A prosperous and equitable development for all is possible – here and now

It is not real economy but false theories that prevent real economic development

Richard A. Werner is a German economist and Professor for International Banking. He obtained his first degree in economics from the London School of Economics with first class honours. His doctoral thesis at the University of Oxford was on monetary economics and economic policy. From 2008 onwards, he addressed himself to only three points of criticism concerning this model: “You want to grow, to develop. So do you need in this case? Savings are what you need. But in the developing countries you do not have enough savings. Well, in that case we can help you. You can lend money from our banks.” That is precisely what Keynes’ general theory of 1936 says: you need savings first. Incidentally Keynes changed his view by 180 degrees, because earlier he had said that loans could take the place of savings, but in his 1936 theory he says, no, you need savings, and he no longer speaks of loans. I do not know what happened in between, but it often happens that economists change their mind and then never again speak of what they thought formerly.

Interview with Professor Richard A. Werner

Richard A. Werner (picture University of Southampton)

1990 under a postgraduate programme studies at the University of Tokyo including studies at the Research Institute for Capital Formation at the Japanese Development Bank, Visiting Researcher at the Institute for Monetary and Fiscal Studies at the Ministry of Finance in Tokyo. Further working experience in Japan and with the Asian Development Bank as well as chief economist at the British Investment Bank Jardine Fleming Securities (Asia) Ltd. Among others he published his studies about the backgrounds of the Japanese crisis in 2001 in his book “Princes of the Yen”, which became a no. 1 bestseller in Japan.

In 2004, Werner accepted a chair at the University of Southamptton, Great Britain. Presently there he is professor of international banking and director of the Department of International Development as well as Director of the Centre for Banking, Finance and Sustainable Development; from 2009 to 2012 Richard was Visiting Professor at House of Finance, Goethe University Frankfurt.

Furthermore Richard Werner is the founding chairman of Local First Community Interest Company, which introduces not-for-profit community banks in the UK, following the example set by German cooperative banks and savings banks (“Sparkassen”).

Belief in an alleged need for loans was the key lever to enforce this ideology. And this has remained the official credo, although wherever it was applied – whether in the former communist countries, in developing countries or also in Europe – it led to government debt and credit addiction, to the sellout of regional economies as well as to an increase in social inequality. This ideology has also led to an increase of banking and financial crises instead of reducing their number; and an increasing number of economists are beginning to cast doubt on its efficiency.

In the course of the Rhodes Forum 2015* Professor Richard Werner moderated a plenary session on “a common prosperous future: financial and economic policies for an equitable development for all”. In his introductory speech he briefly demonstrated that the currently prevailing economic theory of the so-called free market – known as neoliberal or neoclassical theory, Chicago School of Economics – was not suited for explaining and resolving the problem of the (pseudo-) economic beliefs which had dominated the last decades. These had repeatedly failed to lead to an improvement but time and again brought about the contrary instead. Nevertheless, the mantra of neo-liberal economy – deregulation, liberalization, privatization and a general opening of the markets – was enforced with an iron fist.

A prosperous and equitable development for all is possible – here and now

Current Concerns: In your presentation you pointed out that in the wake of decolonisation, a specific economic model was imposed on the developing countries so they might further be kept under control. What are your points of criticism concerning this model?

Professor Richard A. Werner: In my presentation I addressed myself to only three points. First, that these countries are told: “You want to grow, to develop. So do you need in this case? Savings are what you need. But in the developing countries you do not have enough savings. Well, in that case we can help you. You can lend money from our banks.” That is precisely what Keynes’ general theory of 1936 says: you need savings first. Incidentally Keynes changed his view by 180 degrees, because earlier he had said that loans could take the place of savings, but in his 1936 theory he says, no, you need savings, and he no longer speaks of loans. I do not know what happened in between, but it often happens that economists change their mind and then never again speak of what they thought formerly.

In any case, after the war the economists Harrod and Domar used this more recent of Keynes arguments for their model of economic growth, and this has been very influential in developing countries. This was then championed by the IMF, the World Bank and the development banks and eventually de facto introduced worldwide. And it actually says developing countries may borrow the money necessary for growth but domestically unavailable from abroad. Then of course the international banks came and lent it to them. But reality is very different: First it is wrong to say they need this money for economic growth, because they do not, they can generate the money by domestic credit creation.

The deception with foreign loans

If you have your own currency...

Yes, of course, exactly. But of course, that was the case. Most had their own currency, their own banks and central banks, so they were and are able to create their own money and have no need to borrow from abroad. Because, secondly, you certainly need no foreign money, namely because it cannot actually help the local economy. These external loans were of course almost always awarded in foreign currency by the international banks. As shown by Sing-
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er/Prebisch, the currencies of developing countries fall over longer periods, such as 50 to 100 years, and therefore these developing countries’ debts become ever larger, if they have borrowed abroad in foreign currency, of course. You fall into this debt trap very quickly and then they say, “Well, now we have to make a ‘Debt for Equity Swap’; because clearly you can no longer pay your debts. So now we take hold of your lands and your natural resources and so on.” So that is arranged.

Meanwhile the countries could indeed firstly generate the money themselves, so do not need foreign loans at all. And secondly, these foreign loans given by international banks – where do they come from? After all, the international banks also create them out of nothing. And, even better: The foreign money does not even get into the country. Because the dollars, pounds and euros created by foreign banks remain in the foreign banking system – you can see that quite clearly. That is, the British pounds remain in the British banking system, the Swiss francs in Swiss banks and so on. None of the money actually comes into the developing countries. The whole thing is just a ploy, a sham. And if we follow up on that, credit creation occurs at the moment when the loans, the dollars for example, are exchanged to,, say, South African Rand, and this credit creation occurs in the South African banking system, that is in the banking system of the borrower. And this could be carried out without this prior foreign credit.

So the transfer is a great deception. Yes. The loans must be covered by the borrower’s repayment capacity whether or not. This is always the case. This can be had without taking out external loans.

This is basically what should be recommended to Greece today.

Yes of course, it is always the same. 

Locals credit creation – against foreign debt and deflation

That is, if they had a central bank and their own currency, they could generate the necessary money themselves.

I also told the Greek Ministry of Finance they should issue no more government bonds and take out their loans from the local Greek banks. In this way they would create their credits domestically and solve several problems simultaneously, because banks also need to grow – and they are of course shrinking, and as long as they shrink this is deflationary for the economy, as no growth can take place. Contrary to government bonds, bank loans are not valued at market value. But because the government bonds actually used for financing purposes are constantly being valued at market value, they are always exposed to attacks by bond speculators – and this is what Greece is being extorted with. If the state borrowed from its own domestic banks – what I call “Enhanced Debt Management” – they would get completely out of foreign debt and could indeed avoid deflation even in the eurozone. While bond market interest rates have been driven up to high double-digit per centages, bank loan market interest has remained under 3 percent. So it is hard to understand why the finance ministries of countries such as Greece, Ireland, Portugal and Spain go on issuing bonds and do not simply take out much cheaper credits from their domestic private banks. I have often put this forward throughout Europe, and even before representatives of all ministries of finance of the EU (this was in Brussels in January 2012). Apparently some people here and there even understood what I meant. But then I was told by certain ministries of finance: “We cannot do this; the ECB does not allow it.” But from a purely legal point of view, the ECB cannot prevent this. The Irish, for example, should simply have done it, but they were so much under pressure at the time, and there were perhaps also the wrong people in the respective decision-making process.

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The critics of neoclassical economics are in agreement: The science of economics has to deal with reality; it must prove that it is a serviceable tool for dealing with the realities of economic life. To the layman this must seem obvious. But the problem is a completely different one for the still prevailing mainstream of economic thought. The neoclassical school is based on a deductive approach. According to this methodology we arrive at valid findings by choosing axioms as starting points of our school that are precisely not derived from empirical findings. These are supplemented by theoretical assumptions, which in turn dispense with a sound empirical basis. From these chosen axioms and from a superstructure of theoretical assumptions conclusions are drawn with the help of logical aids like notably mathematics, and these again bring forth purely theoretical results.”

positions. Whatever the case, this is my first point.

Then there are two other points I would like to make: The mantra of Washington economic policy also says you need deregulation, liberalisation, privatisation; only then would there be economic growth. There are several counterexamples one could name. Actually all countries that have successfully developed are counter-examples, as they have all managed this development on the basis of strategic government intervention and industrial policy. There is no country which became an economic power due to a free-market policy. Be this England, America, Germany or Japan and East Asia …

"Today’s macroeconomics is more fiction than reality." ("Neue Wirtschaftspolitik", p. VIII)

"History is the database of economic reality"

You are talking of the time when these countries developed …

Yes, in the UK this already began with the industrialization of the textile industry in the 17th and 18th century. But why was the textile industry already developed and important then? The British managed this only by means of their industrial policy. Earlier, in the 13th and 14th century, England had only exported raw wool and no finished products. Then the rulers understood that exporting products of low value made one dependent on those countries that produce products with high added value. The English kings only understood this when they were already deep in debt to the Hanseatic League. They had even had to pawn their crown jewels to the Hanse. Then they realised: We have to generate value in England and specialise in products with high added value. So an industrial policy was needed which, once implemented, consistently built up the textile industry, causing England to develop rapidly.

