal Archives and cataloged on index cards and such. Today, we create files and store them electronically. Why then do we still need an archive? But if you look a bit closer, it is a bit more complicated. The work is different, but there is still work to be done. When the steam engine, the automatic loom, cars and computers were introduced, someone always hailed the end of work. Just before the weekend starts or I'm about to leave on vacation, I always say to myself, "If only!" I'm convinced that new jobs will be created in spite of digitalization. Today, there are numerous bona fide professions that didn't exist ten years ago.