

Agile Governance and Digitally Enhanced Administrative Procedures: Lessons from the Swiss COVID-19 Credit Facility

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Abstract

Purpose: Within only ten days of March 2020, the Swiss administration designed and implemented a loan guarantee scheme for enterprises. The implementation phase was also short: it lasted less than five months. With a total of 17 billion Swiss francs disbursed in loans and an available budget of 40 billion, this was the largest amount ever administered by the Swiss administration for a single measure. This article examines how that was possible, considering the complexity of the institutional setting and the scheme's innovative form, especially in terms of IT, including several breakthroughs for the Swiss e-administrative practice: the scheme used algorithms to verify clients' applications, a unique identification number for companies was implemented on a large scale, Swiss banks were integrated into the project's preparation and implementation, and some of their client operations were centralized on a government e-platform.

Methodology: The salient features of the process are identified through an analysis of the unfolding of operations during those ten days. The circumstances and context leading to radically new forms of public governance are also identified. Besides, an output analysis was undertaken to single out the innovative features of the deliverable. The case under consideration was short, and came unpredictably, so that no data or observations could be collected before or during the case. Accordingly, the study is by and large based on ex-post enquiries.

Findings: With no explicitly formalized mandates, structures, or roles, the project participants came up with an informal organization system. A clearly defined deliverable was a powerful driver of the process. Several characteristics of the project, such as efficient networks, real-time information flow, flexible roles, flat hierarchy, and swift iterative sub-processes were akin to those of "agile organizations". Tasks were performed concomitantly instead of sequentially.

Originality: Though many governments have enacted COVID-19 support facilities for companies, scholarly literature on such schemes is still in its infancy. Existing literature focusses on two directions: legal analysis and economic analysis (economic impact and costs). But a view on the administrative processes for preparing such emergency measures is rarely presented. This article aims to fill this gap: it foregrounds the relationship between governmental crisis management and the digitization of public administration processes using computer-enabled tools.

Further research: It is striking that not much is undertaken with a view to collecting and sharing the "lessons learned" from the unique experience of emergency support packages during the pandemic, including at intra-organizational level. Research could be done regarding replicability both for future emergencies and for adjusting normal-times public management practices.

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1. Introduction

“Most research that is contributed resides in the computer science field and focuses on scrum and agile methodologies, however there is limited research that pays attention to the actual implementation challenges, innovative outcomes, or transformation of digital services in government.”

Mergel (2016)

The above quote from Mergel (2016) was a call to pay more attention to the adoption of agility principles by government administrations. Her point was timely, and this article is an attempt to address that call.

The COVID-19 emergency was of such magnitude that all governments had to adjust their procedures and *modi operandi* in order to either be able to function under extremely short deadlines or conceptualize and design totally new types of measures. In addition, a high level of uncertainty about future epidemiological and economic developments surrounded decision-making and action by governments. While the health emergency was certainly the priority for all governments, the economic emergency was also at the top of the political agenda. All governments designed and implemented support packages for their respective economies, with amounts that were hitherto unheard of.¹

This piece considers one such measure, namely the “COVID-19 credit with joint and several guarantee”, in short “COVID credit”, introduced by Switzerland in the COVID-19 credit Ordinance of 25 March 2020 (hereinafter “the Ordinance”).² Why this one in particular? The COVID-19 emergency is a too serious one to embark into a beauty contest of the various government measures, but this measure deserves some attention as it was conceptualized in uncharted territory on two scores: policy process (Section 4) and regulatory content (Section 5). In terms of process, the measure was initiated, designed, and implemented in a manner that had never been tested before. In terms of substance as well, it displays features that are new and creative. Among the innovative aspects of process and content examined in this article, particular focus lies on the use of digital tools, or e-administration.

The purpose here is not to systematically scrutinize all aspects of the measure at stake, but to examine the features that were uncommon or new in the Swiss practice with the aim to answer the following research questions:

1. What were the distinctive features of administration in designing and implementing the Swiss emergency loan scheme?
2. What were the novel and creative elements embodied in the output that were delivered, especially in terms of IT?
3. What motives or circumstances justified the innovative aspects—under 1 and 2?
4. What conditions made their adoption possible (acceptance)?

¹ Regarding support measures designed by governments to support SME, see OECD (2020b) and OECD (2020c).

² Ordonnance du 25 mars 2020 sur les cautionnements solidaires liés au COVID-19 (OCaS-COVID-19), RS 951.261. Available at:

<https://fedlex.data.admin.ch/filestore/fedlex.data.admin.ch/eli/cc/2020/194/20200326/fr/pdf-a/fedlex-data-admin-ch-eli-cc-2020-194-20200326-fr-pdf-a.pdf> accessed May 2020.

5. What key enablers and key factors of success can be singled out?

This should allow further questions to be addressed, such as whether there are lessons to be learned on a broader scale, respectively whether some elements are replicable in future crises.

In the private sector, it is sometimes hypothesized that to develop disruptive technologies or products, disruptive leadership is necessary, and vice versa: applying disruptive leadership rarely results in conventional outputs. The experience at hand tends to suggest that the same goes for governments. Novel and more agile forms of governance are often correlated with innovative features in the deliverable. Therefore, this piece examines the process and its output together.

In terms of **process**, the new methods of work among government agencies and with the private sectors were to a large extent “quasi-informal”. The various instruments (organizational setting, legal act, implementation measures, IT tools, communication, etc.) were prepared concomitantly while in normal times they would to a large extent be prepared sequentially.

In terms of **output**, what stands out in the support scheme is:

- its centralization of otherwise essentially privately-based procedures for granting loans;
- its reduced number of formalities;
- the involvement of actors beyond their normal roles;
- extremely swift and user-friendly administrative procedures; and
- its flexibility.

The latter was materialized by devising two distinct measures: the “COVID-19 credit” smaller loans (Art. 3 of the Ordinance), and the “COVID-19 Plus credit” for larger loans (Art. 4 of the Ordinance);³ while the former was subsequently complemented with the COVID-19 credit “for innovative start-up companies” (see footnote 24). In terms of digitization, what made the COVID credit facility possible was the availability of a suitable government platform (easygov.swiss),⁴ and the pre-existence of an identification number for enterprises, called UID.⁵ In addition, it proved necessary to introduce, for the first time in Swiss government practice, the use of algorithms so that applications could be reviewed automatically.

The term “agile” has made its way into the common language, often with unclear meaning and in unrelated contexts. However, in its original coinage, the term has a very precise definition. All in all, the *ex-post* analysis of the project’s governance and organization made in this paper reveals several commonalities with the concept of agility originally coined and defined by McKinsey.⁶ Concretely, all “trademarks” of McKinsey’s agile organization and several “practices” thereof can clearly be detected in the project, as laid out in Table 1 below.

³ The standard Covid-19 loans are capped at 500’000 Swiss francs for each single beneficiary. The Covid-19 Plus credits may reach a maximum of 20 million francs.

⁴ The Swiss online government counter is accessible at: <<https://www.easygov.swiss/easygov/#/en>>.

