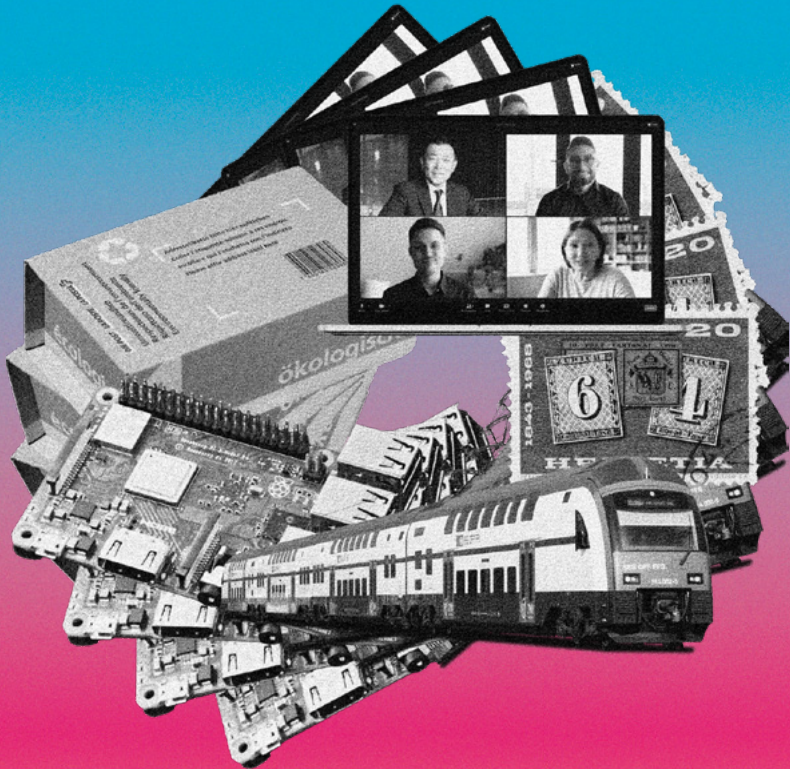


2022

THE PUBLIC SERVICE OF THE FUTURE



ADAPTING THE PUBLIC SERVICE TO THE FUTURE
NEEDS OF SWISS SOCIETY AND BUSINESS

W.I.R.E.



23 SHAPING THE PUBLIC SERVICE

Areas of action for public service providers

Joint areas of action

14 RETHINKING THE PUBLIC SERVICE

Social and economic transformation

New social and economic needs

Fields for Swiss Post in the public service of the future

6 UNDERSTANDING THE PUBLIC SERVICE

The public service in Switzerland

Public service companies

The role of Swiss Post in the public service

3 FOREWORD

In 2020, Swiss Post began to adjust its strategy to ensure that its services would still be relevant to Switzerland in ten years' time and to maintain a model in which the state and taxpayers do not have to inject funds to provide these services. The new "Swiss Post of tomorrow" strategy is based on Swiss Post's raison d'être: to be a central element of Swiss infrastructure and a pillar of the nation's public service. But what constitutes relevance to Switzerland, and what will need to be provided in 2030 to achieve that goal?

Switzerland's political institutions are responsible for the nation's infrastructure and public services. An initial important step in the political opinion-forming process was taken by convening of a group of experts headed by former Council of States member and President of the National Council Christine Eggerszegi, who drafted and published a report on the future of Swiss Post's universal service. However, as a central stakeholder in public service, Swiss Post cannot and will not sit back and wait until a political discussion is concluded. Based on its mandate, its economic significance and its own insights as the five-time best postal service in the world, Swiss Post has a responsibility to address the question of how its services need to be modernized in order to continue providing a relevant public service in the future. This is an issue that Swiss Post intends to tackle.

It is relatively easy to find an answer to the question of what constitutes relevance: this can be determined by whether the public service provided by Swiss Post in 2030

- still represents a competitive advantage for Swiss companies in the global economy and
- still provides improved quality of life for people in Switzerland.

