

Current Concerns

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Medicine cannot really be human without care and interpersonal relationship The rule of economics sickens our healthcare system

by Professor David Holzmann, MD, Zurich

Still, health is the highest good for human beings. Every physician can experience this as a feedback from the patient, for example in the form of large relief when a medical clarification or a treatment provides a satisfactory result. It is in the great hope of health or of a successful treatment of an illness or an injury, that patients often generously overlook misconduct by doctors or nurses or inconsistencies in administrative processes. Nevertheless, it can be noticed a growing dissatisfaction of the patients. When patients express their complaints in personal feedbacks, letters or letters to the editor in newspapers, there are certain deficiencies mentioned with constant regularity. Doctors and nurses are said to have too little time for the patient, patient partly don't understand what kind of disease they have and why they need this or that treatment. When corresponding with health insurance companies, hospitals or other treatment institutions a vast number of forms with questions have to be answered and instructions to be read. The complaints of the patients relate to deficiencies in the doctor-patient relationship, which is given less and less attention to or simply is neglected. On the other hand, more and more doctors and care professionals complain that they can spend less and less time for patients be-



cause of rigorous activity recording, controlling, reporting and so on devouring more and more time. Where is this time lost for the patient? Why a bureaucracy that is constantly on the increase?

In a well understandable and comprehensible book titled "Geschäftsmodell Gesundheit. Wie der Markt die Heilkunst

abschafft" (Business model health care. How market abolishes medicine), Professor Giovanni Maio, specialist for internal medicine and professor for medical ethics, gets to the heart of a current development in our health care system: the health care system is increasingly exposed to the so-called free market; as a consequence administrative and bureaucratic work and especially complying to budget limits is prioritized higher and higher, while the effective care for the patient is increasingly neglected. Doctors as well as nurses and other health professionals are more and more forced to categorize and treat patients according to economic or financial criteria.

Increasingly, medicine is supposed to work by economic or neoliberal principles. This explains why doctors can spend less and less time for the patient. The same is true for other caring professions such as nurses, physiotherapists and so on. Yet, they have chosen their profession to work with patients, but exactly this is what they have to move away from more and more,

"A last and basic principle, that doctors should be enabled to provide to their patients, is appreciation. A doctor can only find his professional fulfilment if he succeeds in retaining a basic appreciation and offering it to the patient. [...] But you cannot prescribe interpersonal relationship and check it in a management system. [...] Structures must give space to humanity so that it can flourish. For this purpose there must be a consensus that despite all efficiency dictate as a matter of course money must be invested in good working conditions in healing professions. [...] Doctors and nurses must experience appreciation by the system in order to appreciate their patients and engage for them in a human way."

Giovanni Maio, p. 160f.

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because the relationship with the patient is no longer at the top of their priority list.

This explains the growing discontent in the medical profession, whose representatives are increasingly relegated to managers and administrators of patient data.

Medicine on the way to DRGs and budgeting

In Germany and in Switzerland a retrospective funding system was in effect up to the early 90s, which means that the patient is supplied first and only after that a hospital determines the actual costs and requests the compensation. After a health care reform – in Switzerland after amending the Health Insurance Act in 1996 – a change occurred in favour of a prospective financing concept. Thus before the patient is treated in a hospital, the latter has to bother with the financing, how it can treat its patients with the resources available. This change enables the hospitals to achieve profits or losses, which is common in commerce, industry and trade. This change in turn affects the mental state of the staff and rubs off on the satisfaction and job security. This is consequently a central idea of Giovanni Maio: The loss of the social, the doctor-patient relationship, as a result of an economic transformation of medicine that targets more and more on performance, financial optimisation and ultimately to generate income. The doctor, however, has a duty of loyalty towards the patient, which he cannot simply give up. A compromise, a balancing of economic benefit and the welfare of the patient can simply not exist because the latter is not negotiable. Certainly it is true that every doctor should give economic thought to medicine. He must have some awareness of costs, but he should not come under pressure and refrain from certain investigations and treatments in order to avoid a deficit of his hospital. Hospital strategies, which are primarily geared towards profit maximising are to be despised.

“Therefore physicians have to formulate much more resolutely, what they actually step up for and for which objectives they are willing to work. The physicians have to find back to a community and communicate even more clearly, that they are unwilling to give up their rationality of care and welfare. They have to advocate actively for a medically logic and disassociate themselves from mere economical evaluation patterns of their work. Since only the patients are the ones who give the doctors their rights to exist.”

Economic pressure on clinics is a danger for physicians and patients

“Hartmannbund” (German association of physicians) feels vindicated by Ethics Council

The “Hartmannbund” feels vindicated, as to their warning against the consequences entailed by economic pressure in German clinics by recent declarations of the German Ethics Council. “Especially the federal states which have reduced their grants for clinics should conceive this result as an alarming reveille”, said the president of Hartmannbund PhD *Klaus Reinhardt* in Berlin. The advice of the Ethics Council that the patient’s welfare is increasingly failing by the wayside under the prevailing conditions also obliges the clinics to a rethinking. In this context, Hartmannbund explicitly supports the board’s demand that the chief executive should both possess knowledge in special economic competence and medicine and care. Decisions that are pre-

dominantly economy oriented would in the length of time unreasonably deteriorate the working situation of doctors and nurses and by that endanger the patients’ welfare. Thus, the by the Ethics Council demanded minimum number of nurses had also to be spilled over to the medical’s staff.

Reinhardt appealed to the Federal Minister of Health, Mr *Gröhe*, to take the hints of the Ethics Council seriously. A part of this is to ask oneself repeatedly whether the system of per-case flat rates (so-called “Fallpauschalen”, DRG) accompanied by various disincentives could be modified.

*Press Release by “Hartmannbund”
from 6 April 2016
(Translation Current Concerns)*

Practical implications of an economic approach to medicine

Neither politics nor hospital authorities stipulate the doctors openly, that they should treat patients purely according to economic criteria, respectively they do not stipulate the age at which a patient – as in Great Britain – no longer has a right to a dialysis. “Although the hospital authorities make no clear standards, but through the departmental budgets and the transparency of revenues each department is put subliminally under pressure. They are extorted as it were, but assure that ultimately the doctors should decide for themselves.” (This and the following quotations are taken from the book by Giovanni Maio.) Doctors undergo a structural dictation by depriving them from more and more resources. For example, doctors are more and more burdened with purely bureaucratic

tasks such as meticulous activity recording, coding, requests for cost pledge and so on, by which they inevitably have less and less time for the patient.

In addition to the structural also an ideal dictation takes place by which the clinician is prompted subtle, to treat according to economic and not reasonable medical criteria. He is literally forced to categorise patients according to “loss item” or “profit item”, which makes the overdone diagnosis of privately insured patients explainable.

The direct effect of the increasing economic orientation is the draconian reduction of personnel resp. the personnel costs. Finally now becomes obvious that the dictate of the economy tends to minimise the time of contact with the patient. To reduce this contact time even further, administrative tasks will be given highest priority, “the non-immediate-documenting is sanctioned mercilessly”. Maio sums up consequently: “Within a more economic approach to logic medical treatment is reduced to a technical service to be run as cost effective as possible.” In this concept, however, in which competition and rivalry are top target quantities also unprofitable parts of the enterprise are determined and repelled. A medicine, however, that the patient avoids in this way, no longer deserves to be called medicine.

Conversely, we observe already today in the revenue-oriented patient care profitability criteria that are essentially more central for the decision for a diagnosis

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and treatment than the patient with his disease himself. Hence blatantly even hospital administrations and health economists talk of customers and no more of patients. Along with this – according to Maio – a deprogramming of the doctors takes place who see themselves forced to more and more act reluctantly according to economic requirements and to have to say goodbye to the compassionate relationship with the patient. Thus, the doctor is in both senses of the loser: He loses the trust of his patients and the meaning of his medical practice.

Theoretical implications of an economised medicine

The role of economy concerning medicine has changed in a way that economy has developed from a servant to the dominator of medicine. The time pressure imposed by bogus arguments rules out tranquil dialogs between physicians and nurses. On the other hand every action is split up in time contingents respectively defined by fixed timeframes.

A central presupposition of economisation is the perception that treatment of sick people has to follow the modus of an algorithm respectively the model of industrial production. But from this moment on the patient is automatically degraded to a mechanism. Accordingly the physicians have to learn to replace personal decisions by rational automatisms whereby the healing professions are deprofessionalised and industrialised. In this economised system therapy is not adapted to the patient but the patients are adapted to a therapy schedule. Consequently physicians become convertible, because in the clinic it is not about the person of the physician but about the "proces" of treatment. By "managerisation" and "proceduralisation" of therapy in the end an essential part of medicine is rationalised, namely the trustful relationship to the fellow humans. In this economised system there are no more helpers but service providers. The care for the other is substituted by the delivery of ordered and contractually agreed health products. The empathic engagement of the physician is replaced by the obligation to a perfect service. At this point Maio aptly cites *Erich Kästner*:

*"In their hands everything becomes a ware,
In their soul burns electric light,
They measure even the unmeasurable,
There is nothing that cannot be counted."*

Under the dictatorship of this economic reality the physicians and all helpers are

"As long as the physician is called a physician, he pledges himself to provide the common weal. However, that does not mean consequently to refuse help to individual patients in the interest of efficiency and to opt for a prioritisation. Common weal can here only mean that the doctor takes care of the entirety and that he does not waste public funds, even if the individual patient wished that for himself. The obligation towards the common weal, however, means also that the physician must not misuse his stately funded qualification for profit-maximisation, because that would be alienation. That is why doctors have to bring home that as representatives of public interests they would only work in order to fulfil the latest aim of their profession as doctors."