⁵ Unternehmens-Identifikationsnummer, <<https://www.bfs.admin.ch/bfs/en/home/registers/enterprise-register/enterprise-identification.html>> accessed May 2020.

⁶ A concise summary of McKinsey’s agility is available at: <<https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/the-five-trademarks-of-agile-organizations>>.

	Trademarks	Organizational-agility practice
Strategy	North Star embodied across the project	In particular: Shared purpose and vision Sensing and seizing opportunities Flexible allocation of resources
Structure	Network of empowered teams	In particular: Clear flat structure Hands-on governance Robust communities of practice Active partnerships and ecosystem
People	Rapid decision and learning cycles	In particular: Rapid iteration Information transparency Continuous learning Action-oriented decision making
Process	Dynamic people model that ignites passion	In particular: Cohesive community Entrepreneurial drive Role mobility
Technology	Next-generation enabling technology	Evolving technology architecture, systems and tools Next-generation technology development and delivery practice

Table 1: Trademarks and selected practices of agile organizations according to McKinsey. Source: see footnote 6

Only little scholarly research has been undertaken on the Swiss COVID-facility due to its recent existence. One noteworthy ongoing research project is carried out by professors Danthine, Fahlenbrach and Morellec (2020) and focuses on the financial side of the facility. At international level, there is an overabundance of scholarly articles on many facets of the COVID-19 outbreak. Yet, academic research on COVID-related support schemes still is in its infancy. As for agility, the fact is that this approach is popular mainly in digital project management, especially in the software development field.

2. Epidemiological and economic context in February/March 2020 in Europe

A detailed and precise account of the unfolding of events is useful, particularly when analyzing an emergency response policy.

Initially the new coronavirus (nCov) reached Europe via Italy, which was the first country hit by the pandemic, and also the first one to enact a ban on flights from China,⁷ as well as legal measures for domestic containment of the virus, in January 2020.⁸ On 30 January 2020, the World Health Organization (WHO) declared that COVID-19 was a “global public health emergency of international concern” (Cucinotta & Vanelli, 2020). During the whole month of February 2020, governments in Europe, and particularly those in neighboring countries such as Switzerland, were carefully monitoring the developments in Italy, including the types of health responses implemented and the economic consequences. One of the most prominent measures enforced in Italy was the lockdown, the creation of “red zones”, and the successive extension of such zones until entire regions were declared “red”.^{9, 10} The Italian authorities also quickly realized that economic and financial support measures were also inescapable.¹¹

This situation was a harbinger giving governments some time to figure out what might happen when the pandemic would reach their territory, and what might be the consequences on their respective economies if typical health measures needed to respond to the virus were to be implemented.¹² Intense monitoring and debate among government representatives also took place at the WHO. Even though no concrete measures were prepared in adjacent states until the actual impacts of the pandemic on their territory were observed, the situation of Italy was discussed and analyzed, and this allowed for the anticipation of both the epidemiological and economic scenarios to come. That said, unfortunately, European states were too slow, as Prof. Panizza (2020, p. 153) rightly affirmed: “Italy’s containment policies created positive spillovers for the rest of Europe. This, however, has been a mostly wasted opportunity because other European countries have been slow in reacting to the virus outbreak”.

⁷ See flight ban from China dated 27 January: Circolare del Ministero della Salute, *Epidemia cinese da coronavirus nCoV: Misure urgenti a tutela della salute pubblica. Divieto di atterraggio di tutti i voli provenienti dalla Cina negli aeroporti di Ciampino, Roma Urbe, Perugia Ancona*, 27/01/2020. Available at: <http://www.normativasanitaria.it/jsp/dettaglio.jsp?id=72853>. See also epidemiological control of passengers from China dated 24 January: Circolare del Ministero della Salute, *2019 nCov: Indicazioni operative per il monitoraggio dello stato di salute dei passeggeri su voli con provenienza Cina*, 24/01/2020. Available at: <http://www.normativasanitaria.it/jsp/dettaglio.jsp?id=72851>.

⁸ Among the early measures, see for instance Ordinance 630 of 3 February: Presidenza del consiglio dei ministri, dipartimento della protezione civile, Ordinanza 03 febbraio 2020, *Primi interventi urgenti di protezione civile in relazione all'emergenza relativa al rischio sanitario connesso all'insorgenza di patologie derivanti da agenti virali trasmissibili*. (Ordinanza n. 630). (20A00802), (G.U. Serie Generale, n. 32 dell'8 febbraio 2020). Available at: <https://www.trovanorme.salute.gov.it/norme/dettaglioAtto?id=73082>.

⁹ On 23 February 2020 the presidential decree-law n° 6 established a zoning of Italy by province according to the epidemiological situation. Presidente della Repubblica, Decreto-legge 23 febbraio 2020, n. 6, *Misure urgenti in materia di contenimento e gestione dell'emergenza epidemiologica da COVID-19*. (20G00020), (G.U. Serie Generale, n. 45 del 23 febbraio 2020). Available at: <https://www.trovanorme.salute.gov.it/norme/dettaglioAtto?id=73197>.

¹⁰ Decree of the President of the Council of Ministers implementing the above act: Decreto del presidente del consiglio dei ministri 23 febbraio 2020, *Disposizioni attuative del decreto-legge 23 febbraio 2020, n. 6, recante misure urgenti in materia di contenimento e gestione dell'emergenza epidemiologica da COVID-19*. (20A01228), (G.U. Serie Generale, n. 45 del 23 febbraio 2020). Available at: <https://www.trovanorme.salute.gov.it/norme/dettaglioAtto?id=73196>.

¹¹ For example, on 24 February 2020 the Italian Ministry of Economy and Finance decided to lift tax obligations on tax subjects located in affected zones. Ministero dell'economia e delle finanze, Decreto 24 febbraio 2020, *Sospensione dei termini per l'adempimento degli obblighi tributari a favore dei contribuenti interessati dall'emergenza epidemiologica da COVID-19*. (20A01299), (G.U. Serie Generale, n. 48 del 26 febbraio 2020). Available at: <https://www.trovanorme.salute.gov.it/norme/dettaglioAtto?id=73434>.

¹² See the business pooling launched by economiesuisse, “Coronavirus: its impact on Swiss companies”, 28.2.2020 <<https://www.economiesuisse.ch/en/articles/coronavirus-its-impact-swiss-companies>>.

Academia too quickly realized the unprecedented magnitude of the looming crisis and contributed to this policy debate.¹³ The risk of a liquidity strain or cash crunch was specifically raised and analyzed (De Vito & Gómez, 2020). Scholars in Italy pointed very early to the relevance and efficiency of state-guaranteed loans, for example Schivardi (March 2020): “La terza è che vale la pena investire risorse pubbliche per salvare le imprese. Si stima che le garanzie pubbliche abbiano una leva di 1 a 14, cioè ogni euro di soldi pubblici può garantire 14 euro di prestiti alle imprese. Per coprire gli 80 miliardi dello scenario pessimistico, quindi, servirebbero meno di 6 miliardi di euro”. Information on early Italian regional credit-related measures is found in OECD (2020a, mainly pp. 5-6).

