

EGPA Conference Dinner
Olympic Museum, Lausanne
Thursday, 6 September 2018

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1. I'd like to welcome you all to Lausanne, one of the oldest towns in Switzerland, seat of the country's highest court, and the site of one of the best universities in Europe. Large numbers of tourists come here every year to discover the town, see the mountains and stroll down by the lake. There are wonderful wines, outstanding restaurants and beautiful people – (the tourism office has offered me a week's holiday for saying this in my introduction).

It is indeed wonderful here, but that wasn't always the case. Many of those who visit the country – and even most of the locals in fact - are blissfully unaware that Switzerland was a very different place 200 years ago. Back then the scene was one of bitter poverty. In 1816, the year summer forgot, there was a terrible famine that caused more suffering than anywhere else in Europe. Tens of thousands left the country. The atmosphere was tense. The cantons were at loggerheads. Some wanted to leave the Swiss federation, while others wanted to swallow up their neighbouring cantons. We had neither a capital city, nor a government or an administration. Instead we had typhoid, smallpox and malaria. We had no banks, no railways, no tourism, no chocolate and no fondue. In other words, Switzerland was a miserable place to be.

But just 70 years later, what a transformation. In 1882 Switzerland opened the longest railway tunnel in the world through the Gotthard. Although the first few metres of track in Switzerland were only laid in 1847, by the end of the century the country

had the densest rail network in the world (and still does). By the end of the 19th century, Switzerland had a flourishing industrial base and countless hotels. The English were everywhere, wanting to climb our mountains. A young Winston Churchill swam in the lake not far from here (where he allegedly almost drowned). Banks were established, as were universities, schools and hospitals. A very enlightened labour law was introduced to protect factory workers. Within just a few years, Switzerland became one of the most progressive and prosperous countries in Europe. So, how did all that come about? What had happened to transform Switzerland from a country that received humanitarian donations from the Russian czar to one described as 'rich' and 'stable'? Basically, one very decisive step was taken:

In 1848, Switzerland drew up one of the most progressive constitutions in Europe. Not only in terms of its form, or certain key new basic rights. The constitution also created a single market – all 400 customs tariffs were abolished. Free movement of persons throughout the country was introduced, as was the free movement of capital. And it contained instructions on how the constitution itself would be amended. Nowadays we would say it contains an excellent algorithm, a self-correction mechanism that rebalances the political structure of the state whenever it is destabilised. At the time, people spoke of minority rights, and later of instruments of direct democracy.

I mention this to underline just how important it is to lay firm foundations. The best administration in the world will not get you far if the constitution is no good. The administration is there to do what it's told, and it can do that more or less efficiently. But if it's stability and prosperity we're after, then we have to start building from the ground up, and not start by fitting the windows.

2. Modern Switzerland is now almost exactly 170 years old, and it has a pretty normal administration. It has grown over the years – as have administrations in many other countries; it is responsible for more tasks, and it is always to blame when something goes wrong. Nevertheless there are one or two things that are still a bit

special: on close inspection Switzerland's political system is one continuous consultation machine due to its system of direct democracy. Political parties, associations, cantons, unions. They're all continuously consulting all the others; they argue, try to find a compromise, set up working groups and carry out surveys. The administration evaluates the surveys and tries to come up with new proposals, which are once again put before the Federal Council. Naturally, all that takes time. But it also encourages participation, the feeling of being involved and taken seriously. It establishes a connection between the administration and the world, to problems outside the administration. That's important. It also serves as a cooling-off period to prevent kneejerk reactions, replacing emotions with sensible considerations, and providing an opportunity to reconsider. And that's often a good thing. I've been asked about the advantages and disadvantages of direct democracy quite a lot recently. And I always have to say, well, it works for us. But direct democracy involves much more than simply holding a referendum every now and again. It takes a lot of consultation before the decision. A lot of tact and care after the decision. And a lot of prudence and flexibility in implementing the decision. There has to be extensive media plurality to help form opinion, a good level of education to better understand the issues at hand, and a special political culture, which allows people to argue about issues – every three months – instead of about politicians – every four years.

Another special feature of our administration is its federalist structure. Wherever possible decisions should be taken at the level at which they are to be implemented: education, taxes, culture, energy etc. – all at cantonal level by cantonal administrations. At federal level languages are also taken into account; all important documents are drafted or translated in German, French and Italian, often into Romansh too, and sometimes (even) into English. And we are patient. In federalist states there is a greater need for historians capable of seeing the bigger picture, than for legal experts who implacably apply the law.