However, it is much more difficult to answer the question of what the specific services will need to look like in 2030 in order to meet these criteria. Swiss Post does not have a crystal ball, nor is it the company's responsibility to answer the question by itself. Finding the answer must be an ongoing learning process, until the future has become the present. As many as possible of the people who are dependent on Swiss Post's services must be involved in this communicative process. This includes practically the entire Swiss population. Above all, however, those who are most affected – i.e. the younger generation – should have their say. It is their future and their opportunities that are being shaped in this discussion.

In order to provide impetus for this necessary dialogue with society as a whole, Swiss Post commissioned the W.I.R.E. think tank to write a white paper on the topic. We hope you will find this stimulating reading, and we look forward to engaging in dialogue with all those who care about the future of people and companies in Switzerland on the design of a modern public service for 2030 and beyond.

Dr Alexander Fleischer
Head of Communication
Swiss Post

23 SHAPING THE PUBLIC SERVICE

Areas of action for public service providers

Joint areas of action

14 RETHINKING THE PUBLIC SERVICE

Social and economic transformation

New social and economic needs

Fields for Swiss Post in the public service of the future

6 UNDERSTANDING THE PUBLIC SERVICE

The public service in Switzerland

Public service companies

The role of Swiss Post in the public service

3 FOREWORD

UNDERSTANDING THE PUBLIC SERVICE

Universal services are central to the quality of life and cohesion of Swiss society. Among the various providers of these services, public service companies such as Swiss Post are destined to play a key role in shaping the public service of the future.

PUBLIC SERVICE REFERS TO THE PROVISION OF SERVICES THAT ARE PART OF SWITZERLAND'S UNIVERSAL SERVICE.

Swiss society relies on a universal service encompassing essential infrastructure, goods and services. In Switzerland, the term “public service” refers to the provision of these services.

Most of the universal service is defined by policy and is therefore subject to ongoing political debate. The key political questions are:

- ↳ Which services qualify as part of the universal service?
- ↳ Which of these essential services cannot be adequately provided by the market?
- ↳ How can essential services that are not adequately provided by the market be provided as efficiently as possible?

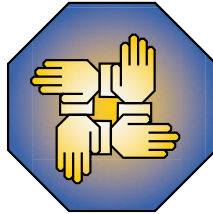
These questions inevitably lead to fundamental debates of an ideological nature. Instead, the focus should be on creating a non-ideological basis for discussing the future shape of the public service.

THE OVERARCHING PURPOSE OF THE PUBLIC SERVICE IS TO GENERATE ADDED VALUE FOR SOCIETY.

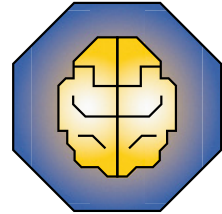
Added value for society can be generated by achieving the following public service goals:



**GUARANTEE AND
IMPROVE QUALITY
OF LIFE**



**GUARANTEE
SOCIAL COHESION
AND CREATE
IDENTITY**



**CREATE THE
CONDITIONS FOR
A SUCCESSFUL
ECONOMY**

Public service in Switzerland is characterized by four cornerstones:

- ↳ **Needs-oriented alignment:** The public service is geared towards the needs of society and business in Switzerland and protects basic livelihoods.
- ↳ **Adaptation based on social transformation:** The public service takes account of the changing needs of the public and companies.
- ↳ **Variety of providers:** Public services are provided by the state, public service companies, private companies and civil society organizations.
- ↳ **Politically defined criteria:** The public service comprises a continuous, accessible, high-quality and affordable universal service of essential infrastructure, goods and services for all sections of the population and regions of the country.

PUBLIC SERVICE COMPANIES PLAY A KEY ROLE IN SWITZERLAND, BECAUSE THEY COMBINE THE QUALITIES OF PRIVATE COMPANIES AND THE STATE.

In Switzerland, basic infrastructure and universal service activities are provided largely by public service companies. Unlike private companies, public service companies always fulfil a statutory service mandate and are at least partially owned by the state.

Two qualities distinguish public service companies from private-sector stakeholders:

- ↳ **Alignment with social added value:** Public service companies are legitimized by the social added value generated by the services they provide. This means that they have an incentive to align their entrepreneurial activities with the common good.
- ↳ **Unprofitable areas of activity:** Public service companies also operate in fields that would not be profitable enough for the private sector and would therefore be neglected.