3. Main milestones of the Swiss support scheme

The first health measure introduced by Switzerland in response to the COVID-19 outbreak was the Federal Ordinance of 28 February 2020. Raschèr (2020, p. 250-251) recalls that on that morning, the Federal Council (i.e. Swiss government) held an extraordinary meeting during which they banned gatherings exceeding 1,000 persons, with country-wide application and immediate entry into force.¹⁴ For gatherings below this threshold, the ordinance adopted that day tasked the cantons (i.e. sub-federal entities) to evaluate the risk with the entities organizing the gathering.¹⁵ In the same ordinance, the Federal Council declared that the country was in a state of “particular situation” (a softer form of state of emergency).¹⁶ As Raschèr (2020) notes, the country quickly realized that this was just the beginning.

On 11 March 2020, the WHO classified COVID-19 as a pandemic (Cucinotta & Vanelli, 2020), and on 13 March, the Federal Council issued a new ordinance (“Ordinance 2”) providing for the “Schengen” controls with entry restrictions,¹⁷ and a reduction of the aforesaid threshold down to 100 persons.¹⁸ From that day on, it was clear for the authorities that the situation would quickly worsen, in all aspects, including its economic impact. The Federal Council also announced some initial measures to secure credits and provide transitional liquidity to affected companies.¹⁹ The Federal Councilor in charge of the Department of Finance (Finance Minister), Mr. Ueli Maurer, requested his experts to prepare a measure (see Section 4). On 16 March, the Federal Council declared the state of “extraordinary situation” (a form of state of emergency) through an amendment to the aforementioned “Ordinance 2”.²⁰ The amendment was adopted on 16 March, entered into force the next day and imposed a compulsory closure

¹³ See for example Jean-Pierre Danthine, an EPFL professor and the managing director of the Enterprise for Society Center (E4S), “COVID-19: Generous public financing required”, 24.3.2020, online <<https://actu.epfl.ch/news/covid-19-generous-public-financing-required/>> accessed May 2020.

¹⁴ Article 2(1) of the Ordinance of 28.2.2020.

¹⁵ Article 2(2) of the Ordinance of 28.2.2020.

¹⁶ The legal basis for the state of “particular situation” is paragraph 1 of Article 6 of the Federal Law on the fight against diseases transmissible to humans – Loi fédérale sur la lutte contre les maladies transmissibles de l’homme (Loi sur les épidémies, LEp) du 28 septembre 2012, RS 818.101. Available at: <<https://www.admin.ch/opc/fr/classified-compilation/20071012/index.html>> accessed May 2020.

¹⁷ Article 3 of the Ordinance 2 of 13.3.2020.

¹⁸ Article 6 of the Ordinance 2 of 13.3.2020.

¹⁹ Press release of the Federal Council, “Le Conseil fédéral renforce les mesures contre le coronavirus pour protéger la santé de la population et soutient les secteurs touchés”, 13.3.2020.

<<https://www.admin.ch/gov/fr/accueil/documentation/communiqués/communiqués-conseil-federal.msg-id-78437.html>>.

²⁰ The legal basis for the ordinance of 16 March is the state of “extraordinary situation” enshrined in Article 7 of the Federal Law on the fight against diseases transmissible to humans. By using this legal basis in its ordinance, the Federal Council declares the state of extraordinary situation.

of all non-essential retail outlets and other businesses involving direct contact with or among customers.²¹ The population was advised to stay at home (concept of “soft” lockdown).

At that point, experts had already started to work on Minister Maurer’s instruction. However, during that period, forecasts of the pathogen’s spread, of the duration of the lockdown, and of the impact on businesses were simply impossible to make, let alone the enduring question of a future resurgence of the virus. Everything was kind of open-ended: the only certainty at that moment was that the consequences on business was unpredictable, and that the measure to be taken would address a crisis of a magnitude hitherto never handled by the Swiss administration. And that was it, so to say.

At its meeting on Friday 20 March, the Federal Council agreed on the main parameters of the facility (DFF, 2020). On Sunday 22 March, the draft ordinance on the COVID-19 credit was finalized at expert level, the Federal Council adopted it at an extraordinary session on 25 March, and the whole facility entered into force and was operational on 26 March (Media Center of the Confederation, 2020). In the meantime, on 23 March, the delegation of finance of the Parliament had approved the credit (including the budget for it) (D’amelio-Favez & Manz, 2021, p. 12). Altogether, 137,850 loans were granted which added up to a total of 16,942,837,863 Swiss francs (sum of COVID-19 credits and COVID-19 Plus credits).²² Initially, a total of 40 billion Swiss francs had been set aside for this facility (OECD, 2021b, p. 260).

On 9 April, the Federal Council made a technical but important amendment to the Ordinance, in order to introduce newly formatted forms and loan agreements. On 22 April, the Federal Council complemented the facility with a tailor-made loan guarantee for innovative start-up companies.²³ It was up and running within a fortnight.²⁴ On 15 May, the State Secretariat for Economic Affairs (SECO) developed a concept to counter abuses.²⁵

A main step has been the *a posteriori* submission of the facility for formal parliamentary approval, as it was necessary to transpose the Ordinance into a specific law and have it approved by the Federal legislature.²⁶ This was necessary because the Ordinance was an emergency ordinance (*ordonnance de nécessité*) based on Article 185(3) on imminent threats to public order or internal security of the Swiss Federal Constitution, which requires the validity to be limited in time, *in casu* 6 months i.e. until 25 September 2020. At its meeting on 1 July 2020, the Federal Council opened a consultation on the draft law,²⁷ which was then submitted

²¹ Article 6 of the Ordinance amended as of 16.3.2020.

²² See <<https://covid19.easygov.swiss>> accessed May 2021.

²³ See press release of the Department of Finance of 22.4.2020, “COVID-19: Innovative start-ups to receive additional federal support”. Available at: <https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-78872.html> accessed May 2020.

²⁴ See press release of SECO of 4.5.2020, “COVID19: liquidity support for startups up and running”. Available at: <<https://www.seco.admin.ch/seco/en/home/seco/nsb-news/medienmitteilungen-2020.msg-id-79006.html>> accessed May 2020.

²⁵ See press release of SECO of 15.5.2020, “Crédits COVID-19: le plan de contrôle visant à lutter contre les abus a été adopté”. Available at: <<https://www.admin.ch/gov/fr/accueil/documentation/communiqués.msg-id-79133.html>> and <https://www.efd.admin.ch/efd/fr/home/dokumentation/nsb-news_list.msg-id-79133.html> accessed May 2020.

²⁶ See press release of the Federal Council, “Coronavirus: Emergency ordinance on COVID-19 credits to be incorporated into ordinary law”, 1.7.2020. Available at: <<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-79683.html>> accessed August 2020.