Giovanni Maio, p. 152

forced to set aside integral thinking. The iatric quality is systematically diminished whilst a rampant red tape has broken out. Everything has to be proved, everything is being controlled, nothing is taken for granted. To the contrary for everything it has to be given account. The physicians find themselves to be under general suspicion. The constant pressure on the physicians does not serve the good of the patients but only the balances. Working in a merely profit-oriented way weakens self-motivation and thus the true strength inherent in this profession, which offers work close to the patient. But especially the dialog between the helpers – physicians or nurses – is not rewarded. On the contrary, expensive technical diagnostics and interventions are much better paid than a thorough and empathic dialog with the patient.

"That this system is functioning like this after all and that the physicians tag along that way is due to the subtle individualisation of a structurally imposed shortage. The shortage of time and resources is determined from above, but the staff of the clinic has to deal with it. They always have to work under growing pressure." *That the healing professions have not enough resisted against this imposed shortage so far, is due to the successful strategy to declare the shortage – which is predetermined from outside – to be an individual problem of the single physician.* In such an economic system devotion or service to the community have no place, even are regarded as old-fashioned. According to this way of thinking the relationship to the patient shall no more be a social one but a matter of business.

From patient to customer

In modern medicine – as far as one can speak here of medicine at all – the patient is more rarely seen as troubled fel-

low human but as consumer of medical services, as responsible customer who has to make a well informed purchase decision. Nevertheless, by his suffering the patient often has no real choice. The economic ambition to induce a customer to buy even in future and possibly constantly from the same vendor cannot really correspond to the aim of a physician. Nevertheless, by the implementation of economic principles our health system is thus far depersonalised, that more and more physicians and hospitals advertise their "offers" in high-gloss brochures, web-sites and so on, whereby they to a lesser extent help and heal but can realise more sales interests.

The problematic area of bonus payments: A reward for the wrong thing

If doctors stand up for the welfare of their patients, this is a genuine social commitment and by this a behaviour different to economic thinking. However, bonus payments are an economic instrument. Many studies show that doctors gain a personal benefit in their profession mainly from their contact with the patient and from the feeling to have helped them. Yet, bonuses lead to a degradation of helping someone and thereby to a threat to this feeling of an inner professional fulfilment. The current economic principles in medicine prefer doctors who see themselves as service providers and primarily, they should not abide by the profession's own requirements but by the instructions of management. This results in an intended deprofessionalisation. Thus, we experience a devaluation of medical profession, because doctors who rely on their professional status and thereby claim freedom of thought and of treat-

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ment, are more difficult to be managed. Nowadays, doctors are performing a balancing act on which they must decide between internal motivation and gratification. They must be aware that financial incentives mean an undermining of the obvious matter of helping.



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"Is it worth to help?"**The wrong way of prioritisation**

As a result of the interplay of data orientated modern medicine and calculating economy, currently, everything for what figures can't be provided is judged as unnecessary. In doing so, diktats of numbers will be established, and these diktats of numbers don't know qualities, but only quantities. In such a system, the essential need to help the people has no place. A purely economic calculus is limited to charging up the costs against the benefits; the medical approach on the other hand is primarily based on the likelihood of possible medical assistance. This leads to conflicting goals for the doctors. The doctor is primarily an advocate of the patient; he cannot leave his patient to economy, which is just an advocate of good balances. Yet, as long as the doctor calls himself a doctor, he is committed to serving the common good. However, this results neither in refusing aid to certain patients on behalf of efficiency nor in prioritising. Commitment to the common good means that doctors may not abuse their stately financed training and make it serve profit maximisation. This would be a misuse. In his book Maio clearly puts the finger on the risk for patients, but also for helping professionals, to become ultimately victims of the increasing economization of medicine. Doctors are expected to learn to think economically; but it is even more important that economists learn to think medically. "Shall medicine serve economy or shall economy serve medicine?" The answer to this initial question is the same for physicians and patients. It is certainly correct if doctors worry about financial and economic issues.

Concluding remarks

For Maio the increasing domination of economy over medicine is a key reason why our health is getting more and more sick and why despite medical advances patients run the risk of being treated worse and worse. Behind this economisation neoliberal agendas of politicians like the former member of cantonal government *Buschor* (New Public Management) and policy approaches of the Fed-

eral council and the parliament must be taken into account. During the past two decades the Federal council was orientated closely towards the requirements of the World Trade Organization (WTO) which imposed on each member country to have fewer financial resources flown into the public services. These WTO requirements together with the neo-liberal economic policies are key reasons why less and less public funds (tax revenues) flow into health care. So whole cantonal hospitals are fully and university hospitals are partially privatized. What sounds liberal on the surface is nothing but the denial of constitutionally granted financial means.

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The US are poisoning the climate in Europe

by Willy Wimmer



Willy Wimmer
(picture uk)

With all the bad news, which is the result of a policy on a global scale backed by Germany, you might overlook an ultimately devastating news item. Nevertheless, it packs a punch what one could read in the newspapers. Accordingly, beginning

from next year, the US will deploy an armoured brigade and thousands of vehicles and other military equipment east of Germany to the NATO countries located between the Russian Federation and Germany. The justification for this is the alleged concern of the local NATO member states against a Russian aggression that is indeed scarcely perceptible for all other countries on the continent.

Final goal of a targeted US policy since 1992 that aims at a new disunion of the continent

Of course, all NATO countries have been betting that over the Maidan-coup not only the former Ukrainian government would fall. This would have enabled the United States to implement a since more than a decade openly declared policy which is aimed at a new separation of Europe. Ever since the public spectacle about the plait-wearing Ukrainian oligarch *Yulia Tymoshenko*, which was run with the participation of famous and competent German clinics, it became clear, what the US were aiming at in the Ukraine, our eastern neighbours have in their view backed the right horse. Of course, the German federal government has also managed that.

The intended elimination of the Russian naval presence in Crimea in the wake of the Maidan Putsch, with the purpose to cap the supply for the Syrian president *Assad* and the elimination of substantial rights of the Russian-speaking minority in Ukraine, proved as the “famous lead balloon” which had terrible consequences for the inhabitants of Eastern Ukraine.

At this time, the pithy words from the Baltic states and Poland towards Moscow were outdone only by the even plainer language of high German NATO officers in the direction of Moscow. The climate was sustainably spoiling for a fight, and NA-

TO-circles had created the psychological basis for a sufficient self-threat scenario. This was the atmospheric justification for what is the basis of the American troop deployment today.

The United States consistently undermine the agreements of the “Two plus Four Treaty” in Germany

This announced troop deployment closes a chapter that most directly relates to us in Germany. Since *Napoleon*, all conclusions from history had induced us Germans to see to it that only German troops were stationed on the territory of the former GDR. Under no circumstances, we wanted the antagonistic situation, which had been so relevant for the Cold War, to be continued. The dense network of contractual links and not military dominance should determine Europe. The presence of allied NATO forces on the territory of the former GDR was to avoid.

Germany was not yet reunited, as all sorts of attempts had been made by the allied forces to undermine these provisions. This effort had been visible at the latest since due to the war in Afghanistan, Leipzig Airport – and it had just to be Leipzig - had become the hub for American troop deployments in Afghanistan.

Today, the mainly American convoys trek eastwards on the military training grounds in the eastern German federal states, as if there was not sufficient adequate exercise space for the global muscle- and war-games of the US in Grafenwöhr and elsewhere. Every effort is made to water the “Two plus Four Treaty” down and to turn it into its opposite: no longer a contract related policy towards Russia.

150 kilometres to St. Petersburg – Leningrad comes again into focus

St. Petersburg looks to Europe. The view in the Western direction is in no way pleasant these days. American tanks are today as virtually at the gates of Russia’s second most important city as decades ago Soviet missiles, which had been targeted at New York. It is nearly immaterial what NATO and the Russian Federation in better times had agreed on in terms of the omitting of Western deployments.

The US have done everything to blow things up in Europe. Why should people in Moscow not construe the Western signals emitted since 1992 as they deem it right?

Today, in Germany you can justifiably assume that it took the US a good twenty-five years to rebuild trenches in Europe

again and let walls emerge. The US have been alienating the NATO Treaty from its purpose of the contract without affirmation of the peoples of the member states. This Treaty intended the mutual coupling of the Atlantic coasts without military integration, which in the meantime has occurred and had been implemented only after the establishment of the NATO.

Everyone – also the Germans – have approved NATO as a defence alliance. The Federal Constitutional Court stated this expressly in its famous “tornado judgment” of the year 2007. The specification of NATO as a global attack Alliance is not covered by the will of the German people, and there is no required approval of the German Bundestag.

It is long overdue that the Federal Government and the Attorney General denounce the daily infringement of the law on German roads. It would be preferable however, to act consistently against it without considering the viewing direction. Even better was we would respect international law and its own Constitution in connection with the NATO wars and not to join the American operations against international law.

This policy leads us back to the terrible images of the Second World War. Is that our policy towards a neighbour we can thank the reunification of Germany more than many others? Towards a neighbour who verifiably relies on international law, the peaceful settlement of conflicts and peace since before the end of the Cold War. Quite different from the US, a country we are more and more chained to and which to our vast horror stands out by the destruction of international law and the leading of wars.