This took some time?

Yes. This process spanned more than a hundred years. But there was a clear industrial policy. For example, initially laws were introduced which specified that you were no longer allowed to export raw wool. Then there was state support for exports of products with high added value and also for imports of raw materials with low added value. After that the English brought in the related technology by attracting Flemish people to the country, who were made to settle in England as “Flemings” and whose expertise was then assimilated. Then there were laws made to increase the demand for domestically produced wool, like for example, that all the dead had to be buried wearing woolen caps. Foreign wool was banned. Thus, an industry – the wool-processing textile industry – was conjured up out of nothing.

Secondly, England built up its own fleet. There had been no government-owned vessels in England before, but afterwards they had the largest fleet in the world. And here the government had also carried out the necessary interventions by law. For example, it was forbidden for foreign vessels to move goods back and forth in English ports. Previously, this had been done mainly by foreign vessels. But afterwards, permission was only given to English ships. This then also increased the entire production of ships and so on. Friedrich List describes all this very well.

So both local and international industrial policies were pursued, and trade restrictions were issued to protect the new industries. There are numerous counterexamples to this: countries that deliberately did not allow free trade were successful, while countries that adopted free trade under IMF guidance – in Africa, for example – suffered from a deteriorating domestic economy which was ruined by the foreign goods supplied by international competition. The country falls into poverty and gets ever deeper into debt – and then everything goes downhill.

Where do you see alternatives for countries which would allow them to break out of this vicious circle?

Under no circumstances should TTIP be signed. Countries should maintain their sovereignty. Then of course they will also be pressured and therefore they have to find their own economic bloc. That is what the BRICS countries are doing – which are excluded from TTIP in any case. Because actually, under the pretex of free trade a trade bloc is formed which then closes off its market against the other countries.

The importance of an autonomous economic policy

That much is clear … And therefore the other countries must organise themselves. Russia, India, China, Brazil etc.; that is what they are doing. They do not want to be susceptible to blackmail in the existing money mecha-

“Countries that adopted free trade under IMF guidance – in Africa, for example – suffered from a deteriorating domestic economy which was ruined by the foreign goods supplied by international competition.”

What you are saying corresponds with the conclusions of the World Agriculture Report, which also recommends building up the local and regional economy.

I agree.

And the regional banks then create their own money …

Of course.

And they are independent. One would therefore have to promote the small regional banks …

So it was done in the past in Germany. In Germany there are 1,500 small municipal banks, and they generate most of the money supply in Germany. This is loaned to small and medium businesses in the form of credits. That is why the small firm sector is so strong. This is possible thanks to these regional small banks, the “Volksbanken”, Raiffeisen Banks. They are all independent, these are individual banks, although under the same label, “Sparkasse” or “Volksbank”, but they are
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legally independent and make their own decisions, and that is rightly so. Previously every village, every town, had its own banks, often even three of them: a savings bank, a “Raiffeisenbank” and “Volksbank”. In the last 20 years the supervisory authorities, in particular those belonging to the EU, have been exercising a lot of pressure on these good local banks in order to force them to give up. Therefore there have since been many mergers. Today there are usually only two banks, and these only in the cities or market towns.

“The enormous economic power of achievement belonging to China, Japan and other countries of the Far East is not due to free markets, not to campaign for liberalisation or deregulation, as they were represented by neoclassical economics.” (“Neue Wirtschaftspolitik”, p. 7)

Regional banks promote economic growth and financial stability

I just wanted to ask you about that. Just now we are experiencing a demise of many small banks in Switzerland ...

Yes, that is right. The Swiss National Bank and, more importantly, the European Central Bank (ECB) have planned their monetary policy so as to destroy these small banks, as they are the last bastion of alternative economy in Switzerland and in Germany. That is to be destroyed. We are now trying to put up some resistance by introducing these Community Banks in England. We want to create a network of local banks. The Bank of England is not thrilled, though this is demonstrably conducive to jobs, economic growth and financial stability.

In Germany, the small banks are being well and truly wiped out by the ECB and the EU, by means of their many new supervisory requirements and regulations. Even the smallest banks with only ten employees now need to report in as much detail as the “Deutsche Bank” that hires 1,000 professionals especially for this task. The small banks might need to hire several more people who would then be busy writing reports to the authorities. They cannot afford that. Each position is important in these banks, and if they suddenly have to make two people available for those tasks, they will have to close down.

And the other method of wrecking local banks is of course the interest rate policy. Short term interest rates have been reduced to zero. Through the so-called quantitative easing of bond purchases, long-term interest rates have been lowered to zero. Therefore, the yield curve is flat around zero – like this the real banks that grant productive loans to small companies go bankrupt. And which are the banks that survive? Those are the speculation banks that pump their money into financial markets because the low-interest rate policy is once more generating an inflation of securities.

The City of London has for the last hundred years pursued the policy of allowing only big banks to survive. And who is now the EU Financial Commissioner? A City of London-lobbyist who now officially writes the laws in Brussels. That is officially asking for trouble.

If you say that you are building up that sort of bank in Hampshire in England, you surely have some ideas how to help such small banks along. This would of course be important also for all the other small banks.

We have no new ideas – we want to implement the old ones! Or in other words, the new idea is to return to the origins of the cooperative banks when, 150 years ago, they were founded all over. With respect to these regulations we will try teaming up with other banks to cover them as well. Indeed in Germany you do these things together, jointly. Yet the difficulties will remain. Here it is important to involve politics and to publicly demand equal treatment with America: In the US, small banks have their own supervision, with much lighter requirements than those concerning big banks. The EU and ECB have so far refused – probably following US directives – to allow such equal treatment of small banks in Europe to those in the United States.

"Monetary policy is the most effective creative power in enforcing macroeconomic objectives. Because it affects not only economic growth, but can also cause changes in society. Because of its immense power and scope, which allows for control and direction of the economic resources, monetary policy should be entrusted to an institution that is firmly anchored in the democratic process [...]" (“Neue Wirtschaftspolitik”, p. 451)

But there are attempts.

Yes. But if this kind of municipal bank also existed in England, they might help to alter things politically. The City of London could no longer argue: Oh, those are excuses and so very German; you want special treatment – that is the way it is always being said. But then there would also be municipal banks in England and that could also help in this debate.

Professor Werner, thank you very much for this interview.

(Interview Erika Vögeli)

2 Debt-for-Equity Swap: settlement of a claim by the creditor receiving interests in the company of the debtor – in the case of developing countries the debtor receives participating interests in the resources such as land and natural resources of a country.
3 Werner, Richard A. Neue Wirtschaftspolitik, p. X
“Though you never know with certainty how wars may be won, it is very well known how to lose them”, declares the president of the political party “Débout la France” (DLF). Nicolas Dupont-Aignan explains that France is betraying its own interests in order to obey Brussels, Berlin and Washington.

The resignation of the French government, which claims to be at war with Islamist terrorism but does not draw the material consequences, can be observed not only concerning internal politics, but also beyond our borders, where the foreign policy of France is increasingly being directed into wrong channels under the pressure of political correctness and the interests of “friendly” powers. How far away have we already diverged from Gaullist diplomacy! This was respected by everyone because it rejected foul compromises, servile subservience, thinking dictated by a political bloc, and vacuous principles.

François Hollande’s attitude towards Russia and Turkey seen against the backdrop of the war of destruction declared against us by “Da’esh” [IS] is from its Syrian-Iraqi territory is a pathetic and at the same time an absurd image of this.

While adjusting to an ever more Islamist and increasingly less democratic Turkey, Paris is devastatingly inflexible against Russia, which would objectively speaking be its best ally against “Da’esh” in the Middle East. The “democratic” values and principles supposedly determinating our diplomacy thus prove to be very unstable – this is strongly reminiscent of France’s attitude at the Munich conference of September 1938 – it is in fact rather like an unacknowledged perpetual Munich attitude!

We are sacrificing our fundamental interests – the safety of our citizens and the actions we should take for a more stable and balanced international order – in order to unreasonably favour troublesome partners.

To please Berlin and to avoid snubbing Brussels with regard to Schengen, François Hollande will not dare to affirm the

= Nicolas Dupont-Aignan, born in 1961 in Paris, is a French conservative and gaullist politician, mayor and member of the national assembly of Yerres (Département Essonne). He is president of the party “Débout la France” (DLF) and candidate for the presidential elections in France.

Turkey of that Mr Erdogan who is threatening to reopen the sluicegates for migrants on their way to Europe. We would never have come to these straightforward, if Mrs Merkel – rather than unilaterally creating a flood of migration – had last year thought to apply the brakes to her “generosity”, which has in the meanwhile proved to be totally irresponsible! So the brutal purges after the failed coup and Ankara’s dubious relations with “Da’esh” – both in Syria as well as in Libya – are not reason enough to stay negotiations on Turkey’s accession to the EU and freedom of movement for Turkish nationals to Europe, which are programmed for October? We are even unable to put pressure on this country to stop all its support of the caliphate, for the destruction of which we should deploy all our energies.