²⁷ See Rapport explicatif relatif à l’avant-projet de la loi fédérale sur les crédits garantis par un cautionnement solidaire à la suite du coronavirus (Loi sur les cautionnements solidaires liés au COVID-19), 1^{er} juillet 2020. Available at: <<https://www.news.admin.ch/newsd/message/attachments/61988.pdf>> accessed May 2021.

to the Federal Assembly.²⁸ The law was adopted on 18 December 2020.²⁹ While most of the parameters of the emergency ordinance had become obsolete because they related to the criteria of eligibility and conditions for obtaining a credit, the Parliament still had the opportunity to modify remaining aspects contained in the draft law before adoption, and it did.³⁰ As a matter of fact, while the facility enjoyed wide support, inevitably certain political groups had diverging opinions, particularly with regards to the duration of the credit and the sanctions in case of fraud. Eventually, both parliamentary chambers agreed on an extension of the credits from five to eight years, which was a major change compared to the initial Ordinance (Article 3 of the Law).³¹ Proposals to turn credits into grants, however, were rejected. As proposed by the Government in an additional modification proposal,³² the Parliament decided to grant the Government competence to “reactivate” a similar facility in case of need, to stabilize the economy again in the future (Article 26). This shows that there was large parliamentary support for the scheme as it was initially crafted by the government, a fact that was also widely recognized by the media. Most business associations and the banking sector advocated for keeping the Federal Council’s proposal as it was.³³ Academia too generally deemed the measure appropriate, but made some specific criticisms. For example, professors Danthine, Fahlenbrach and Morellec (2020) are concerned that the scheme may, in the long run, lead to the bankruptcy of many indebted companies. They proposed to turn the credits into a capital participation by the State.

For the sake of completeness, it must be added that the COVID-19 loan was just one among other measures. The Federal Council also enacted measures to support employment, and a number of sectoral support measures. However, all those measures were very well targeted and calibrated, just like the loan scheme. Like many other countries, Switzerland was poles apart from a “do whatever it takes” mood.

4. Initiation, conceptualization, and design process

4.1 Initiative and rationale

As stated, the initiator of the process leading to a state-guaranteed credit facility for SMEs was the Minister of Finance Ueli Maurer. In the context described in Sections 2 and 3, many ideas had been floated by diverse circles on how to best deal with the looming economic emergency. However, none of them turned out to be compelling. Listening to all proponents of ideas,

²⁸ Message concernant la loi sur les crédits garantis par un cautionnement solidaire à la suite du coronavirus du 18 septembre 2020, FF 2020 8165.

²⁹ Loi fédérale sur les crédits garantis par un cautionnement solidaire à la suite du coronavirus (Loi sur les cautionnements solidaires liés au COVID-19, LCaS-COVID-19) du 18 décembre 2020, RS 951.26. Available at: <<https://fedlex.data.admin.ch/filestore/fedlex.data.admin.ch/eli/cc/2020/982/20201219/fr/pdf-a/fedlex-data-admin-ch-eli-cc-2020-982-20201219-fr-pdf-a.pdf>> accessed December 2020.

³⁰ The parliamentary debates are available at: <<https://www.parlament.ch/fr/ratsbetrieb/suche-curia-vista/geschaef?t=AffairId=20200075>> accessed December 2020.

³¹ This extension, made against the advice of the Government, was reached with a relatively narrow majority, though: 99 to 92 in the National Council (lower chamber) and then 23 to 20 in the Council of States (lower chamber).

³² See Message relatif aux modifications de la loi COVID-19 et de la loi sur les cautionnements solidaires liés au COVID-19 du 18 novembre 2020. Available at:

<<https://www.news.admin.ch/news/message/attachments/63900.pdf>> accessed December 2020.

³³ See for instance the position of the Swiss Bankers Association, “COVID-19-Kreditprogramm möglichst unverändert in ordentliches Recht überführen”, 21 July 2020, <<https://www.swissbanking.org/de/medien/news/covid-19-kreditprogramm-moeglichst-unveraendert-in-ordentliches-recht-ueberfuehren>> accessed August 2020.

Mr. Maurer's objective was to avoid SMEs being badly hurt by the lockdown and other measures. About 67 percent of the Swiss workforce is employed in SMEs, but the Finance Minister and the Federal Council were anticipating a more dramatic looming crisis as well. Drawing the lessons from the 2008 *Lehman Brothers* crisis, they wanted to prevent a full-fledged liquidity crisis with spill-over effects that would badly hurt the Swiss financial system and Swiss financial institutes.³⁴ Mr. Maurer was not the only Finance Minister apprehending this, which is why the target date of 25 March needs explaining. The 25 March was payday in Switzerland, where companies pay their employees' salaries. If, at that critical point in time, too many companies decided to wait and see before disbursing salaries, a *Lehman Brothers* scenario was almost predictable. This is also why, at a press conference on 20 March (see below), Mr. Maurer promised that the scheme would be in place by the next week and that loan applications would be processed "within 30 minutes" (OECD, 2021a, p. 9). He also wanted the loans to be at zero cost for the SMEs. The personal initiative and involvement of the Finance Minister in the whole process was instrumental for its success. Compared with the 2008 financial crisis leads to a caveat in that "[t]hrough September 2008 and March 2020 look similar, in that they involve a rapid collapse in stock prices and unprecedented interventions by the Federal Reserve, the most dramatic period of the GFC originated in the financial sector with the collapse of Lehman. In contrast, the COVID-19 shock originated as a public health crisis; it did not originate inside the financial sector" (Fahlenbrach et al., 2021, p. 5479).

At the very outset, the Minister tasked his own experts with the matter, concretely his two agencies having relevant competences: the State Secretariat for International Financial Matters (SIF) and the Federal Administration of Finance (AFF). The latter is the agency in charge of the state budget, and which controls the cash. The former would be suited to coordinate the cooperation with the banks. The concretization of the idea would mean creating a legal basis allowing the Ministry to invest an amount of funds for the new facility. However, it quickly became clear that having the money and a legal basis would not be enough. How could the Finance Ministry alone implement a measure that is directed at privately-owned SMEs? Hence, experts at the Finance Department asked the State Secretariat for Economic Affairs (SECO) to participate. From that point on, a sort of quasi-informal working group consisting of members of SIF, AFF and SECO took shape (in line with the "network of empowered teams" trademark of agility). Minister Maurer himself used the term "Teamwork" to describe the way in which the scheme was prepared (Kellerhals & BGS, 2021, p. V).

4.2 Conceptualization, design, and implementation process

Whereas the deliverable—a system that can grant loans within 30 minutes and a zero cost to any SME—was clear from the outset, it is noteworthy that no project organization was formally set up, not even a kind of organizational structure, nor mandates, roles, and competences clearly defined. No work procedures were defined either. There was no time for that. The people involved were only guided by and concentrating on the deliverable (in line with the "North Star" trademark of agility). At the same time, SECO released the very first economic forecasts, and the people involved understood that they could no longer think routinely or rely on standard administrative and regulatory concepts and practices. A totally new way of working and new type of output was needed. This also meant that, politically, this could not simply be decided at administration level alone. Hence, in parallel to the already ongoing work, informal

³⁴ For instance, on 25 March he declared that with this liquidity support to enterprises he wanted to avoid that the Swiss financial centre be infected "Den Finanzplatz nicht zu infizieren" (Media Center of the Confederation, 2020).

conversation took place with the main Swiss political parties, business associations (e.g. *economiesuisse*,³⁵ USAM/SGV³⁶) and the Swiss Bankers Association (ASB)³⁷, who supported the endeavor. Even though it remained relatively informal, such political support was essential to proceed. This cooperation did not happen offhandedly. The Swiss Bankers Association underscored the key role of good networking and short communication lines (*gute Vernetzung und kurze Wege*) (Gasser, 2021, p. 35). Again, in line with the “network” trademark of agility.