The American attitude toward the NATO allies and the Russian Federation reminds us more than we prefer of the ancient Roman saying about Carthage.¹ In the Conference in Bratislava in May 2000 the US have made their view clear. Accordingly it seems, that Moscow has to be destroyed, because Moscow exists. We have come such a long way. •

¹ “Ceterum censeo Carthaginem esse delendam” (“Furthermore, (moreover) I consider that Carthage must be destroyed”). The phrase was most famously uttered frequently by the Roman senator *Cato the Elder* (234–149 BC), as a part of his speeches. [editor’s note]

NATO aggression – 17 years on Panel dedicated to the memory of the victims

by the Belgrade Forum for a World of Equals

On 23 March 2016, Belgrade was hosting the panel dedicated to the memory of the victims of NATO aggression against Serbia (resp. the Federal Republic of Yugoslavia), launched on that day 17 years ago. The panel was organised by the Belgrade Forum for a World of Equals, the Serbian Generals and Admirals Club, SUBNOR of Serbia (War Veterans Association), and the Association of Serbian Hosts. The panel was attended by representatives of students, of the Serbian diaspora, H.E. *Vladimir Chushev*, Ambassador of Belarus, and also by diplomats from the embassies of the Russian Federation, the People's Republic of China, the Republic of Angola, Switzerland, and other friendly countries.

At the beginning, the participants paid tribute to 1,008 casualties among the defenders – soldiers and policemen, and to some 2,500 killed civilians including 80 children, at the age of only a few months to adolescence.

The participants were greeted by special guests, Mr *Maksim Misko*, President of the Peace Fund of Belarus, and Prof Dr *Zahari Zahariev*, President of the Foundation "Slavyani" of Bulgaria.

Under the slogan "Never to Forget", presentations on the consequences of NATO aggression and the globalization of interventionism were given by Mr *Živadin Jovanovic*, President of the Belgrade Forum, General Dr *Radovan Radinovic*, retired, Dr *Stanislav Stojanovic*, diplomat, General Dr *Luka Kastratović*, retired, and Prof Dr *Aleksandar Rastovic*, historian.

A turning point in the international relations

The key points made by the speakers underlined that the NATO aggression 17 years ago was the turning point in the international relations as the shift towards an unrestricted military interventionism by the USA and NATO, a decisive step in the implementation of NATO's strategy of spreading eastward towards the borders of Russia. This also included the militarization of both Europe and the international affairs in general, the undermining of the United Nations system and the legal order established on the grounds of the outcome of WWII. Its purpose was to create a chaos



On 30 May 1999 already at the first run-up of two NATO fighter bombers F 16 the bridge of Varvarin was completely destroyed. The second run-up cost the lives of 10 people leaving 27 people seriously injured. (picture ma)

for the sake of facilitating the self-serving economic and geopolitical interests. It was concluded that the period of domination of a unipolar world order was over, that the international relations have entered a period of tectonic changes, and that a great conflict could only be avoided by recognising Russia and China as partners on an equal footing, and also as inevitable factors in resolving any serious international problems.

It was noted that the international terrorism has been rapidly surging from the Middle East, Central Asia and Northern Africa to flood the European soil and that, in all likelihood, this trend was going to spread on to other countries and continents. The halting of this trend requires the West and, notably, the USA, to forego their policy of double-standards and their ranking of terrorist organisations as "freedom-fighting" vs. "terrorist", or as "moderate" vs. "extremist" ones.

If the 1990s were marked by the lack of political will to uphold the Security Council's decisions on discontinuing further funding, training, and arming of terrorist KLA in Kosovo and Metohija, and if nobody cared to understand that the West (NATO) support to secessionism of a part of Serbia's state territory would amount to a foothold for the upsurge of terrorism and organized crime targeting Central and Western Europe, now it is high time that the West understand it was

deluded by the egotist interests, unrealistic geopolitical goals, Russophobia and Serbophobia.

A warning was voiced that the spillover of terrorism onto the West would be gaining pace unless the channels of funding, training and arming the ISIS forces are severed, promptly, although this depends primarily on the political agenda of the mightiest Western power.

Call for UN world conference on terrorism

A proposal was made to call for an urgent convening of a world conference on terrorism under the auspices of the United Nations, which would give the green light for the drafting of an international convention on combating terrorism.

The participants of the panel have unanimously condemned in strongest terms the terrorist attacks in Belgium and the preceding ones in France, expressing condolences to the families of the innocent victims of these attacks.

At the end, about 200 participating representatives of independent, non-partisan associations endorsed the initiative to submit a motion to the Government of the Republic of Serbia to mark every future 24 March by lowering the national flags on all official institutions at half-mast, in a gesture of remembrance and tribute to the victims of the NATO aggression. •

Two kinds of politics

by Karl Müller

Two recent incidents demonstrate that politics are not “without alternative”, but serious and good alternatives are conceivable and possible.

One kind of politics has been demonstrated by the way in which media and politics dealt with the so-called “Panama Papers”. Indeed there are people all over the world looking for twisted ways to deprive their states of taxes, to launder illegal money and to pursue other criminal business. Hence the evaluation of data regarding letterbox companies is important in a state of law.

Promoting a new Cold War...

However, already the very first headlines in the newspaper presenting the material for German readers were stupefying. Pictures and titles on the front page and on two other pages suggested that the President of the Russian Federation, *Vladimir Putin*, was at the centre of the criminal schemes. The same was true for the design of the book cover published simultaneously by the journalists. It was the same with the parallel reporting British daily paper.

Some others have also noticed this, including the former British ambassador to Uzbekistan, *Craig Murray*, who has stood out before due to his lateral thinking. In his comment (www.craigmurray.org.uk) we can read: “Unfortunately the leaker has made the dreadful mistake of turning to the western corporate media to publicise the results. In consequence the first ‘major story’, published today by the Guardian associated with the “Panama papers”, is all about Vladimir Putin and a fraudulent cellist on the fiddle.” *Craig Murray* is asking why the story “is focussed on Russia?” “Russian wealth is only a tiny minority of the money hidden away with the aid of Mossack Fonseca. In fact, it soon becomes obvious that the selective reporting is going to stink.”

But *Craig Murray* does not really find this surprising: “The leak is being managed by the grandly but laughably named “*International Consortium of Investigative Journalists*”, which is funded and organised entirely by the USA’s *Center for Public Integrity*. Their funders include *Ford Foundation*, *Carnegie Endowment*, *Rockefeller Family Fund*, *W K Kellogg Foundation*, *Open Society Foundation (Soros)* among many others.

Do not expect a genuine expose of western capitalism. The dirty secrets of western corporations will remain unpublished. Expect hits at Russia, Iran and Syria and some tiny “balancing” western country like Iceland.”

But surely we can assume that this kind of action will not improve the relations

with Russia. So is it really exaggerating to state that these kinds of actions are obviously a part of a new Cold War, which is not about truth and justice but about victory in a power struggle?

...or search for possibilities for cooperation?

People in the Middle East know from experience how cold wars turn into hot wars. So a newspaper article by *Seyed Hossein Mousavian*, demonstrating that a different kind of politics is possible, is highly valuable. In 1990-1997, *Seyed Hossein Mousavian* was the Iranian ambassador to Germany; in 2003-2005 he was spokesman of the Iranian delegation at the nuclear negotiations. Since 2009 he has been guest professor at the Princeton University. In a guest editorial for the “*Frankfurter Allgemeine Zeitung*” on 4 April 2016 he made proposals for a peace process in the Middle East and a concentration of all forces towards fighting terrorism. The first three sentences of the article are programmatic: “An ideology of terror is spreading in the Middle East. The region is facing a complete collapse. Only cooperation can prevent this.” The former Iranian politician elaborates on one of the fundamental problems of the region, the “conflict between Saudi Arabia, a Sunni leading power and Iran, a Shia leading power, which has interwoven civil war and confessionalism.”

His proposal for a solution is not a fight for victory between the two powers but an urgent call for “establishing a mechanism of regional cooperation which restores the regional safety.” Concretely: “At the Persian Gulf [...] a system for regional safety has to be created, following the example of the *Organisation for Security and Co-operation in Europe*, (*OSCE*) and the integration of Europe since the end of World War II.”

Good-neighbourly relations

Until 2005 there had been a safety agreement between Saudi Arabia and Iran. This had to be re-established: “The agreement has demonstrated that good-neighbourly relations between Saudi Arabia and Iran are possible.” *Seyed Hossein Mousavian* himself had been involved in the negotiations regarding a rapprochement between Tehran and Riyadh, also in the implementation of the safety agreement. Talking about his experiences he writes: “In mid-1996 the former Iranian President of State, *Hashemi Rafsanjani*, commissioned me to start talks with the Saudi government. With the Saudi crown prince *Abdallah*, I was negotiating in Casablanca and in Jeddah. In open and serious talks we

were treating all issues between us. Neither one of us was interested in quarrelling, we wanted solutions. We agreed on a comprehensive bilateral package for the collaboration in the areas of politics, safety and economy.”

The result: “King *Fahd* agreed to the package, in Teheran the Supreme Leader of the Islamic Revolution *Ali Khomeini* and President *Rafsanjani* also agreed. *Hassan Rohani* who was at the time heading the National Security Council as General Secretary and the Saudi Minister of the Interior, *Nayef Bin Abdal-Aziz Al Saud* signed the safety agreement. It was implemented immediately and a common security committee was established. As a consequence, between 1996 and 2005, when *Mahmud Ahmadinejad* was elected president, Saudi Arabia and Iran enjoyed their best relations since the Iranian Revolution of 1979. In parts they were even better than during the Shah’s reign.”

Good reason for *Seyed Hossein Mousavian* to claim: “More than a decade later we should start fostering this collaboration again. In Iran, the conditions for this are good. As in 1996, *Khomeini* and *Rohani* (who is now President) are leading Iran. In Saudi Arabia, the attitude is similar as under crown prince *Abdallah*. He had negotiated in a flexible way; he was oriented towards principles and not towards maximalist positions.”

Seyed Hossein Mousavian closes his editorial by pointing out the benefits of such an agreement for both countries, Iran and Saudi Arabia. Both powers have an essential interest in the stability of the region: “Stability and integrity of Saudi Arabia and other Arabic neighbouring states at the Persian Gulf are an indispensable element of Iran’s safety and stability. Hence Saudi Arabia should be interested in collaborating with Iran. It is about time for Riyadh and Tehran to collaborate towards the creation of a regional security structure at the Persian Gulf. In this, they should concentrate on questions of common interest and prevent the Middle East from a total breakdown. The way forward should be based on cooperation, not on confrontation.”

Europe cannot be interested in a new Cold War

Is the situation in Europe so much different? Who can be interested in a new Cold War on the Eurasian Continent, considering the alternatives: good-neighbourly relations between all European states including Russia, a win-win situation for all involved

Think tanks – the invisible power

William F. Engdahl – Autocratic structures threatening democracies



rt. A compact summary of international networks and their “think tanks”, intervening in politics, is provided by William F. Engdahl’s depiction “Die Denkfabriken. Wie eine unsichtbare Macht Politik und Mainstream-Medien manipuliert”

(*The Think Tanks. How Invisible Power Manipulates Politics and the Mainstream Media*). Engdahl is a renowned expert in the field of geopolitical analysis. He analyses independently of the mainstream and has repeatedly picked up controversial issues such as genetic engineering or currency policy.

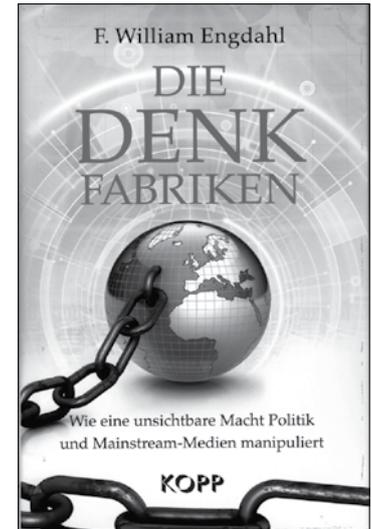
In a historical-systematic manner, Engdahl analyses various think tanks and the players behind them, who have decisively influenced decisions on war and peace for decades. Due to the number and persuasiveness of publications and documents in the past 20 years concerning the mechanisms and associations, through which major policy decisions are globally made by small elites outside of any democratic legitimacy, a public debate is currently under way. Meetings of the “Bilderberg-

ers”, the “Trilateral Commission” and also of the “Atlantic Bridge” have both been continuously documented and critically evaluated in their effects, so that an objective representation has been made possible. Meanwhile, the historical development of these institutions has also been reappraised.

It is William Engdahl’s achievement to have depicted the current associations and foundations and their history. Networks, based on Anglo-American power elites, have retained their influence on current policy-making down to the present day. Foundations, which are used to intervene directly in politics, are also extensively described. Here, he also analyses foundations ostensibly committed to protecting the environment, in reality, however, pursuing power political goals (*Aspen Institute*). Engdahl describes in detail various institutions and their donors, such as the *European Council on Foreign Relations*, *Chatham House*, *Center for a New American Security*, *the German Marshall Fund*, *Atlantic Council*, *PNAC*, *RAND-Cooperation*. He also depicts individuals and their interconnections, such as *George Soros*, *David Rockefeller*, *Zbigniew Brzezinski*, as well as current politicians, including Euro-

pean ones. Engdahl’s publication implies the call for transparency and for democratisation of these institutions. Especially in times of a possible atomic overkill, decisions made by small secret circles having a global impact, are no longer to be tolerated.

Engdahl, William. *Die Denkfabriken. Wie eine unsichtbare Macht Politik und Mainstream-Medien manipuliert*. Kopp-Verlag, Rottenburg 2015. ISBN 978 3 86445 216 1



“Two kinds of politics”

continued from page 7

regarding economic relations, as of now unforeseeable benefits through the realisation of the “New Silk Road” project. And, first of all: no danger of war, the nightmare of millions of people in the West and the East of Europe could be ended.

On 6 April, the Dutch have voted against the Ukraine-European Union Association Agreement with a majority of 62%. The reasons for this unambiguous result of the citizens’ will are manifold. One of them is the desire to prevent a further confrontation between West and East. As long as the politics of our countries are following a different path, it is not following the citizens’ will and also not the interests of Europe. The piece from Iran is showing an alternative. This would be in agreement with the people’s will – all over the world. It is really revealing, however, if the Luxembourg Foreign Minister *Jean Asselborn* states after the Dutch vote that “in a parliamentary democracy, referenda are not an appropriate instrument to answer complex questions” (“Hannoversche Allgemeine Zeitung”, 9 April 2016).

Letter to the Editor

A swathe between China and Europe

On 29 March 2016, by using two thoroughly analysing contributions, *Current Concerns* appeals to the reader. It was possible, with regards to these contributions, to bring some order, due to preconceived perspectives, into the Syrian War. When looking at the entire situation of the world, a further contribution from the perspective of a Chinese commentator should now follow. China is one of the players on the world stage which one may not dispose of with ridiculous ecological arguments nor with the label of lacking to comply with human rights. *Current Concerns* has already portrayed the developed partnership like cooperation between Russia and China. China helps the African developing countries with the construction of infrastructure projects.

China trades with Europe on the basis of a balanced cooperation. China was (therefore?) one of the main reasons for the war with Syria: it was necessary to cut a swathe between China and Europe. It was not allowed, in the eyes of the war mongers, that China gets its footing at the world level more than before. However, times are changing. Whoever does not correctly cooperate with China, at all levels, has not seen the sign of the times – even a war against China, in the Pacific, for example, would lead the blind participants into doom. Today they still have the choice.

Dr phil. Barbara Hug

(Translation *Current Concerns*)

Swiss Army – Stop marching and return to the Constitutional order!

by Dr iur Marianne Wüthrich

In the spring session two military-political decisions have been taken by Parliament, which require speedy repairs. On the one hand, the National Council rejected on 10 March 2016, a motion of the SVP for the “withdrawal from the NATO program Partnership for Peace (PfP) without discussion (!).¹ Secondly, the so-called “development of the Army (WEA)” was clearly accepted after prolonged debates in the final vote on 18 March.² After these decisions a return to the basic pillars of Swiss security policy becomes necessary: The enduring armed neutrality and the constitutional mandate of the army for the defence of the land and population (Article 58 Paragraph 2 of the Federal Constitution). On the problem of the Swiss participation in the PfP representatives Adrian Amstutz takes a clear position. Against the WEA, a citizens committee around the “Group Giardino” has initiated a referendum; the referendum deadline is the 7 July.

Why is the neutral Switzerland participating in the NATO program “Partnership for Peace”?

Behind the back of the sovereign – that is, without being subjected to referen-

dum! – the Federal Council joined the PfP in 1996, a body created by NATO and under their command for non-NATO countries.

From the justification of the Federal Council: “The aim of PfP is to strengthen peace, democracy and security in Europe and to jointly seek answers to current threats. Through cooperation trust and transparency is to be created in the sensitive field of security and defence policy.”³ [Emphasis by the editor]

Neutral Switzerland should “seek responses to current threats” with the aggressive war power NATO – under the command of the United States or Germany or which foreign power whatsoever? This is strong stuff, Ladies and Gentlemen of the Federal Councils! The motion 14.3746 clearly counters these intentions in plain text: “[...] PfP has been launched by NATO to step up security policy and military cooperation. According to the Federal Council, PfP is compatible with neutrality, as Switzerland is not obliged to assist the NATO countries in the event of a military conflict. However, the NATO policy is showing more and more how PfP effectively undermines the principle and the credibility of our neutrality policy.”

To get a clearer picture of the Swiss PfP activities it is worth taking a look into the “2016 exercise program for military training and cooperation”: “The exercise program includes the participation of the Air Force in the multinational exercises *Tiger Meet*, *Jawtex*, *Nightway*, in *Tactical Leadership Programme* as well as a retraining course for PC-21 pilots. Moreover there is participation in an exercise on the subject of support for civilian authorities in Austria, winter and mountain exercises in the US and in Sweden, several short courses for shooters patrols and reconnaissance with neighbouring states and courses of special forces along with individual foreign partners. [...] The exercises with Swiss participation will take place in the Nordic countries, Germany, Lithuania, Austria, Spain, the United States and in Switzerland.” (Press release of the Federal Council 17.02.2016, excerpts)

National Councillor Adrian Amstutz is addressing this in the following interview (see p. 10).

¹ Motion 14.3746

² In the National Council with 143 Yes against 13 negative votes 39 abstentions, the Senate unanimously

³ http://www.pfp.admin.ch/internet/partnership_for_peace

Reflections on the Swiss Army from a constitutional perspective

mw. According to the Swiss Constitution (BV Art. 58) and also due to the legal duties of neutrality, Switzerland has to have an army which is capable of defending the country and the people against any kind of threat. Experts say that this is not the case at the moment.

Let me quote the *Group Giardino* on this: “Today, 70 years after the dramatic summer of 1940, the army finds itself in a precarious situation again. The analogies to the time of the outbreak of the Second

World War are alarming. In fact, the Swiss army is in even worse condition today than before the Second World War. Back then, each formation at least had the necessary basic equipment (with the exception of the Air Force) and the army was at least able to mobilize.” (*gruppe.giardino.ch*, Initial situation) Can you remember the scrapping of 365 infantry fighting vehicles, which according to experts might just as well have been no more than overhauled?¹

It is clear to every thinking citizen: Switzerland needs an army ready for operation. Why are 5 billion Swiss francs insufficient to arm 200,000 or 400,000 soldiers? Well, of course the extensive program of *Partnership for Peace* PfP, i.e. war exercises in foreign countries, as well as the long-service cadres in Kosovo and elsewhere are much more expensive than the two or three weeks of refresher courses back home. And while the army has to cut back at home, there are plans for more funds being made available for troops abroad. “According to the army report, the resources for encouraging peace in foreign countries are to be in-

creased. Additionally, the National Council wants to increase the number of soldiers in these troops. Checks shall also verify whether air transport will improve the mobility of these troops. Alongside peace promotion an intensified international cooperation concerning training and armament is to be considered.”²

The government in Berne says that the population wanted deployment abroad. But not at the cost of our national defense! Indeed the Swiss people said yes to the following *supplement* to the mission of the Swiss Armed Forces on 18 May 2003: “It [the army] contributes to peace promotion in the international context.” (military law Art. 1 Par. 4). Many people voted yes to strengthen the self-chosen duty of neutral Switzerland to work for peace. But that has nothing to do with either war exercises under NATO command aimed at the East or a massive decrease of our national defense. As has already been said, the Swiss people were never asked about any PfP activities.

“Neutrality enjoys great support among the population. Over the centuries it has made a significant contribution to keeping the country together. Neutrality is part of the tradition, history and self-perception of our country and its citizens.” (“Swiss Neutrality” A brochure published by the Federal Department of Defence, Civil Protection and Sports (DDPS) in conjunction with the Federal Department of Foreign Affairs (DFA), 4th revised edition.)”

“Switzerland is quasi part of large scale NATO manoeuvres”

Interview with National Councillor Adrian Amstutz,
Member of the Security Commission of the National Council (SiK-NR) and Group President of the SVP



National Councillor
Adrian Amstutz
(picture ma)

Current Concerns:
On 17 February, the Federal Council approved the “Training program 2016 on international military cooperation”. Does this mean that Switzerland also is involved in other NATO programmes via the so-called peacekeeping missions (for exam-

ple, Swisscoy in Kosovo)?

Adrian Amstutz: Yes, the existing connection to NATO via *Partnership for Peace* (PfP) includes the participation in peace-keeping and peace-building missions of the NATO and also participation in joint military exercises. The level of cooperation can be determined by each country participating in PfP. There is no talking about an “inclusion in further NATO programmes” – as you call it – during NATO exercises, however, effectively you are right. As Switzerland takes frequently part in such exercises, Switzerland is quasi part of the large-scale NATO manoeuvres. Already last year the Swiss Air Force exercised in the far North. In the framework of the “Arctic challenge exercise 2015” Switzerland participated at Pentecost 2015 in a large-scale manoeuvre of Western forces over Scandinavia. From the viewpoint of Swiss neutral politics, as the SVP (Swiss Peoples Party) sees it, this was not acceptable. Firstly, the VBS cancelled the invitation of the Russians from the *Air-14-Show* in Payerne in that year and thereafter even took part in a NATO exercise, which unofficially was a demonstration of power against Russia. From SVP’s point of view, our army has no business in such exercises.

“Firstly, the VBS cancelled the invitation of the Russians from the *Air-14-Show* in Payerne in that year and thereafter even took part in a NATO exercise, which unofficially was a demonstration of power against Russia.”

National Councillor Adrian Amstutz

NATO war-manoevre JAWTEX – the Swiss Armed Forces under German command

mw. One element out of the substantial “training program 2016 for cooperation in military exercise” of the Swiss Council is JAWTEX (joint air warfare tactical exercise), in which Swiss troops participated already two years ago. In an interview National Councillor *Adrian Amstutz* speaks plain text: “Based on our neutrality policy” the participation of Switzerland in such NATO large-scale manoeuvres “cannot be justified”. Because JAWTEX 2014 – and it is to be assumed, also JAWTEX 2016 – is a war-manoevre that takes place in Eastern and Northern Germany and is directed towards the East: “The exercise is conducted all over the north and north east of the Federal Republic of Germany. [...] An Airbus A-310 tanker aircraft flies out of Cologne. A Geilenkirchen-based Nato platform is operating out of Oerland in Norway.” Information is available on the homepage of the German “Bundeswehr”. (www.luftwaffe.de)

Also for our great neighbour to the North, JAWTEX is a huge endeavour: “It is the main exercise

of the Bundeswehr in 2014: JAWTEX 2014 [...] an exercise of a size rarely held in Germany [...]: Almost 4,500 soldiers are taking part in the exercise with more than 800 from Partner nations. In addition to Germany, the Netherlands, Italy, France, Finland, Slovenia, Greece, Austria, Switzerland, Turkey, Hungary and the United States are involved. The German Air Operations Centre in Kalkar is responsible for preparation, conduct and evaluation of the exercise. It provides Besides the Exercise Director it provides a major share of the planning staff.” (www.luftwaffe.de)

And neutral Switzerland is to participate again on these NATO war games under the command of a German “Exercise Director”? In the summer session of the Swiss Parliament (Jawtex will take place in June 2016) National Councillor *Adrian Amstutz* will request an explanation by the Federal Council – and then we will not accept to be fobbed off with nebulous commonplaces.

One of the multinational exercises in which the Swiss army is to participate this year is JAWTEX (see box). Is the reaffirmation of the Federal Council, that Switzerland is perceived from outside as neutral still credible?

In 2014, Switzerland – together with other nations – has taken part in the large scale exercise of the German “Bundeswehr” [Jawtex is meant]. This year the next exercise is planned, according to the VBS (Federal Department of Defence, Civil Protection and Sports), the Swiss Armed Forces will take part in this exercise. In what way and with what mission is not relevant to the SVP. It is crucial, that there is neither a military nor a training related reason to participate in such exercise. From the perspective of the SVP the Swiss army only should go abroad, when its own material is to be tested, because this

is not possible for geographical or for reasons of noise or environmental protection in Switzerland. According to the Federal Constitution “the army serves the prevention of war and contributes to the peace keeping; it defends the country and its people”(Art. 58 Para. 2 BV). The mentioned practice has certainly not the target of peace-keeping, as the exercise in 2014 showed.

Have you got plans to do anything about it?
I will raise a request to the Federal Council in the summer session and I will ask for explanatory declarations.

National Councillor *Mr Amstutz*, thank you very much for the interview. •

(Interview *Marianne Wüthrich*)

A credible alternative to the EU is desperately needed

by Dieter Sprock

People may think whatever they want of the vote on the EU Association Agreement with Ukraine in the Netherlands – the result is clear: it is a vote of no confidence against the EU! Thus after their “No” to the EU constitution in 2005 the Dutch population has also used the second instance of their being allowed to vote on a proposal to express their dissatisfaction with EU policies. Just as a quick reminder: In 2005 nearly 62% of the Dutch – with a turnout of 63% – rejected the European Constitutional Treaty. In France 56% voted against the adoption of the EU Constitution at that time, so that after these successful referendums this treaty never gained legal force, and yet it was reissued as the Lisbon Treaty in 2009.

However, the voices critical of the EU are not limited to the Netherlands and France. In Great Britain a vote on the EU-exit of England is imminent, and the result of this is open. And in many European countries EU-critical parties are gaining more and more popularity. In some of those countries they even form the democratically elected government. The countries of the so-called *Visegrad Group* –

which include Poland, Hungary, the Czech Republic and Slovakia – refuse to accept the dictate of the EU with regard to its immigration policy.

So far the EU-authorities and the established parties have done nothing but attach far-fetched negative labels to the critics and promise better communication – that is more propaganda – as a solution for the EU. But, with more and more people, such sweet-sounding and enticingly upbeat public pronouncements do not have the desired effect any longer. Their hope for a better life has been disappointed.

Even the free-market “*Neue Zürcher Zeitung*” features headlines like “Picking tomatoes for a pittance” (15 October 2015) or “Starvation wages in Eastern Europe’s clothing stores” (3 March 2016). It reports on the miserable working and living conditions of the harvesters in Italy, who are even defrauded of their wages and harassed while working extremely hard, and that not only in individual cases.

If well-known European fashion companies have their exclusive and expensive goods produced in Bulgaria and Romania at low wages which are below the pover-

ty line in wide areas, and if these companies exert pressure on the governments to enforce their interests, then it is not about explaining the EU more clearly to these people, but about changing the system that produces such abuses.

Across the EU the scale of minimum wages ranges from 1.06 euros to 11.12 euros. And Gyögy Dalos writes in the “*Neue Zürcher Zeitung*” of 29 February 2016 that the “normal range” of youth unemployment is between 15% and 25%. However, in Greece it is 48.6%, in Spain 46.0% and in Croatia 44.0%.

If people are not offered a credible alternative to the EU system soon, Europe will be facing hard times.