In 1900 (nineteen-hundred) Switzerland's largest canton decided in a popular vote to ban petrol-driven cars. That decision was confirmed over the course of six further

popular votes, and so for 25 years, from 1900 – 1925, anyone wishing to take their car into the canton of Graubünden had to turn off the motor at the state line and have the car towed along by horse. People in the rest of the country shook their heads in puzzlement, but no-one would ever have thought of penalising the canton. In certain cantons, women were only granted the vote (at cantonal level) some thirty years ago, but we would never have considered sending in the troops. Federalism means pulling patiently, rather than pushing impatiently. That's something we've learned over many years, and I think it might have been wise if certain other governments in Europe or around the world had sometimes taken a more careful approach.

3. Ours is a small and I think relatively efficient and citizen-oriented administration. And yet we face a number of major challenges, as do many other administrations. I will take just two examples: firstly, one of the most important issues we are currently dealing with is IT. In my view, not a single political decision, reform or austerity measure in the last thirty years has transformed public administration as much as developments in IT. It has brought us much closer together. It has made us much more responsive, and it has opened up incredible possibilities that we could never have dreamt of before. But at the same time the many applications have to be run and controlled. They have to be updated and replaced. And they have to be compatible so that data doesn't have to be replicated multiple times, but can be transferred from one office to another. All this has created a high level of dependency on external IT firms. Senior managers in Switzerland's administrations now seem to spend more and more of their time clarifying questions about public procurement regulations to negotiate contracts with external suppliers, and chasing up service quality issues or delivery deadlines – time that should be better spent on their core tasks. The relationship between public administrations and the IT sector has in my view taken an unhealthy turn and needs to be corrected. And based on what I hear from other centres of government, Switzerland is not alone. The long underestimated risks associated with cybersecurity or data protection pose enormous challenges for administrations: How can the State guarantee the protection of private

property? How does it go about protecting critical infrastructure? How does it ensure that really personal data actually stays personal? The way in which the (federal) administration in Switzerland is organised – essentially a vertical structure of various distinct hierarchies at best cooperating with one another – has improved significantly over the last twenty years thanks to digital innovations: horizontal integration has increased markedly, but financial responsibility has remained hierarchically vertical. That though is giving rise to growing tensions. Digitalisation will fundamentally alter the role of the State, and thus of the administration. The next worthwhile public administration reform will not be about which agency answers to which department, but who works with whom, how and on what projects. And who decides what at which level. The administration has to take back control and think about things like ideal business processes. What will our task be in future? And how we can best harness the available digital possibilities to achieve them. Instead of having to go on the defensive to reorganise because a major IT firm has announced it won't be renewing its product.

A second major challenge facing administrations is the growing scale of functional spaces: a growing number of technological innovations cannot be regulated locally. Increasingly, political and societal problems can no longer be resolved at a cantonal or even national level: take terrorism, migration, climate change, etc. In other words, administrations increasingly have to work together: 150 years ago the clock faces on Lausanne's churches showed a different time to those in St. Gallen. But with the advent of the railways and the introduction of a national timetable, pressure grew to introduce a standard time. That undertaking proved as difficult back then as it is now to come up with standardised or efficient solutions in spatial planning or healthcare. More and more things have to be coordinated at international level. That means we have to be creative and work together to find solutions. Today's administrations have become accustomed first and foremost to trying not to make mistakes. In other words they think and act in a primarily process-oriented manner. But particularly in terms of international cooperation we have to get used to working together in a more results-oriented manner. It is slightly worrisome that you have to read and comply

with agreements several hundred pages long just so a train carriage can roll around Europe. Politics alone cannot resolve this problem: The administration of the future, in Switzerland and elsewhere, will have to propose simpler ways of doing these things. And there are a host of new digital tools that can help to facilitate and simplify national and international cooperation.

Ladies and gentlemen,

When Switzerland had to decide which town to name as its capital 170 years ago, it opted for Bern over Lausanne. The local newspaper commented drily: “What difference should it make to Switzerland if Bern is a boring town with unfriendly inhabitants, prone to cold and fog, where life is not especially comfortable. What matters to the country is that Parliament works hard and does its job well, not that its deputies enjoy a good life.”

You on the other hand have opted for Lausanne and not Bern. But I can assure you that Bern too has its appeal, and that the people there are perfectly friendly. I at any rate am proud to be a part of the Swiss administration in Bern. We are pretty approachable and quite efficient. Not that there’s no room for improvement. During our Sunday evening phone calls my mother regularly asks me: “Are you still doing something useful in Bern?” And her sceptical tone leaves me in no doubt that she believes I too could do better. But we can all do better and learn from one another – and we can learn from all of you. So that’s why I’m extremely glad that you’re here. And it’s a good reason for me to shut up and let you finish your meal. Thank you very much.