As SECO contributed to the project with its precious experience of administering an array of schemes to SMEs, which was instrumental for the implementation of the facility, it became clear that there was still something missing to move on. Who would actually transfer the money to each SME, so to say physically? Definitely not SECO employees. Unlike other countries, the Swiss government has no way of dispatching individual checks to people or companies, let alone a credit. At that stage, the project took a new dimension once again. Swiss banks had to be involved. All banks. Each SME’s bank account is with its own bank, and only banks know their clients in person. Thus, SIF negotiated with the ASB, and a small group took shape with ASB and five banks: *Banque cantonale vaudoise*, *Crédit Suisse*, *Raiffeisen*, *UBS*, and *Zürcher Kantonalbank* (Media Center of the Confederation, 25.3.2020, statement by André Helfenstein). Considering the unprecedented magnitude of the credits, which would be granted at a 0.0 percent rate of interest for COVID-19 credits and a 0.5 percent or higher for COVID-Plus loans, the Swiss National Bank also joined the process to open a special refinancing facility for eligible banks.³⁸

One aspect that is specific to Switzerland is that the best structure to engineer such credit guarantee was a set of institutes called guarantee cooperatives. The history of guarantee cooperatives dates back to the difficult times of the early 20th century; there are four of them in the country, and they are very small, with 2-10 employees each. Their task is to help SMEs who otherwise would hardly obtain commercial credits to get one. In the past, they granted over 1’800 to 2’000 ongoing guarantees in a year (Vuichard, 2020).

The duration of the facility was set in Article 11 of the Ordinance and limited to 31 July 2020 (respectively 31 August for the start-up credit; *cf.* footnote 24). Thus, time was short to identify the scheme’s weaknesses and undertake improvements and refinements. As the implementation challenges became clearer, it also meant that the group was going to have to step into uncharted territory. With so many diverse actors involved (banks, the four cooperatives, the State), it was essential to ensure the uniformity of the application forms used and the loan contracts to be signed, be it only to allow the central registration of the credits. 123 banking institutes would be involved in the implementation (Vuichard, 2020) with a multiple number of local bank offices. In normal circumstances, each of them is free to format their contracts as they please. This is where SECO became instrumental. It proposed to make its *easygov.swiss* platform available for that purpose.

³⁵ See “Simple, fast and efficient: Swiss COVID-19 bridging credits for companies in need” at <https://www.economiesuisse.ch/en/articles/simple-fast-and-efficient-swiss-covid-19-bridging-credits-companies-need>.

³⁶ At <https://www.sgv-usam.ch/fr/>.

³⁷ See press release of the Swiss Bankers Association, “Coronavirus: Bund und Banken starten KMU-Kreditprogramm. Rasche Unterstützung für die Schweizer Wirtschaft”, 25 March 2020, <https://www.swissbanking.org/de/medien/statements-und-medienmitteilungen/coronavirus-bund-und-banken-starten-kmu-kreditprogramm-rasche-unterstuetzung-fuer-die-schweizer-wirtschaft> accessed May 2020.

³⁸ See “SNB COVID-19 refinancing facility (CRF)” at https://www.snb.ch/en/ifer/finmkt/operat/id/finmkt_crf.

This platform is designed as a user-friendly online counter for enterprises to access public administrative services easily. The idea was that the platform could be reconfigured to host the application process for the COVID credit and the preparation of the credit agreement before it was sent over by the applicants to their banker. Doing so, every contract, whatever the bank office, would be identical, and applicants' information would be easy to centralize. However, another challenge related to having hundreds of bank outlets implementing a nation-wide measure needed to be solved. How to ensure that the same company does not apply twice? Especially with SMEs, company names are not always unambiguous. Luckily, the Federal Office of Statistics had developed and assigned a "unique" identification number to enterprises, the UID.³⁹ Hence, even though not all banks were using that number in their dealings with customers, SECO requested it in the COVID credit application procedure. Within the short deadline, a Swiss IT company, *ELCA*,⁴⁰ together with the Swiss Consulting firm *AWK*, did the job of programming all the needed reconfigurations and extensions of SECO's digital tools (Vuichard, 2020).

It also quickly became clear that a flood of requests for information was to be expected, which is why an information concept was created. SECO opened a hotline and mobilized dozens of its idle staff whose normal activities had temporarily ceased to exist due to COVID. By that time, all of them had already been put into home office mode, and hence had to be taught at a distance and work for the hotline from home. But this would not be enough, and SECO also hired a specialized company, *Callpoint AG*, to join forces for communication purposes (Vuichard, 2020). *Callpoint AG*, which had already worked under contract on *easygov.swiss*, mobilized 120 to 150 persons to serve the COVID credit hotline. To be able to deal with more technical and legal requests from companies, idle SECO staff and a private company was obviously not appropriate. The four guarantee cooperatives are the best experts in terms of guarantees, and were thus tasked with this role. Due to their small size, however, they had to outsource this to private law firms meanwhile retaining control. Some large banks also set up their own hotline for clients. All that led to a multilayered but effective information concept. Everyone knew in what circumstance they were to redirect a caller, and to what hotline.

While a massive scaling up of personnel had to take place in the four cooperatives (Vuichard, 2020), banks too had to solve bottlenecks. The hundreds of staff put on reserve were requested to process the applications and transmit them to the guarantee cooperatives, partly manually. However, after the launch of the facility, this proved to be insufficient, and the guarantee cooperatives contracted *PwC* to help (Vuichard, 2020). *PwC* employed up to 200 persons to ensure that customer information be transferred from the banks to the guarantee cooperatives' joint database quickly and accurately, manually in the very beginning. This still proved insufficient and the process had to be further digitalized. Within twenty days of the launch of the facility, the necessary extension of IT tools had been programmed by *PwC* and could be rolled out, which included necessary adjustments to the electronic form and a corresponding modification of the Ordinance.⁴¹ This is where a fundamental innovation comes into the picture. Part of the manual work to be performed by *PwC* was to check the applications. For the first time in the Swiss e-administration practice, an algorithm was prepared to computerize the verification of applications as well as their transfer into the guarantee cooperatives' joint database. The algorithm, programmed by *PwC* under a contract with the guarantee cooperatives, checked about 25 items in the application and extracted the few ones that needed

³⁹ See the above endnote.

⁴⁰ <<https://www.elca.ch/en>>.