The Swiss Federal Council and the parliamentary majority have to think twice about whether they wish to continue letting themselves be extorted by this EU, as has happened recently, when, under pressure from the EU, they agreed to the extension of the free movement of persons to include Croatia, in order to allow Switzerland to continue its participation in EU research projects. Anyway, they cannot count on the people’s approval when prostrating themselves in that way. •

Neutrality is a characteristic feature of the Swiss Confederation

by Wolfgang von Wartburg

“Swiss neutrality is neither imposed from the outside nor a mere means to self-assertion. It is an expression, a characteristic feature of the Confederation itself. The primary task of the state is to handle justice and peace. Anything beyond that is problematic. If this principle is also turned outward, then this must result in renunciation of power politics and thus in renunciation of alliances with a power-political purpose.

The foreign policy of a state that basically wants to be nothing more than a state under the rule of law is that of neutrality. This does not exclude the possibility that for the maintenance or restoration of peace in the world the neutral state is doing what is in its power, as far as it will not be drawn into the vortex of power politics. The most important example for Switzerland is the accommodation of the International Committee of the Red Cross, whose members are exclusively Swiss. UN mandates

for difficult negotiations which require impartiality are frequently assigned to the Swiss[...]. Only neutral parties can represent human rights without taking power politics into consideration. Swiss neutrality is ‘eternal’ in the same sense as the ‘Bünde’ (confederates) are. The predictability of its foreign policy is Switzerland’s best contribution to general peace. Neutrality is the alternative to collective security. In a collective organisation (UN, EU, NATO, Partnership for Peace) either nothing happens because no one is responsible, or it becomes the tool of the most powerful partner. Joining a collective security organisation would definitely make Switzerland an accomplice to power politics, Switzerland would be jointly responsible for each step, however, without being able to change anything about the balance of power. The credibility of neutrality, however, would be annulled.

The renunciation of power politics alone suits Switzerland and the voluntary restriction to a purely defensive army that – given the ‘malice of the times’ – is necessary for self-assertion at all times. Additional comment: Today some people consider a project aimed at converting the Swiss army into a professional army.

A people’s army alone suits the Swiss community, belonging to which is general duty. It must and can only be used if Switzerland itself is at risk. A professional army could be a power instrument of the federal government, which might even induce unwanted adventures.”

from: Wolfgang von Wartburg: “*Die europäische Dimension der Schweiz. Zur Geschichte der Schweiz und ihrer Stellung in Europa*” (*The European dimension of Switzerland. On the history of Switzerland and its position in Europe*), 1996, pp. 125.

(Translation *Current Concerns*)

Referendum – No to halving the Swiss Armed Forces! (Development of the Armed Forces DEA)

In the course of his business dealings throughout the world, the author was told time and time again that Switzerland was the most peaceable country and at the same time the most able to defend itself. This opinion was shared not only by educated and well-travelled people but also by those accustomed to a simpler lifestyle, some even in China! Today, the world is jeering at what they consider to be the “richest country in the world”, which doesn’t want to spend money on its own security. So for instance in an article dating from 21 February 2014 the Indian newspaper “Business Standard” aptly put it this way: “It is so easy to make fun of Switzerland that this would be quite un-sportsmanlike.”

Since the beginning of this century, our armed forces have been reduced to a *third* of their former size. Now, even this third is being *halved*. Large stocks of fully operational weapons are being sold off,

“Reflections on ...”

continued from page 9

And it is known in the Federal Department of Defence Civil Protection and Sport that more than 90% of the Swiss people cherish neutrality, notwithstanding all re-educational attempts. But voters were given the opportunity to vote on conscription (thanks to an initiative submitted by the Group for a Switzerland without an army, GSoA³), when a large majority of 73,2% of all voters and of all cantons voted against the initiative to abolish conscription on 22 September 2013.

Conclusion: Increase of the army at home and decrease of foreign activities of any kind; foreign exercises only if it is necessary for the troops’ education (compare interview with member of National Council *Adrian Amstutz*); utilisation of the money saved for the equipment of the army at home so that this can fulfil its constitutional mission concerning the defense and protection of the country and its people.

The best contribution to a national defense that would really earn this name would surely be the resignation from *Partnership for Peace* – why not focus on a people’s initiative aiming at this goal? •

¹ Gruppe Giardino, “Mut zur Kursänderung”, p. 105–108

² 14.069 media announcement of the National Council, 3 September 2014

³ “Gruppe Schweiz ohne Armee”

scrapped or abandoned, as well as the bigger part of our fortified and subterranean facilities. All this is worth several billion Swiss Francs. The army is now to consist of combat troops of only 30,000 men (two mechanised brigades). The remaining 70,000 men are to stand by for operations in Rüfenen (Muren) or to take on simple security tasks. The mountain infan-

ting in West Europe considered an attack on Switzerland – and, as hardly anyone knows – so did the US. Ultimately, due to the strength of the Swiss army, those plans were discarded. So, in spite of its known weaknesses, that strong army prevented a war.

Are our people aware that our elite is preparing to abandon our neutrality

“The Swiss Federal Constitution states that the main purpose of all government tasks is ensuring the security of its citizens and territory and the most important task of all is to avoid war!”

try will be disposed of.

We are being told that the times of big combat units are over. Let me present a small selection of examples to illustrate that the contrary is true. Why do 300,000 Korean and 17,000 US soldiers conduct manoeuvres together for weeks? Why does Singapore, a country the size of the canton of Glarus, have an army of 220,000 men (182 Leopard tanks, 50% more than Switzerland), a big air force (131 fighter jets, 19 attack helicopters), a fleet of 8 submarines and more than 60 medium-sized and small battleships? Why did Saudi Arabia host a troop manoeuvre with far over 150,000 men for several weeks not long ago? Why does Russia’s large army have over 2,800 battle tanks and further thousands of armoured vehicles (mechanised infantry combat vehicles, armoured artillery), as well as four airborne divisions (Source: *strategische-studien.com*)? And why do big units (up to 155 000 men each time) train being ready for a mission within three days, while covering a distance of often more than a 1,000 kilometres? Why does Finland keep 400,000 soldiers ready for the event of war? Why does Vietnam keep an army of 500,000 men? Why did France mobilise 100,000 men – police and military forces – after the Paris terrorist attacks?

The Swiss Federal Constitution states that the main purpose of all government tasks is ensuring the security of its citizens and territory and the most important task of all is to avoid war! As recently as during World War II, all of the forces bat-

by means of a gradual accession to the NATO? For instance, a Swiss-hosted conference took place in Zurich on 16/17 February 2016 with 100 officers from the NATO command, the 28 member states and also from Switzerland as a member

“Permanent neutrality is a principle of Swiss foreign policy. It is a generating source of peace and stability in Europe and beyond. It ensures the country’s independence and the inviolability of its territory.”

www.eda.admin.ch/eda/en/home/aus-senpolitik/voelkerrecht/neutralitaet.html

of *Partnership for Peace*, as well as from the NATO interoperability platform. On 10 March 2016, the “Basler Zeitung” published a report headed “Switzerland plans a breach of its neutrality” about the renewed participation of Swiss troops in a training exercise along with another 12 Western armies in East Germany. This exercise will take place from 8 June to 24 June 2016. Are we as a people not able to see how quickly world wide tension is mounting, how countries are rearming themselves? For the first time in 200 years, we will be drawn into a military conflict or into widespread, chaotic and violent collapses of countries, because we are – by our own fault – defenseless. Is that what we really want?

Please sign the referendum so that our people may have the final say about WEA. (<http://www.armee-halbung-nein.ch>)

Gotthard Frick, Bottmingen

“We should be somewhat more confident”

Plea for an autonomous industrial policy instead of always eyeing foreign countries

An interview conducted by Hans Peter Künzi, Radio SRF, with Swatch CEO Nick Hayek



Nick Hayek
(picture keystone)

Mw. He has re-quired renown all over the world, and in Switzerland he achieved a truly great thing – the entrepreneur Nicolas Hayek (1928-2010). When the watch industry, a cornerstone of the Swiss economy,

was on the verge of ruin, he set out, together with ETH engineers and supported by Swiss banks, to regenerate it by means of the production of an inexpensive plastic watch by the name of Swatch (Swiss Watch). Today the Swatch Group owns many of the traditional Swiss watch brands and numerous production sites which produce all the small individual parts required by the watch industry – and produce them without exception in Switzerland. Since his death, his son Nick Hayek – like his father an impressive personality – has been directing the Swatch Group.

In a radio interview with Radio SRF Nick Hayek he shows himself to be a Swiss entrepreneur who takes his responsibility seriously. For Hayek, the first priority is not profit, but his concern for Switzerland and its industry. He is an entrepreneur who uses his powers to advance Switzerland as an industrial location, one who sees that it is precisely the characteristics of the Swiss model like its federalism and its direct democracy provide considerable benefits for a strong economy. In short, he is one among those – many other – citizens who contribute to society. Below we have compiled some excerpts from the interview.

* * *

Radio SRF: He is the face of the Swiss watch industry: Nick Hayek has been the CEO of the Swatch Group, the world's largest watchmaker, for 13 years. Since Thursday, the watchmakers have been presenting themselves again in Basel, at the “Baselworld”, the world's largest watch fair. 1500 exhibitors from around the world show their watches and to some extent their jewelry here. [...] Nick Hayek, we are conducting a conversation live here in Studio Basel because naturally, you are also here in Basel these days. But you are obviously not that much of a fan of this great exhibition, right?

Nick Hayek: Look, it is important that this fair is in Switzerland. Switzerland is the most important country when it comes to watchmaking. But I grew up with the Swatch, the Swatch brand. The Swatch brand would not actually exist, if it were up to the dealers. Basel is a dealer exhibition. For the dealers, the American dealers said at the time, the early 80s: Oh, that's nonsense, a plastic watch - nobody wants that, it is far too cheap. Whoever will want a Swiss made watch that is cheap? [...]

“Switzerland is the most important country when it comes to watchmaking”

You said that there are people there offering a big bluff. So what is the entire Swatch Group doing there now?

Well, we have a responsibility, you know. Once the Swatch Group was no longer there in Basel. But when you see what industrial strategy the Swatch Group is pursuing – that is, we have 150 factories in the country. We build all of the small individual parts, we are totally verticalised, and not only for the Swatch Group, but also for others, for the entire Swiss watch industry. And that means that we have our brands in all segments and that we want to present them well, and so want to and have to be in Basel; just to show that we are solidly united with the future of this industry. So it's not about one group showing off and saying, we are the greatest, the best, but instead we all have a common interest – the Swiss watch industry is a real high-tech industry. That is why we are there.

Now the Swiss watch industry is in a little less good shape than it once was: Last year, total exports declined by about 3%, and also for you, for the Swatch Group, sales fell by about 3%. And I think one can say, without exaggeration that the net profit has dropped by about 20%. In this situation any other CEO would be very nervous and quite rattled, but with you one gets the feeling that you are not even really interested.

No, look, we have a different philosophy. As I said, we are an industry and we think long-term and not short-term. We are not interested in what the stock market thinks. It thinks only as far as about three days ahead.

But less profit; that is not only the stock exchange, but it is also your own pocket. Yes, now you must look (speaking Swiss German), the Swiss franc. We produce and are loyal to this location. Of course, the Swiss franc has an effect on us. But

if you look at the overall situation, the Swatch Group makes above 18% operating profit in the watch and jewelry range – an industrial company. Of course in the previous year we achieved 20% or 21%. But the Swatch Group is very solidly funded, has a long-term strategy, and we will not change our strategy at short notice because we have a catastrophically overvalued Swiss franc. What we want is long-term growth and continuation along the growth path; we will invest in innovation and production. For we must in fact have both in Switzerland, we need research and development, and we have that, we are very strong. But we also have to keep the know-how of production here. Therefore, it is not that serious if for once we have 2% or 3% less. 20% does sound terrible, but if you know that we still have more than one billion francs profit in the Swatch group, then – okay – it is bearable.

You have mentioned the strong Swiss franc again. – You seem to love to go on about Mr Jordan, the SNB company boss. Now if you look more closely at last years export figures, by regions, they are striking: Hong Kong, the most important market, minus 23%; China, the third largest market, down by 4.6%, elsewhere in Asia and in the Arab world, Russia, everywhere, it is problematic everywhere, also in South America. By contrast, if you look at euro area countries such as Italy, Germany, France, there is a positive trend. That would allow one to come to the conclusion, that it is not really only the Swiss franc, there are other problems.

Well, now I have to correct some things that you may not be able to know. The export figures are not the sales figures. Those are products that are exported from one branch to another. Secondly, nowadays people travel. That is, the Chinese travel around. Previously to Hong Kong, then there were problems, now they go to Japan, and they go to Europe. And of course they buy the products where it is easier and cheaper. Now, with these distortions in the currency – and I must make a correction here: the hard Swiss francs would be no problem, we all want a good hard franc. But a massively overvalued franc is a disaster – for the industry and for tourism. Now, when you sell your product in Germany or in France, then you have people there who buy your product locally, the French and the Germans, who know nothing about currencies.

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“We should be somewhat more ...”

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You cannot increase the prices of your products by 20% from one day to the next there, otherwise your sales will collapse, i.e. the sales in numbers. So you accept that tourists travel for example to Germany, to France, and then buy your watches there rather than in Hong Kong or in China. But if you later change the proceeds to Swiss francs, then you have a minus. And you also need to analyze this quite exactly. In 2009, for example, we, the entire Swiss watch industry, exported 21 million pieces. In 2015 – if everyone is talking about difficult times – it was more than 28 million units. This is an incredible growth. [...]

“The Swiss watch industry [...] always had to fight against the 1.17 billion pieces made in the world”

Then let us look at still another topic now. We have already talked about the Swiss franc, and we could probably talk about it for yet another half hour. But as to Smart watches: you have already been here with us once before – that was a year ago. At that time you said, we are not afraid, there is no competition for Switzerland. Meanwhile, more smart watches than watches are sold in our country, especially Apple Watches of course. Has that been a surprise to you?

No, you have to look at the figures. You know, the world watch market is at 1.2 billion. 1.2 billion pieces are sold. Of which the Swiss traditionally has between twenty and thirty million pieces, the Japanese watch industry sixty million. And now you come up with these numbers and compare them to those of the Swiss watch industry. You need to make comparisons with the entire watch industry. In all segments, even in the low price segment, where the Swatch Group is almost alone with Tissot, with Swatch, the Swiss watch industry always had to struggle against the 1.17 billion pieces made in the world. And these are fashion watches, there are smart watches, there are unintelligent watches, there are beautiful watches. We were always exposed to that. Smart watches – those we make. Swatch launched its “credit card” Bellamy watch through our partnership with China UnionPay before Apple in China. We have Touch Zero 1, Touch Zero 2, and as I have said before: Our technologies that we have, which are in many devices as, by the way, it is with Apple, they are not in the smart watches, but in the smartphones they are used, and they come from us.

So one can say you were once a pioneer, in this area, and now you have become totally outdistanced by Apple.

We are pioneering players. But you know, we are in an exceptionally good situation. We are in the market, and we will use the functions of which we see that the consumer wants them. We have a fantastic situation. We can make the integration of functions, independently, in our watches, that is, the watch must remain an ornament for a man and for a woman. And we can integrate the functions that are useful. What would be wrong, and what a few others do, is to buy know-how in America. The know-how is there, at our universities, at the CSM in Neuchâtel, the Swatch Group, we all have the know-how up to the operating system, but there are people who in order to have short-term marketing success, quickly travel to America and shop. [...]

“The Swiss are not extremists, and they do not want extremist politics, neither left wing nor right wing”

Mr Hayek, I want to touch another subject with you briefly, and that is politics. This week we had a major economic debate in Parliament: The left wants stimulus packages, for example, they want to keep the National Bank on the short leash. The right doesn't really want to do anything except for seeing to it that the conditions remain good. What do you want?

I want Switzerland to maintain its federal system, in which autonomy is delegated down to the people in the cantons, in the communities, in the cities.

Do we need an economic programme now, as the left say?

No, an economic programme is not needed. Look, Switzerland has a problem, and that is the Swiss franc, that is just the way it is, even if I get on your nerves when I say this over and over again. Look, the American National Bank, the Japanese, European, all the national banks have realized that their currencies are important as a tool for their industries. Only Switzerland thinks it can do anything, as it is small and weak. And that is our problem; everything else is fantastic: our relationship with the unions is fantastic, our affinity to the workers, our education system, our infrastructure. We have the best of what there is. And we still have something else that is good: there is no centrally oriented political system which wants to take just any measure to help the economy.

Can we say with regard to National Bank policy, so as to keep the SNB on a somewhat shorter leash – there you tend more to the political left and when it comes to stimulus packages, more to the right? Where do you stand anyway?

You know what? I am a pragmatist. That is what kills us in the world are those who

have dogmas and ideologies. What we need as good Swiss citizens ... we have both feet firmly on the ground, and we must do what is good for our country and for our workers and for our jobs. Unemployment, that doesn't work in this country. So we have to roll up our shirt sleeves. And if there are left-wing positions, and if there are right positions – once it's left, another time it's right, I'm not interested in that, we act according to what we believe. And if someone from the outside says this is left or right, we don't care.

Nevertheless – at least once every four years you do have to decide, which party will I choose? Which will you choose?

Actually I don't choose any parties, I choose people, I look at who is credible and who represents what I think is right. And then I choose the package. I am in no ...

Now we have a new majority since last autumn, a new, larger majority than before. Is this a good thing for you as an entrepreneur, did you cheer that?

You see, I've learned that in Switzerland everything always happens en masse. And also when you saw these elections, there is now a bit of an overbalance on the political right. And then sometimes the left has the upper hand. This always gets balanced out again. The Swiss are no extremists, and they don't want extremist politics, neither left wing nor right wing. I'm not worried about that in the least. And don't forget our unique system ... Whenever I tell our Chinese friends that we have seven Federal Councillors, and they actually come from four different parties! That's sensational. And that's the way it must be.

Previously Swiss politics were a symbol of continuity for stability at home and abroad, but now initiatives – whether they then come about or not – repeatedly make the headlines even abroad. The 1:12 minimum wage initiative launched by the left, the SVP mass immigration initiative from the right or now just recently the enforcement initiative ... This gives quite a new image of Swiss politics to other countries – to some extent you get the feeling that there is less stability in Switzerland. Is that a problem for you, do you get the impact?

No, do you get that impression? No, I have the impression that people abroad admire Switzerland. Only the politicians, if you listen to the politicians abroad, the German are indeed a good example: When, for example, Switzerland adopted the initiative against rip-offs, these politicians in Germany say, “that's sensational, the

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Swiss are so smart! They are so intelligent, they voted against these cheaters.” And then comes the vote on the mass immigration initiative, and the same politicians say, this is scandalous, those Swiss, the way they can be manipulated, the way they have voted!” Well, so what is it now? Is it sensational if it fits into their program, and not so if it doesn’t?

As an entrepreneur, don't you notice any difference compared to, for example, ten years ago when everything was still a bit different?