The following two qualities distinguish public service companies from the state:

- ↳ **Less distortion of competition and greater financial self-sufficiency:** Direct provision of services by the state is often undesirable, since it would distort competition and require the use of public funds. This means that the model of direct state-run service provision is generally not financially self-supporting.
- ↳ **Efficient structures and key competencies:** The state does not have the same efficiency-promoting organizational structures as the private sector. In addition, many state-run stakeholders in Switzerland are struggling to attract highly qualified employees with new, sought-after skills.

EVERY PUBLIC SERVICE COMPANY IS DIFFERENT.

The variety of public service companies in Switzerland should not be underestimated. They differ in terms of their ownership structure and their statutory market position. Financing comes either from self-generated profits, additional income from a monopoly position on the market or state subsidies from taxpayers' money.

Because most public service companies rely on other types of financing in their various business areas, this results in a highly complex field in which each public service company must be assessed individually with regard to its manner of service provision.

SWISS POST IS ONE OF THE MOST IMPORTANT PUBLIC SERVICE COMPANIES IN SWITZERLAND.

As a public service company, Swiss Post is neither a state-run company nor a private company. Two key characteristics distinguish Swiss Post from a state-run company:

- ↳ **Market orientation:** Swiss Post generates 90 percent of its revenue on the open market. It is subject to market competition and is therefore incentivized to operate efficiently.
- ↳ **Financial autonomy:** With the exception of PostBus, Swiss Post is financially autonomous and is not funded by taxes. It pays dividends to the Swiss Confederation as sole owner, and it pays taxes and duties.

Swiss Post also differs from conventional private companies in two ways:

- ↳ **Statutory service mandate:** Swiss Post fulfils a statutory mandate in the postal sector, with payment transaction services and the operation of the nationwide branch network.
- ↳ **Alignment with the common good:** Swiss Post is fully owned by the Swiss Confederation and must therefore be geared towards the needs of society and business. As a result, it enjoys increased trust among the public and ensures stability for companies.

PUBLIC SERVICE COMPANIES SUCH AS SWISS POST PLAY A KEY ROLE IN SHAPING THE PUBLIC SERVICE OF THE FUTURE.

All public service providers must adapt their own services to the changed economic, social and environmental requirements for the universal service. Public service companies such as Swiss Post are particularly important in this process. They enjoy increased trust among the population because they define themselves primarily through the social added value of their services rather than through their profitability. As “trust builders” and “first movers”, they are predestined to play key roles in shaping the public service of the future.

Swiss Post’s core business is logistics. In particular, Swiss Post provides services for private and business customers in goods logistics, data and information logistics, and personal and financial logistics. Even if new technologies are influencing the possibilities for logistical service provision, further development of the public service must be based on the changing needs of society and business.

The social added value that public service companies create goes beyond the needs of individuals and organizations. For example, by delivering newspapers and election and voting documents, Swiss Post plays a key role in democratic opinion-forming. In addition, Swiss Post is an institution that serves to unite the different regions of Switzerland thanks to its nationwide branch network.

With its competencies in its current business areas and its importance for the whole of Switzerland, Swiss Post can help to reshape the public service so that it is fit for the future.

23 SHAPING THE PUBLIC SERVICE

Areas of action for public service providers

Joint areas of action

14 RETHINKING THE PUBLIC SERVICE

Social and economic transformation

New social and economic needs

Fields for Swiss Post in the public service of the future

6 UNDERSTANDING THE PUBLIC SERVICE

The public service in Switzerland

Public service companies

The role of Swiss Post in the public service

3 FOREWORD

RETHINKING THE PUBLIC SERVICE

Long-term trends such as digitization, an ageing population and climate change are having an impact on society and businesses. As a result, we are seeing changes in the needs of the public and companies to which the public service is aligned. New fields are emerging in which the providers of the future public service will have to deliver their services.

THE DRIVERS OF CHANGE ARE HAVING AN IMPACT ON SOCIETY AND THE ECONOMY AND LEADING TO CONSTANTLY CHANGING FRAMEWORK CONDITIONS FOR THE PUBLIC SERVICE.