⁴¹ Annexes I and II of the amended Ordinance as of 9.4.2020.

further human examination. Concretely, the robotic process automation (RPA) of *PwC* would read the entries in the application forms, implement the controls, and upload the data onto the data banks of the guarantee cooperatives. With this, *PwC* could solve the issue of the switch from an analog basis (manually filled forms) to the digital basis. The quality of automatic reading of the forms improved over time thanks to the machine-learning component of the algorithm.

The migration of the application form processing from an analog system to a digital one illustrates an aspect of agility: learning by doing (*cf.* McKinsey’s “rapid learning cycles” and “continuous learning”). Under normal administration procedures, such a transformation would be prepared in several progressive steps, such as project design, prototyping, testing, pilot phase, evaluation, and final implementation. In this case, the idea was implemented, and all improvements and adjustments discovered and fixed “on the job” as the problems arose. This administration had never tested the automatized processing of forms, but they literally learned by doing on a one-to-one scale.

4.3 Lessons learned

The COVID-19 credit system was established in about ten days. From the day the facility entered into force, almost all applicants that already had a bank account received the money within a day. Ten days would in “normal” times barely be enough to set out and agree on an organizational chart for the project, or to prepare the bidding process for sub-contracting a service to a private company. How can an administration that is used to such “normal” timeframes and bureaucratic procedures suddenly increase its efficiency exponentially while delivering successful innovative outputs?

One of the striking features of the process outlined in Section 4.2 is certainly that no procedural or organizational guidance was established. The “what” was clear but the “how” was left up to the participants, who *de facto* had a high degree of empowerment. And participants’ preference was clearly to keep everything informal. In the absence of top-down requirement, an alternative could have been to agree among participants on procedural rules. This was not attempted.

There was no attempt to work on the structure of a project organization, nor to define roles and competences. Internal and external relations were established and managed according to the principles of informal networks. All in all, this came very close to McKinsey’s “network of empowered teams” trademark of agility. By contrast, and unlike many “normal times” government projects, the deliverable had been clearly defined from the very outset and this acted as a powerful driver of the process (again, the North Star trademark).

Looking at how Minister Maurer’s initiative was processed within the administration, it clearly meets all the criteria of the definition of a “project” according to project management theories:

- it is limited in time;
- its participants are drawn from line units;
- it generates its own costs;
- it is geared to one deliverable.

Under any standards, a project involving several government agencies, a central bank, numerous private companies, a few subcontractors, political outreach, and a high volume of money and risk, would be categorized as a so-called “complex project” and managed accordingly, as taught by project management theory. A “project charter” would be drafted and a project organization would be set up, with a formal organization chart. Mandates and

competences would be established. The common “plans” would be prepared, e.g. for stakeholder management, procurement and bidding, communication, risk management, quality control, to name the main ones. Internal communication would be structured. None of that was done here.

The quasi-informal functioning of this endeavor had consequences. A major one was that in the absence of structure or procedures, information could flow virtually on an instantaneous basis, among participants and along the hierarchical ladder (in line with the “rapid decision cycles” trademark of agility and its related activities).

Real-time information flow combined with the absence of formality lead to other new possibilities. For instance, the other stunning fact in the operations described above is that all components of the project were performed in parallel instead of sequentially. Arguably, without real-time internal information-sharing this would not be workable. Relevant information and, crucially, decisions, would invariably reach their addressee too late, i.e. at a time where too much of the work done would need to be redone, leading to a series of problems.

This is probably why governments first enact a legal basis and only thereafter proceed with the implementing acts. Public administrations have a tradition of thinking “concept, policy and framework first—implementation later”. This is sound practice. Determining from the outset who would take care of the implementation and how is not a must, and sometimes is even unfeasible. More specifically, a regulatory project is normally split in work phases that are rolled out consecutively: the legal basis would first be drafted and adopted; then the implementing measures would be prepared and adopted; once all those details are clear the IT tools would be adapted; and finally, on that basis, the hotlines and communication to the users would be designed. However, in the case at hand, except for the fact that on Friday 20 March the Federal Council agreed on the main parameters (DFF, 2020), the Ordinance enacted on 25 March contained both the framework and the implementation details. Here, everything had to be designed in parallel and ready by the same day, on 25 March. It meant that a change somewhere required immediate adjustment elsewhere (again, the “rapid iteration” of agility). This experience may echo the concluding question raised in Mergel et al.’s (2018) literature review: “As with any emerging area of study and practice, there are a number of research questions that require exploration”, in particular:

“An open question is the extent to which agile approaches can work within traditional command-and-control structures of government. Bureaucracies in general are not designed for shared leadership or open collaboration approaches across ad hoc teams. It is unclear how a bureaucracy, often intentionally designed to move slowly and methodically, can become more agile – or what governments may need to do to move their organizational structures, [...] communication structures, [...] to adopt and implement agile methods. More research is needed to understand how bureaucracies can adapt or how agile approaches can be aligned with the needs of bureaucracies and their regulations”.

The Swiss case tends to show that bureaucracies “can adapt” and that “can become more agile”, and this paper attempts to explore how it could.

In the ten-day period, though the relevant implementing entities were approached early enough, a little time could arguably have been saved if they had been approached immediately. Given the short time-span available, every single day, every hour was precious.

Unlike normal policy processes—or sometimes, say, “political” processes—in the presence of an emergency, implementation cannot wait and even becomes the only relevant yardstick. As

several speakers stated at the press conference of 25 March, announcing a policy but not being ready to implement it would be not good enough (Media Center of the Confederation, 2020). Consequently, one lesson to remember is that administrative processes driven by emergency events should waste no time in clarifying the concrete implementation modalities, even if that has to be done in an iterative manner, as demonstrated here.

As a kind of transition to the next Section, two of the features mentioned in Section 4.2 are also noteworthy. Firstly, for the reasons already mentioned, the banks could not just be mandated to contract the loans with their clients. It was crucial for the project's success that the application and contract preparation procedures be centralized. The imaginative trick for that purpose was that for a client to apply for a credit with his bank, he had to pass through a central government-administered digital platform. Given that the government, concretely SECO, had the full operational control of the platform, this allowed the process to be fine-tuned in an optimal manner, and, crucially, at any point in time. An important innovation was that the usual downloadable application form to be filled in was replaced 48 hours after initial going-live by an online "guided process" for optimal user experience resulting in the computerized generation of a contract. Some banks did open their own online application platform, but only as an entry point to SECO's easygov.swiss.

Secondly, at the outset the degree of digitalization of the administration and of the banks was not adapted to the operational challenge of the facility. In order to cope with the unprecedented flood of applications, algorithms had to be programmed and installed on the easygov.swiss platform. This constitutes a true breakthrough in Swiss e-administration practice.

The Swiss scheme was recognized as successful, both in Switzerland and internationally. The Leaders' League stated that "among the top performers have been banks in Switzerland. [...] This is in sharp contrast to the US, UK and Germany".⁴² An OECD study (2021c, p. 9) also observed that "loans can be provided within 30 minutes", while in contrast "[t]he UK Bounce Back Loans implement by the Bank of England for instance allowed for approval of loans for existing customers within 24 to 72 hours, but with expected default ranges of between 35% and 60%" (see also NAO, 2020, p. 11). The OECD study posits that "[i]n ensuring rapid delivery, two factors appear to have been particularly important: low administrative thresholds for accessing government support and digital delivery systems". The next Section attempts to explain how such success came about.

In terms of probable default, Kellerhals & BGS (2021, p. 69) retain a hypothesis that "in the long-run" 10-20 percent of the credits might not be reimbursed under the Swiss scheme. According to SECO's own projections, the default rate is expected to lie at around 12 percent. This would mean a cost of about 2 billion francs for the public household. If it happened, it would prove that despite very light and swift granting procedures the aim of supporting only financially-sound companies and excluding shaky ones was very well met. These estimates are consistent with research by the Swiss National Bank that found that in general the support provided went to the right firms (Fuhrer, Ramelet & Tenhofen, 2020).

4.4 Key enablers and factors of success

Research question 5 of this article pertains to the prerequisites for the successful operation of the project.

⁴² Leaders League, *Swiss leading the way on emergency coronavirus loans for SMEs*, 9 April 2020, <<https://www.leadersleague.com/en/news/swiss-leading-the-way-on-emergency-coronavirus-loans-for-smes>>.

One is that functioning networks already existed, with a critical mass of people at all levels who were already used to cooperate with each other. Project management theories stress the importance of socializing activities between participants to a newly launched project. In the case at hand, socialization was to a large extent well rooted.

Another factor was that the project faced no political opposition (political parties, banking community). If political arbitrage and negotiations had to take place, the timely implementation of the project would not have been possible.

Another key enabler of the project was the public-private deal with banks. All banks that have private local customers,⁴³ in total 123 institutes (Vuichard, 2020), agreed to participate, which means that they had an obligation under the Ordinance to grant the credit in principle to every customer applying for it.⁴⁴

Last but not least, digital tools deserve the final considerations of this Section. As stated, SECO and the guarantee cooperatives were instrumental in making the facility become reality by providing the whole computerized environment needed to process, channel, and finally store the applications, as well as the public information tools supporting the scheme (hotlines). The lesson to be learned in that respect is that once a crisis has burst, it is too late to put up the necessary digital infrastructure from scratch. In this case they could be borrowed from somewhere, namely SECO's easygov.swiss platform as well as the guarantee cooperatives' joint database. In the short time-frame available, SECO and its contracting partners were agile enough to design a computerized application form including a customer-oriented guided process and link it to easygov.swiss. It was also possible to engineer the algorithmic bots needed for the computerized verification of applications. But this, although it is already a lot, is probably the maximum that could be achieved in an emergency.

Having already adopted a technology or tool or at least working on it is a prerequisite not only for government agencies involved, but also for service suppliers hired to support the roll-out. The Swiss companies named in Section 4.2 were working or had previously worked with SECO in the context of those very tools. They did not need to get acquainted with them, nor to SECO's working method and corporate culture. Instead, they could immediately focus on one thing only: the deliverable—very much like other government and private stakeholders in the project (the North Star again).

5. Content of the COVID-19 Credit Ordinance and implementation modalities

If the project was agile in adapting its method of work and developing novel implementation instruments (see Section 4), it was equally agile in terms of the granted support, eligibility criteria, and other terms and conditions.

The whole scheme that was developed was user-friendly, practical, easy to explain and to understand. In one word: it was simple. One key feature of the procedure is that it requested the applicants to fill in only data and information that were strictly necessary to process the application. This was the essential factor of success of the scheme in terms of uptake and speed. Applicants were able to fill their application in record time, and formal verification could be

⁴³ This excludes banks with a business model focusing on specific financial services and products, or on foreign clientele, such as foreign banks established in Switzerland.

⁴⁴ However, a bank could reject an application e.g. if there were doubts as to the accuracy of the information provided (such as the annual turnover). A bank had no obligation to provide the reason for rejecting an application.

performed swiftly, even when it was done entirely manually. In a nutshell, applicants had to provide their annual turnover,⁴⁵ declare that they incurred a substantial loss due to the pandemic, state that they did not receive other COVID-related guarantees, that they were not in the process of a bankruptcy, and that they were founded before 1 March 2020 (Art. 3 of the Ordinance). The rationale for keeping a sense of focus in e-government projects is underscored in Pauletto's (2021) recommendation that "in case new technologies are introduced, they shall serve good purposes", concretely "new technologies shall serve to simplify and facilitate administrative processes, not encourage some authorities to multiply the controls and create an inflation of control items simply because it becomes possible".

Even though the term "self-declaration" is not used in the Ordinance, this is in effect what the scheme amounted to, though it must be underscored that this *de facto* self-declaration approach entails the liability of the applicant under criminal law in case of fraud. The Ordinance spelled out eligibility criteria: during the online application procedure, the applicant was required to tick those criteria individually, and if the application was complete and all criteria ticked, the bank would practically automatically subscribe to the credit contract and open the line of credit. There was no *ex-ante* material verification of the declaration made by the applicant, just a formal verification (completeness, consistency, etc.). This approach was also nicknamed "lend first, check later" (OECD, 2020c).

In order to make that acceptable for banks, there needs to be a chain of automaticity. The four guarantee cooperatives mentioned in Section 4.2 automatically subscribed to each application transmitted by a bank, at a 100 percent rate for COVID credits and an 85 percent for COVID-Plus loans (Kellerhals & BGS, 2021, p. 230). And in turn, the Swiss Confederation automatically secured the guarantee cooperatives' sureties, at a 100 percent rate.

This leads to a critical remark: the facility at hand represents a shift in policy and administrative philosophy. A shift Mr. Maurer was very conscious of (Media Center of the Confederation, 2020).⁴⁶ That is to say, a deliberate departure from the zero-risk zero-error principle.

Another unique feature of the system was the involvement of the Swiss National Bank to refinance loans granted by eligible banks—again, in principle on an automatic basis. This was one of the key components of the bargain in order to strike a deal with all banks and commit them to grant loans at a 0.0 percent interest rate for COVID credits and a 0.5 percent or higher rate COVID-Plus loans, and with zero administrative fee.

The distinction between COVID-19 loans and COVID-19 Plus credits was also key, because it allowed banks to grant sizeable loans (up to 20 million Swiss francs), even to large corporations while, at the same time, sharing part of the risk.

An aspect that was very much overlooked in the literature pertains to the accounting consequences of the facility. Under any jurisdiction, if companies increase the volume of debts (liabilities) in their balance sheets, they need to increase assets, besides other possible regulatory consequences of over-indebtedness. As explained in a Concept Paper of the Federal Office of Justice (2020, p. 4), Article 24 of the Ordinance allowed companies to "set aside" the COVID-19 credit for the verification of indebtedness pursuant to Art. 725 of the Swiss Code of Obligations.

⁴⁵ Newly established firms would not have a turnover for 2019 or even 2020. To accommodate these situations, the Ordinance offered the alternative of providing the amount of salaries disbursed. But in that case, the credit would be limited to 50'000 Francs in lieu of 500'000.

