

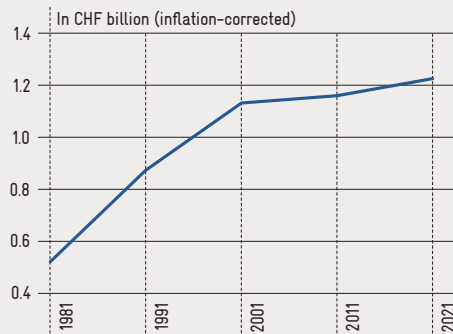
Public Services in Need of Reform

The generous, non-transparent funding of public services is increasingly failing to meet society's needs. This runs counter to an efficient, cost-effective universal service.

Situation

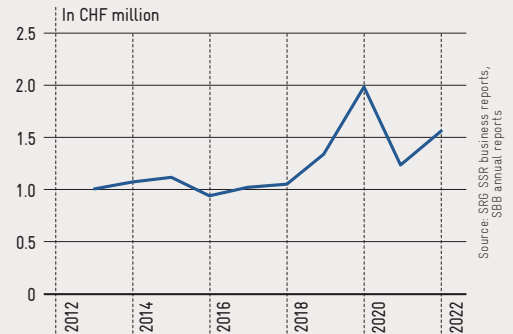
In Switzerland, public services are defined as the basic provision of transport, telecoms and postal services. These services must be accessible to all, in all regions of the country, under the same conditions, of high quality and at reasonable prices. At federal level, this includes universal postal services, telecommunications, digital media (radio and television) and public transport. Childcare, education and social services, on the other hand, are not public services in the strict sense. They do not fulfill the classic characteristics of an infrastructure.

Revenue from the fee of the SRG SSR



Since the 1980s, the revenue from the fee of the SRG SSR has risen, exceeding CHF 1.2 billion a year. Even though radio and television are increasingly losing their audience in a digitizing industry.

Grant per kilometer of rail



Every year, the SBB receives billions of francs in grants from the Swiss Confederation. In relation to the SBB network (2022: 3265 km), each kilometer of rail costs CHF 1.25 million a year for taxpayers, and this number is rising.

Facts

-53%

Between 2004 and 2023, the number of letters delivered by post per person fell from 388 to 184, a decrease of 53%. However, the number of parcels delivered per person has increased from 15 to 21 (+40%).

Public service as a motto

For a long time, public services have been about more than just basic supply. In many cases, special interests are given priority. Today, public services are used for redistribution, regional and structural policy, and so on.

Inconsistent liberalization

In the EU, the usual areas of public service have been largely liberalized. This is not the case in Switzerland, as it has failed to complete market-opening projects launched in the 1990s.

To provide or to guarantee?

Public services do not have to be provided by the government. The latter can simply guarantee its principle. Private or public-sector companies can provide the services.

Price not displayed

Public services are not free. They are mainly financed by taxes. The actual costs of public services are often not very transparent. Prices should be displayed more clearly. It is therefore tempting for politicians to call unilaterally for an extension of public service.

Recommendations

Public services must consider **changing needs**. Society needs to debate on what should remain part of the **universal service** and what should not. Technological neutrality must be ensured: **only the “what” should be defined**, not the “how”. This would lay the groundwork to **issue a public call for tenders for service**

contracts. Ultimately, this would ensure that services and costs are regularly subjected to critical scrutiny, while at the same time being compensated in a **transparent manner**. The principle of fiscal equivalence would also be respected: **he who pays the piper calls the tune**.