An ageing society

- An increasing number of people with chronic and degenerative diseases
- Threat to retirement provision due to greater numbers of older people
- Longer working life due to increasing life expectancy

Individualization

- Declining social solidarity due to the increasing variety of life models
- Increasingly difficult to navigate everyday life due to the ongoing variation in the range of business services
- Increase in mental health issues due to status pressure in social networks and associated demands for self-realization – especially at work

Climate change

- Difficult everyday life due to heatwaves, droughts and other extreme environmental factors
- Tightening of regulatory measures designed to reduce greenhouse gas emissions
- Insecure power supply due to electrification of transport and production systems at home and abroad

Platform economy

- Eroded public trust in business due to monetization of personal data
- Emergence of new business models based on surveys of people and the environment

- Factual uncertainty due to the spread of fake news and a lack of media competence

Regionalization

- Increased attractiveness of local production due to supply shortages
- Increased inflation due to scarcity of consumer goods and energy
- Expansion of state influence to reduce geopolitical dependency

Socio-economic polarization

- Greater pressure on medium-sized companies due to high rents and property purchases
- Increasing income gap between urban and rural populations
- Differing participation in financial markets depending on demographic group

Urbanization

- Overburdened private living space due to denser living conditions in cities and decentralization in areas such as work and education
- Demographic imbalance in the

countryside due to emigration of the younger population

- Pressure on urban-rural solidarity due to divergent identities

Virtualization

- Increase in lifestyle-related illnesses due to changed behaviour in everyday life – for example, in the areas of nutrition or sport
- Increasing digital risks from fraud and cyber attacks
- Loneliness due to declining social interaction in physical space

List of additional trends

- ↳ Expansion of the health sector
- ↳ Increased mobility
- ↳ Participation and democratization
- ↳ Populism and radicalization
- ↳ Resource scarcity
- ↳ Greater uncertainty

New social and economic needs as the basis for the future public service

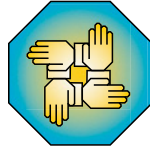
* The listed trends and their implications are not complete, but are intended to provide a nuanced view of future framework conditions

THE CHANGING FRAMEWORK CONDITIONS ARE GIVING RISE TO NEW SOCIAL AND ECONOMIC NEEDS



Quality of life

- Greater demand for services that promote independence in old age
- Protection of privacy in the digital and physical environment
- Transparency about product origin through understandable and trustworthy labels or simple technological solutions
- Improved control over one's own personal data and participation in its value



Social cohesion and identity

- Decentralized employment and educational opportunities in medium-sized cities and rural areas
- Consumption of inspirational and secure information in the context of fake news and filter bubbles
- Environmentally-friendly transport systems for commuters between cities and more rural regions
- Improved opportunities for participation in financial markets for demographic groups with lower education levels and for younger people



Successful economy

- Need for improved monitoring of supply chain
- Circular ecosystems and associated technical infrastructures to support business model transformation
- Scalable and sustainable approaches to goods deliveries over the last mile
- Availability of personal and organizational data

THE PUBLIC SERVICE OF THE FUTURE MUST FIND ANSWERS TO NEW AND CHANGED NEEDS IN ORDER TO CONTINUE CREATING THE REQUIRED SOCIAL ADDED VALUE.

BASED ON THE FUTURE NEEDS OF SOCIETY AND THE ECONOMY, VARIOUS FIELDS ARE OPENING UP FOR THE PUBLIC SERVICE OF THE FUTURE.

Independent living



Affordable assisted living and counselling services for the same groups

Enabling lifelong learning



Wider access to knowledge and training for the less educated and for the elderly

Promotion of social cohesion and inclusion in physical spaces



Public learning, working and innovation spaces, placement of volunteer work

Promotion of social innovation



Awareness-raising, advice and networking organizations, increase in media awareness

Ensuring guarantee of supplies



Storage and delivery of essential goods, monitoring of cluster risks in global supply chains

Assistance with wealth development



Improved access to financial education, financial advice and long-term financial investments

Environmentally-friendly transport systems



Affordable environmentally-friendly goods logistics and sustainable passenger transport

Help in navigating everyday challenges



Bezahlbare ökologische Warenlogistik und nachhaltiger Personentransport

Personal and organizational data management



Data trusts for managing sensitive data in various areas (health, justice, e-government, etc.)