⁴⁶ "Wir ziehen eine rasche Lösung vor, um das Niveau zu halten und nehmen in Kauf, dass wir allenfalls den einen oder anderen Kredit abschreiben müssen."

More details on the Swiss scheme are compiled in OECD (2020b, p. 145-147).

6. Monitoring and next steps

Two types of monitoring are in place. First, a monitoring of abuses and irregularities during the application process (Phase 1). Jakob & Godel (2021, p. 32) found that “rather few” abuses had been committed when applying for a credit. Also, after the granting of the credit only few irregularities are observed. SECO updates the data about abuse cases on the Web site covid19.easygov.swiss regularly. By the end of 2021, cases sentenced for abuse have not reached 1 percent of all credits granted.

Second, the monitoring of the economic impact of the measure. What is certain is that after the enactment of the facility, the financial markets immediately ceased to speculate on a risk of liquidity crisis of the type witnessed in the aftermath of the *Lehman Brothers* crisis. Such a risk had completely evaporated. Even under potential default on loans that risk would not surface anymore.

In a study covering the period until July 2020, Eckert, Mikosch and Stotz (2020) concluded that “[o]ne reason for the currently low number of company bankruptcies might be the COVID-19 credit program of the Swiss Confederation”.

Next steps will depend on the outcome of the monitoring. Furthermore, it is the evolution of company bankruptcies and financial losses in the facility that will determine further action. At some point, it will also be necessary to precisely clarify the type of action to be undertaken with regard to borrowers who delay the reimbursement of their loans.

7. Replicability, or not

Now, that period is over and it is possible to look back, and the obvious question is whether anything could be replicable. Replicability was not retained among the five research questions of this paper—deliberately so. Proposing, *ex abstracto*, a yes or no view on that question would not seem very meaningful. However, a brief discussion of that question does fall within the purview of this paper. The question should be carefully framed, though. Replication could mean replication in the case of a future emergency or replication in the business-as-usual operation of an administration. And in both cases, it could be replication in Switzerland or in any country.

Many of the aspects evoked in this article pertain to notions of management. And management relies on humans and organized man-made entities and will thus differ from one country to another because of different cultures, values, and customs. Management methods, techniques, or skills that prove optimal in one country may not suit another. In Switzerland for example, the style of management is quite different between the country’s linguistic regions. Switzerland, a global player hosting hundreds of foreign companies, is also best placed to witness how the best CEOs transferred from their headquarter-country, or fresh foreign owners of Swiss companies, sometimes fail to meet their objectives not for lack of intrinsic competence but just for lack of adequacy with this country’s management culture. New forms of administration that performed well in Switzerland in March 2020 will not necessarily suit other countries in the future.

With regard to replication in the case of a future emergency, it is a truism to state that emergency situations are never identical—if a situation were the same as one already

experienced, this would hardly qualify as an emergency. Emergency does not just derive from the cost of an impact.

With regard to lessons learned to inform the “business as usual” methods of administration, some caution not to jump to hasty conclusions is probably warranted. If the positive side of the emergency was that it forced people to work more efficiently, why return to old routine after the emergency? The whole undertaking lasted about 10 days. This raises the question as to whether the same might be replicable for longer time periods. Arguably, the longer the period, the less sustainable it would be to have so many diverse entities and people working without structure and procedures. While there obviously is a time limit within which it can be sustained, the exact limit would vary from case to case.

It is striking that not much research is conducted with a view to collecting and sharing the “lessons learned” from the unique experience of emergency support packages, including at intra-organizational level. Further research should be done regarding replicability both for future emergencies and for informing normal-times public management practices. Admittedly, it may turn out that not much can be transposed one-to-one unto other contexts, given the unique circumstances of each emergency and of individual countries. Besides, management in a political environment is a different game compared to private organizations. In a government context, management entails the requisite to gather political consensus and thus political engineering and leadership become central—a dimension that is totally absent from business management.

Whatever the above caveats, if one thing does emerge from the present case study, it is that when people are adequately empowered and networked, when information is allowed to flow on a real-time basis, when there is a clear objective, leadership, a flat structure and role mobility, then organizations can work and deliver swiftly and creatively, even without the procedures and structure they are used to—or perhaps thanks to the absence thereof. Arguably, respective organizations should find their own ways—and most did so during this global emergency—but in any case, they should be prepared to radical changes in their working practices. A follow-up question is whether it is conceivable to “train” units in general administration for that purpose, just like crisis simulations are trained in emergency services such as the fire brigade.

8. Conclusions

If one finding emerges from this case study, it is that a public administration was able to deliver even without established procedures and structures, provided that its objective was clear and certain other requisites were fulfilled (*cf.* Section 4.2). Working under no specific emergency procedures or organization, and obviously ignoring standard procedures, the Swiss administration produced the requested deliverable in record time, and well. In a sense, this case shows that not having to follow a predefined “crisis organization” or “crisis plans” needs to be rated positively. Allowing for an agile-like governance probably explains in whole or in part the success of that undertaking. As a matter of fact, a closer examination of the project’s governance and organization shows an amazing number of commonalities with McKinsey’s concept of agility, especially the 5 “trademarks” and 23 “practices” of an agile organization.

Designed in just ten days, the package proved successful. From the very first transactions on 26 March 2020 at 8 a.m., the scheme proved to work smoothly and efficiently. Individual applications were processed and transmitted to the guarantee cooperatives within very short time, and the line of credit was opened on the applicant’s bank account—sometimes within

only 30 minutes. It became clear that no company would close just because of the pandemic. The feared liquidity crisis of the type witnessed in the aftermath of the 2008 *Lehman Brothers* crisis did not occur. Trust in the Swiss banking system remained intact.

The creativity unleashed in this undertaking does not only pertain to the way participants found new methods of work and interaction, but also in terms of output, there was no lack of creativity. For the first time in Swiss e-administration emergency practice, an algorithm-based bot was programmed to generate the applications and storing them in a central database. An emergency measure was implemented in a public-private partnership between banks, the Federal administration and the guarantee cooperatives. The usual downloadable application form to be filled was replaced by a customer-oriented online “guided process” resulting in the computerized generation of a contract. The unique company identification number (UID) effectively became a standard part of the client data processed by banks everywhere in Switzerland.

Granted, what was missing and might have helped was an accredited e-signature. This would allow signing contracts online, in lieu of having to print, sign and mail them.

Besides allowing the administration to operate throughout in a quasi-informal manner, other distinctive key factors of success may be identified. The various layers of implementation tasks and entities were identified rapidly during the design process. Conceptualization, framework, implementation modalities, adaptation or adoption of IT tools, and public communication were all worked out concomitantly rather than sequentially, which in turn made a rapid-iteration practice requisite. Information was free to flow on a real-time basis among project participants.

On a more practical note, a prerequisite for success was the existence of active and functioning networks. In terms of infrastructure a prerequisite was certainly that IT tools were already in use or in advanced stage of experimentation in some units of the government, which made them available to this project.

Last but not least, political leadership was key to success.

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