



WGEPPT Flash 1/2023

Evaluating conception and effectiveness of the various financial aids to the economy during the covid-19 pandemic

March 15 / 2023, 12.00am - 1.30pm GMT, via video conference

Swiss Federal Audit Office (SFAO)

- Discussion input: Mathias Rickli
- Facilitation: Andrea Häuptli

Schedule

13.00 Welcome and introduction to the first WGEPPP Flash 1/2023

13.10 Today's discussion topic:

Evaluating conception and effectiveness of the financial aids to support the economy during the covid-19 pandemic

- presentation of SFAO's interest in the topic and first experiences (10')
- discussion over emerging questions when evaluating covid-19 financial aids to support the economy

14.10 Further information on WGEPPP annual activities

14.30 End of WGEPPP Flash 1/2023

Financial aids to support Swiss economy during the covid-19 pandemic

1. Overview of covid-19 financial aids to Swiss economy
2. Evaluation activities on covid-19 financial aid in Switzerland, first evaluation results and further steps
3. Discussion over four questions of concern



1. Overview of covid-19 financial aids to Swiss economy

funds released by parliament ≠ effective expenditures

For companies	30.8 billion
<ul style="list-style-type: none">▪ Short-time working compensation through unemployment insurance▪ Hardship Assistance for companies with high fixed costs (2nd wave only)▪ Support for specific sectors: Professional and mass sports, Culture, Print media, Public transport, Aviation, Tourism	<ul style="list-style-type: none">▪ 16.8 billion▪ 10 billion▪ 4 billion
For individuals	5.3 billion
<ul style="list-style-type: none">▪ Compensation for loss of income for self-employed persons business shut-down, child care, quarantine, persons at risk, ...	<ul style="list-style-type: none">▪ 5.3 billion
Covid-19 bridging credits to companies with 100% federal government guarantee	17 billion
Total federal government commitments	53.1 billion

(in CHF, 1 CHF ~ 1 €)

-> for comparison: Swiss regular annual budget 2019 = CHF 74 billion



1. Chances and challenges related to the covid-19 financial aids

Short-time working compensation (16.8 bn)

through unemployment insurance

- Well established system (for registration and payment)
- Established cooperation between Swiss federation and cantons and employers
- Underfunded for covid-19-needs
- High time pressure for payment

Compensation loss of income self-employed persons (5.3 bn)

in case of business shut-down

- Well established system (for registration and payment)
- Established cooperation between Swiss federation and compensations offices
- Underfunded for covid-19-needs
- High time pressure for payment

Hardship Assistance for companies with high fixed costs (10 bn)

(2nd wave only)

- High political will at federal and cantonal levels
- medium time pressure for payment
- No pre-existing tool for registration and payment in place
- Underfunded for covid-19-needs

Support for specific sectors:

Professional and mass sports, Culture, Print media, Public transport, Aviation, Tourism

Covid-19 bridging credits to companies

with 100% federal government guarantee

2. First evaluation results of covid-19 financial aids

Compensation of loss of income to self-employed persons (CHF 5.3 bn) in case of business shut-down

- **rapid payment to beneficiaries**, less than 4 weeks after lockdown
- **well targeted** to people who were severely affected by the COVID-19 measures
- **dynamic access criteria over time**: generous in beginning, more restricted later
- **main weakness: self-declared, preliminary reference income 2019** used as criterion for entitlement and compensation amount
- **Unequal treatment** of businesses that were forced to close (e.g. restaurants) compared to businesses that were indirectly affected (e.g. taxi drivers)
- **questionable inclusion of employees in employer-like positions** to the program from winter 2020/21 onwards

Methods used

- Documentary research
- Interviews
- Case studies
- Data analysis
- Financial statement analysis
- Online survey among people concerned (beneficiaries and non-beneficiaries)

2. Further steps to evaluation covid-19 financial aids



1st phase:

- Evaluations of individual financial aid instruments completed or underway (2022/2023)

2nd phase:

- Meta-evaluation of all financial aids to the economy planned (2024/2025)

* Parliamentary Control of the Administration (PCA)

3. Discussion over four questions of concern

- 1. What have been the goals of the Covid-19 financial aids to the economy?**
- 2. Which indicators describe success / failure of these financial aids?**
- 3. When is the right moment to evaluate the different relevant indicators?**
- 4. What are appropriate methods to evaluate covid-19 financial aids?**

3. Discussion over four questions of concern

1. What have been the goals of the Covid-19 financial aids to the economy?

3. Discussion over four questions of concern

2. Which indicators describe success / failure of the Covid-19 financial aids?

3. Discussion over four questions of concern

3. When is the right moment to evaluate the different relevant indicators?

- Abuse
- target precision
- non-discrimination
- beneficiary satisfaction
- windfall profits
- evolution of insolvency
- evolution of unemployment quota

3. Discussion over four questions of concern

4. What are appropriate methods to evaluate the Covid-19 financial aids?