On the contrary, I think Switzerland is an example of how things can be done, and many, many people in the world – though not the politicians – find Switzerland a super example. And Switzerland has leadership in many areas, even in technology and, by the way, also in smart technology, and we should be aware of this and be more confident before we try to go shopping a little everywhere in the world, and shop things that we could make ourselves. [...]

A sensational new battery – Swiss made!

Finally, I would like to talk to you about something else, not about watches, but about batteries. The company is called Belenos, and it is still relatively small, but it is expected to set the world on fire with their new super battery that will be much more powerful than anything that there is to this day. There is talk of 30% more power and it is easier to recharge as well. What motivates a company like yours to start in such a big way there in a field which is after all essentially foreign to it?

That isn’t so strange. The watch industry – everything is about energy there. You can charge watches – mechanical ones – with your body, the energy coming from the movement. There are even watches that you can get to run with the temperature of your skin. And the same applies to micro-electronics. Everything is miniaturised and consumes little energy, because we are specialists there – touch screen, solar cells. Well – my father is at the origin of this. He always said, and he had this vision: With this mobility, if the Chinese, the Indians, if all these people want to make the same mistakes concerning mobility as we do, then the world will end with all this smog.

Wanted to make a Swatch-Mobil, a car. So he wanted to make a Swatch-Mobil, a car. Then he founded Belenos, incidentally with the ETH as a shareholder, and with *George Clooney* as a shareholder, and we investigated fuel cells and batteries. And with the assistance of the ETH we found a new material: Vanadium. And now I’ll tell you what is ideal: *Renata* is our battery factory and we produce 800,000 units per day in Baselland. And the combination of research and development and our production have led to the result that by July we will be ready to produce a sensational new battery, which has 30% more energy density, which is less dangerous, which can be recharged more quickly – Swiss made!

And it is exactly this battery which we will then be able to use not only for watches and not only for consumer electronics – e-bikes will also be powered this way or, for example, also cars – of course currently the Tesla is just about the measure of all things in Switzerland. There a battery costs around 30,000 Swiss francs. You can drive around with it up to about 400 km and then you have to recharge it and that’ll take a few hours up to half a day, whatever the case may be. With your battery, how much time will that take, for example?

We are specialised to work with lower voltage, and so we can charge our battery faster. Also the materials don’t get so hot, its durability is greater. All this comes from the knowledge of the watch industry. [...]

And to some extent you want to deliver this later to China. Then where will all these jobs be created?

To begin with, they will emerge in Switzerland, because we have done the research and we are producing. As I have said before, we are producing 800,000 batteries per day at the moment! I believe there is no other producer of batteries who produces such a lot in Switzerland. But what is important, that is the jobs in Switzerland. In this respect we are pioneers, and we will go forward here. But we also have to change the world, we must also ensure that the batteries that are better actually lead to an altered mobility, and so it may be that there will be a joint venture and that factories which can make these batteries faster will be built at different places in the world.

You have already said that annual sales of ten billion Swiss francs may be possi-

ble there. Compared to the sales figures of the whole Swatch Group this is more than you make with the sales of all your watches. When will this be happening? You’ll have to ask the analysts about that.

I’m asking you, you know better, apparently.

Look, that isn’t important. It’s important that you have the know-how of production, and research and development results are there. Then you see that there are products which really exist. Do you know how many entrepreneurs come to us, small entrepreneurs, medium entrepreneurs, who make e-bikes, who have ideas – you know, all these self-driving cars that are there that need energy, and there you can see what potential is arising in Switzerland.

Nevertheless I am asking you once more, when will the work on this be fully in progress, when will these ten billion be realistic, and how many people will then be working – separately again – in Switzerland?

You know, I am not interested in the money, it is important when we will have delivered the first hundred thousand batteries for a super new electro-scooter or car. And I am sure this will be the case already in 2017.

Your father has come to be known as the one person who actually saved the Swiss watch industry. Might it be the case that you will then be known as the person who has given rise to the idea of electric cars, to an environmentally friendly means of mass transport?

No, this won’t be the case, because it will still be my father, because my father had this vision in 2007. And that has continued till today, because we are stubborn and will not listen to analysts and stock exchanges and journalists.

You want to carry it through?

Not only do we want to, but we will carry it through. We’re entrepreneurs and not marketing fellas.

Then we wish you the best of luck. Mr Hayek, thank you for coming to the Saturday Review. •

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(Translation Current Concerns)

Industrial policy and direct democracy in Switzerland

The watch industry and the example of Nicolas Hayek

by Dr rer. publ. W. Wüthrich

About fifty years ago the third industrial revolution began with the usage of computers, with the invention of new global network communication and more in general with the digitalization of the economy and large parts of life. The binary principle of 0 and 1 was the key to a new world – to an extent as no one initially thought. As in many countries, it started in Switzerland with the worry for the future of the “work place”, that increasingly aligned globally. Entire industries changed their face. The share of industrial employment decreased in general, while service companies were founded increasingly. Many a factory closed its doors forever (or moved their production abroad). Within short, thousands of jobs were lost. Large companies with long-standing tradition like *Alusuisse*, *BBC Brown Boveri*, *Saurer* or *von Roll* got into difficulties. The watch industry, however, was affected most. This had particular reasons:

At the end of the 1960s, research scientists of watch companies and the ETH had invented the quartz technology and the digitally working watch that was newly powered by a battery. Approximately at the same time their colleagues in Japan accounted for the same invention. While in Switzerland the practical significance of this new technology was considered to be low and the watch companies continued to build almost exclusively mechanical watches, dominating the world market for many decades, Japanese companies like *Seiko*, *Casio* and others bet fully on the quartz technology. The Japanese began to flood the world market with masses of precision, but much cheaper watches. For Switzerland the consequences were disastrous. While in the 1960s eight out of ten watches in the world came from Switzerland, the share dropped to 10% in the 70s. The consequences were dramatic. More than half of the jobs in the Swiss watch industry were lost and some augurs predicted already its demise.

State as saviour?

Should the state intervene in this difficult time of crisis, similarly it had done in the great depression of the 30s? In 1978, the Federal Council suggested an impulse programme for the time being: The federal government should financially promote applied research, technology-related train-

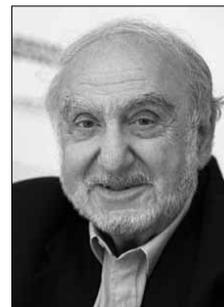
ing and the development in companies. Parliament elaborated on a programme with “measures to mitigate the economic difficulties”. Parallel to this, the creation of new industries in economically threatened regions of the country should be encouraged, in particular in the crisis region of the Jura, the center of the watch industry.

In 1983, the Federal Council reinforced its efforts towards a national industrial policy. Federal Councillor *Furgler* submitted the introduction of an “Innovation Risk Guarantee (IRG)”. It should decrease at least in part the entrepreneurs’ financial risk associated with any research. Economists rejected the Federation project and simply called for “favorable basic conditions” for the companies. The “innovation” and the risk involved, however, was solely for the entrepreneur. This initiated an important fundamental decision in a difficult situation. In direct democratic Switzerland the people alone could set the course.

Federal Councillor *Furgler* succeeded to gain majority in parliament for his project “Innovation Risk Guarantee”, but not the majority of the people. On 22 September 1985, despite economic malaise, the sovereign set a clear signal against state industrial policy and rejected the innovation risk guarantee of the Confederation with 57% no-votes. Simultaneously, a new wind was already blowing in the terribly battering watch industry – however, for the time being, only a mild breeze.

Nicolas Hayek

The executive consultant *Nicolas Hayek* demonstrated what can be achieved with own entrepreneurship. He teamed up with engineers from ETH and the watch industry. Swiss banks helped with financing. On 1 October 1983, he had presented to the press the first *Swatch* (Swiss Watch) and in fact with twelve trendy models – a Swiss quality watch with quartz technology for 50 Francs. That was only the beginning. With a smart marketing strategy he and his colleagues began to conquer the world. The new watch should become a fashion accessory, and every woman and every man could have several watches that fit both jeans as well as evening dress. Moreover, the *Swatch* should become an object of art and a collector’s item. It succeeded in win-



Nicolas Hayek
(picture ma)

ning known artists for it. Five years later, 1 million pieces were sold already. But the success story was far from over. In 2008, the 25th anniversary of the *Swatch* (after that no figures have been published), 381 million pieces were sold already worldwide. Nicolas Hayek stuck to the tradition to exclusively produce in Switzerland. The other watch brands also allowed themselves to be infected by the spirit of optimism. Especially in the luxury segment they started a high-altitude flight. The mechanical watch was newly “invented”, and it presented itself in the “brave new quartz world” as something special and particularly valuable. This is how the mechanical clock was soon sold afresh in large numbers all over the world as at the best of times. Today the once badly battered watch industry has more than overcome the crisis and no one speaks of state industrial policy any longer.

Conclusion

The vote on the innovation guarantee and the example of Nicolas Hayek make it clear that the people in Switzerland have a lot of confidence in the work of companies and advocate a favorable environment for their work – as for instance good schools, good vocational training, moderate taxes and other counting. It refuses, however, to let the federal government take off the companies’ shoulders the risk and responsibility for their work and to actively engage in industrial policy. In other countries like in France – it were the years of *François Mitterrand* – this took a completely different course.

In 1985, the people have set the economic policy course. To date, there is no economic government in Switzerland that directs economic activity by strong hand – except in the area of public service. But the sovereign has with this and other polls set a framework which leaves ample room for personal initiative and responsibility and preserves the decentralized federalism. For this, the Swiss watch industry is a prime example. •