Strengthening local supply structures



Cultural, medical, educational and work-related services in rural regions

Promotion of transparency through certifications



Focus on areas such as environmental standards, wage equity and digital ethics

Transmission of important and correct information



Verification and provision of reliable information – especially for the formation of political opinions and in crisis situations

Surveillance-free communication



Unmonitored physical meeting zones, software for (affordable) protection of the private sphere

Market filter

Can the services be provided in full by the market?

Swiss Post filter

Are the services part of Swiss Post's core logistics business?
Will the services provide substantial social added value?

THREE FUTURE FIELDS OF PUBLIC SERVICE WITH PARTICULAR POTENTIAL ARE OPENING UP FOR SWISS POST: PERSONAL AND ORGANIZATIONAL DATA MANAGEMENT, ENVIRONMENTALLY-FRIENDLY TRANSPORT SYSTEMS AND INDEPENDENT LIVING.

Personal and organizational data management

- **Description:**

Independent operation, commissioned by the state, of an e-ID for individuals, companies and authorities with regulated access authorization for various sectors and organizations would be a future public service field for Swiss Post.

- **Market filter:**

Due to the public's lack of trust in private-sector companies, the market cannot adequately guarantee the provision of this fundamental, forward-looking infrastructure.

- **Swiss Post**

filter: Information logistics is already part of Swiss Post's core business. As a trustworthy data custodian, Swiss Post would be able to transfer this role to the digital space.

Environmentally-friendly transport systems

- **Description:**

Goods and passenger logistics processes can actively support decarbonization and circular design of value chains in the future. For example, with reverse logistics services, deliveries of waste to suitable parties or operation of infrastructure for sustainable passenger transport.

- **Market filter:**

Logistics processes must remain affordable, even with increased complexity due to more stringent environmental requirements. This might not be guaranteed if services were to be provided by private stakeholders, but it is a fundamental condition for the large-scale adoption of circular business models. In the field of personal logistics, sustainable forms of mobility must also be made available in rural areas.

- **Swiss Post**

filter: As a “first mover” organization, Swiss Post could play a leading role in sustainable and circular goods logistics by providing infrastructure and associated services with the appropriate partners. Swiss Post is already active in both goods and passenger logistics.

Independent living

- **Description:**

Older people and people with physical or mental disabilities are dependent on various types of assistance in everyday life. This is increasingly being provided in a decentralized manner in people’s homes, in the form of assisted living services. At the same time, advisory

services for relatives and concerned parties are becoming increasingly important.

- **Market filter:**

The market does not provide the required services in a way that is accessible and affordable for all sections of the population. State-supported services already exist today. However, as the population ages, the need for additional accessible solutions will only increase.

- **Swiss Post**

filter: Supplying those in need with everyday goods and medical services has clear logistical components, as does providing transportation services for those

people. Furthermore, Swiss Post could use its existing infrastructure, such as the branch network, and its reputation among the general public to provide services in the area of independent living.

23 SHAPING THE PUBLIC SERVICE

Areas of action for public service providers

Joint areas of action

14 RETHINKING THE PUBLIC SERVICE

Social and economic transformation

New social and economic needs

Fields for Swiss Post in the public service of the future

6 UNDERSTANDING THE PUBLIC SERVICE

The public service in Switzerland

Public service companies

The role of Swiss Post in the public service

3 FOREWORD

SHAPING THE PUBLIC SERVICE

The state, public service companies and private-sector stakeholders must play active roles in order to shape the public service of the future. It is important to develop a nuanced understanding of the public service and, based on this, to develop shared visions of the future.

THE STATE, PUBLIC SERVICE COMPANIES AND PRIVATE-SECTOR STAKEHOLDERS MUST ACTIVELY WORK TO SHAPE THE PUBLIC SERVICE OF THE FUTURE.

The goal of the public service – to achieve added value for Swiss society – is a constant. It is therefore clear that the public service must be shaped to meet changing social and economic needs.

The following areas of action are opening up for the various public service providers in Switzerland:

STATE

- ↳ **Take the lead:** As always, legislation is required to define how public services are to be delivered in different areas. This creates guidance and must be examined on a regular basis.
- ↳ **Promote objective discourse on public service:** The advantages of public service companies over state-run stakeholders must not fall victim to political conflicts. This would deprive public service companies of their foundation of trust among society and the economy.