At the same time the USA continue to make every effort to put the EU at odds with Russia, for fear that a too close relationship between these partners might weaken America’s position on the old continent. That is the real cause of the new Cold War, which is artificially built and hazardous, a war that Washington has declared on Moscow on the quiet, by keeping alive an obsolete military alliance – NATO – and by constantly challenging Russia, right on its doorstep (Ukraine, Georgia, and so on). And this despite its promises made in the early nineties to refrain from all actions of interference in the countries of the former Soviet Union. The obsession of Europe and France with the Ukrainian crisis and with the annexation of the Crimea – Russian areas for centuries! – and the EU’s absurd sanctions against Moscow are part of this policy, which corresponds so little to our own interests.

This behaviour is completely absurd, because only Russia has proved to be efficient in its efforts to curb “Da’esh”. As contrasted to the US, whose intricate activities clearly aim at putting a very tight squeeze on Moscow and Tehran by trying to replace Bashar al-Assad by Syrian rebels instead of really fighting Islamist terrorism in the Middle East … How else could the ongoing military aid from Washington to the Syrian opposition now dominated by al Qaeda followers be understood? One thing is not to wish that the power of Bashar al-Assad be strengthened by the necessary fight against “Da’esh”, but to try for his overthrow at any cost by installing Islamists – competitors of Da’esh in Damascus, is another thing! Is the US government aware of its irresponsibility – the US which was already responsible for the destruction of the Iraqi state a decade ago? And what about the EU?

Cowardly pussyfooting around Turkey on the one hand, and being absurdly stubborn against Russia on the other, the French diplomacy at the service of Berlin and Washington is sinking to the level of an unworthy “permanent Munich”. It is high time to correct France’s foreign policy: Even if we never know for certain how wars can be won, we know very well how they are lost.

Source: Le Figaro from 3.8.2016

(Translation Current Concerns)
Maidan or the colour revolutions became related terms for alleged public uprisings aiming at the overthrow of the government. Even the Arab Spring proceeded according to the Maidan-script. Backers and manipulators turned out to be poorly clad “consultants” from Western intelligence agencies. In addition, those services provided the technological equipment. The story of the Maidanes is not at an end, yet. Currently there is an attempt in Armenia, Macedonia is still under attack, sooner Turkey “enjoyed the benefit”, in Kyrgyzstan a Maidan is expected, it failed in Belarus and Russia, and so on. The list is long, the script tested, usually it is successful, the government must leave, but not always. Meanwhile, some countries learned that such riots have been largely staged, Russia has developed a large-scale Anti-Maidan-Concept that has to be studied. A real Maidan also includes the snipers. They appear out of nowhere, shooting at both parties of the particular chaos, for example at law enforcement agencies as well as at demonstrators. The use of snipers in the Ukraine, for example, is well documented by Andrew Korybko. Also Nikolai Starikov, Russian analyst and historian, dedicates a whole chapter to the snipers in his book “Rouble Nationalization”. He warns of their underestimation which is caused by their masked role. Which assessment does Starikov present the reader?

In his opinion by now the snipers play a huge role: they change governments, make revolutions, cause chaos and economic setbacks. Can we call these things political disasters? No, says Starikov, we cannot. They are instruments by which countries are brought under foreign control. If a country is strong and lacks mutual hostility in the population, then how can you dictate this country, what it has to do? Then there would be no way. However, this process will happen easily and “jokily” if the people of a country are enraged against each other. A weakened and torn country will need external help. The external help will be transformed into external control before a single bullet will have come out of the sniper’s gun. And if the people do not want to kill each other? Then you will have to force them to do this. Starikov mentions examples of these processes such as Kyrgyzstan in 2010, Iran in 2009, Thailand in 2010, Romania in 1989, Moscow in 1993, then further back St. Petersburg in 1917.

A look at France shows that the government of de Gaulle was “provided” with the riots of 68 just at the time when he had left NATO and he no longer wanted to abide the FED system of the money-making machine. After one year of pressure on de Gaulle by the 68s – the actual predecessors of Maidan – he had to resign in 1969. He died due to heart failure in 1970.

Attacks, deaths, riots, chaos, rage, horror, tensions, a population stirred up by the media – all being important for socio-psychological, emotional conditions, needed to put a country initially under emergency regime.

A question may be allowed: Is this being brought about in Germany at the moment? Who would benefit and who would like to benefit from it?

Being a citizen on the way towards a multipolar world

by Karl Müller

One might get dizzy overseeing the events of the last two weeks. But one should not get paralysed.

The Russian and the Turkish presidents are meeting in Moscow with full honours, speaking for a substantial improvement of their relations. Once again there are plans to build the pipeline for Russian gas through the Black Sea and over the Turkish mainland; there is to be closer collaboration in the fight against the IS and for an end of the war in Syria. – Only a few weeks ago those politicians were considered arch-enemies, rhetoric was pointed and there were many signs for an escalation of the conflict.

Once again, western commentators were quick to agree that we are witnessing two forces combining their powers and conspiring against the West. It is a case of downright spin doctoring.

Almost concurrently with the Russian-Turkish approach, there were reports that “Switzerland is seeking proximity to Russia” (“Tages-Anzeiger”, 9 August). Swiss politicians are demanding a rapprochement with Russia. In October, the President of the Russian Federation Council will follow an invitation to Switzerland. She will meet the President of the Council of States. The negotiations on a free trade agreement, which have previously been placed on hold, are to be continued. FDP National Councillor Hans-Peter Portmann is quoted as saying that Switzerland should try to utilize its economic dependence from the EU: “This includes expanding trade with markets like Russia”.

Then, towards the weekend, there is the news that the conflict between Russia and Ukraine is threatening to escalate again. The Russian government is speaking of a severe incident and the participation of national Ukrainian institutions in a failed terror attack on the Crimean peninsula. Two Russians had been killed in an anti-terror mission. Russia’s president has indicated that this will not be considered a basis for negotiations with the Ukrainian president – talks had been planned for September on the side lines of the G-20 summit. Russia has reinforced its troops on the Crimean, and intends to install state-of-the-art defence systems. The Ukrainian government has put its troops on alert and summoned additional units towards the Crimean.

Western media are rejecting the Russian claims, continuing their Anti-Russia campaign. This also includes ignoring or shrugging off those groups within Ukraine actively pursuing peace for the country. Who is aware of the fact that during all of July there has been a peace march of thousands of devout Christians in Ukraine, leading from the east and the west towards the capital Kiev in order to contribute to reconciliation in the country? And even those who have found reports have mainly come across polemics.

The way from a unipolar to a multipolar world has many bends. A glance into our history textbooks shows that change often comes with uncertainties, and that the final result usually remains open for a long time.

There are radical policy changes, coalition changes and shifts of perspectives, and many a state or people may easily take a battering.

We cannot expect much help from most of the media in times like this. Too strongly bonded with the powerful, they are no longer on the side of the citizens but part of the political operations. Like in a war, political decisions are centralised; many things are “sacrificed”, but nobody is playing with open cards. The bonum commune is falling by the wayside.

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Indeed, the West is in deep trouble. The national debts and the bloated financial markets are a warning sign. Changes will be unavoidable. The question is where the journey will go. It seems that we don’t have much to expect from current plans. Those who remain on the gallery, paralysed, have no chance to participate. It is better to start thinking laterally. For example: What are the opportunities available if Russia and Turkey really come to an understanding? Would it curb the other NATO states’ power hunger? Could the conflicts in the Caucasus be de-escalated? Would it mean hope for people in Syria and elsewhere in the Middle East?

Other possible thoughts could be: What would a real rapprochement between Switzerland and Russia mean? Who knows what the outcome of the negotiations with the EU will be and what the EU will do if it fails to have its own way? Switzerland could also be a role model for other European states. Peace with Russia can be beneficial for almost everyone: politically, economically, culturally… and most of all humanely.

And how should we deal with those who like to object? Perhaps not to be so easily impressed – and to say again and again what we think. A great many people are thinking that way.

For us, it was clear from scratch that Dr van der Bellen, due to his entire philosophy as promoter of the globalisation and being in thrall to the EU and advocate of Merkel’s irresponsible immigration policy, is far away from the real concerns of the local working population, which is crucial for the existence of each country. That is why before the first run off we distributed from house to house a distinct flyer with arguments against Dr van der Bellen after the motto: “Austria does not need another backer of ‘Brussels’ EU as president!” – Some 200,000 (!) pieces were distributed by numerous like-minded people in weeks of work throughout Austria; the costs of printing and dispatch – a total of around 7,000 euros – were supported by the Initiative Home & Environment. Voluntary contributions to cover these costs would help us a lot!

In the first two runoffs direct democracy was pre-eminently addressed by liberal candidate Engineer Hofer through many statements in interviews and through the nationwide poster campaign with the slogan “Law emanates from the people”. So, for instance, an FPÖ press release of 12 March literally said: “Hofer announces to insist on the development of direct democratic elements in the government programme before inauguration of a new Federal Government … Switzerland’s model has proven itself over decades …” And in its party programme the FPÖ postulates that mandatory referendums may be initiated by a popular petition of 250,000 signatures already. The popular
petition for withdrawal from the EU has obtained 261,056 signatures!

For many Austrians the question now is: How serious is the FPO about its own postulations also with regard to the oncoming election campaign for the Federal Presidential office and beyond? And should there be public opinion polls/referendums for all subjects or only for “designated” ones, convenient to the powerful? It’s on this basis that many citizens will measure this election campaign.

What does direct democracy on the model of Switzerland mean?

This worldwide admired and unique system means: From a number of 100,000 signatures freely collected on the road or from house to house (without the in our country necessary consulting of authorities notaries) for a concern without any objective restriction an obligatory referendum must be scheduled, whose result then is binding for the government. Thus on four Referendum Sundays a year usually several referendums take place every year (in Austria only two in more than seventy years of the 2nd Republic). And no politician – neither a chancellor nor a president – is allowed to prevent such constitutional votes.

The Federal President’s responsibilities

The Federal President’s responsibilities are largely underestimated. He plays a very important role in the mutual control and balance within the power structure of National Council – Government – Federal President. Since he is the only state functionary at the federal level anyway that is directly elected by the whole people, he is conceded extensive rights in the Constitution. That is reasonable. But the recent Federal Presidents have practically never used these rights, because they have always been extended arms of the red-black government party/parties.

EU will fund NATO directly!

Since recent EU decisions, the increasingly aggressive military alliance NATO is to be financed directly from the EU – amongst others with the money of the taxpayers of the “neutral” Austria. See www.deutsche-wirtschaftsnachrichten.de (http://bit.ly/2aJ1EjF).

That will significantly harm Austria, because it forces our country, in addition to the economic sanctions, in an ominous confrontation with the Russian Federation and brings Austria into the focus of international terror. That can only be undone by a withdrawal from the EU.

Referendums on EU issues in other states

Not only in Great Britain, in other countries too, there have been respectively will be plebiscites on EU issues this year. In the Netherlands, a referendum on the Association Agreement between the EU and Ukraine, which was seen as a precursor to an EU accession of Ukraine, took place on 6 April. It had been brought about by citizens’ initiatives. For the validity of the referendum, a voter turnout of over 30% was required, which was achieved with 32.2%. The result yielded a clear “no” of the population: 61.1% were against it, only 38.1% were in favour. All other 27 EU member states – including Austria – have already ratified this agreement, which two years ago led to the bloody coup in Ukraine and the, since then, raging civil war there. Although the referendum is not formally binding the Parliament in the Netherlands, it is difficult to pass over such clear referendum result, which was interpreted by many commentators as a general opposition to the EU.

In Hungary there will be a referendum on refugee policy of the EU on 2 October brought about by Orban’s government. The following question will be put to the vote: “Do you wish the European Union to order the compulsory settlement of non-Hungarian citizens in Hungary without the consent of the Hungarian Parliament?”

Did you know that …?

Every country that wants to leave the EU has two years, from receipt of the notice of resignation in Brussels, to negotiate an agreement on the exit arrangements with the EU. Should such not be achieved (because of possible adverse conditions), the state willing to leave the EU is not obliged to conclude any agreement. Then, resignation automatically comes into force after two years. This is clearly enshrined in Art. 50 of the EU Treaty (TEU).

The horror scenarios that are currently distributed in turn by the establishment are therefore not to be taken seriously.

Dr van der Bellen

Dr van der Bellen is not worth considering for EU opponents and neutrality advocates for the following reasons: because of his uncritical endorsement of non-democratically legitimised EU rule over formerly independent, free states; because of his advocacy of NATO and thus the global wars of aggression and of destabilisation of the US and its vassals (including the EU); because of his advocacy of genetic engineering and of a neoliberal, group dominated economic order and financial oligarchy. His repeated statements not to swear an EU “hostile” government into office, even if they should have the majority of votes in parliament, are evidence of the lack of democracy, as well as his aversion to direct democratic decisions in factual issues. Even his efforts to limit the constitutional powers of the President – as the only government official at the federal level that is directly elected by the people – in the field of control of the government are to be rejected. For environmentalists, it is also strange that, besides the green parliamentarians, one of the main financiers of his “independent” campaign is just the building tycoon Hans Peter Haselsteiner with more than EUR 100,000!


(Translation Current Concerns)
Letter to the Editor

“A crescendo of the powers of peace is possible”

I am deeply concerned about an impending global disaster, namely that of a third world war. Often repression mechanisms become effective in myself, saying: “That’ll go off all right,” because one refuses to believe it. Unfortunately, with a clear view I must notice now that we are really on the brink of disaster. After reading “Wiederkehr der Hasardeure” and also recent reports of Willy Wimmer: “In my judgement we are approaching a global disaster” all of us have to realise that there is no more time to waste. Following the article by Karl Müller, according to the “White Paper 2016”, the security policy and thus the German armed forces should assume the role of global leadership.

To fall in fear and panic is not resolving the problem, no more than to give oneself up to fate. Our historical experiences of the last century should encourage us to raise the voice and getting even louder, to make our position clear to our government: when it comes to questions of war and peace, just we as Germans have to take a clear stance and are no longer willing to tolerate the permanent breaking of international and national law by our supposed representatives of the people.

Werner Voß, Wiehl (Germany)

(Translation Current Concerns)

Maintain neutrality!
Swiss exercise in close proximity to Russia

rt. Since 2 years, the US-led NATO in the framework of Ukraine-conflict is actively working towards an escalation with Russia. On-going NATO manoeuvres close to the border with Russia fuel the conflict permanently. In the past six months, 12 larger NATO manoeuvres took place in Eastern Europe. Also on the part of the Russian government, manoeuvres are performed on the endangered western border of the country. The battlefield of a possible military escalation lies in Europe. Not in North America, from where the escalation is pursued. This can be neither in the interest of the European states themselves, nor in the interest of neutral Switzerland.

It is therefore necessary for our country to reconsider the cooperation with NATO front Organization Partnership for Peace (PfP) and to draw the necessary consequences from the current political situation. Training flights of the Air Force in Poland – a NATO state – performed near the Russian border (Kaliningrad), appears in the meantime more than adventurous (cf. https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg?id=62726.html) and this even a short time after a major NATO military exercise (Anacoda).

As the Home Country of the Red Cross, as a conciliator of Good Services between hostile states confronting each other, our country cannot afford to be involved in military conflicts due to carelessness or lack of political reflection. Especially now it needs a neutral Switzerland, which has full capacity to act and can credibly conciliate between the fronts. A termination of the PfP engagement in Switzerland by the Federal Council or a popular petition can be a first step to prepare for the coming times ahead.

For our army in such times of tension, there are indeed other places in the world for manoeuvres, weapon tests and training as the Polish Deblin or the NATO country Turkey.

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125 years popular initiatives to amend the Federal Constitution
A blessing for Switzerland – a model for other peoples

The Swiss citizens have been accustomed to their active participation in law-making and politics for a long time. Building upon the co-operative structures of the municipalities in both towns and the countryside in the mountain cantons all cantons successively adopted democratic constitutions and the framework of peoples sovereignty, starting in the “regeneration period” of the 1830ies.¹

On the federal level the obligatory referendum for all amendments of the Constitution was already introduced when the federal Swiss republic was founded in 1848. The facultative referendum for laws followed in 1874 and was later supplemented with the facultative state treaty referendum in 1921. The Swiss people voted with 60% in favour of the introduction of the popular initiative at the federal level, on 5 July 1891, which is 125 years ago. More than 300 initiatives have been started by the Swiss people since then, 203 of them became subject of a ballot decision, the other cases were withdrawn after suitable proposals of the parliament. 22 popular initiatives have been accepted by the Swiss people and a majority of the cantons in these 125 years, 10 of them alone since the year 2002. What has been developed over a long time in Swiss history is basically possible in all other countries as well. No doubt, the most solid foundation is a continuous development of direct democracy from the bottom up to the top. Since direct democracy entails not only the right of the citizen to participate in decisions, but also the obligation to be committed to the common good. Once learned at the municipality level, the knowledge how to plan and organize in favour of the common good may be applied at the higher levels of the state.

The “Zentrum für Demokratie Aarau” (Centre for democracy Aarau) organized a panel discussion under the title “125 years popular initiatives in Switzerland – a success story?” on 5 July 2016 which was well attended. Two members of parliament were sitting in the panel: Thomas Minder (no party affiliation, Schaffhausen) and Hans Stöckli (SP Bern) as well as two law professors (Professor Andreas Kley² and Professor Markus Müller³). Professor Andreas Glaser⁴ was a very committed and lively host for the event and the discussion with the audience.

Democracy means that it is impossible to govern against the will of the people. “Direct democracy is currently a hot topic all over Europe. After the Brexit vote some are demanding more rights of participation in many EU countries – and they want it right now – others find themselves justified in their opinion that the people are not to be trusted and politics should be left to the elites.” (Katharina Fontana⁵)

From a Swiss point of view, every EU country would have been required to hold a referendum about the questions of joining the Union or replacing the national currency by the EURO, since these are questions of great significance for the future of those states. After the Brexit other European countries will probably aim at similar referendums to leave the Union as well. Should the governments work too eagerly against such opportunities of the people to vote, because they fear the result to be a vote to leave, this could turn out to be counter-productive: In order to be called a “nation by consensus”, government and parliament in every state should always know whether a comfortable majority of their citizens backs the inclusion into some supranational entity or not.

Notably, it is nobody’s business to comment on the way the individual citizens have come to their decision at the ballot: after exhaustive reading and discussions or based on their “gut feeling”. This is up to them, their private business and personal freedom. (see Councillor of States Thomas Minder in interview, p. 3). This was stressed by Professor Andreas Kley in Aarau, too: “In direct democracy opinions are voiced spontaneously, this is a matter of principle. One may discredit this as ‘raging citizens’, as emotional, wrong, and so on. This is a negative view. I say: in democracy one cannot govern against the will of the people, there is no such thing as democracy against the people. Alternatively one would have to get rid of democracy altogether or install a dictator.”

Each citizen stands on equal footing with all others

Despite the obvious fact that direct democracy has proven to be a crucial condition for the happiness of the citizens over the centuries but also for peace and social justice in the country, there are still discussions being held now and again about whether the right to introduce popular initiatives should be restricted one way or another. Because unlike the right to have referendums, in which decisions of the parliament may be confirmed or vetoed, the popular initiative is a tool of active participation with almost no restriction to the wishes or ideas of the citizens to introduce constitutional amendments into the political process – in most instances against the will of the current parliament. For example, at the moment signatures are being collected concerning

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nine popular initiatives under titles such as “More affordable housing”, “For more transparency in political financing (Transparency Initiative)”, “For a reasonable paternity leave – for the sake of the whole family” or the initiative “Swiss law instead of foreign judges (Sovereignty Initiative)” which has recently been commented on in this journal.

Considering, how deeply rooted the strong political rights of Swiss citizens are within the people, some comments that were voiced in addition to the overwhelmingly positive responses in the Aarau panel discussion were astonishing. Law professor Markus Müller, for instance, opined that the Swiss people were just one player among many others: “Democracy interpreted correctly is, in my opinion, the art to direct the people into the role which they can actually fulfill. Which is the role of a controlling body, a source of inspiration […]”.

Such a “definition” of the citizens’ right to referendums and initiatives, however, may not be found in the Federal Constitution – rather, the Swiss people is the supreme authority in the Swiss confederation. The law professor from Berne was rather embarrassed when his colleague Andreas Glaser confronted him with a quotation from our neighbouring country, which is not so well-trained in democracy: “The German president Gauck said after the Brexit vote, the elites were actually not the problem, but the populations. Markus Müller, this is probably your point of view, too, isn’t it? So, the people are the problem?”

Markus Müller responded: “It is the elites’ fault if the people become the problem. – When I read through the official leaflets, all those well-intended ballot orientation guides, I get the feeling the authors think that the Swiss people consist only of clerks or above. But this is not so: I know a domestic cleaner in the nuclear power plant Gösgen, his mindset is different, this man needs to be guided differently.”

Since when has the Swiss population been divided into two different kinds of citizens – elite and domestics? In what way is the cleaner’s mindset different? Is he possibly unwilling to have himself carried right into the EU, on the tracks provided and oiled by some wannabe elites? This reminds me of a former colleague, like me a teacher at the vocational business school, but an ardent supporter of Switzerland joining the EU. One day she stormed into the teachers’ room and raged: “Never again will I discuss the EU with my pupils [electrical engineer apprentices], they are all against it!” Those self-appointed “experts” will find it hard to brainwash those young workers from their healthy identification with their country into turbopushed EU joining enthusiasm – and thank goodness for that!

Such an unheard of classification of the citizens met criticism also from a member of the audience, who emphasized: “Mr Müller, you basically deny the plain people’s capability to make decisions. I think the opposite is true. Quite often it is specifically the non-lawyers and other ‘plain people’ who have a more balanced view of the factual issues. In preparation of every referendum there is indeed a broad in intensive debate where practically all arguments of all sides are voiced, so that in this process it becomes quite clear what the referendum is about. So in my opinion the decisions of all citizens should be taken seriously.”

Fundamental contradiction to the idea of the enlightened, responsible, independent citizen

Another member of the audience, Councillor of states Hansueli Vogt, who is a law professor himself, uncovered a principal contradiction in the ideology of some “progressive circles”: “I find it extremely elitist to deny the cleaner from Gösgen his or her ability to come to conclusions about the questions posed to them in a referendum. And at the same time the very individual rights, which your circles claim to champion, be it freedom of opinion, personal freedom, economic freedom and so on, all have the enlightened, responsible, independent citizens as their precondition. It is impossible to cheer individual rights, place the individual in the centre, as we do in our enlightened society, and then seconds later deny this individual’s ability to make decisions concerning the common good. This is a fundamental contradiction.”

Bossing the sovereign

Müller’s proposal how to guide the electorate appropriately corresponds to this: He wants to get rid of the popular initiative as an elaborated draft, i.e. the wording to be included into the constitution as desired by the initiators, and replace it by a mere right to make unspecific suggestions.

Quite clear what this would amount to: If the citizens could only give suggestions concerning overall directions of development in a popular initiative they would no longer be able to “disturb” the law-making activities of the parliament. The majority members of parliament would be free to alter laws in ways as to make them compatible with what they understand by “international law”, mainly the bilateral EU treaties.

The most relevant example of today’s Swiss politics was commented on by a member of the audience in Aarau, who put Müller’s proposal into a perspective of state law: “The proposal of Professor Müller to restrict popular initiatives to mere unspecific suggestions” would amount to an abolition of the right to initiate constitutional amendments. Basically this would be nothing more than a petition. The discussions around the Mass Immigration Initiative for example are rooted in the very fact that the initiative contains elaborated phrases to be included into the constitution – specifically the current article 121a of the Federal Constitution. This
The assessment of the validity of popular initiatives being a matter of the Parliament

Interview with State Councillor Thomas Minder (no party affiliation, SH)

In the panel discussion, a «impartial» Constitutional Court was mentioned which should assess the validity of popular initiatives instead of the Federal Court. Can you imagine that?

Thomas Minder
(picture mw.)

State Councillor Thomas Minder: I am opposed to the Constitutional Court. We, the Parliament, must take on the task of evaluating people’s initiatives. This involves a legal consideration. It bothers me for example – although I myself have not supported the inheritance tax initiative – that in the Council of States 13 votes were for invalidity of this initiative because of the retroactivity. [The initiative envisaged that donations retroactively should be attributed to the estate from 1st January 2012.] That may not happen. Even if we personally do not like an initiative, the legal assessment is something different. Apparently, some members of Parliament cannot drop their party colours and restrict to a purely legal analysis.

There are three reasons for the invalidity of popular initiatives in the Federal Constitution of the Swiss Confederation [FC], which are clear. [Violation of the unity of form, the unit of matter or mandatory provisions of international law, FC Article 139 paragraph 3] In fact there is a fourth, the infeasibility but the retroactivity is no reason for invalidity. The inheritance tax initiative had to be declared valid, and that proved positive in the voting fight: the bourgeois parties were able to use the retroactivity clause as an argument against it.

In Parliament, we do not apply always the same standards we apply to popular initiatives. We have already decided laws in Berne with retroactive validity – that is also unpleasant. But can you declare an initiative void for that? Of course we members of Parliament are elected by the people and have our tasks, but we must do them carefully. To declare an initiative void for which 100,000 or more signatures have been collected with an invalid reason which is not in the Federal Constitution – then we have fulfilled our job in federal Berne very badly.

Collecting signatures is not getting any easier

Apparently, the elite not only resists against the people’s rights since recently. Today, we have heard from Professor...

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“125 years popular initiatives …”

article rules about concrete measures such as ‘contingents’ and ‘maximum numbers’ for a sovereign governance of immigration into Switzerland. Officials in Berne and Brussels claim that this would be in breach of the freedom of movement and residence principle and complain about the Swiss electorate. Should the people have their right restricted and be allowed to propose some unspecified wishes only, such as: Please, dear parliament, would you mind considering that not too many people keep pouring into our country – then this might suit federal Berne better, but it would effectively be nothing more than a right to petition.

Who would want to collect signatures in the streets, in rain and snow, all for some toothless petition?

Councillor of States Thomas Minder argues in a similar way in his interview: “The right to propose elaborated initiative texts is essential for having a proper factual debate. Because in direct democracy the Yes or No at the ballot may be an integral issue, but the overall debates throughout the country – at the regulars’ tables, in panel discussions, in media discussions or letters to the editor – are much more important to move us forward in terms of peoples’ rights.”

Popular initiatives, the Magna charta libertatum of the Swiss people

By the way, 125 years ago quite similar arguments against elaborated popular initiative texts had already been put forward: “Members of parliament and government warn vividly against the danger of an ‘unlimited confusion and faulty legislation’. The new instrument would lead to demagogy, it was claimed, the new initiative were ‘anarchic’ in that it allowed to ‘get to the people behind the backs of the officials’.” (Katharina Fontana)

Nevertheless, the government approved the elaborated popular initiative in 1890, but only after the Councillor of States had supported it. Professor Andreas Kley endorsed the statement of one of the catholic-conservative MPs who won their battle for the peoples law-making initiative against a liberal parliamentarian majority:

“It is still entirely true today what Councillor of States Theodor Wirz, a crucial proponent of the popular initiative, had argued in 1890. Wirz had criticized the ‘egomaniacal’ parliament, especially the federal one, and posed the rhetorical question: ‘Is there any right of the people today which had not at some point been regarded as dangerous and revolutionary by previous curators of the people? Who is supposed to be the King and ruler in this country?’ Wirz and a majority of the Councillor of States rejected the restriction to a right to make merely unspecified suggestions. They emphasized that it was a point of honour for the Councillor of States that it placed the Magna charta libertatum into the hands of the Swiss people much more approvingly than the federal government.”

For 125 years the “Magna Charta” of political freedom of the Swiss people has enabled the people to debate in political parties, associations and numerous other kinds of groups of citizens about political and social questions, and to make their minds up for or against hundreds of popular initiatives. This way the electorate contributes to the development of the Swiss model in its own activity and ensures its highest possible acceptance throughout the population.


2 chair in public law, history of the constitution as well as philosophy of state and law, Zurich University

3 chair of state and administrative law as well as public law, Berne University

4 chair of state, administrative and European law, with special regard of questions of democracy, Zurich University


6 There are currently about 1.4 million EU citizens living in Switzerland, while in the whole union only 15.3 million EU citizens were living in a country other than their native one in 2015. This is even more remarkable considering that Switzerland is about 60 times smaller than the Union with just 8 million inhabitants.


“The assessment of the validity …”
continued from page 12

sor Kley that this was also the case in the early days of the state.
I cannot tell exactly, but today we have a dangerous movement. In the National Council we have Martin Landolt (BDP GL), Martin Candinas (CVP GR), Karl Vogler (CSP OW), in the Council of States for example Filippo Lombardi (CVP TI) and Hans Stöckli (SP BE) which want to limit the people’s rights.

One of the proposals is to increase the signature number for popular initiatives by a minimum percentage of the population and to enshrine it in the Constitution. What do you say to this?
The proposed percentage would result in an increase of 100,000 signatures on up to 250,000. I don’t like these trends. In the popular vote, such a proposal has no chances of course. It needs the majority of the population and of the states. The ideas are on the table, several motions to the restriction of people’s rights have been filed in the Parliament. A motion by National Councilor Ruedi Lustenberger – for the inadmissibility of retroactivity clauses in popular initiatives – has been adopted in the National Council and has also sympathies in the Council of States. It will fail at the ballot box.

Doesn’t National Councillor Landolt endanger his re-election by increasing the number of signatures so much?
Yes, it’s quite brave if he wants to stipulate 200,000 or 250,000 signatures. I understand the idea that today in Switzerland we are more inhabitants than in the past. But one forgets that we previously could be in front of the polling station to collect; all went to the polls to vote [today a high percentage of votes are by mail], and we knew that all voters were from the same commune. The collection was even easier than it is today. If you collect today, for example in Zurich on the road, then 30 percent are foreigners and for the others you must take every time a new sheet, because they live in the Canton of Aargau or in Schaffhausen or Solothurn. It is not getting any easier to bring the signatures together.

I still like to collect near the polling stations because you get there three times as many signatures as elsewhere. But of course I agree with you: Anyone who has ever collected, knows that it takes as much time to bring together ten signatures, whether Switzerland has more or less inhabitants.

Therefore, there are now parties that pay the collectors a bit per signature. The FDP not even accomplished their first federal initiative concerning the stop of bureaucracy. So the number of signatures is not too low.

For differentiated substantive debates we need well formulated initiative texts
On the podium, the issue of “development” of the people’s right of initiative has been raised, respectively its content restriction.
Isn’t it in the end with proposals such as that of Professor Markus Müller (to abolish the initiative in the form of a specific draft, that means the literal formulation of the desired constitutional text by the initiators, and to permit only initiatives in the form of a general proposal) about that the people hampers – for example on the march into the EU?
For this purpose the right of the people’s initiative has been launched in 1891, it is in deed a disturbing factor in the political operation. Each initiative includes a certain disenchantment, so to say a public dissatisfaction with the policy of the authorities. Even with Brexit one has felt it. But to blame the British people, they would not know what they are voting or what the EU is – so you cannot deal with the citizens! I feel in the contrary, that the people has an incredibly good sensorium, is very well informed. If you look into the blogs, you realise how citizens are informed also about difficult issues.

I clearly do not represent the position of Mr Müller. The possibility of fully formulated initiative texts is necessary because we can only then discuss contentwise on a theme. Because in the direct democracy in Switzerland, the yes or no at the ballot box is although a substantial portion – but much more important for the development of people’s rights is the whole debate in the country, which takes place down the pubs, with panel discussions, in disputes in the media, in reader’s letters. If we could vote only on general suggestions, everything would be somewhere in a cloud, so that we could not discuss effectively. If I had had to formulate my initiative 1 in the form of a general proposal, then the people would perhaps today not even know what a corporation is or what “listed entity” means.

Your initiative “against rip-off salaries” for example, was contentwise very demanding …
But even in this case, someone may decide entirely according to instinct – we are only humans. Some analyse such a question and read the ballot booklet with the right hemisphere, but it is also legitimate to say Yes or No according to instinct. In interpersonal relationships, the inner voice is often stronger than the rational level, where you play off everything against each other. The inner voice, the “sentiment” that one can say Yes or No from sympathy or antipathy for a submission, I accept in a democracy also. Concerning Professor Müller I had a little the impression that he does not approve it.

Mr Minder, thank you for the interview.

(Interview Marianne Wüthrich)

1 The so-called initiative “against rip-off salaries”, which was adopted in the referendum of 3 March 2013 and with which the entrepreneur Thomas Minder got so well known and by virtue of which he was so very much appreciated that he was in autumn 2015 – although not belonging to any political party! – elected by the Schaffhausen people from the stand into the Council of States.
What are the reasons for English at an early age in Switzerland?
by Gisela Liebe

The whole world admires the plurilingualism in Switzerland. It is not naturalness that on such a small territory various language-communities with different cultures are able to peacefully coexist and communicate with each other.

The teaching of different languages imposes high requirements on the educational system. Swiss children must learn more than in other nations – and they did it for decades. From time immemorial, as was the Swiss custom, nearly every child had learnt a second language within school. The foreign language teaching of a second language of the country ordinarily began with secondary school (age 11 to 15), therefore after primary school. The bilingual Cantons and Grisons by contrast always had a different arrangement adjusted to the needs of the respective Canton. At the latest with school entrance, many children learnt the very first foreign language, which is High German. Young men could practice and consolidate their language knowledge from school in the military training school, whereas many young women until some years ago did a so called “Welschlandjahr” after school (one year in the French part of Switzerland) in order to deepen their knowledge of the French language.

Only at the end of the eighties, most Cantons postponed the learning of the second language of the country on the end of primary school, in most cases the 5th grade. Gradually English was taught at many schools, mostly as an optional subject. In 1989, the Federal Department of Interior submitted a considerable report “Zustand und Zukunft der viersprachigen Schweiz” (“State and perspective of the quadrilingual Switzerland”). Concerning the own mother-tongue even then in all language regions it declared among others a “striking change in the use of the languages of a large section of the population, which is accelerated and influenced by modern communication technologies. This transition becomes apparent in an increasing rejection of content and formal still by humanistic education values characterised cultural language and in an augmented orientation towards a mere functional, content and aesthetic impoverished communication language. At the extreme this change leads to a far-reaching loss of the active and above all written command of language”. (Report, p.294)

Considering the increasing spread of the English language in media and economy the 1989 report already stated that in a few years English could dominate the languages of the country. The report identifies “a clear evidence for the growing predominance of both a pure utilitarian thinking and a worldwide lingua-cul-

Lucerne Foreign Language Initiative and direct democracy

mw. Usually, the national parliament and the State Council as well as the cantonal parliaments do their job diligently and stick to the clearly specified legal provisions for a declaration of invalidity initiatives. But in accordance with the jurisdiction of some cantons the Government and as a second instance the Cantonal Administrative Court are cognizant to decide whether the people are entitled to vote on an initiative. So for example in the Canton of St. Gallen, where the Governing Council and the Administrative Court invalidated the initiative “for the elementary school”, which wants to prevent the introduction of Curriculum 21 and wants to reduce the number of foreign languages taught in the elementary school from two to one (press release of “Verein Starke Volksschule St. Gallen” (Association for a Strong Elementary School St. Gallen, from 21.6.2015).

Encouragingly, on the other hand, a decision from the Canton of Lucerne: There the Governing Council has requested the Cantonal Parliament on 25 September 2015, to declare the people’s initiative “One foreign language in elementary schools” invalid. The arguments of the Government Council, however, are as absurd that the parliament clearly opposed against this request.

Outrageous reasons of declaring invalidity by the Government Council

Although the canton is not a member of the HarmoS Concordat (according to which two foreign languages are prescribed at primary school member cantons), the two “independent” experts, the Government had consulted, came to the conclusion that the cantons were obliged to have two foreign languages in primary education. Because according to the Education Article 62 para 4 of the Federal Constitution of 2006, the cantons would have to harmonize public schools. No one denies this. But it is in the meantime well known that in the individual cantons neither Curriculum 21 nor two early foreign language can be mandatory enforced by this article with its general wording. This fact is of course not new to the Lucerne Government Council, so its “rational” sounds quite adventurous:

“With the initiative ‘One foreign language in elementary school’ the current model of foreign language teaching is at risk with regard to ‘harmonisation’, and it would make the canton of Lucerne an island in the way foreign languages are taught. Therefore the initiative violates the mandate of harmonisation in the Federal Constitution and thus the overriding federal law.” Also the initiative disregarded the commandment of unity of matter, because the voters “could decide that only one foreign language is taught in elementary schools, however, not whether this should be English or French”. Therefore, a dilemma would be created for the voters … (Media release Government Council of Canton of Lucerne from 25.9.2015)

Should the existence as a “language island” be so unconstitutional? Quite apart from the known fact that the “previous model of foreign language teaching” cannot be “disharmonised”, as it was never harmonised: some cantons start with English, others with French, and the Canton of Appenzell-Innerrhoden and newly also the Canton of Thurgau shifts teaching of the second language to the upper school. Particularly interesting is the redefinition of the “unity of matter”, as it is now a negative definition: because not all details of the future legal instrument are known at the time of the referendum, it would violate this commandment? Then, most voting submissions would disobey the commandment of unity of matter! Incidentally, hardly any submission can be formulated more clearly than the Lucerne foreign language initiative: “One foreign language is taught in elementary schools.”

The Lucerne Government faces much more a dilemma: Education Director Reto
tural interdependence in which we range” in the fact that students showed more motivation for the learning of English than the languages of the country. (p. 295) In order not to loosen the national cohesion by the use of English the languages of the country should be reinforced. Target was a “type of general trilingualism”. (p. 303) The report concedes that the achievement of this goal would mean a huge burden of the educational system.

The about 400 pages counting report, which met with a wide response, does not mention in a word which way the targeted trilingualism of the Swiss population should be attained. This question got nothing to do with the confederation; it was a question of the control by the cantons over the domain of education.

The OECD also appreciated this. Still 1990 in its report about Switzerland it praised the high adaptability and pragmatism of the Swiss decentralised educational system and “that this specific decision-making system shows an enviable efficiency” (Swiss education report, report of the OECD, p. 83, quoted from “Standort Schule”, Vol. 1, p. 159).

Zurich breaks the first ground, made in USA

In 1996, the department of education decided the introduction of compulsory English lessons at elementary and secondary school (“Volksschule”) and grammar school (“Gymnasium”). First, it was planned to implement English as second language from secondary school on (7th grade). The teaching staff and the cantonal grammar schools in a legislative process by consultation said that English should not be taught before 8th grade. In December 1997, the Zurich council of education decided to schedule the start of English lessons in grade 7, thrice-weekly.

Surprisingly, only half a year later in Zurich English lessons at an early age were established, which was contrary to all previous decisions, even from the 2nd grade at primary school on. How could such a knee-jerk-decision happen, that put all previous decisions upside down?

The Zurich Director of Education Ernst Buschor, who visited a conference in the USA in April 1997, brought along some radical ideas, which shape Swiss school reforms until today right up to the Curriculum 21. By the so called “Schulprojekt 21” (school project 21) they were effectuated the first time. The most important contents were: learning in mixed age classes, self-organised learning by computers and the-sooner-the-better English tuition even from scratch. In order to intensify the English language acquisition, the children were exposed to the language even in other lessons (immersion programmes): so for instance subjects like mathematics or needlework were taught in English. The Jacobs-Stiftung allocated a million Swiss francs for the project. Schools that volunteered for participation were rewarded by attractive infrastructures, teachers by multi-week trips to the USA. According to the president of the cantonal educational commission, Oskar Bachmann, the whole school project 21 “completely went tits-up” (“Neue Zürcher Zeitung” from 9 March 2003). The immersion programme led to the fact, that students did not proceed in both mathematics and English language. A concerned teacher reports that after the end of the trial at her school, teachers destroyed all material by a bonfire.

In July 1998, the expert commission of the Swiss Conference of Cantonal Ministers of Education (EDK) submitted the “Sprachenkonzept Schweiz” (conception for languages in Switzerland), which went even further. It recommended that children at the age of kindergarten should already encounter other languages, at the latest in the second primary school class should learn the first foreign language and at the latest in the fifth grade a second and in the seventh grade secondary-school a third

"Lucerne Foreign Language Initiative..." continued from page 14

Wyss, who of course is sitting at the same time in the EDK (Education Director Conference) … is the contact person in the aforementioned press release.

Cantonal Councillors keep both feet on the ground of democracy

Let’s come now to the good continuation of this story. The Education Commission of the Lucerne Cantonal Council (Parliament) invited to its meeting in addition to the consultant of the government also an opposing expert, Professor Andreas Glaser of the University of Zurich. He concluded succinctly, “that after today’s federal legislation the canton of Lucerne, which is not joining the HarmoS Concordat, cannot be obliged to two foreign languages in elementary schools. The unit of matter was not in question.” After that statement the Education Commission agreed to the validity of the initative addressing it to the cantonal council unanimously. Their reasoning delights every friend of direct democracy: “For the EBKK [Commission for education, training and culture] the right of initiative is a strong means and on weight as a democratic right.” The Commission will therefore allow for a substantial process and will not exclusively rely on a legal argumentation. “Also because there stands expert opinion against expert opinion, it advocates unanimously the principle ‘in dubio pro populo’ (in case of doubt ask the people) and thus the validity of the initiative.” (Media release of the Education Commission from 20.11.2015)

The cantonal Council proved worthy of the high level of understanding of democracy in its upstream Advisory Commission: it voted for the validity of the popular initiative “a foreign language in elementary schools” (Protocol of the Lucerne Cantonal Council from 1.12.2015) with 112 of 113 votes with one abstention.

GI. The then-employee of the Education Director Ernst Buschor and leader of the school project 21, Christian Aeberli, describes what he called “Zurich experiment” as follows: “In April 1997, the Director of Education of the Canton of Zurich attended an international education conference in the US. The meeting provided an overview of the latest trends of teaching at the primary and secondary level. Topics discussed at the event, were amongst the language learning, e-learning and autonomous, self-directed learning. The conference proceedings of the Education Director formed the basis for the work at the school for the ‘21st century’, after his return he gave the order to that.”

In early May the staff members of the Department of Education met together for a first time. Out of that the school experiment school project 21 (Learning for the 21st century) at the primary school emerged. The school project 21 includes three elements: 1. cross-class, age-mixed teaching to promote independent learning and team learning, 2. learning with the computer as a tool and 3. teaching in English (partly immersive approach, embedding). The experiment starts with the first class and takes six years.”


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one. Learning languages at an early age would not overstrain the children. Neurolinguistic research of the last 15 years would have shown this. Correlating findings, it did not mention, though.

Explicit the conception for languages in Switzerland references to the compatibility with the language policy of Council of Europe and the EU. The EU’s White Paper, published in 1995 by the European Commission, demands the knowledge of three common languages of each European citizen.

Accordingly, ever since then in the EU English has really been taught very early. In the Spanish region Galicia kindergarten children already learn English at the age of three, even before they learn to write and read in their own mother tongue. They have to do this by means of expensive working materials produced in England, which the parents have to pay.

The purposes of the foreign language teaching also changed now: the competency based teaching is formulated the first time. It was merely the matter of “certain immediately applicable basics” (also called partial competencies) [emphasis in the original, gl] and to develop a “learning competence” (source: EDK, “Sprachenkonzept Schweiz”; Berne from 15 July 1998). The “functional plurilingualism” was important for the international applicable worker in the globalised working environment, which means to understand work instructions and to read manuals. No longer there is talk of becoming acquainted with and understand the belonging culture. It was already rudimentarily perceptible what students later were in for exposed to today’s language teaching materials: build small talk sentences, which you can use everywhere instead of learning and practising grammatical essentials and vocabulary. Superficial gimmickries with languages take precedence over profound command of the language.

The “Sprachenkompromiss” (languages compromise) – a political decree at the cost of the children

In 2004, the EDK finally determined the so called “Sprachenkompromiss”, without any democratic participation of their citizens. In order that the Romandie could not feel neglected, not only English was to be learnt at primary school, but also the second language of the country. Whether this was reasonable under pedagogical aspects or not was not scrutinised. It was a pure political decree. Since the EDK had no decisional authority to the cantons, the EDK-decree had and has until today only recommendatory character. In the federal language law, that Federal Councillor Berset wants to modify now, solely the following is determined: until the end of primary and secondary school (“Volks schulzeit”) English and one second language of the country should be learnt. The point in time remains open and hence is left to the cantons. The HarmoS-Concordat (2007) on the contrary compels the ten Swiss-German participating cantons to teach both foreign languages from third resp. fifth grade on.

Teacher resisted from scratch

From the beginning, from the teachers there was strong resistance against learning two foreign languages from an early age in primary school for pedagogical reasons. Main reasons for the rejection were that weaker and foreign-language children are overchallenged and that too much precious learning time is used for foreign languages, while other, more important subjects at primary school go short. As well the unqualified, competency orientated teaching materials, that do not allow a systematic knowledge building and which only create confusion to the students have been criticised for a long time.

Therefore, various cantons such as Appenzell Inner Rhodes and Uri never introduced two foreign languages from an early age in primary school. Resistance has not decreased – on the contrary: it has increased from year to year due to the negative experiences that have been made. In the Canton of Zurich, as in the Cantons of Lucerne and Grisons, a popular initiative is pending, that stipulates to teach only one foreign language at primary school. A survey of the St. Gallen Teachers Association in 2015 showed that out of more than 3,000 teachers only a minority of 17% supported two foreign languages from an early age. Meanwhile there are enough serious empirical studies demonstrating the poor success of learning foreign languages from an early age. The last major study was presented by Dr Simone Pfenninger at the University of Zurich. She took advantage of the unique opportunity of the transitional period in Zurich from learning English in a later age to learning English in an earlier age and was able to show that the so-called “late learners” had well caught up with the “early learners” until graduation, most of them even after six months. Also important is Pfenninger’s realisation that good command of one’s own native language is an advantage for the learning of foreign languages.

In the past decade, teachers in all cantons were able to make similar experiences in practice. With its decision to postpone the second foreign language (in this case French) to the secondary level, the Canton of Thurgau has drawn the consequence from the failure of this experiment. Why despite all negative experiences and in contradiction to reputable scientific findings the EDK and Federal Councillor Berset continue to insist on the teaching of two foreign languages at primary school level, this is only explainable in a political context, anyway not in an educational one. Obviously, the adaptation to EU standards and the interests of large international corporations are more important than decades of personal experiences which are thrown overboard without hesitation. Half a generation of children has been sacrificed for this senseless project. This is more than enough to return to rationality.
Warm mountain water for sustainable fish farming

Tropenhaus Frutigen, a tropical house in the alps, as pioneer of land-based aquaculture

by Heini Hofmann

Once, in Frutigen, in the middle of the Kander Valley connecting the Bernese Oberland with the Valais, slates and matches were produced. They were used at many regulars’ tables for playing Jass. Today, the first alpine tropical house stands here producing sturgeon meat, caviar and tropical fruits – including a gastronomical company and adventure area, a globally unique combination of an alpine environment, aquaculture and tropical ambience. It seems eccentric, but not quite, since tropical climate once also ruled in Frutigen country, as evidenced by fossilised ferns found during the construction of the Lötschberg Tunnel. They lived nearly 300 million years ago and thus are of the same age as the ancestors of today’s sturgeons.

Ingenious vision of a practitioner

But why by all means a tropical house at the foot of the Bernese Alps? Because of a natural phenomenon. From the snowy peaks of the Doldenhorn massif, high above the railway base tunnel through the Lötschberg, rain and melt waters pass through the limestone into the deep, whereby heated by the rock pressure. With a temperature of approximately 18 degrees it escapes again in Frutigen on the north side of the tunnel, with about 70 litres per second. If one were to dispose of this hot water directly into the Kander, it would lead to a threat to native fish stocks. Therefore, a useful idea was in demand. It is no coincidence that it came from engineer Peter Hufschmied, a Petri Heil follower connected to the region. It was amazingly simple, make use of the excess heat for the cultivation of heat-loving fish and plants. Thus, the idea of Tropenhaus Frutigen was born.

This was a kill of two birds with one stone. On the one hand, a costly energy-intensive cooling of the tunnel water was obsolete and on the other, a meaningful and sustainable use of energy was ensured. In other words, no office desk concept, but the implementation of a visionary practitioner’s idea. After 18 months of construction and an investment of around 30 million Swiss francs, the opening took place in 2009.

Technically supported aquaculture

Not all by now enacted landbased fish farms had a good start. Therefore, right from the outset the secure path was chosen for the aquaculture in Frutigen. This means the cooperation with specialised institutions. The venture started in 2002 with a feasibility study and only in 2005 the first sturgeon arrived at the pilot plant.

In collaboration with the Centre for Fish and Wild Animal Medicine of the Veterinary Medicine Faculty at the University of Berne, the housing conditions were optimised. Minimally burdensome methods for sexing and testing of caviar maturity were developed. Anyway, adequate housing has first priority, and the use of antibiotics is taboo.

Today, Tropenhaus Frutigen is considered a pioneer for land-based aquaculture with a circulation system for breeding of freshwater fish. The Frutigen sturgeons are

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Sturgeon breeding and caviar production in the Alps – a delusional idea? Considered volatile, perhaps; but looking closely, the opposite: pioneering renewable surplus energy combined with sustainable wild stocks of gentler fish farming.

Little science of sturgeons

H.H. They are one of the largest-growing type of freshwater fish in the world. They have a distinctive appearance: a spindle-shaped, elongated body, a snout with a long appendix, a toothless, epigynous mouth and four big barbels as well as fleshy lips, that can be rolled to the front like a trunk, five longitudinal rows of bone plates within the skin along the torso and one asymmetric tail fin.

Among sturgeons, there are the subspecies “Hauser” and “true” sturgeons, the first one with two different types (beluga and kaluga), the latter one with seventeen types located throughout Europe, Asia and North America. Of those seventeen types, five well-known sturgeon suppliers are from the Black, Asov and the Caspian Sea (common sturgeon, sterlet, starry sturgeon, waxdick and fringe barbel sturgeon), two more are from further east (Siberian and Amur sturgeon), five are from the Asian Pacific coast, four from Northern America and one from the Adriatic Sea.

The sturgeon has almost entirely vanished from European waterways (the sterlet used to have his home in Southern Germany) due to pollution, illegal fishing and river barrages. The streams of Elbe (Germany), Gironde (France), Guadalquivir (Spain) and the lower course of the Danube river (Austria) are the last refuges where they can still be observed on their upstream migration to the spawning sites during spring.

Tropenhaus Frutigen decided to acquire Siberian sturgeon (Acipenser baeri). That subspecies established a population that no longer migrates to the sea, for example at Lake Bai-kal.
considered valuable edible fish and caviar suppliers. They grow 80 to 140 centimetres long and reach a weight of approximately 30 kilograms. They are light to dark brown on back and flanks and the belly is yellowish white.

Oona – the caviar of the Bernese Alps

Meanwhile, a good 80,000 sturgeons populate the fish tanks in Frutigen. The annual harvest amounts to approximately 6 tons of delicate, boneless filets and approximately one ton of caviar. Processing and finishing such as the smoking of meat or hand-selection the caviar pearls according to colour and size take place in an in-house factory.

The luxury sturgeon of Frutigen has cult status. It is obtained from the eggs of females and guaranteed to be genuine. (Latest investigations by the Leibniz Institute for Wildlife Research show that wild roe from Romania and Bulgaria was adulterated or counterfeited to a significant percentage.) The Alpine caviar with its nutty creamy flavour is lightly salted in the traditional way (maximum of 3.5 percent) and free of preservatives. It is produced in four selections, limité, jeune, traditionnel and millésime (the latter pasteurised).

Its brand name is Oona, a word derived from the Celtic (once, the Kander Valley was inhabited by Celts) and stands for the unique, the exceptional. Even its packaging is exclusive. It consists of a handcrafted ice cube made from clear glass manufactured in Hergiswil featuring the purity of the product. Last but not least, even the leathery sturgeon skin is made into accessories.

An exotic all round adventure

With its almost 80 employees, Tropenhaus Frutigen houses besides the sturgeon walk-in aquaculture and interactive exhibitions on renewable energy and sustainable food an exotic park with plants, vegetables and orchids in large greenhouses. Embedded within is the theme gastronomy with two restaurants, a bar, lounge, summer terrace and event zone. For the youngest there is a separate mini lounge.

In the tropical plantations one encounters all those exotic fruits known to us from the shopping shelves. Here they flourish and ripen in all its glory and bouquet, from bananas, dwarf bananas and papayas via carambolas, guavas, physalis, lychees and durian to mangosteen, avocados, pineapples and kumquats. Each year it reveals a production of approximately 2.5 tons, which is offered in the in-house restaurants and in the Tropenhaus shop, along with the sturgeon and caviar products. The latter of which can also be ordered.

In short, this tropical oasis in the Bernese Oberland is the result of a pioneering combination of the use of renewable energy and sustainable food production. Apart from the warm tunnel water solar energy and biomass are used as well. Even a water turbine produces power from excess drinking water. Such sophisticated combination of nature and technology made the Tropenhaus Frutigen an attraction for families, events and seminars, known beyond the country’s borders.