PUBLIC SERVICE COMPANIES

- ↳ **Focus on the statutory mandate:** Public service companies must fulfil their statutory mandate and focus on the provision of basic services and infrastructures within their core business. However, this must not mean that higher level trends such as digitization cannot be actively approached in a strategic manner in order to adapt the statutory mandate to the times.
- ↳ **Adopt a pioneering role:** Public service companies should be pioneers in future-relevant public service fields. This enables them to make a major contribution to adapting the public service to the changing needs of society and the economy by instilling trust in the population and setting an example for private companies in the field of socially-oriented innovation.

PRIVATE COMPANIES

- ↳ **Raise awareness of social embedding:** Many companies provide public services – with or without a government mandate. However, private-sector organizations are often still not sufficiently aware of the complex social implications of their own business model. This applies to both negative and positive impacts.
- ↳ **Align innovation with social needs:** Companies should not align their innovation processes primarily with what is technologically feasible. Instead, the focus must be on the services for which there is an effective need in society. For companies, the current situation is both an opportunity and a risk: on the one hand, a socially anchored business model is the basis for long-term value creation. On the other hand, they otherwise run the risk of being punished by strict regulation or declining confidence on the part of investors and the general public.

ALL STAKEHOLDERS – WORKING TOGETHER WITH CIVIL SOCIETY – SHOULD PROMOTE A MORE NUANCED DISCUSSION OF THE PUBLIC SERVICE AND DEVELOP A SHARED VISION OF THE FUTURE.

The general understanding of the public service is currently too limited. This means that a nuanced discussion must be encouraged.

- 1. Limited understanding of the public service:** Public service is not used consistently as a term. This results in simplistic views and discussions. For example, public service companies are often mistakenly viewed as either part of the state apparatus itself or as part of the private sector. Awareness among the public and decision-makers that private-sector organizations provide public services with clear social added value is also limited.



- 1. Promote nuanced discussion:** A comprehensive understanding of the term “public service” must be established in the public debate, which also includes private-sector organizations. The general public and decision-makers lack a comprehensive overview of the public service landscape in Switzerland. This overview would be vital in order to conduct a nuanced discussion of the following questions: Which services are adequately covered by the market? Where should the state or public service companies operate? And: In which areas are new forms of cooperation between the private sector and the state possible in the form of “public-private partnerships”?

Development of a shared vision of the future would help to counteract past public discourse on public service.

2. Fixation on the past in public discourse: In the public debate, there is much discussion about whether public service providers such as Swiss Post are fulfilling their statutory mandate by exploring new offers and technologies. Meanwhile, too little attention is paid to the question of which future needs the public service will have to respond to.



2. Developing a shared vision of the future: When defining the statutory mandates, legislators depend on broad support from the public and business circles. Visions of the future that are developed in a participatory manner can make a significant contribution to the emergence of broadly based ideas about the future distribution of roles between the state, public service companies and individuals. These future visions would then in turn make it easier for the regulatory authorities to develop future-oriented legislation in the interests of the public and all other parties.

W.I.R.E. is an independent think tank that curates the shaping of the future at the interface between science and practice. The foundation for this is a systematic early recognition of relevant developments and their translation into long-term strategies and fields of action for private and public organizations and their decision-makers. As an interdisciplinary platform, W.I.R.E. has distinguished itself since its foundation in 2007 through its comprehensive understanding of the economy and society and uses this knowledge to develop long-term decision-making bases, ideas and new approaches to solutions. Among other things, the content focuses on the further consequences of digital transformation,

changes in the working world, increased life expectancy or greater sustainability by linking market economy and social innovation. In addition to the analysis and classification of new technologies, business models and social trends, W.I.R.E.'s competence includes a multidimensional information architecture as a basis for tailor-made multimedia publications, event formats, exhibitions and keynotes. In the tradition of alchemy, the think tank develops tangible concepts in the form of "real-life labs" or prototypes for the 21st century. W.I.R.E. has an international network of thought leaders and decision makers as well as partnerships with leading companies, universities and designers.

W.I.R.E.

Publication details:

© 2022 W.I.R.E.

Content and Layout: W.I.R.E.

www.thewire.ch

The statements in the white paper do not reflect Swiss Post's position but are based on an independent analysis by W.I.R.E.

With support from:

