

Current Concerns

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Direct participation of the people has positive effects on central issues of the monetary system

Little known facts on the monetary history in Switzerland

Dr rer publ Werner Wüthrich

The Swiss National Bank SNB has tied the Swiss franc to the euro in recent years and purchased a huge amount of foreign exchange – especially euros and dollars – which were paid with nearly half a trillion newly created Swiss francs. In the last days, the ECB decided to purchase mainly government bonds for over a trillion euros, which it will also pay by printing new money. The money presses respectively their electronic equivalents are running hot – in other countries as well, and the central banks have increasingly become the focus of public attention and criticism. Today we have the impression that a real currency war is in progress. Many citizens observe the events with great concern and ask themselves what the responsibilities of a central bank really are and what consequences the present policy will have for the population. When for obvious reasons the SNB (Swiss National Bank) stopped to support the minimum rate on 15 January, the rate of the euro against the Swiss franc dropped immediately by about 15 percent, and the SNB was faced with high losses. Hedge funds and other speculators who had bet against the minimum rate on the other hand, made billions in profits. – “What’s wrong with our monetary system?”, we wonder. The banking system is monitored by the authorities with a lot of tax money – better than a few years ago. But has it really become stable?

To understand such basic questions and also to be able to classify the role of the Swiss franc in the global monetary system, it makes sense to go back to basics.

When a silver coin was still made of silver

When in 1848 the Swiss Federal State was established, it was one of the first tasks of the newly founded Parliament to create the Swiss franc. This happened quite simply. The franc was defined as the coin that contained 4.5 grams silver. The Federal Government was given the monopoly

to mint coins and it subsequently founded the Swiss Mint. But soon – in 1863 – Switzerland joined the European Monetary Union, which had been established at the time, the Latin Mint Union. It included especially countries that at present are having problems with their debt in today’s euro system. These are countries such as France, Italy, Belgium and Greece. The Union worked quite simply. Each country kept – in contrast to today’s euro system – its monetary sovereignty and its full responsibility for the budget and the debts. Different countries adjusted the silver and later the gold content of their coins, so that one could easily pay with the Swiss franc in Paris, Brussels, Rome or Athens, since it contained the same amount of silver as the local currencies. The coins had their own characteristics, but were equivalent in their silver and gold content. The Italian lira, the French and Belgian franc were accepted as means of payment in Switzerland. The system earned the population’s confidence and worked for many decades; it was formally dissolved in 1926. It formed the monetary framework for a time of economic boom, which was marked by private initiative and enterprising and is now called the Industrial Revolution. It was the time when the foundations of the “economic miracle” were laid in Switzerland and other countries. Unlike today, both the Confederation and the cantons were debt-free at the beginning of the 20th century.

The Swiss monetary system in the 19th century

Today there are significant differences between the central banks of the countries. Several countries had had state banks as early as in the 19th century which were centrally responsible for the monetary system. In federalist, small-scale organized Switzerland, however, there was still no single central bank – or there were very many central banks who issued their own notes. Issu-

Editorial

Guided by the dictates of the so-called globalization, in the past 25 years a fatal and useless narrowing of our view of man has gained a foothold in many areas. In the wake of a neo-liberal economic theory certain economists subordinated all areas of human life under their notions of economy; and they reduced human feelings, human thoughts and human actions to a cost-benefit scheme. The “homo economicus” of this stamp is summarily denied all social, spiritual and cultural dimensions of human existence. The fundamental contribution of Professor Giovanni Maio (p. 9), who, having studied medicine and philosophy and spent many years doing clinical work and today primarily devotes himself to medical ethics, illustrates how strongly and directly this kind of thinking already affects our lives. His question: “How do the guiding categories of economy change the way we think in medicine?” arises in all other fields accordingly – not least that of economy itself. Maio brings the physician’s humane activity back to the level of human social nature and refers to its original meaning and main objective: the will to help, which is anchored deeply in the human existence and in human life, and without which the human race would never have been able to survive. We must all recommence to be increasingly aware and to publicly discuss that the fact which we often grasp intuitively in our personal environment, namely that it is our human relationships, reciprocity within the family and the circle of our friends, human sympathy and support, which safeguard our lives – that this fact is an anthropological reality. This applies to the areas of education and training as well as to economy itself. With his concept of “service to life”, for example, economic ethicist Peter Ulrich has turned conditions in this area upside down and put them on their feet: economy – as well as money as its lubricant and as well as business finance – has to serve man and the common weal and not the other way round. As Maio also mentions, it would thus be economical in the full sense of the

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ing the notes was the business of the cantons and the commercial banks. Over the decades, 51 commercial banks (see *Ernst Baltensberger*. "Der Schweizer Franken", p. 90) issued their own banknotes, which differed in appearance, however, were equal to each other via concordat. The banknotes were used as a substitute and complement of the silver or gold coins, and they could always be changed for gold coins. The Swiss "Goldvreneli" (the "Swiss Miss") had almost cult status. Until 1936, when the Swiss franc was devalued in the economic crisis by 30 percent, about 56 million "Vrenelis" were minted, and they have enjoyed great popularity until today.

How was the financial system then monitored in Switzerland to prevent bank failures and crises? Unlike today, the system worked quite simply – without complicated bureaucracy – and was very effective: the citizens had the system under their own control. In contrast to silver and gold coins, banknotes were no legal means of payment. The private business and cantonal banks (which issued the notes) had to try to gain their fellow citizens' trust by means of reputable business policies. If a bank attracted negative attention because of dubious or speculative wheelings and dealings, the citizens could reject their banknotes as means of payment. That would have been the end of each bank. This scheme worked so well that this case never happened in Switzerland until the founding of the Swiss National Bank in 1907. The banks were always aware of that danger and tailored their policy accordingly. The system was very stable. The community-based moni-

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world to deal thriftily with our human, natural and economic resources, for the benefit of all. Giovanni Maio's remarks encourage us, far beyond the scope of medical practice, to recollect what the basics of human life are and to remember that, as it anchored in the Swiss Federal Constitution, "the strength of a people is measured by the well-being of its weakest members".

As the adjacent article about the creation of the Swiss National Bank makes it clear once again, our direct democracy provides us with all the means and opportunities to shape our financial and economic life in a way that will take account of this demand.

Erika Vögeli

toring, which is closely connected with the direct democratic principle, worked better than any institutional control and it kept the franc stable in its value. Abroad, however, it was already common practice that a state or a government declared the notes legal means of payment (which the citizens had to accept) and then abused the note printing machine for all kinds of wars and political purposes. In the 20th century, this principle has almost become the rule to fund the many wars.

**Direct democracy
in the Swiss monetary system**

The system of direct citizen control of the monetary system was strongly supported as early as the 19th century. So the Federal Constitution of 1874 said in Article 38: "The Confederation is entitled in the way of legislation to decree general rules on the issue and redemption of banknotes. It may, however, not set up any monopoly on the issuing of banknotes and also no legally binding regulations on the redemption of the same." That is, although the Federal Government could establish rules on the issuing of banknotes, the commercial banks could continue to issue their own notes at any time which could be exchanged into gold coins.

The Swiss citizens controlled the monetary system with numerous referendums. After the people had adopted the 1874 Federal Constitution with the above-quoted currency article, the Federal Council and the Parliament worked out an implementing law. This set the conditions (for example, the minimum capital) that the issuing banks had to comply with, and it provided for a federal supervision of the banks. Citizens took the referendum and in 1876, 62 percent of voters said No to the new law. They did not want any federal control but maintain the control of the monetary system in their own hands. Only a few years later, a motion in Parliament followed that wanted to give the Federal Government the monopoly to issue banknotes. This motion failed. Proponents did not want to give in and launched a popular initiative with the same objective. It was massively rejected in 1880 with 68 percent of the votes.

In 1881, Parliament passed the bill law, which went significantly less far and only standardized the note issue of the numerous commercial banks. The discussion among the people and in politics about financial matters did, however, not stop. The economy was booming, not only in Switzerland. The Industrial Revolution with numerous startups and strong growth was in full swing.

**Swiss people show the way –
no central state bank**

But then the mood changed. This happened in the context of other economic sectors. The industrial, economic devel-

opment in the 1880s was already well advanced in many European countries and characterized by a spirit of enterprise. In Switzerland, many companies were founded at the time such as Nestlé and Hoffmann-LaRoche, which were to develop into global companies over the decades. Many private railway companies – organized as joint stock companies – built today's railway network in cooperation with the cantons with large momentum. The need of citizens for greater governmental coordination and control, however, grew. In 1891, the people still voted against the nationalization of the private Central Railway which led to the Gotthard with 63 percent. In 1896 and 1898, there were two other votes. Now the people clearly said Yes to the nationalization of the major railway companies. This was the birth of the Swiss Federal Railways SBB. But there are still many railways in Switzerland that are joint-stock companies and in which citizens are directly involved and which have been under control by the cantons and communes until today.

The monetary system experienced a similar trend. In parallel to the debates on the nationalization of the railways, the Federal Council and Parliament worked out a new constitutional article that should give the Federal Government the exclusive right to issue banknotes. They left it open, however, which institution should take over this task. This might be entrusted to a central state bank or a central equity bank under federal supervision, the draft proposed. This time, 59 percent of voters said Yes to the issuing and control of banknotes by the Federal Government. But still the Swiss National Bank was not yet born. The discussions continued.

In 1897, the Federal Council and Parliament worked out the Implementation Act for the new constitutional article. A majority of parliamentarians decided on the establishment of a national central bank, a Swiss Federal Bank (from the idea similar to the Swiss Federal Railways). The opponents seized the referendum. The public interest in this motion was extraordinarily high. Historians counted around 150 large public meetings, where the future of Swiss money was hotly debated. Both sides described the Federal Bank vote as a vital question for Switzerland. Voter turnout was extremely high at 65 percent. To the great disappointment of politics, 57 percent of voters clearly said No to the Swiss Federal Bank in the form of a national central bank.

The starting point for further events was the following: In two votes Swiss citizens had said Yes to the idea that the Federal Government should take over the responsibility on financial matters,

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How the EU is trying to keep in line with the US regarding the sanctions against Russia

km. It has long been known that the governments of the 28 EU countries disagree when it comes to Russia. The statement of Germany's special coordinator for Russia policy, *Gernot Erler*, in an interview with *ARD "Morgenmagazin"* of 28 January that the unity regarding Russia had been the EU's only strength so far, is therefore more suggestion than reality. Obviously, the EU leaders pretend unanimity, although there is none.

On 27 January he website *euobserver.com* reported for example that in a press statement the Greek government had complained that the EU explanation for a missile attack on the Ukrainian city of Mariupol on 27 January issued by the EU Council President *Donald Tusk* as well as the decision on new sanctions against Russia "was published without the mandatory procedure to obtain the consensus of all member states and in particular without securing the consent of Greece". The Greek press statement added: "In this context it is to be noted that Greece does not agree to this statement." The press release further-

more states that the new Greek Prime Minister *Alexis Tsipras* had informed *Frederica Mogherini*, the High Representative of the European Union for Foreign Affairs and Security Policy, in a telephone interview before publication that he could not approve the proposed EU statement in this form.

Nevertheless, the EU statement published on Tuesday morning of 27 January claimed that all 28 Heads of State and Government of the EU had agreed to this statement which blamed the responsibility for the rocket fire in Mariupol on Russia and called on the EU foreign ministers to consider additional sanctions at their meeting which was to take place two days later.

The former Polish Prime Minister and current EU Council President *Donald Tusk*, who is hostile to Russia, had drafted the statement on Monday night. Staff of the Council President reported that they had intended to take the Greek concerns into account in a footnote, but that the Greek side had objected to that. Therefore the statement was published as it had been devised. Although the process was downplayed in

retrospect by the Greek EU representation, another EU diplomat once again confirmed that Greece did not agree to accuse Russia of the rocket fire in Mariupol. This EU official added that even Austria, Hungary and Slovakia had tried to mitigate the EU statement – also in vain.

On 30 January, the "International New York Times," reported that Greece would now follow the new sanctions against Russia. At a meeting of EU foreign ministers, the new Greek incumbent had agreed – to calm "worries that the election of a far-left government in Greece hostile to sanctions could finish with Europe's policy towards Moscow".

At the end of the article on the front page of the US newspaper the Foreign Minister of Lithuania is quoted. He said that the Greeks had been "forced to change their obstinate position". Next follows a quotation of the EU Foreign Representative *Mogherini*, according to which the Greek attitude "was extremely constructive".

(Translation *Current Concerns*)

Greece and Ukraine ask for German solidarity

by Prof Dr Eberhard Hamer



Eberhard Hamer
(picture ma)

Germany's help was supposed to be "without alternative" when Greece could no longer pay its debts amounting to 120 billion of euros to international banks and when not only the country of Greece but

also the reckless financiers were threatened by bankruptcy. As there were mainly American and French banks involved, *Obama*, EU and *Draghi* blackmailed the European states to take over directly or indirectly by means of rescue funds; thus Athens was able to continue to contract debts amounting to 320 billion of euros – and thus Greece's debt – and the liability of the EU countries have increased to 320 billion of euros of which in case of bankruptcy the German tax payer will have to pay 100 billion (assumption of liability through the "rescue packages"). Those who have profited from the rescue "without alternative" were only the international finance industry and the Greek

tax-exempt multi-billion-dollar ship owners (who are free from taxation), the victims are the simple Greeks, but also at the very moment now the German citizens who will have to pay at any rate sooner or later for the payment default of Greece.

The often quoted solidarity with Greece that has been conjured (up?)(beschoren?) beschworen?) was therefore but a rescue of banks at the expense of the tax payers and has but increased and prolonged the financial problems without solving any problem.

Things are similar in Ukraine, which is threatened by bankruptcy, too. It was the adventurer *Soros* who acquired an essential part of the Ukrainian State's debts underprice. The markets had given up the country (80% probability of going bankrupt).

Formerly Ukraine lived substantially on the trade with Russia and Russian grants. *Yatsenyuk*, American citizen and Ukrainian Prime minister, handed over the treasury of 33 tons of gold to the USA as payment for US expenses for the Maidan riot (500 million). There is nothing left. Neither are there any financiers. The IMF promised 17 billion, however it

claims comprehensive reforms (above all "privatisation" of the black-soil-grounds, which the US company *Dreyfus* already owns dollars. The country badly needs another 15 billion euro which Kiev has not yet been willing to pay which *Yatsenyuk* asked Mrs chancellor for. She fobbed him off with 500 million (credit guaranties) (why at all?), especially since the Ukrainian president already announced that he needed the money above all for supplementary weapons to be used against the Republic of Donetsk (Donezk) because he wanted to wage a war of conquest there. By promising money to *Yatsenyuk* (US citizen!) Mrs Chancellor agreed to give "military aid to crisis regions" that is forbidden by law.

Now *Juncker* has stepped in, and conjured up European solidarity: As experience teaches it is the European citizens that will be again the victims of such solidarity because pressure is exerted by powerful international interests. Based on the US motto: "Ukraine shall be another component of the American Empire, the costs however, shall be a European task."

(Translation *Current Concerns*)

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but No to a national central bank. This paved the way for the establishment of the Swiss National Bank as a state-controlled corporation. This idea met with general approval. The Federal Act on the Swiss National Bank became effective on 16 January 1906 without a referendum, so that the Swiss National Bank could begin operating on 20 June 1907. The 51 private commercial banks ceased to issue their own notes, as this was now the SNB's task.

Based on the direct democratic proceedings in communes and cantons, the Swiss population then already had a high level of forming their political opinion and thus the ability to vote on extremely challenging and complex questions.

The Swiss National Bank SNB

How then, after these numerous referendums, was the Swiss National Bank established? Its constitutional foundation is now enshrined in Article 99 of the Federal Constitution (BV):

Art. 99 Monetary policy

¹ *The Confederation is responsible for money and currency; the Confederation has the exclusive right to issue coins and banknotes.*

² *The Swiss National Bank, as an independent central bank, shall pursue a monetary policy that serves the overall interests of the country; it shall be administered with the cooperation and under the supervision of the Confederation.*

³ *The Swiss National Bank shall create sufficient currency reserves from its revenues; part of these reserves shall be held in gold.*

⁴ *A minimum of two thirds of the net profits made by the Swiss National Bank shall be allocated to the Cantons.*

- Independence: The independence of the Swiss National Bank is hereby established as a principle on constitutional level, the SNB is not subject to direction and guidance by the Federal Council or the Parliament, but it is under the control of the Federal Government. Of course, the SNB is subject to economic and political influences and pressure at home and abroad. Nevertheless, we must not throw it in the same pot with structures such as the Fed or the ECB.
- Tasks: Its work is carried out within the framework of the Constitution and the National Bank Act: Its task is to supply

the country with money and to grant price stability. That is, it is the only institution that may produce banknotes and coins, which it puts at the banks' disposal. Depending on the economic situation: During a recession, the SNB guarantees that enough francs are available for investment, in times of economic boom it is more reserved. In addition, it can influence the exchange rate by buying or selling foreign exchange.

- Cantons and citizens as shareholders: According to the National Bank Act, the SNB is a special statutory corporation, and we immediately notice that the Federal Government is not involved. The reason may have been that the project of the Swiss Federal Bank had failed in the referendum. The clear majority of the 100,000 registered shares is in the hands of the cantons. The population holds the rest. Any citizen can become shareholder of the Swiss National Bank for little money. He can observe its work, receive its messages and may participate as co-owner in the General Assembly, he may make requests and has a say. An individual citizen may not own more than 100 shares and therefore cannot really exercise power. The private shareholder will by law get a dividend of not more than 6 percent, calculated from the nominal value of his share of CHF 250.-. From the amount that exceeds this dividend, the cantons receive 2/3 and the Confederation 1/3 (BV Art. 99 par. 4, Federal Act on the Swiss National Bank Art. 31).
- Organization: The National Bank is managed by the Governing Board and by the Bank Council. This consists of 11 members – individuals with Swiss citizenship. 5 Bank Councillors are elected by the shareholders in the General Assembly and 6 are appointed by the Federal Council. The Federal Council also decides – on recommendation of the Bank Council – on the three Board members. President of the Governing Board is presently *Thomas Jordan*. As a shareholder company, the SNB must comply with the corporation law and the accounting principles in the Code of Obligations. Likewise, it is governed by the provisions of the exchange because its shares are traded there.

Today's situation

Switzerland is integrated into the global economy, so the SNB must coordinate its actions with other countries. In September 2011, the SNB introduced a minimum exchange rate of CHF 1.20 for 1 euro to support the Swiss export industry and comply with the wishes of the ECB. Therefore almost half a trillion Swiss francs were newly "printed" which meant that the

SNB put its head far above the parapet. As a result, mountains of foreign currency piled up in its balance sheet, mainly euros and US dollars. Everyone knew that the SNB had to do something one day.

On 15 January, it stopped this linkage and removed controls on the exchange rate.

The subsequent collapse of the euro and the dollar exchange rate is now leading to significant losses, which inevitably raise questions.

Can the National Bank go bankrupt?

You hear and read again and again that the National Bank could not go bankrupt, because it could create any amount of money. This is not quite true. Other central banks are organized as state-owned banks, the state is liable for them and therefore they cannot be declared bankrupt. The SNB, however, is a stock corporation. A bankruptcy would therefore theoretically be possible.

UBS, for example, as a stock corporation went almost bankrupt six years ago – not because it ran out of money to pay its bills or wages, but because the losses in value of their speculative assets amounted to an extent that threatened to exceed its equity. The equity capital plus reserves does not only entitle the shareholders to a dividend, but is also liable for losses and has to compensate for them. If the losses are larger than the equity, the losses cannot be fully covered and the company goes bankrupt. This is the basic idea of a stock corporation which is governed by the Code of Obligations.

This is basically true for the Swiss National Bank as well – except that a special provision in the National Bank Act is binding for it, which – for obvious reasons – says that it can be dissolved only by political decision (i.e. by an Act adopted by Parliament). Therefore, it can – in theory – continue to operate when its reserves are fully depleted and its equity is resolved by the losses. However, there is the problem of credibility. How can the SNB request our big banks to hold more equity or more reserves when its own, not particularly high reserves are used up and it stays without equity?

How can the SNB form new reserves? The SNB cannot print its own reserves in the same way as it provides money to the commercial banks.

In a stock corporation equity capital and reserves can be newly created in two ways: The SNB may retain its earned profits and thus build up reserves. Only that will not happen overnight. Or equity capital or reserves are supplied from the outside, i.e. from politics or by the taxpayers. The bank must be recapitalized, as it is called in the jargon. This can be expensive.

Central banks took over business cycle policy

by Prof Dr Eberhard Hamer, "Mittelstandsinstitut Niedersachsen e.V." (SME Institute Lower Saxony)

The big bang of the ECB's decision to flood the money markets with more than 1 trillion euros in order "to prevent deflation and revive the euro economy", shows a profound change in the distribution of economic tasks between governments and central banks.

According to the German "Bundesbank" Act, the Central Bank is indeed called upon "to support the Government in economic policy", but the bank is theoretically completely independent. It is only committed to monetary stability and could therefore also take measures that are not in line with or even contrary to the policy of the ruling Government. The independence of monetary sovereignty was seen as a key concern when the "Bundesbank" was established – just as if it were a fourth neutral power in the state. Thus, it should be prevented that – as was the case during *Hjalmar Schacht's* time – the Central Bank could be misused as a subsidiary organ of the Government. It should merely ensure, by guaranteeing monetary stability, the citizens'

confidence in their currency, in their savings and their pensions.

This focus on ensuring the monetary value and an independent "Bundesbank" at the same time was unique compared to all other central banks – borne out of the German past bad experience.

This was different with the Fed (Federal Reserve Bank). It is independent of the government insofar as it is owned by private banks, which also propose the Central Bank Chief, who must then be appointed by the US president. The particular interest of the Fed is therefore not monetary stability in general, but follows the interests of its owners. This became obvious e.g. in 2008, when the Fed had to save many banks and insurance companies in the United States which had ruined themselves by gambling, by starting the money-press to neutralize the banks' debts.

At the same time, the Fed is also regarded at the spearhead of US monetary policy, which is directed by the financial industry. Since the dollar has become the world's reserve currency at more than

70% and since *Nixon* had repealed the convertibility of the dollar into gold as well as the state's liability for the currency in 1971, dollars were augmented without any inhibition to gain, thus debt domination was achieved over 200 countries in the world – this way creating the dollar empire, which also controls most satellites currencies, among them the Euro.

The "Bundesbank", however, because of its focus on monetary stability, did not fit into this system and was a nuisance mainly in Europe, because the other euro-countries were not tied to the leach of currency stability of their central banks. Conversely, they were able to impose their debts wishes on their central banks. Thus, the German Mark was an anchor of stability for Europe, whereas the devaluation of the other national currencies even more devalued by debt, such as the Italian Lira, French Francs or Spanish Peseta, became visible in relation to the D-Mark. In other words, the other European currencies were

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Turning away from the precautionary and economical monetary policy has some consequences

As mentioned above, the reserves of the National Bank are not too high. However, it shares responsibility for it, because its reserve base has been weakened by itself in recent years. The reason is not only the gold sales, a topic that this newspaper has already discussed many times. In the postwar decades the former Board had set up hidden reserves to a large extent by entering the gold reserves permanently at a cost of 4,500 francs per kilogram. When the price of gold increased over the years, hidden reserves developed (valuation gain) amounting to dozens of billions. These hidden reserves have all been resolved, and the National Bank has turned to pay out the rise in prices of gold (i.e. the valuation gain in billions) immediately as cash gains to the Confederation and the cantons. If these reserves were still there, they could be used today to cover the high losses on foreign exchange. This would be possible without selling an ounce of gold. The reduction of hidden reserves, which had a long and blessed tradition in many companies in Switzerland as crisis prevention, was and is a mistake.

Departure from printing money and making debt is necessary

Today it is clear that the behaviour of the SNB in recent times has been contrary to the philosophy of the generations who – thanks to their hard work and their careful financial management – have enabled the SNB's wealth formation. Printing money at will, as it is usual today, is inconsistent with the principles of sound financial management – not only in Switzerland. The SNB has again become firmly anchored in the population since 15 January because it has recovered the monetary and political sovereignty of Switzerland and is able to act again. There are quite a number of instruments to repel the foreign speculative funds – for example with a tax on speculation that it claims from the billions of dollars that flow into the country.

The type of policy that the population wants, i.e. the conservation of value and stability, has been clearly expressed in the 20th century through the changes in exchange rates. At the time of the founding of SNB, the pound sterling had a value of CHF 25 (today at 1.50), the American dollar was worth CHF 5.18 (today around 90 cents), 15 years ago the euro was worth CHF 1.60 (today 1 franc), etc. The value of the lira and the drachma (once equivalent to the Swiss franc in the Latin Monetary Union in the 19th century) has down-right pulverized over the decades.

Today we are in a currency war. Big countries like the US, Japan and now the EU seek to devalue their currencies with unrestrained printing of money in order to be able to continue their debt economy and to gain small advantages in the global competition.

The SNB has pursued a different tradition since its foundation. History has proven that it was right. The economy has not perished since the founding of the SNB in 1907 due to the strength of the franc, as we see today. On the contrary. We can conclude that the fashionable flood of money that is being propagated downright by individual economists and the media, is not a good therapy to address mismanagement of all kinds. But it is a sign of the politicians' inability and refusal to put their actions on a sound financial basis. The direct participation of the people in the Confederation and the cantons has certainly helped here.

It can be concluded that the direct participation of the people in the central issues of the monetary system and the economy has positive effects. The history of the Swiss National Bank in the 19th century is just one example. Numerous other votes on monetary policy and the gold reserves followed in the 20th and the 21st century. Overall, more than 100 out of 600 Swiss national referendums since 1848 have dealt with central issues of the monetary system, finances, taxes and the economy. •

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depreciated against the D-Mark, a situation which drove the international capital out of the soft currencies into the strong D-Mark. This made the D-Mark become a stronger world reserve currency at the expense of the dollar and revealed the other European currencies as secondary soft currencies.

No wonder that not only the United States but also all European countries wanted to break the dominance of the "Bundesbank". The Euro project, with the ECB in particular, was meant to neutralize the "Bundesbank".

Theoretically, the ECB must also serve monetary stability, but in practice it has been increasingly reversed the polarity towards the political wishes of the Euro-member majority. Increasingly it was also subjected to the wishes of the US high finance and the Fed, particularly since the former Goldman Sachs employee *Draghi* took command. This was evident in 2008, when the ECB as well as the Fed, had to finance bailouts for European banks that had ruined themselves by gambling. As the German representative in the Governing Council with only one of 27 votes had not more weight than Malta, thus he could not stop the desire for debt relief by the debt-ridden banks and South European countries. Therefore, unfortunately with the consent of Germany, the unrecoverable debts of the ruined banks and Southerners were transferred into the bailout Rescue packages – practically speaking on the European taxpayers backs – and at the same time enabled the over-indebted banks and countries to further credit taking out of the bailout packages and the target lending.

In the first crisis Greece's debt amounted to 180 billion, of which 100 billion were waived. In the bailout Greece received additional loans of 240 billion euros only after promising to carry out certain reforms without corresponding benefits, so that the debts are now up to 320 billion. Greece will never be able to repay these debts and is even incapable of paying the normal interests.

Although actually under ECB statutes public financing is excluded and also a further liability for the debt-ridden euro-countries by the healthy countries was excluded by the Lisbon Treaty, the ECB has broken both barriers with the consent of all euro-governments. Because most euro countries cannot or do not want to take austerity measures for political reasons, the ECB went on to open public financing by flooding the financial markets as announced in January 2015. It buys junk securities or bonds of severely indebted countries from the banks, for

which no one will give credit any longer. Especially for over-indebted countries the increasing debts are still financed this way.

The argument of the ECB, one must prevent deflation, is just a pretext and theoretically incorrect:

- Only for reserve currencies such as the dollar, foreign money may be drawn into the country by the increase of the money supply and deflation may be prevented. But the Euro is not a reserve currency.
- As shown by the examples of Japan and South American countries, no recovery of the economic structure can be obtained by additional money injections, but prevents recovery outright, because the money injections encourage politicians to continue with piling up debt rather than to start politically difficult reforms.
- Just as additional drug injections do not cure, but only lengthen and enlarge addiction, money flooding does the same with debts.
- The examples of Greece and France show that the states cannot be healed with granting credit, but get into over-indebtedness, which must be corrected not only by adaptations, but by a currency reform.
- But because the ECB and the healthy euro-countries have adopted total liability due to the bailout for the debt of insolvent countries (Germany is liable for a third of it) the upcoming event of the insolvency of states because of the Euro is not only their problem, but the problem of us all. So we have the "joy of the common ruin" operated by total liability.

Analogous to the private sector, the problem with low debt is with the debtor, but in case of over-indebtedness, it becomes a problem of the creditor and the debtor can then blackmail its creditors with the threat of insolvency. That's how Greece is acting just now:

- 240 billion out of the 320 billion euros debts are in bailouts rescue packages, the rest at the ECB. If Greece would declare bankruptcy, for example, the liability of Germany within the bailouts – contrary to *Schäuble's* assurance ("a guarantee is not a payment!") – would result in the payment obligation of approximately 80 billion euros, therefore building up additional German debts. And the ECB would have lost their equity and would demand additional money from the euro-countries (additionally about 100 billion euros from Germany). Germany might still be able to meet this foolishly accepted obligation, but most European countries can no longer do so. Hence there is no way for a payment waiver

for Greece; one will know how to help the situation by extending the time period of the 320 billion euros debt to a hundred years – that means forever – so one does not have to write them off.

- But still this does not help Greece and France. Both need fresh money, so the ECB must buy further government bonds from them and the Euro money supply will continue to expand (further drug injections).
- The ECB has accordingly taken over the responsibility for the business cycle policy in Europe and also temporarily exempt debt rescuer governments of hard financial corrections in their countries. Both measurements offend against all existing treaties and statutes, as well as against any economic reason and against all economic theoretical insights.

Now the question is just how long the ECB still can postpone the rehabilitation corrections of over-indebted countries, which have been made necessary by the money flooding:

- As with any drawing and redrawing and as with any addiction, abuse with the injection of cash from the ECB is also only good as long as especially strong liability and contributor countries are still willing to participate. In case the Federal Constitutional Court would prevent further assumption of liability of the Federal Republic of Europe's debt orgy, the ECB can no longer flood and the orgy will be over. The same applies if the majority of the population in the solid countries oppose the liability for the debtor countries.
- By the money flooding FED and ECB have also pushed the interest rate towards zero artificially, i.e. virtually eliminated the regulative effect of interest in the financial markets. This will not succeed much longer because rising interest rates in developing countries increasingly attract international capital and thereby also force a rising interest rate in the US and Europe. Only 2% higher interest rates will have the consequence that more and more over-indebted countries – including the US – will become illiquid and therefore insolvent.
- Savers and those who worry about their old-age pension, are increasingly unwilling to have their savings expropriated. So the collection of capital dries up, which should also lead to higher interest rates.
- Flood of money and zero interest rates have already resulted in bubbles (stock exchanges, real estate, private markets). A bursting of one of these bub-

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A different economic thinking and economic activity are essential

by Karl Müller

In early 2014 business students from 19 countries (by now students from 30 countries) have published an “International student call for pluralism in economics.” (www.isipe.net for further information on this initiative). Until today, more than 230 teachers of economics have joined this call.

A call of students from 30 countries

The call starts with the statement that there is a crisis of global economy. This is not only true for the global economy but also for the science whose subject of study is the economy and which should provide the theoretical underpinning for practical economic as well as economic, financial and monetary policy acting: This science is economics, which is taught at the universities. The effects of this crisis reach “far beyond the university sector” according to the call, because: “It is not only the world economy that is in crisis. The teaching of economics is in crisis too, and this crisis has consequences far beyond the university walls. What is taught shapes the minds of the next generation of policymakers, and therefore shapes the societies we live in. We, over 65 associations of economics students from over 30 different countries, believe it is time to reconsider the way economics is taught. We are dissatisfied with the dramatic narrowing of the cur-

riculum that has taken place over the last couple of decades. This lack of intellectual diversity does not only restrain education and research. It limits our ability to contend with the multidimensional challenges of the 21st century – from financial stability to food security and climate change. The real world should be brought back into the classroom, as well as debate and a pluralism of theories and methods. Such change will help renew the discipline and ultimately create a space in which solutions to society’s problems can be generated.”

It is a call for a change of course and it points out that: “We do not claim to have the perfect answer, but we have no doubt that economics students will profit from exposure to different perspectives and ideas. Pluralism will not only help to enrich teaching and research and reinvigorate the discipline. More than this, pluralism carries the promise of bringing economics back into the service of society.”

The appeal calls for a re-orientation of the study: “... economics education should include interdisciplinary approaches and allow students to engage with other social sciences and the humanities. Economics is a social science; complex economic phenomena can seldom be understood if presented in a vacuum, removed from their sociological, political, and historical contexts.

To properly discuss economic policy, students should understand the broader social impacts and moral implications of economic decisions.”

Many economic, financial and monetary policy mistakes

So far, the call of the students has been discussed in our mainstream media only rarely, if at all. However, it has become apparent in the years 2007 and 2008 that our current economic practice and its underlying theory do no longer serve the public interest and that also the relevant policy decisions have gone in the wrong direction.

So there are almost no examples of economic, fiscal and monetary policy decision in the western world in recent years, which did not infringe fundamental ethical principles and that have not triggered new “crisis”. This could not be better illustrated as by two recent headlines of the German newspaper “Frankfurter Allgemeine Zeitung”, dated 24 January 2015, which is certainly not renown for its critical attitude towards society: “The ECB’s monetary policy makes rich people richer”, and: “More than 3 million employed [in Germany] below the poverty line.”

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“Central banks took over ...”

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bles such as the real estate bubble in the United States or in Spain, will lead to correction crises and perhaps again to a crash.

– As the example of the US shows, an economy cannot be carried on the long term without structural reforms only by the money flooding. There, three US dollars additional money supply led only to a one dollar economic growth.

The money flooding of the ECB is therefore

- useless, because it brings no long-term recovery of debtor nations and the monetary system,
- absurd, because it increases the mistakes of the financial and real economy, rather than stopping it,
- politically counterproductive, because governments are no longer under pressure to implement structural reforms and instead have the opportunity to

continue financing unproductive corruption and social promises.

A drug addict must perish and will not be cured if the withdrawal of the drug is not demanded. Likewise, a sound currency, a healthy financial system, a competitive economy and a solid economic growth are only possible if the money flooding, zero interest and acceptance of liability for the unsound countries by the solid countries are stopped.

The ECB under political pressure has decided to give up the stability of the Euro in favour of an unproven economic stimulus. Because the debt maker states have the majority on the ECB Executive Board, the market forces (for example interest rate increase, bubble explosion or other) must finally end the flood of money and force a currency reform.

This is exactly what has been announced by the former Fed Chairman *Alan Greenspan*, that from the collapse of the dollar and Euro will arise the new world currency unit “Euro-dollar” with the new financial centre BIS (Bank for International Settlements, Geneva). To this end,

the US high finance acquired the shares of the BIS in time in order to be capable of privately governing the next world monetary system – as it did our old one – and of abusing it to enrich themselves again.¹

How can we protect ourselves privately against this development?

1. Who knows, that interest rates will rise again, must free himself of debts or at least reschedule so that he no longer needs follow-up financing.
2. No longer investing in money values (no funds, no stocks, no life insurance, no amounts of cash ...)
3. Flight into tangible assets, as long as they are reasonably priced yet, for example, where there is no real estate bubble, precious metals, buying durable goods already now.
4. Conversion of old age pensions on to return assets such as, for example, rents, leases, corporate investment income. •

¹ see more detailed: Hamer, E.: “Der Weltgeld-Betrug”, 4th edition 2012 and id., “Was tun, wenn der Crash kommt?”, 1st edition 2001, 10th edition 2008

(Translation *Current Concerns*)

"A different economic thinking ..."

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**Instrumentalisation of sciences
for a wrong policy**

The very recent results of the elections in Greece demonstrate that the affected people no longer accept this development – regardless of one's assessment of the election result in this country.

None of the current trouble spots in the world can be attributed solely to decisions that evolve from our economy and our use of money. But in all these trouble spots the related "interests" and their accompanying policy play an important role. And that currently economics are what they are, as the students and many teachers of economics from all over the world complain, has tangible reasons and fatal consequences: The mainstream thinking on economics in our universities has been degraded to become a justification doctrine for the interests and policies of those in power.

A personalist approach to economics

"Pluralistic economics", as demanded by the students, must include a "personalist approach to economics", i.e. a scientific approach that orients the economics of the people and states and their handling of money towards the social nature of man and towards human dignity and that is committed to ethics that places man and his natural rights at the focus.

The social teaching of the Christian Churches and the doctrine of Natural Law have developed a mature economic ethics. *Johannes Messner* in his fundamental work "Naturrecht (Natural Law)" (7th edition, 1984) dedicated almost 250 pages on this issue. Economy without ethics has led the world into a dead end.

Secular experts on economic ethics (for example, *Peter Ulrich*: "Integrative Wirtschaftsethik: Grundlagen einer lebensdienlichen Ökonomie (Integrative Economic Ethics: Foundations of a Civilized Market Economy)", 4th edition,

2008) have called for an economic system that is based on the self-determination of the peoples and nations and is therefore democratic. This is particularly important when the stock market and the securities prices are trying to determine policy and to lever out the democratic will.

Even the United Nations took up the basic interpersonal principles of cooperative ideas and assigned them a central role in solving the problems of the world economy (cf. cooperative *Current Concerns*): "We set up a cooperative – We live together and act for each other", 2014). The cooperative researcher *Helmut Faust* wrote in his book "Die Geschichte der Genossenschaftsbewegung" (The History of the Cooperative Movement, 3rd edition, 1977): "As long as people inhabit the earth, they worked together in groups or communities whenever it was necessary to satisfy economic or other needs exceeding the forces of the individual. The rise of the human race from the dark state of nature to the light of civilization and culture has only become possible by forming societies and with their division of labor." Insights like that need to be incorporated into economics.

**Human values versus
the spirit of speculation
and accumulation of money**

The spirit of speculation, the pure monetary expansion and the pure profit motive must be replaced by an ethics that strives to provide all people with subsistence goods and services.

The "Human Values" of entrepreneurial activity (see *Rainer Gebhardt, Eberhard Hamer*. "Humanwerte der Betriebstypen (Human Values of Company Types)", 2005) must be at the core.

It is not yet clear where people are being led to with the ongoing economic, fiscal and monetary policy mistakes and the underlying flawed economic theory that has justified these decisions. The state of Europe and the Western-oriented

world is currently not giving rise to expect a good outcome.

The more important is the request to support all initiatives that pave the way that support man and his natural dignity by a just economy and a sensible science of economics.

Historical experiences

During the Second World War, when the European economy had to put all ethics aside and had exclusively to serve the war, economists of the "Freiburg School" around *Walter Eucken, Alexander Rüstow* and *Wilhelm Röpke* – all economists who understood themselves above all as ethically oriented social scientists – were in search for an economic model that would serve peace inside and outside the country. During and after the post-war years they laid the foundations for the idea of the social market economy.

Why have so many forgotten what *Wilhelm Röpke* wrote in his book "Jenseits von Angebot und Nachfrage (Beyond Supply and Demand)", 1958: "Self-discipline, a sense of justice, honesty, fairness, chivalry, moderation, common sense, respect for the human dignity of others, firm moral standards – these are all things that people need to bring along when they go to the market and enter into competition with each other. They are the indispensable pillars that protect them from deterioration. Family, church, genuine communities and tradition must provide them with them. People need to grow up under conditions that favor such moral convictions. Conditions that promote cooperation, respect tradition thus embedding the individual in a natural order."

Today, the task is to bring together, to revise and prepare the intellectual foundations for a manner of economic activity that is more just and humane and that can be applied to practical proposals. Tomorrow or the day after tomorrow one must and will come back to and draw on these new foundations. ●

“Medicine must not abandon its very essential task as the patient’s attorney to the economy”

A critique of the economic transformation of medicine

by Prof Dr med Giovanni Maio*



Giovanni Maio
(picture ma)

We live in a time when medicine is being transformed in a radical way. Medicine is to be transformed from a genuinely social practice into a health market. Concepts that originally were meant just for industry, are more

and more forced onto all aspects of society. Especially in hospitals a kind of thinking has already begun which is stronger influenced by management than by medical thinking. But actually, what is the difference? How do economically guiding categories change thinking in medicine?

The structural elimination of care

Economy and its aspirations to heighten efficiency inexorably enforce acceleration. The dictates of the market are dictates of time-economy: All processes in hospitals are accelerated in such a way that in the end everything crucial for the treatment is rationalised – the time for a chat in between, for the chat that is not compulsory but essential in personal care. More and more personal care is considered as the idealistic icing on the cake which can be spared because there are more essential tasks as for example maintaining quality standards. And personal care may hardly be counted as one of these standards, since it can’t be measured.

Formal standards instead of human relationship

By obeying the politically decreed dictate of time, a culture of healing withers

away, because the treatment of sick people is increasingly considered as a measurable action. In a problematic way, the economized system suggests that treatment ends with the application of what is correct. By this auspices, the meaningful service for people is changed into a service close to the person – according to economic-administrative requirements. However, this leads to an underestimation of just what for many people was the real reason to opt for the helping profession doctor. Fulfilment for the doctor and real help for the sick do not only require sound knowledge as a basis for medical treatment but also a second base that allows an attitude of appreciation for the patient, an attitude of an authentic readiness to help, an attitude of concern related to the patient. Such values become an annoying obstacle if regarded as a bar to an increase of efficiency and profitability.

Economic transformation of the medical goals

Of course, the economic thinking in medicine is very important. Without economic thinking you would waste too many precious resources. But you have to allot space for economy. This space is where it helps medicine to reach its genuine medical goals without waste. Therefore economy is a servant to medicine which should gain free spaces by sensible economizing, so that medicine can take place at all.

However, in our days economy is not the servant of medicine, but medicine is serving economy. Economy makes the rules and dictates exactly what is worth and what treatment is appropriate to make the figures satisfying in the end. So, if economy is becoming the main thing instead of medicine, it means we are saying goodbye to certain values of the society.

Devaluation of the medical work

Basically, it is no longer preferable to have real doctors in a modern health system, but rather one wants managers, who skillfully assemble the prescribed treatment packages. A system is preferred where all activities are organizationally fractionized. This way the characteristic feature of the medical work, the holistic perspective of human being, the very specific medical qualification can hardly come to its own. Economisation gradually leads to a sort of keyhole medicine, because doctors are rewarded when they limit themselves solely to a DRG diagnosis or to an initial diagnosis and thus to a narrow

view, without ever claiming to see the person in his or her entirety.

In the course of excessive commercialization, the appreciation of the medical profession seems to vanish. This is also reflected in the fury of documentation accompanying commercialization. Everything must be measured, everything must be proven, and above all: everything must be controlled. Nothing is taken for granted, but for everything the doctor must account; he is facing a permanent general suspicion. One doesn’t give credit to the doctors assuming they act properly in their own responsibility, but they are constantly controlled and must be prompted by financial incentives to do the right thing. This *homo oeconomicus* is the exact opposite of the doctor whose help is unconditional and completely natural.

De-professionalisation of the medical faculty

The doctor has hardly any margin of discretion; for ever less is left to his genuine medical experience, instead the doctor is told in detail, what he has to do. Working by instructions this way, almost according to an operation manual, has nothing to do with professional medicine. Instead a politically deliberate de-professionalisation of the medical faculty is being observed in the course of economization. The greater the economic incentive is for the doctors, the more they lose the freedom to work solely to the welfare of the patient – the very basis for exercising this profession. Every day, the doctor is driven into a role conflict, he is to believe he might cope only if he departs from the lofty ideals of his profession and bases his business on the economic requirements and constraints.

It is overlooked that this is tantamount to a sell-out of the medical craft and thus a sell-out of the trust in medicine.

The loss of confidence in medicine is exacerbated when in the health system that is oriented towards competition advertising is increasingly becoming a reliable agent. It remains unnoticed that the self-understanding of a free profession is basically irreconcilable with advertising; since otherwise it would be suggested that there’s only competition and no ethics within this profession. Through advertising, the medicine experiences a trivialisation of its goals. So a culture of distrust is

* Born in Italy, Professor Dr *Giovanni Maio* studied medicine and philosophy and then worked as an internal specialist. In 2002, he was appointed appointed Member of the Central Ethics Commission on Stem Cell Research by the German Federal Government. Furthermore, he is a member of various advisory boards on ethics, such as the Board for Ethical and Medical-Judicial Questions of Principles of the German Medical Association or Malteser Germany and since 2010 he is adviser on bioethics to the German Bishops’ Conference.

Since 2005 Maio has been Director of the Interdisciplinary Ethics Centre in Freiburg and the Institute for Ethics and History of Medicine. He was repeatedly rewarded prizes for his teaching activities. In more than 300 publications Maio dealt with ethical issues of medical practice and medical-technical progress. He criticizes the notion of feasibility of technological medicine and is an advocate of a new ethics of prudence.

www.igm.uni-freiburg.de/Mitarbeiter/maio

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incited, which will finally harm the reputation of medicine in an elementary way.

Trivialisation of the medical services

Taking over economic principles as a guiding element leads the longer the more to objectification, legalization and depersonalization of medicine. It is this depersonalization that prevents interactions to occur between doctor and patient, which could be described as a necessary aid, but gradually the “supply” of the physicians is being transformed as well. Where the economic logic rules, it is no longer evident why doctors should offer just help; it is much more lucrative to simply transform aid into a consumer good. In a medicine, which sees itself as a market, the ways of interacting change, and new «products» are created and advertised – products which have nothing to do with healing and helping, but with multiplying sales. Those products are to even reach healthy people, because then sales opportunities are higher. The economization leads to a marginalization of medical indications and to a promotion of unnecessary goods on the bazaar of medicine.

By the economic transforming of the medical activity a caring and committed practice is transformed to become a market-shaped service.

From care to a market-like service

The most serious consequence of the economic re-defining of the medical profession is its transformation from a caring practice to a market-like service. In times when economy rules, it doesn't matter whether a physician has an internal motivation to help or not. Nowadays, something else is requested from the physician. He is expected to provide verifiable and secure solutions, doctors are subject to programs and requirements. There is a legal encroachment in the field of medical assistance, which is transformed into delivering a quality-assured product. This is called “output-oriented quality assurance”.

However, a humane medicine cannot be realized by output alone. Especially, the confrontation with a serious disease means an extreme borderline experience, and when facing such a fundamental existential experience the patient does not need any service provider but a person with whom he feels to be in good hands. The orientation on the good and measurable outcome is a necessary condition for good medicine, but it is not enough. For the encounter between doctor and patient is inevitably dependent on trust. Such an encounter often involves existential experiences that require more than just expertise.

In an economic system, there are no longer helpers but service providers, there is the delivery of ordered and contracted health goods. Thus, economy just leads to the replacement of a relationship based on mutual trust to a contractual relationship. This is a business model, and it was introduced stealthily.

Exchange ratio instead of unconditioned help

A medicine, which conceives itself as commercial, introduces a logic of exchange. You supply something and you get something in return. However, the logic of exchange is entirely different from that logic which a genuinely social medical practice should have. There is a fundamental difference whether the patient is considered as an exchange partner to whom something is offered or even sold, or whether he or she is considered to be a person in need. If human assistance is more and more subject to the logic of exchange, it will cease to be considered as an end in itself step by step. Instead, it will be considered on a mere instrumental level – as an aid that is carried out in order to achieve good figures, to perform well with regard to benchmarking or appeal to the managing director.

The basic problem is that in establishing an economic view medicine distances itself more and more from its basic identity. The latter consists of professional caring for a person in need. Helping has inevitably to do with giving – and not with exchanging. Reciprocity as it is the case in exchange isn't a basic element in medical practice. Instead it is a doctor's unilateral giving to a person in need. At best, the helper is a person who doesn't calculate nor count up, but who just gives as a matter of course. This matter of course, the determination with which one should be willing to give, this naturalness of helping will be eliminated more and more in an environment conditioned by economic factors.

Impartiality instead of sympathy

The greatest damage of the above-described purely economic thinking is that it will lead to an emotional distance to the patients in the end: There may be perfect service without personal sympathy for the fate of the sick person. Economy introduces new values; instead of empathic engagement there is impartial performance. The natural immediacy of giving is turned into calculated help, into help according to calculation.

Many patients feel, that something does not match here. They are wondering whether a therapy recommended by a doctor, might be a recommendation due to calculation by the hospital or the practice. The simultaneity of help and calculation

is a constant threat to the foundations of medicine as a discipline of help, as a discipline of care, and thus it is a threat to the indispensable bond of trust.

Medicine must rediscover itself once more as a social practice based on the indispensable fundamental attitude of appreciation for each other beyond calculation. A good physician will be the one where you really feel that he is doing all the good he can assuming an attitude of unselfishness without any calculation or reservation. A good doctor donates, he gives his time, he donates his attention, he donates his interpersonal interest. In the end, a doctor can only be good if he signals that in the contact with his patients he disposes of a last resource and this means a rest of free time which he can dispose of willingly without fearing disadvantages.

Submission to the dictate of success

Policy believes that many problems might be solved by establishing economic concepts and that patients could be changed into customers; this new customer status is sold with the slogan “freedom for the patient.” However, behind this notion of freedom there is the tendency to place all liability on the patient. The patient is given the responsibility to inform himself and to come to a good decision. In case of failure he will be the one who is to blame because he failed to inform himself sufficiently as a responsible citizen. Dealing with ill people in such a euphemistically veiled way is nothing but a subtle form of negating solidarity.

It is a retreat from a social attitude, the retreat hiding behind this pretty concept of freedom and responsibility; the new “empowered” patient may make claims on the one hand, on the other hand, however, he is compelled as a patient to always be on guard and protect himself. With regard to a seriously sick patient who after having received a diagnosis may experience a severe crisis, the paradigm of the well-informed customer can't work because such patients in need can't be expected to simultaneously be on guard.

The patient should be a customer, this is favoured by health policy. However, as a customer he doesn't receive primarily any but he is being sold a good – and whether he actually will receive help is by no means certain. This is the ultimate consequence of a completely economic approach to medicine. Consequently, help is no longer awarded to everybody; help will only be granted if it's worth it. The real art of a more economic approach to medicine is to have a proper patient selection of patients, to acquire

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The Swiss Agency for Development and Cooperation – long-term and sustainable development cooperation

Switzerland's humanitarian aid is of great importance for the people

by Thomas Kaiser

At the annual media conference of the Swiss Agency for Development and Cooperation (SDC) which took place in Berne on 27 January, the new SDC Director-General, Manuel Sager, the deputy-director-general and head of the regional cooperation, Maya Tissafi, as well as the head of the Swiss Humanitarian Aid Unit, Manuel Bessler, gave insight into the comprehensive tasks of development cooperation and a view on the year 2015. In addition to the well-known international hot-spots with their high media coverage such as the Ukraine, the Middle East and North Africa, SDC does an immense work in other regions of the world, however mostly unnoticed by the public press. Of course, the misery of refugees and the war in Syria as well as the affected surroundings are also in the SDC's focus, but special attention has been paid for decades on the long-term and sustainable development cooperation, even if a large effort is done in the crisis areas at the moment.

Neutral country without "hidden agenda"

Director Manuel Sager reiterated in his speech that he picks up the best thread of the SDC. In addition to international conferences which will be held this year (see interview with Manuel Sager) and in which Switzerland will be involved, the SDC focuses also on combating poverty in fragile contexts. This includes a commitment in countries whose government structures have largely collapsed. All over the world we speak of 40 fragile states in which approximately 1.5 billion people live. According to Manuel Sager, Switzerland has increased its resources in fragile countries and regions by 20 percent. "We use

our funds to fight the causes of conflicts, to strengthen the civil society, to promote the respect of human rights, good governance and humanitarian aid." Switzerland as a neutral country without "hidden agenda" could help even in conflict situations when this was no longer possible for other states.

Another area of the SDC's activity is the Eastern cooperation. This involves the support of the countries of the Western Balkans and the Commonwealth of Independent States in their development towards an enhanced rule of law, democracy, free market economy and fair distribution of wealth. Besides, Switzerland makes an important contribution to the building of a good water supply in these countries; but the SDC was also successful in the field of health care or in the community development. "But", says Manuel Sager, "even 25 years after the opening of the Wall there is still a good part of the way to go."

Successes of the SDC are remarkable

"Unfortunately there are still 600 million young people all over the world", as the SDC deputy director the Maya Tissafi says, "who have insufficient basic knowledge in reading, writing and numeracy and can hardly enter into work processes. They, too, urgently need vocational training." With these words, she draws attention to a problem that should be paid more attention worldwide. According to the International Labour Organization (ILO) over 200 million people are unemployed, one third of young adults between 15 and 24 years of age. For decades, the SDC has been committed in the area of youth unemployment (see interview with Maya Tissafi). In several countries it is launching

vocational training projects or to expand and to improve them where they already exist on the basis of the SDC's commitment. The challenges in this area are large and imperative. Switzerland which scores a low unemployment rate among young people with its dual education system that combines theory and practice, and which can offer the youth an excellent education, is predestined here to help and give support. Maya Tissafi draws attention to the fact that the success of this system in our own country does not mean we could just impose it on the target countries. "The concept has to be adapted to the particular context and that is why a close collaboration between the SDC, the partner country, the economy and the young people is crucial." The successes of the SDC are remarkable. For example in Nepal the SDC succeeded in educating 90,000 young people with the Employment Fund, established in 2007. Various countries such as Albania, Tunisia, Honduras, Bangladesh, Burkina Faso and others benefit like Nepal from the SDC's great commitment. Overall, the SDC has about 30 vocational training projects with a total budget of 40 million Swiss francs.

Humanitarian aid more important than ever

The humanitarian aid of Switzerland, also a strong pillar of humanitarian commitment is headed by Ambassador Manuel Bessler. He drew a worrying picture about the situation in the crisis regions. Disasters, whether man-made or of natural origin, have increased steadily in recent years. The number of refugees has reached an extent that has never been the case since the Second World War.

In contrast to the Development Cooperation, humanitarian aid has usually short term character, but it may result in a long-term commitment, as the example of Haiti shows. "Humanitarian Aid Switzerland", so Ambassador Bessler, "is especially preoccupied with the disaster in Syria which has reached a gigantic dimension" (see interview with Manuel Bessler). Half of the population is on the run and the majority are dependent on humanitarian aid every day. You can see the impact in the entire Middle East. Syria is a collapsing state that is controlled by different powers. "One region is controlled by the government, another region is controlled by the Kurds and a vast re-

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patients that promise a good record, patients that are good for good statistics and who might be offered additional services.

However, patients with problems more difficult to deal with will be classified as too risky and therefore shunned and further marginalized. For, if a significant improvement can't be achieved quickly and without complications, each measure will be looked on as inefficient and threatening for the company. All measures that cannot be assured to succeed or take too much effort will be more and more excluded, simply because they do

not meet the newly established pattern of profitability. The criterion of profitability replaces the genuine social attitude. It was once essential that you try to help even when there is little chance. However, seen from an economic viewpoint, this imperative is considered as waste and consequently as not necessary.

Medicine must not abandon its very essential task, especially to be an attorney of the patient, to the economy. Because if medicine gives in to a business model completely, there will be no more medicine in the end.

Source: *Deutsches Ärzteblatt*, Vol 109, Issue 16, 20.4.2012

(Translation *Current Concerns*)

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“Being fair to people’s needs in humanitarian crises”

Interview with Manuel Sager, SDC Director-General



Manuel Sager
(picture thk)

Current Concerns: You were in Jordan. What were your impressions?

Manuel Sager: The closer one gets to the conflict in the Near East, and especially to the conflict in Syria, the more complex indeed is one’s picture of the political and also particu-

larly of the humanitarian situation.

Where and how did you see that?

I had the opportunity to visit two refugee compounds, a Syrian one and a Palestinian one. For the Syrian compound it is a great challenge to supply the people even with the absolute necessities: Is there enough clean water, is there enough food supply available, is there enough clothing available? Jordan is, at this time of the year, just as cold as it is here. I had expected it to be warmer but that is not the case. The people there are freezing. Only supplying the refugees with the basic humanitarian fundamental necessities is a huge problem.

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gion is controlled by the IS.” The reality, as Manuel Bessler says, is devastating and yet he is convinced that humanitarian aid is of irreplaceable importance for the people in this total disaster. But we must also see that in such a situation, it is impossible to solve the political problem with the humanitarian effort. The humanitarian assistance is more urgent than ever, but it must be accompanied by serious political efforts to solve the crisis. There is no doubt. People need to work on a constructive solution, the only way to prevent further hardship. •

How does Jordan manage it?

That is the other point: The burden for Jordan, for its state structures and institutions, for the health care system, for the educational system and for the social network, etc., is huge. The system is confronted with the huge amount of about 600,000 Syrian refugees. The Jordanian Government itself speaks of 1.2 Million refugees. There is a large estimated number of unknown cases as well. Our engagement must become more appropriate to help the Jordanian society manage this great refugee hardship.

What is the situation like in the Palestinian refugee compound?

When you arrive there you have the impression of entering a larger city. The compound Jerash is among them, it has become the fourth largest city in Jordan, by now. There are relatively stable constructions here and Switzerland has, together with SDC, built up the entire sewerage system which was a substantial contribution to the improvement of the refugees’ living conditions.

Where would you say should be the focus of SDC’s activities in 2015?

There are various focal points. One thing is certainly the need to adequately meet people’s needs in these various humanitarian crises as best as possible. Unfortunately the end of any of these crises is not yet in sight. In the actual developmental work, directions have still to be set.

What are the “directions” which have to be set?

For the first time this year, economic development goals towards the protection of the environment and a fair distribution of living standards, are to be formulated for the people. It is going to be a deciding year for the so-called “sustainable development goals“ in other words SDG, which will replace the millennium development goals. The discussions at various conferences are going to il-

lustrate potential goal conflicts and interest contradictions. Those need to be solved.

A conference is planned in Addis Ababa as well. What ends are to be achieved there?

That is a very important conference. It is about the financing of the SDG. The question here is about who should contribute to development funding. What is particularly expected of the contributing countries, of the northern or developed industrial nations? What is expected of the developing countries, above all in reference to sustainable politics? Economic development is not primarily a question of money, rather it is dependent on political action and indeed, in developed as well as developing countries. So it is the countries themselves who must meet the task of matching framework conditions which are essential for the private sector, as well as creating a transparent and efficient taxation system which allows them to finance the expenditures of the state.

The economic development should naturally be sustainable and not be a burden to the vital natural resources necessary for later generations. This requires new technology, which requires innovation which must be financially supported.

According to your explanations, one thing is for sure, SDC’s beneficial work has a most important significance for many developing countries and the people who live there.

Yes, SDC’s work is and remains important. It would be wonderful to imagine a world in which our work would no longer be necessary. The reality, however, will unfortunately be different, for a foreseeable period.

Mr Ambassador Sager, thank you for the interview. •

(Interview Thomas Kaiser)

“A lot of experience which goes far beyond vocational training”

Interview with Maya Tissafi, SDC deputy-director-general



Maya Tissafi
(picture thk)

Current Concerns:
How long has the SDC already been engaged in vocational training matters?

Ambassador Maya Tissafi: The SDC has been doing that for 50 years, but I have to say that in the earlier

years we have launched and implemented only rather selectively individual vocational training projects. In recent years, we have intensified the engagement, but now we work more at the system level.

What does that mean?

We tackle things on a greater scale. We work together with the governments and with the private sector and help them to establish a national vocational training system in each country.

How does the SDC proceed when it engages in a country on the issue of vocational training?

This is very different from country to country. We get involved in this issue particularly in countries where we are already present on site. This means that we know the situation there very well. In addition, it depends on the demand of the local businesses and industries where skilled workers are missing. On the other hand the impulse also comes from the government, knowing that it has to do something to provide its youth with more opportunities to compete on the labour market. Often, however, the SDC is taking the initiative itself. Then we discuss with the particular government what Switzerland can accomplish in the country, and contribute by introducing the vocational training in the discussion. We have a lot of know-how and a lot of experience in this field and can provide assistance that goes far beyond vocational training.

How do the states react to the SDC's proposals?

In many states we have to use a lot of time on explaining the Swiss vocational training system. They often ask if it is absolutely necessary for such professions to get a training. It is clear to them that it takes a university education for academic professions. Concerning other professions they often have the idea that one might just start working. If we include the private sector in these discussions, the government representatives hear industry representatives saying that skilled

workers are missing and are needed urgently. Then they often realize the necessity. Sometimes a project is developed on the basis of a specific analysis. In Honduras we have seen, for example, that steps should be taken urgently, especially in districts where violence is a particular problem. There we have launched a pilot project without involving the government from the outset in detail. Two years later, we were able to present very good results, which finally convinced government representatives to contribute and to consider our focus on adolescents at-risk more strongly in their education system.

How do we have to imagine that? Does the SDC itself establish a craft business or anything similar there or do you work together with local firms?

The SDC does not establish businesses itself. A project may develop, as for example in Myanmar, where a small Swiss NGO established a vocational school. We found the project interesting, and so the SDC is now helping to introduce on a national level what the NGO tries to build there. We always work through other organizations. This may also be a local operation, such as a leather processing plant in Bangladesh that we begin to support. When we later have the results, we inform the government. The SDC is always working via existing structures.

Are these professions then accepted by other firms, or are there endeavours to that effect?

The aim is, first, that the professions are widely accepted and, second, that they get a certification. This means that the formation of those who could, for example in Katmandu in Nepal, finish an apprenticeship, should be accepted elsewhere, say after moving to another place, so that the efforts to finish an education, were not in vain. This often affects women who move to another village after their marriage. The certification is one of the long-term goals. This also shows that development aid only has a value if it is long-term. It is not a matter of realizing small projects in the short term, but long-term projects with the goal of sustainability, which in this case includes the recognition of training.

By which criteria will the countries be selected?

In countries in which we operate, the fields of application vary greatly. In development cooperation in the narrower sense we have defined priority coun-

tries. In these focus countries, we are often engaged for more than 20, 30 years. Of course, time after time new ones are added. In some countries we ended the cooperation, such as in Vietnam or in South Africa, because they have made great progress and no longer need our support to the same extent. Instead, Myanmar was added. Fundamental and long-term commitment depends on how big the poverty in a country is, how big the gap is between rich and poor, how high the degree of fragility, etc. These are the criteria for development cooperation. Concerning humanitarian aid very different aspects are crucial. If a disaster has happened, then there is the question of salvation, the food situation, medical care, etc. The help there is focused only on short term.

What is the reaction of the countries that have experienced this support and who have been helped successfully for years?

We know the impact because we actively seek to get a reaction in annual meetings with governments. Here, of course, various questions are open: Are we on the right track? Do we have to adjust the alignment? What experience can be transferred from the success in one country to another country? We also hear when something went well. This is significant for us. These annual reports are very important. Every year we make internal evaluations to share the experience that has been made within the projects. Where were the mistakes we could avoid or where could we still expand help to a certain extent? Our objective is to make a most efficient work that is oriented to the needs of the people.

Madam Ambassador Tissafi, many thanks for the interview.

(Interview Thomas Kaiser)



“Focussing on what is constructive and positive”

thk. Readers of the quarterly journal *Eine Welt* (One World), published by the Swiss Federal Department of Development and Co-operation (SDC) will gain deeper insight about the world in general and Switzerland in particular. It is appealing how the articles picture human beings in their respective environments. Whether it is the promotion of democratic awareness in Albania or of a citizen-oriented municipal administration in Bangladesh, or support for the decentralization process in Bolivia in association with an increased participation of the population in political decision making – the SDC contributes everywhere, tapping their treasure of decades of experience in developing countries as well as centuries of home-grown experience in developing Swiss municipal autonomy, federalism and direct democracy at all levels of society.

Many SDC projects regarding “good governance” are modelled on the political and social success story of Switzerland, which led to decades of peace and stability, a rare exception in Europe. Swiss development aid benefits from great experience regarding this aspect of their work, and the fact that the very idea of helping other communities to develop is an integral part of Swiss self-definition – key to success in both instances is the focus on the people and communities and their particular needs. Far from simply “persuading them to adopt” the Swiss system, which took centuries to grow in Switzerland, people from any cultural background can acquire a good understanding of how this system works so that they can copy what might fit in with their own traditions and circumstances. Carefulness in the interaction with other people is the landmark of Swiss development aid and their humane and successful efforts deserve great respect and praise.

Articles from the journal *Eine Welt* should belong to the tools and materials of any teacher, accompanied by his or her personal appreciation of the importance of development aid, the way it is carried out by SDC, as examples of humane compassion and solidarity. History teachers at high schools or university lecturers, teachers at primary schools as well as vocational training colleges, children and youths at any level may be familiarized with this ambitious and challenging task. Recently a student pointed out in class, that peace-building had to start with education – in other words at school – and that no peace was ever going to end the Israel-Palestine conflict as long as the old enemy images were perpetuated in the school books and implanted into the minds of young children. A statement nobody would disagree with.

Peace education and the concept of human solidarity should be taught at school. At this point it is up to us as teach-

“There are no humanitarian solutions for political conflicts”

Interview with Manuel Bessler, head of the Swiss Humanitarian Aid Unit



*Manuel Bessler
(picture thk)*

Current Concerns: How are you getting a complete picture of the situation of refugees in and around Syria?

Manuel Bessler: For me as the Delegate of Swiss Humanitarian Aid it is crucial to get a first-hand picture of the situation. Last year I visited Jordan and Lebanon and in three weeks I will travel again to Lebanon and additionally to Turkey in order to assess the situation with my own eyes. This is also about the efficiency and efficacy of our programs and about deciding what should be done differently, what in a new or better way.

What can be generally said with regard to the situation of the refugees in the Syria conflict who are depending on humanitarian aid?

The humanitarian needs are gigantic. We are facing 3.8 million refugees (UNHCR, January 2015), that is nearly half the Swiss population. There are 7.6 million internal refugees, i.e. people who have been displaced within Syria, e.g. from Aleppo, Idlib, Homs, etc.. Their primary need is to find shelter. The people need safety. These are elementary needs: a roof over their heads, a warm meal, medical aid, in winter sufficient protection against the cold. It is about survival, indeed.

Is the SDC also active in Syria itself or mainly in the countries which have to cope with the refugee issue?

The beginning of the Syria conflict, that is some four years ago, the Swiss Humanitarian Aid has used 128 million Swiss Francs to relieve the suffering. Some 50% of our aid went to Syria itself. The other 50% were spent in the surrounding countries, that is, in countries that have above all accommodated the refugees.

How is the situation in Syria itself?

It is such that more than half of the Syrians are depending on humanitarian aid. They have either left the country as refu-

gees or they are internal refugees within Syria. Three out of four persons who still live in their homes are living on the bread-line. The needs are huge and rising.

How is this to go on?

These challenges will further mount without a political solution of the conflict. This is what alarms and worries us with respect to humanitarian aid. We do not see any solution; there is no indication that there is a solution under way.

Is there any chance for Switzerland, beyond humanitarian aid, to work as arbiter towards a solution of the conflict, like it has successfully done in the Ukrainian crisis, several times?

Yes, definitely. Humanitarian aid is easing the suffering, but it does not provide a political solution. There are no humanitarian solutions for political conflicts. That means, a solution has to be induced politically. We are in contact with Syria. We have a so-called trilateral dialogue between Switzerland, Syria and Iran. This is mainly about working out conditions for the humanitarian aid, but we are also trying to assuage the situation. There can be no political solution as long as the parties are not willing to sit down together and see an advantage in a negotiated solution. And it still looks as if various parties think they can achieve their goals by military means and see no incentive to embark on a compromise or at least on negotiations.

At what political level are these trilateral talks taking place?

As I mentioned, this is a humanitarian dialogue. I am representing Switzerland; for the Iranian and the Syrian side we have the deputy foreign secretaries. We have already met four times. The talks are mainly focussed on the working conditions of the humanitarian actors which are trying to achieve improvements for the situation of the affected people.

Thank you very much for the interview, Ambassador Bessler.

(Interview Thomas Kaiser)

ers. Orientation to what is constructive and positive is necessary in a world where war, hatred and destruction all too often fill the headlines of our biased press. Young people are left alone with shallow entertainment and ever-changing “Highlights”, rarely guided towards understanding reality and never sensitized to appreciate the positive sides of mankind. Yet even if man can undoubtedly be brought to waging wars and killing his fellow human beings, still the

positive sides dominate the everyday lives of most people. Switzerland with her humanitarian tradition has provided many a good example of what single personalities may achieve to promote peace and help for those on the dark side of life. These personalities should be the role-models of our youths. And there are people with these attitudes all over the world. Orientation towards them can help making this world a bit more humane.

The hidden privatisation in public education

by Renate Caesar

For quite some years now people in European countries have been reacting against the waves of so-called educational reforms that are flooding them ever more vehemently. Those changes come up camouflaged as school-reforms, often introduced with the slogan “keeping up with the times”. They do not aim at a necessary renovation of certain elements of our schools, which might require improving; instead they interfere deeply with the respective countries’ educational system by turning educational goals, structures, curricula, etc. upside down. Examples of such processes are the Curriculum 21 in Switzerland or the Curriculum Reform 2015 in Baden-Württemberg, Germany.

Mounting resistance comes not only from teachers and parents but is increasingly pronounced by education experts, historians, linguistic and literary scholars and also politicians. They all agree in the criticism that the intended alterations – many of them have unfortunately been already realized under radar in the past years – do not make any sense, neither with respect to didactics, pedagogic nor to science. How can we improve language learning, for instance, if the so-called communicative competence – one of the reformers’ mantra – is to be achieved by working off hundreds of singular sub-competences, which are to be tested by ticking multiple choice boxes in the end, as designed in Curriculum 21. (cf “Learning to the test” by Marianne Wüthrich in this Current Concerns edition, p. 10). Learning a foreign language is an organic whole: The student together with a polyglot counterpart must for instance listen to a question, seize the meaning, understand the context, search for suitable words and structures to answer, etc.. Or how can a student grow up to be a mature citizen if he is no longer taught history in a systematic, comprehensive and structured manner, instead he is e.g. to “understand and judge” “power relations” by being presented some isolated examples from the Antiquity or the Middle Ages or Napoleon without any basic knowledge, as conceived in Curriculum 21, Switzerland. In short: None of the critics perceives an improvement of school learning by teaching fragments and cutting up context of meaning into hundreds and thousands of broken bits of competences and sub competences. If they do not serve the improvement of learning what then is the end of such “reforms”?

An answer to this question is supplied by an excellent research published as early as 2008 by “Education International”¹. Taking the conclusions of this work into account, these seemingly senseless reforms do indeed serve a very tangible goal, however,

not the goal of helping our children develop their potential in a democratic society by comprehensive education but instead of stealthily commercialising education, i.e. aiming at creating a profitable market in which the public good education is being transformed into a private good that is to be consumed and paid for, thereby fundamentally changing the contents, values and ends of education as we have known it.

The purpose of the study Hidden Privatisation in Public Education is “to get the trend towards privatization of public education out into the light of the day” (p. 3), since what is going on in secret and comes up with positive but deceptive terms like “modernisation”, needs to be made public so that an open debate about what kind of education we, the citizens, want in our societies, can take place. For the transformation of education into private enterprises in Europe, in the US and in developing countries changes fundamentally the values that underpin education, its tasks and goals as well as the tasks and training of teachers. It also changes the self-concept of teachers, their working conditions, their place in society. This is true whether we deal with endogenous privatisation, i.e. the hidden introduction of market mechanisms or exogenous privatisation, i.e. the opening education to pro-profit private providers. It is in any case the transformation of a public good that serves the community in to a commodity that serves the for-profit interest of the provider.

In short: It is about the very ethics of education. Every society has to answer the question:

“Is education about giving each child, each young person, man or woman the opportunity to develop his or her full potential as a person and as a member of society? Or is education a service sold to clients, who are considered from a young age to be consumers and targets for marketing?” (p. 4)

In order to answer these questions citizens of the respective countries must be able to engage in an open public debate and therefore be informed about what is going on in secret and what is the background of these structural alterations sold to them as “reforms”. To provide greater transparency by their research is the purpose of the authors.

Origin and history of privatisation in education

By “privatisation” the authors mean all market strategies that exclude state control, i.e. “state-free market approaches”, also known as Neo-Liberalism. (p. 20)

The first country experiencing such a “market reform” of its education institutions was New Zealand in 1988 under a Labour government. Key players were graduates from the *Chicago School of Free Market Economics*². The influence of the state’s educational administration was reduced, regional education boards were abolished and each educational institution was given power over budget, staffing, etc. as self-managing unit. The next country to follow in 1988 was England with the Education Reform Act. Even before that, in 1981, there had been a complete overhaul of the education system by vouchers and private providers in Chile. Although student selection was prohibited, the municipal private schools selected the better pupils. (In 2006 the Swiss news reported on protests and strikes of teachers and students in Chile demanding *high-quality public education for all* and to do away with the voucher-based education model introduced by dictator Augusto Pinochet in the 1980s).

So-called school reforms – actually “hostile take-overs” of public education

The so-called school reforms, for example those in European countries, are actually processes introducing a market system into public education, sometimes openly, most of the time, however, in secret. The fundamental alterations hide behind seemingly positive terms like “choice”, “improvement of learning processes”, “more efficiency” and “individualisation of learning?”. In fact they are all about introducing techniques and values from the private business sector to the effect that educational institutions are to be run like companies. In their comprehensive study of the education systems of many countries the authors found two different types of privatising procedures:

- *endogenous privatisation*, whereby techniques and practices known from the private business sector are introduced into the respective institutions, for example schools, with the undeclared purpose to transform them into companies. The new terms and techniques – competences, competency grids, evaluation, quality management, testing, etc. – allegedly serve to improve the quality of teaching and learning;
- *exogenous privatisation*: here by definition the public education system is being opened to private providers on profit base, while those providers by

"The hidden privatisation in ..."

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and by determine, implement and manage the educational targets, intentions and processes.

Research has shown *that in all examined countries endogenous privatisation was always the first step to exogenous privatisation.*

Since the whole endeavour is in all cases camouflaged as "reform", people are confused and do not understand what is going on. Parents and teachers feel – quite correctly – that those reforms are irrelevant, outside the subject-area, unpedagogical and even harmful – and also more and more education experts point to the non-scientific character of those machinations³, but the reform waves are overrunning us faster and faster changing everything before one can think. In our schools, for instance in Switzerland and Germany they have already begun to change:

- *the organisation*: dissolving school structures, class units, year grades;
- *the leadership*: manager instead of headmaster; the school manager is no longer a leading professional but the manager of institutional performances;
- *the curriculum*: there are no longer any mandatory learning objectives, obligatory teaching and learning contents;
- *the methods* by which lessons are taught, for example each student working ("individualised") on his individual worksheets and materials, instead of in the class community together with his peers;
- *assessment*: testing of competences and sub-competences on computers instead of traditional forms of assessment like written or oral class examinations;
- *the way in which schools, headmasters, students and even whole communes are being judged*: they who follow the reforms, are regarded as innovative and modern, they who resist are labelled backward and behind the times;

In the words of a change agent: *"We are talking about a change in the culture of schools and a change in the culture of teaching"* (p. 23)

Pasi Sahlberg, a Finnish scholar on education, teacher and consultant to the Finnish government calls the school reforms, enforced by OECD and other international organisations "GERM", short for Global Education Reform Movement, that "kills schools". A germ is a virus or a bacterium that may cause illness and eventually death.

Endogenous privatisation proceeds particularly stealthily

The hidden goal of this stealthy process is to re-structure the schools in such a way that they are managed like businesses including the so-called "performance-related pay for teachers", so that that they can be ranked and compete against each other in the market. However, all this takes place under the disguise of allegedly positive values like "free choice of schools", more efficient learning by "self-responsibility", "independence", better "teaching performance", etc. This will in the long run affect teachers by leading to a breakdown of national pay and working agreements. All these are techniques and processes of the so-called New Public Management to make public state institutions fit for the market. A lot of money (state money!) is being spent on making the schools more attractive – e.g. inciting them to develop an own "profile" with the undeclared goal to later heighten the profit. Such reforms often involve the state by having it issue a national curriculum even if education is in the competence of the individual cantons, like in Switzerland (for example: Curriculum 21). Nation-wide standardised testing then helps to lay the basis that schools may compete and be ranked (publishing of test scores) and become market players. Such future purposes, however, remain undeclared and the enormous costs of all these alterations are paid by the tax payer.

Transformation of the state

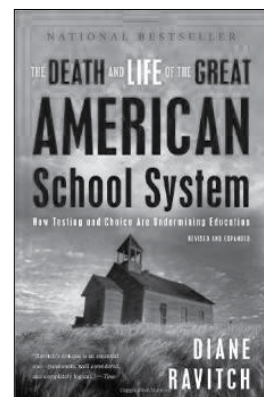
A process, called "re-shaping of the state" by the authors, plays an important role in this context: A shift occurs from "government" to "governance", meaning that state control is gradually but stealthily being replaced by the market players' and providers' control. The latter finally determine the direction of educational policy and supervise its implementation, by providing programs and services like "consulting" and "evaluation". *The state must not be completely discarded, however, but serve the interests of the private sector, primarily by paying the costs.*

It would be short-sighted according to the authors, to name these events "de-regulation", since actually it is a "re-regulation". Control is being withdrawn from the state and transferred to the international organisations and their string-pullers, who remain in the dark.⁴ Public education system is thus steered by remote control. A managing network replaces the state authorities. This is part of the process of passing over the national state as the authority by whom politics are being devised and implemented. One example is the *Bologna Declaration* which fundamentally changed university education in

Diana Ravitch, the well-known critic of school reforms in the US and former official in the US Department of Education, parted with her former allies and joined the highly vocal opposition in her influential book "The Death and Life of the Great American School System" (2010). In her new book "Reign of Error" (2014), she confirms the fact that the so-called reforms in the US are "a deliberate effort to replace public education with a privately managed, free-market system of schooling". Education is under attack from corporate interests and Wall Street crusaders trying to make a buck off the American taxpayer. The "unnatural focus on testing has produced perverse but predictable results". It has narrowed the curriculum to testable subjects, to the exclusion of the arts and the full richness of culture. "Teaching-to-the-test", once considered unprofessional and unethical, has become common.

In its funding practices, Ravitch writes, the White House has "abandoned equity as the driving principle of federal aid". It is "the first time in history", that the US Government "designed programs [...] stimulating private-sector interests to create for-profit ventures in American education"

(quotations cited after *The New York Times, Sunday Book Review*, 2014).



Europe going over the national governments' heads.

These same processes are taking place in other public national fields, for example in the health care and social welfare system. They all have one thing in common: Alterations come always up as "reform packages" and the same language is always used, i.e. that of New Public Management. The international organisations like OECD, the World Bank, the IFC and WTO are always the driving forces.

Exogenous privatisation

GATS⁵ made it possible that the national education systems were opened to private global providers. 40 countries signed this treaty that allows private services from other countries. The state is to provide

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the market place. It allows private companies and NGOs to operate as sponsors in its territory; and this is going on not only in industrial countries but everywhere in the world.

The public education sector as a site of significant profit-making has only emerged some years ago, however, by now the education service industry is growing fast and UK and US education companies have begun to operate internationally. Out-sourcing of testing, curriculum development, etc. has become extensive practice and hardware and software production for schools have become a huge business. *Sourcing-out* or "contracting-out" whole schools have become a wide-spread practice in the US. As early as in 2003 there were already "417 contracted-out schools in the US, teaching 132,000 students in 20 states". (p. 32)

Further findings of the study

- There is no evidence in any of the examined countries that private schools did better with respect to student performance than public schools. If a private school achieved higher scores, there had been a selection of students, i.e. certain population groups were over-represented (racial and social segregation).
 - Competition pressure on schools changes teaching: "Teaching to the test" narrows learning experiences of students, teachers are forced to use pre-fabricated learning materials with controlled speed, which is done above all by young and inexperienced teachers in "low-income-schools" in poorer regions. Complex curriculum contents which evade testing, are no longer taught. (cf box: Diane Ravitch)
 - In developing countries Private Public Partnerships offered to governments are usurping the education system and influencing and eventually destroying the culture and values of these societies. In this field the World Bank is particularly active. The term PPP "is largely a rhetorical invocation of a vague ideal which obscures the role of financial relationships and power imbalances." (p. 32)
- Education that had been determined and organised by the national state becomes eventually privatised. By con-

sulting, research, evaluation and other influential measures private organisations take over, determine and implement the education policies of the respective countries step by step.

- privatisation always implies an attack on professional organisations like teacher unions, for they are no longer capable of negotiating just and secure pay and working conditions for their members.

Conclusions:**Grave and destructive impact on the countries' education systems**

Privatisation fundamentally changes education as a public good serving the whole community to become a private good, a commodity that superficially serves the interest of the educated individual, actually serving the interests of globalised private business. Education in this form is merely significant as qualifications and certifications for employers. Education as a collective good of a society's culture, benefiting for the whole community by passing on the societies' most precious cultural achievements and values to the next generation is being systematically ignored and destroyed and thereby culture itself is eroded. Privatisation promotes competition and individualism and unequal chances of education. In a market system equity, that is equal chances and conditions for all is no positive value. The gap between poor and rich is growing wider and high-qualified education for all is made impossible. The whole process is undemocratic, as passing over and neutralising all democratic institutions.

The study report is meant to open up the eyes above all of teachers and parents in the affected countries to help them realize and question these tendencies in their countries and communities.

What is to be done and is being done already

Parents, teachers, pedagogues and other education experts in Switzerland and the South of Germany have by now answered the study's appeal to be on guard and to observe and resist these stealthily introduced undemocratic alterations in their countries' education systems. Resistance against the unreasonable so-called "reforms", that overhaul well-proved education practices with their non-sensical methods, their competences and test-mania is growing. Ever more people are becoming aware that those so-called reforms carry the thumb's print of OECD and fur-

ther international organisations, they are beginning to look through their hidden goals and implementation strategies and reject them determinedly. (Cf *Current Concerns* No 28-31, 2014 and no 1 and 2, 2015.)

¹ *Hidden Privatisation in Public Education*, Report by Stephan J. Bali and Deborah Youdell, Institute of Education, University of London, 2008, edited by Education International, a Federation of Unions, representing organisations of teachers and other education employees around the globe.

² The Economics Department at Chicago University, where Milton Friedman propagated his Neo-Liberalism. Cf also Naomi Klein, *The Shock Doctrine*, 2007

³ Cf Konrad Liessmann: *Geisterstunde – Die Praxis der Unbildung*, (Haunting Hour. The Practice of Non-education), Vienna 2014

⁴ Cf "OECD reforms, enforcement strategies and impact", *Current Concerns* No 33 2012.

⁵ GATS = General Agreement on Trades in Services

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“... in order to avoid stereotypical concepts of an enemy”

Recommendations for a more attentive use of media

Interview with Dr Daniele Ganser, historian and peace researcher, Swiss Institute for Peace and Energy Research (SIPER)



Daniele Ganser
(picture Kristin Herbig)

CC. On 15 January, shortly after the attacks in Paris, the Swiss historian and peace researcher Dr Daniele Ganser gave an interview to Swiss Radio SRF1 in the broadcast “Ratgeber” (“advisor”) on how to deal with media products on disasters or terrorist attacks. Children and adolescents are exposed to such images and can judge or question them even less than adults. In the talk Daniele Ganser points out the harmful effects of horror images on the concept of man. He offers suggestions on how to counteract this development, without neglecting people’s legitimate interest to be informed about current affairs. He is strongly opposed to the fragmented bits of information which a person is unable to handle and to learn from. Daniele Ganser offers concrete suggestions on different ways of dealing with a genuine acquisition of knowledge and a realistic concept of man accessible to both parents and adolescents.

Radio SRF1: Daniele Ganser is historian and peace researcher. He is telling us we’d better not watch videos and images of disasters or terrorist attacks when they appear, even though this might sometimes prove to be difficult. If you can’t avoid seeing such a video or such images of horror, then one thing is important ...

Daniele Ganser: I think one should try to sort things out. It is important to stabi-

lise the concept of man. It is wrong to think that everybody wants to kill everybody. Like this you will get a very negative view of the world, which is not justified. One should ask oneself: Is there someone in my circle of friends who has shot someone dead? The answer is very likely: nobody. Or has anyone of my friends ever been raped? Again the usual answer is: nobody. Has anyone ever acted as a torturer? The CIA torture report has just been published giving an insight into torturing, and this is truly shocking. Here the concept of man hits rock bottom and makes you think, my neighbour is going to blow me up next. Or the boss will torture me if I ... This is what it entails. In reality most people do not want to use violence, but meet up with friends, earn some money, go on a holiday, fall in love, or maybe read a book, listen to music and so on, just do normal things. This is actually what most people want. We should emphasise that man is above all a lovable and beautiful human being. The problem with these images of violence is that they create an evil concept of man. We’d better look at beautiful images, go for walks in nature, marvel at sunsets, admire the structure of beautiful leaves, talk to friendly people, this is what helps.

Still, when we hear about bad news, we want to know more. We want to know what happened, and why.

Being interested in the world is a prerequisite. We should ask ourselves what happened in a terrorist attack, why Syria is being bombarded, what the war in the Ukraine and drone attacks are about. These questions are crucial. We should be interested in the

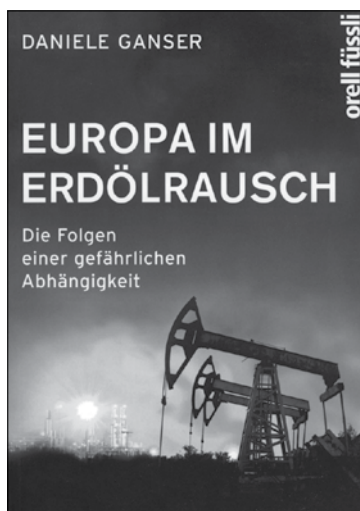
world. I think this is really precious. On the other hand I’d recommend reading non-fiction books. Someone interested in the war in Syria should read a book on Syria of maybe 300 pages, like this he would understand a lot more than by just watching a video. Or if he says no, I don’t like reading, then he should rather watch a documentary of 60 minutes, for which a team of journalists has done a lot of research. You will certainly get more information since the pieces of information are more comprehensive. The mind can process a one-hour input much better than a three-minute sequence like for example Simon Ammann’s bad luck at the last competition and tomorrow’s weather forecast, a phone call from someone who wants something, a text message ... our daily life. This fragmentation means that we remember nothing in the end. We no longer know the exact details of the Madrid attack or the London Tube, or the 9/11 attack. If you see the pictures, you have no idea who was behind it. We are unable to process these short bits of information.

You also say it is absolutely necessary to talk about such events with children aged 10 years and more. Children below the age of 10 must be spared from such terrible news. According to you, watching TV is a taboo for children below the age of 10, and above 10, adults must talk with the children about what they’ve seen and not leave them alone with it.

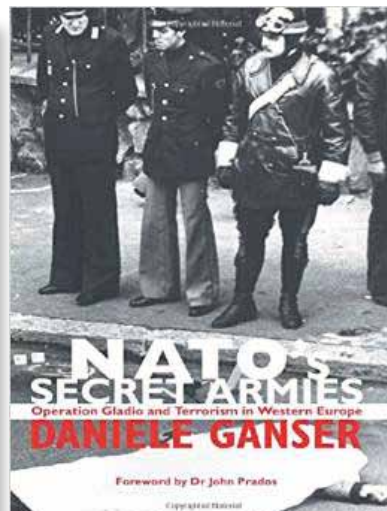
We should actually ask the children about what they’ve seen and how it affected them: “Do you think that many people want to kill others? Do you think there are only few? Do you think it is like this in every religion? Do you have a friend who is Muslim? Do you now believe Muslims are more violent than Christians? For example, 30,000 people died in the war of France against Libya, most of them were Muslims. Now about 12 Christians are reported to have been killed by Muslims, perhaps, we still don’t know exactly [referring to the attacks in Paris]. Who is now more violent?” We adults should start a differentiated dialogue, which can be understood by adolescents. In all religious groups there is the problem of violence, but also among atheists, like for example the RAF, who were atheists in the first place. And I think it’s crucial to talk to each other in order avoid stereotypical concepts of an enemy by pointing at someone and saying: “Yes, these are the evil guys.”

Source: SRF1 Ratgeber, 15.01.2015.

(Translation Current Concerns)



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Curriculum 21 – EDK proceeds to implementation

We have to regain our direct democracy and federalism!

by Dr iur Marianne Wüthrich

While in many cantons parents, teachers and other citizens, alarmed by the continuing education cuts in our schools, are launching or have even already submitted popular initiatives, the few members of the Governing Councils sit in their self-proclaimed body EDK (Swiss Conference of Cantonal Ministers of Education) and demonstrate, that they will not allow themselves to be distracted from their plans by the voters. Individual education directors are proclaiming the early introduction of Curriculum 21 (LP21) in their cantons, even before the consultation deadline is fixed for the withdrawal from HarmoS or the date of the vote is issued concerning the initiatives that will decide on the voters' right of co-determining the curriculum. Indeed, for a number of years the EDK has been organizing the conduction of national tests – according to the principle: once the money flows, the people will surely agree.¹

Do not underestimate us voters! Just because already millions of our cantonal tax coffers have been spent on a wrong concept, the concept is not getting less wrong.

By examining the EDK's media statements and their documents for test planning, one realizes: In the "House of the Cantons" in Berne – there is a peculiar carelessness about the rule of law, of federalism and of direct democracy. There the members of the cantonal executive are romping about instead of pursuing the tasks for which we have elected them, in their cantons.

Consultation as an alibi exercise

Looking back: On 28 June 2013, the education or training directors *Christian Amsler* (SH), *Regine Aeppli* (ZH), *Alex Hürzeler* (AG) and the ever-ready LCH-President *Beat Zemp*² went to the media and invited the cantons as well as various German and nation-wide organizations and institutions for the consultation (opinion) on *Curriculum 21*. Until then, a handpicked group of experts had secretly pursued their own agenda for three years. Teachers, who had volunteered to read the draft and follow the work, as you would wish for in our direct democracy, had been rejected.

Now some institutions were invited to express their opinion on the matter until the end of 2013. Broad discussions in the public, in the staff rooms and with the parents were not allowed for. From the press release of 28.6.2013:

"After the consultation, Curriculum 21 will be revised taking into account the received feedback. At the same time existing teaching materials will be adapted and new ones will be developed that are based on Curriculum 21. Already now, in most subject areas appropriate educational materials are available. Revised Curriculum 21 is expected to be submitted in autumn 2014 to the Swiss-German Ministers of Education for approval. Each canton then decides on the introduction in own competence. [...]"

Several remarks are due concerning this media statement:

- Meanwhile, we have witnessed what the revision "taking into account the feedback received" looks like: More than 500 pages have been "reduced" to just under 500 pages, the amount of competencies have been a little bit contracted, biggest chunks have been withdrawn or formulated more "innocuously".

It was never intended to incorporate the fundamental criticism of Curriculum 21.

- "Already now, in most subject areas corresponding educational materials are available", so the media statement. It should be added: Already today (which means already in June 2013), students of the teacher-training colleges are trained as coaches instead of as real teachers. If, before the consultation period, everything has already been arranged, why a consultation at all?

- In autumn 2014, the revised Curriculum 21 was adopted as planned by the Swiss-German Conference of Cantonal Ministers of Education (d-EDK), with the comment that the revision had successfully been effectuated.³

This means: The same Councillors having launched Curriculum 21, launched the revision at the beginning of 2014 and on 7 November 2014 they contentedly stated, that it would now be possible to introduce Curriculum 21 in the cantons. Such sleaze does not fit the Swiss model!

- The d-EDK is affirming again and again that, naturally, the cantons are authorized to introduce Curriculum 21. The school reformers were compelled to allow Article 62, Section 1 of the Constitution to stay as it is ("The cantons are responsible for the school system") – the cancellation of which the sovereign would never ever have conceded. Exercising the cantonal sovereignty in education matters, for exam-

ple, in the Canton of Basel-Stadt means the following:

"Curriculum 21 of the Swiss-German Conference of Cantonal Ministers of Education 31 October 2014, is enacted as elementary school curriculum in the Canton of Basel-Stadt. It shall take effect on 17 August 2015 on the beginning of the school year 2015/2016 and applies to primary and lower secondary school (1st-11th grade)."⁴

Where have we got to? Are we in direct-democratic, federal Switzerland? Or in an executives' dictatorship? We, the citizens prefer the former and in the individual cantons we demand, that the curriculum will be decided on by the people from now on.

Nationwide testing system for the "review of basic skills" arranged for years to come before the consultation

What the citizens did not get: A few days before the Ministers of Education submitted Curriculum 21 for consultation at the end of June 2013, the *EDK Plenary Assembly* had already adopted an already completed concept to verify the basic skills laid down in Curriculum 21, including a time and cost schedule. In October 2012, the EDK had already decided on the "establishment of a task data collection".⁵

Already in the spring of 2015, the pilot survey by taking samples in the 9th grade will take place, namely "combined with the main survey *PISA 2015*".⁶ Now we can imagine what sort of check-ups these tests will be. All check-ups in all school-grades in all school types in all subjects and in all cantons are listed until 2026 in this concept (!). In some cantons there will be samples, in other cantons with less students the whole student population will be tested. The number of students in all cantons, organised according to school years were supplied by the BfS (Federal Statistical Office).⁷ Of course all the tests would be done on computer (even for the children in the 2nd year of primary school!); in schools that do not have enough computers the person administering the test is to supply them.⁸

In the 9th grade the testing will start already in 2016, i.e. with students who spent their entire school career prior to the introduction of the Curriculum 21. So the EDK assumes that competence-orientation has already long been practiced in our schools thanks to the teacher training that has already taken place and to the corresponding teach-

"Curriculum 21 – EDK proceeds ..."

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ing aids. And if the students in one or other of the cantons do not yet know and master the tricks well in the tests by which one achieves high scores, the responsible Councillor will do anything to safeguard that his canton will not be at the ranking's tail-end.

As democracy-aware citizens we perceive an uncomfortable feeling in the pit of our stomachs – the EDK and their office team behave as if Switzerland was only one huge administrative block that had *carte blanche* to do as they like, irrespective of the citizens' opinion.

Whether based on HarmoS – or not? An unparalleled infringement of the law

Let us talk about the "legal basis" of the whole manoeuvre: The EDK bases all this testing and thereby the Curriculum 21 which is intended to achieve the "basic skills" that are to be tested, on the "*HarmoS Concordat*": "as part of the Concordat concerning the inter-cantonal Agreement on the Harmonization of Compulsory Education of 14 June 2007, the cantons decided to develop, implement and periodically review nation-wide educational standards." The HarmoS Concordat stipulates in Article 10 paragraph 2: "The developments and achievements of compulsory education are regularly evaluated within the scope of this education-

al monitoring. Part of it is to verify the achievement of the national education standards in particular by reference tests in the sense of Article 8 paragraph 4."⁹

We remember well that at the end of 2014, when in the cantons the resistance to Curriculum 21 emerged, the EDK suddenly insisted that this had nothing to do with HarmoS. However, here it apparently did: at any rate, the "evaluation of the national education standards in the context of this educational monitoring" – so the giant bureaucracy test – is based on the Articles 8 and 10 of the HarmoS Concordat.

Does this mean that the ten cantons that have not joined the HarmoS Concordat have nothing to do with the EDK testing? Yet, according to the strange legal opinion of the EDK. "All cantons that joined the HarmoS Concordat will take part. All non-accession cantons, except Appenzell Inner-Rhodes, principally take part as well. However, they have not yet definitely decided. For the moment, in the Canton of Grisons, the survey will omit the Rhaeto-Romanic 4th (2nd) and 8th (6th) grades, due to methodological difficulties in the task and test development, whereas the Rhaeto-Romanic 11th (9th) grades will use the German language test material."¹⁰

Let us remember: the inspection machine of the EDK is based on the Articles 8 and 10 of the HarmoS Concordat, but takes all *non*-HarmoS cantons, such as Grisons, in the leaky boat – without the

slightest regard to direct democratic decisions. "Principally, all non-accession-cantons, except Appenzell Inner-Rhodes, will take part, as well." (As we learned on request from the cantonal school office, Appenzell Inner-Rhodes had not been included because of a mere formality and it joined in the meantime.) This means that the State Council of the Canton of Grisons or of Thurgau or of Appenzell Inner-Rhodes elected by the people obviously forgets their loyalty to the decisions of the cantonal sovereign, when they are in the House of Cantons in Berne and there agrees to everything that is requested by the EDK (or one of the other intergovernmental conferences). In my opinion as a citizen it would be wise to occasionally ask the cantonal government about who decided on the "participation" of the non-HarmoS cantons, and also ask about the meaning of the statement "But they have not yet definitely decided". Have some of our state councils been pricked a bit by their conscience?

And finally:

Who is going to pay the high costs?

In the EDK plenary assembly on 20 June 2013 our taxes were collected with the large ladle – once more – before the alibi consultation!

For 2014 to 2016 there were 1,123,333 Swiss Francs per year budgeted, for 2017 to 2019 per year 1,128,889 Swiss Francs, "with the possibility of a revised budget" (in plain language: with the possibility to later push up the budgeted amount).¹¹ These are proud sums, especially when you consider who is going to pay for them: all cantons are asked to pay, depending on the size of the population, even those who did not join HarmoS! For example, the Canton of Lucerne with 381,966 Swiss Francs, or the populous Canton of Aargau with 618,298 Swiss Francs, total for 2014 to 2019.¹²

Here, too, I would recommend to ask the local government council, on which legal basis it supports these proud sums from the cantonal tax collector's office?¹³

Instead of a final word: What is the use of all this?

The basic skills will be tested in a panel study, i.e. at the end of the 3 cycles (2nd, 6th and 9th grades) the results are compared, presumably in relation to the scores achieved in each case and with many nicely coloured graphics; every 4 years the EDK will issue a report. Data protection will be supposedly highly respected, so that one wonders what is all this for? "The information submitted to the cantons or science for further analy-

Learning-to-the-Test

mw. Do you know the "Stellwerk-Tests"? These are now common online tests for pupils of the 8th or 9th school year in the subjects mathematics, German, nature and technology, French and English, each with three levels. So just in those subjects, which are also to be tested according to Curriculum 21. The aim of the test is a positioning for each young person. After he has solved the tests in all subjects, he receives a performance specification, meaning that he is informed about his strengths and weaknesses so that he can "plan his further learning" for the remaining schooltime. (*www.stellwerk-check.ch*) In plain language: The pupils of all school years are supposed to spend their school days primarily with training possible test tasks in order to come to the highest possible score on the next test. It is called Learning-to-the-Test – a senseless cramming of incoherent contents, without real understanding of the subjects, without relation to the teacher who was actually there to teach something to his pupils that will remain in their heads.

Solve once a *Stellwerk-Test*, then you will get a foretaste of the LP-21-tests. E.g. in the subject German the pupil (in the 9th school year!) doesn't have to write a single own formulated sentence, but here tick one answer out of a selection of four, there click two non-matching words in a sentence, there select from two verb forms or word classes the right one. In several test questions the answers are arranged in such a way that the juveniles easily see which answers surely do not fit. And the greatest wickedness is that the test-producers make our young people believe that with the senseless and incoherent Learning-to-the-Test they practically would already have their desired apprenticeship in the bag. The only people who benefit if hundreds of thousands young people solve such tests, are the Bertelsmann-Companies and similar companies which make money with the purchase of the software, as well as the suppliers of the hardware, the computer.

Many high school leavers with poor basic knowledge in German and Mathematics – What is to be done?

mw. The EDK (Swiss Conference of Cantonal Ministers of Education) currently stated that high school leavers with ambitions to go to University should have a certain command of the German language and that for studies in science a basis of knowledge in Math is necessary (!). What is self-evident for each common citizen was “evaluated” by extensive studies. One result was that many highschool leavers aren’t equipped with German and Math skills that are needed for studies at the University.¹ For that reason the principal of the ETH (Swiss Technical University) Zurich announced years ago to introduce entrance examinations when students do not master the necessary essentials from Gymnasium.

And what conclusion has the EDK drawn from that misery? From 2014 on it wants to compile “provisions concerning the general ability to study” togeth-

er with the EDI (Federal Department of Home Affairs) submitting “a catalogue of those competences in the first language and mathematics” that are required for University studies (cf. media release EDK/EDI from 11 April 2012). In May 2015 the EDK wants to further discuss this issue.

Do we citizens want to continue watching a development, in which administration bubbles containing further “studies” and “projects” are being launched by the Federal Government and cantons and awarded a princely salary?

Or do we rapidly sound the halt? Everybody knows that one has to achieve good knowledge in German and Mathematics in Secondary School in order to proceed to Gymnasium. And every Gymnasium student knows, that in each faculty at University demanding German texts are to be read and written and that for sci-

entific-oriented studies good Math skills are needed. To this end our Cantonal Ministers of Education don’t have to spend more years in the “House of Cantons” in Berne. The solution is obvious: Curriculum 21 must be taken off the program and sound and systematic teaching of German and Mathematics must be re-introduced into Primary and Secondary Schools, so that our youth after nine years of school will be well prepared and capable of proceeding into an apprenticeship or into Gymnasium. At Gymnasiums the basics from Primary and Secondary School have to be deepened. Then the school leavers will be “capable of studying at the University” again. •

¹ cf. *Evaluation der Maturitätsreform 1995* (EVAMAR), “Schlussbericht zur Phase II von 2008” (Final report on phase II of 2008, p. 220)

“Curriculum 21 – EDK proceeds ...”

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sis are not sufficient to draw conclusions about the schools, classes or teachers involved. There is no feedback of the results neither at school level nor at class or individual level. The instruments to be developed will neither be used for school rankings nor for the evaluation of teachers’ performance.”¹⁴

Thereto various questions arise: it is self-evident that rankings of schools and evaluations of teachers are not intended, though not really sure. Who guarantees the schools and the teachers, that there will be no comparison under the counter?

And if the schools and the pupils themselves are not informed about their ranking, what is the whole endeavor for? And how much will the taxpayers have to pay additionally, if the data is passed to the cantons and the scientists “for further analysis”?

Once again: Cui bono? Who benefits? Least of all our children who will be left alone at their computers and trimmed on collecting credits, from the beginning of their schooling. The hosts of “experts”, test leaders, producers of tasks and questionnaires, IT companies, report writers, etc. will probably benefit a lot more. •

¹ “Review of the achievement of basic skills; concept: adoption”, Resolution of the Plenary Assembly of the EDK from 20 June 2013; “Using

external test leaders/coders in the context reviewing the achievement of the basic skills: resolution,” EDK resolution of 12 June 2014

² Teachers Switzerland

³ www.lehrplan.ch/der-lehrplan-21-liegt-vor

⁴ Ministry of Education of the Canton of Basel-Stadt, Resolution of the Education Council of 1 December 2014

⁵ Resolution of the Plenary Assembly from 20 June 2013 (review of the achievement of basic skills; concept: adoption).

⁶ “Review of the achievement of basic skills, department quality development, General Secretary EDK, concept, 20 June 2013,” p. 7)

⁷ *ibid.*, p. 9

⁸ *ibid.*, p. 5

⁹ *ibid.*, p. 3

¹⁰ *ibid.*, p. 4

¹¹ Resolution of the Plenary Assembly from 20 June 2013

¹² *ibid.*, p. 13/14

¹³ *ibid.*, p. 13/14

¹⁴ *ibid.*, p. 4

School leavers' lack of scholastic aptitude – a problem to be tackled at its roots!

sl. The Swiss universities and the EDK (Swiss Conference of Cantonal Ministers of Education) deplore the insufficient writing, reading and maths skills of academic high school graduates. High school teachers realise this already when students enter the “Gymnasium” (secondary school leading to university); they are forced to teach basic skills in the first year, abilities they used to be able to build upon 15 years ago. Also master craftsmen are confronted with the problem that their apprentices have serious verbal and arithmetic deficits. *Markus Möhl*, Swiss entrepreneur and President of the vocational school in Lenzburg, said in an interview: “When it comes to practise, we must state – and notably before the introduction of *Curriculum 21*: Although the students possess a variety of skills, they lack the basics. We need adolescents who are able to read and write.”

So what is going wrong in our schools?

For about 20 years, Elementary School has been chased from one school re-

form to the other. Constructivist teaching and learning methods have been introduced, not least by increasingly implementing schoolbooks based on this theory. Consequently, subject matters are no longer taught in a systematic way, from the simple to the more complex, but by confronting the children with complex learning material, from which they are to make the rules by themselves. The teacher is no longer supposed to teach subject matters, but restricted to act as a coach in the background. In addition, students with learning difficulties and behavioural syndroms have been increasingly integrated in the normal school classes, which forces teachers to finally abandon the approved whole-class teaching and replace it by individualized learning methods, spending time and energy to find agreements with special education teachers, speech therapists and psychologists, and all this at the expense of the actual teaching time.

What needs to be done?

The EDK's policies are devious. On the one hand, they are launching Curriculum 21, which will cement and even intensify the described causes of misery on elementary school level by, among other means, establishing the constructivist teaching aids. On the other hand there is increasing pressure on the high schools, obliging them to compensate for all the shortcomings of Primary School. This is trying the square of the circle.

The evil must be tackled at the root, i.e. at Primary School level.

Since the formation of sovereignty lies with the cantons, it is up to each canton to decide for or against Curriculum 21.

Initiatives have been launched or already submitted by several cantons, demanding that the Parliament and not, as previously, the education authorities must decide on the introduction of any new curricula. This allows the citizens to take education back into their own hands and, if necessary, to hold a referendum. •

Letter to  the Editor

Basal professional study competence of academic school graduates

Were it not for the devastating consequences for a large number of people and our society as a whole, the sheer madness of our educational system would indeed make for an absolute joke:

For years, one reform has been following on the heels of another. School, it had been purported, no longer met the requirements of a modern knowledge-based society and subsequently, teachers were asked to no longer “teach” their students. Knowledge was viewed to have too short of a half-life and thus more emphasis was to be put on developing strategies to enable students to acquire said knowledge for themselves if necessary. From the “World Wide Web” perhaps?

Then, teachers were no longer allowed to correct their students' first attempts at writing or to instruct them on

how to write properly because “experts” feared it would stifle the children's creativity. Meanwhile in Math classes, all teaching materials still based on a logical structure were banned from the classroom. Students were supposed to develop their own approaches to solving a problem. “Education experts” were coming up with increasingly creative ways to prevent learning even more effectively – all of it, of course, financed by millions of the taxpayer's money.

An evaluation of the 1995 Matura reform (Matura = the Swiss equivalent to high-school graduation) showed that a high percentage of students did not even reach the level of knowledge required to be accepted into university in subjects such as their native language or mathematics. “When asked, examination ex-

perts confirm that there are high-school graduates unable to write a single sentence in German correctly. Mistakes in spelling turned out to be not an exception but the norm (“*Neue Zürcher Zeitung*” from 21 January 2015)”. What a surprise!

But instead of resorting back to traditional teaching methods, the Swiss Conference of Cantonal Ministers of Education commissioned yet another study, this one focussed on the determination of “basal professional study competence”.

Wouldn't it be better if the Cantonal Ministers of Education thought about this for themselves, without the help of “experts” just once?

Michael Schewski

(Translation *Current Concerns*)

“Curriculum 21: simply explained. In how far does Curriculum 21 effect students? ‘SRF mySchool’ explains it by animation”

“In Switzerland there are 21 German- and multi-lingual cantons. At the moment there are huge differences, how and what students are learning in these cantons. Therefore only one curriculum should be taught, that is *Curriculum 21*. The advantage for the students: In case they change residence, moving for example from the Canton of Bern to the Canton of Zurich, they can simply continue the lessons at where they were stopped shortly before. So within the German-speaking parts of Switzerland students will always be on the same education level. However, Curriculum 21 changes the teaching, as well. New topics are: economy, work and household; modules about professional orientation, media and informatics and education towards sustainable development are more in focus. But modules are not treated as single subjects but as subject-combining, interdisciplinary topics. For example geometry is no longer only done on the blackboard but also worked on at the computer. Curriculum 21 is mostly oriented at competences. That means that students can operate in practice while using the knowledge they acquired at school. (cf. picture) But not everything can be regulated by Curriculum 21. What timetables look like and how marks are assigned for example is in the competence of the cantons. Therefore the particularities of the cantons remain in spite of the harmonisation of the school system.” (SRF MySchool 17th November 2014, *Curriculum 21 for children* www.srf.ch/myschool)

mw. Our children will be over the moon: When they move from Berne to Zurich, they can continue with the lessons at the point where they had stopped before. How this is to work will be highly interesting for the



Did you ever make use of the Pythagorean Theorem, i.e. calculating the length of the sides of a triangle, when you put up a ladder?

school-youth: Is there a huge computer-network that lets out the competences to be done that day in German and Mathematics, every morning for each fifth graders of 21 cantons? Oh no, the timetables will still be different in each canton: Not in each and every class a German and Mathematics lesson will take place just on Monday mornings. Timetables and assignment regulations of each canton shall remain specific. Educational sovereignty would be limited to timetables and mark-scales – a poor federalism, don't you think so?

And yes, before I forget it: How exactly is it going to work when somebody moves from Berne to Zurich? At least for the foreign languages the computer-giant would spy out a mess. Because in bilingual Berne French is naturally the first foreign language (French from the third grade on, English from the fifth) while in Zurich children begin with English as the first foreign language and start with French only in the fifth grade. Besides a comparable level of performance, also in

other subjects – if subjects will exist at all! – will only be mandatory at the end of one of the so called cycles. Bad luck for our fifth-grader: What subject exactly will be taught in the second cycle (third to sixth grade), where he is right in midterm nobody knows, even not the EDK-experts in the House of Cantons ... So my good sirs: Don't make the program *mySchool* tell the children fairy-tales!

By the way, it is common knowledge that in some cantons a discussion about the question is going on, whether foreign languages should not principally be taught at the secondary level, at least one of them. In the spare lessons German language could be taught to the effect that Swiss-German students might master the language reasonably after 9 years of school, both in speaking and writing. With a good command of the German language as a basis the students would be able to learn a foreign language all the better – that much knowledge about learning theory might be expected to be stored even in the brains of the EDK-experts.

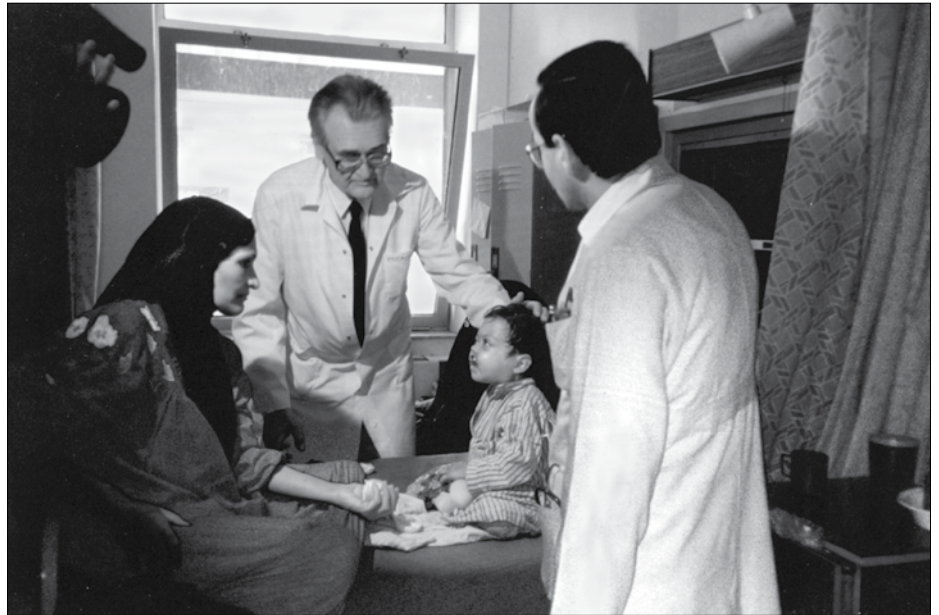
On the death of Professor Dr Dr Siegwart-Horst Günther

An homage by Frieder Wagner, Ochoa-Wagner filmproduction

When on 18 October 2007, on the occasion of the 10th award ceremony of the "Nuclear-Free Future Award" this honour in the category "Enlightenment" was awarded to *Professor Dr Siegwart-Horst Günther*, he said the following in his speech of thanks:

"When I found out, after the first Gulf War of 1991, that allied troops had employed uranium shells in that war, with all their terrible consequences, I was outraged about this atrocity. War is terrible in itself, but the use of this ammunition and of depleted uranium bombs constitutes a war crime against humanity and earth."

Already in March 2002, on my first encounter with Professor Günther it had become clear to me what this man has done in terms of education on uranium ammunition and its terrible consequences. He had shown to me pictures of newborns with terrible deformities and explained that the fathers of these children had participated in the heavy tank battle south of Basra in 1991, when the Allies had used more than 320 tons of armour-piercing ammunition of depleted uranium. This monstrosity revealed by Professor Günther would bring him much trouble, especially in the Federal Republic of Germany. In the 1990s, he



Humanitarian aid in a children's hospital in Baghdad. (picture Current Concerns)

was virtually discredited and persecuted for this.

In 2003, while filming with him in Jordan and Iraq, however, I was able to learn how highly respected and widely known abroad he has always been, particularly in the Middle East. At Amman Airport, where

passengers had to wait for the visa, he was politely waved from the queue, escorted to a small table, offered a comfortable chair and served tea and biscuits. While we, the ordinary mortals had to stand in line for an hour

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"It is good, that you have come to help us"

"As a former employee of *Dr Albert Schweitzer* I have been working for many years in the context of humanitarian aid programmes in areas of tension and every day I had to see the enormous suffering and death of people, especially children there.

In Kosovo, as well as in the Gulf region new discussions are lately being lead by the UN, but hunger and death continue.

Albert Schweitzer's speech on receipt of the Nobel Peace Prize in Oslo on 4 November 1952 is particularly valuable, especially in these times. At that time he said, 'The statesmen who were responsible for shaping the world of today through the negotiations which followed each of these two wars found the cards stacked against them. Their aim was not so much to create situations which might give rise to widespread and prosperous development as it was to establish the results of victory on a permanent basis.'

Unfortunately this attitude has not changed to this day.

Albert Schweitzer was convinced that the threat of new wars of extermination could not be banned by international

agreement or any institutions, but only by the morally determined attitude of all those responsible.

Many events of recent times show that we are now in a situation in which the ethical and humane attitude does not progress to the same extent as the external power resources do.

The Übermensch ["higer man"] appears to develop more and more into a barbarian.

Albert Schweitzer believed steadfastly that those decisive effects which secure world peace can only develop in the spirit, in the moral attitude of the individual and of nations." (Preface)

„As a participant of the Second World War, where I had to witness many crimes and was a victim myself, I pursued with growing empathy the crimes of the new wars and its consequences. This was caused not least by my friendship to Albert Schweitzer and our joint activity in the jungle Hospital in Lambarene. Therefore, I will not get tired at this point to call upon all people to maintain peace and provide help where it is needed. In the Gulf region, in the former Yugoslavia, in Africa, in Latin America. And if these thoughts should produce a last-

ing effect within the reader only, even then the effort would have been worthwhile." (Epilogue)

Professor Dr Dr Siegwart-Horst Günther, *Hunger und Not der Kinder im Irak*. Epilogue, Publishers Zeit-Fragen, Zurich, 2007

* Albert Schweitzer welcomes Siegwart-Horst Günther on his arrival in Lambarene, in 1963. (Translation *Current Concerns*)



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to get the visas, Professor Günther's passport had long been provided with the necessary visa by a courteous unbureaucratic official. And later, on welcoming Professor Günther at the Children's Hospital of Baghdad, he was embraced by the director of the hospital like an old friend. At this, the director was touched to tears by the unexpected meeting.

On a long car ride in Iraq I asked the professor, who had become 79 years in the meantime, why at this age he would go again on such an arduous and dangerous journey. For when in fall of 2003 we entered the Iraq, UN officials and almost all Western embassy employees had long since left the Iraq because of this unstable situation. Professor Günther replied cheerfully and relaxed, "You know my young friend, I am a doctor committed to the Hippocratic oath and this oath has no age limit."

Professor Günther who was born 24 February 1925 in Halle on the Saale

refused to be drawn into the crimes of the "Wehrmacht" even as young soldier on the Eastern Front. Later on this took him to the German resistance and, as a consequence, to imprisonment in the Buchenwald concentration camp in the context of the Hitler-assassination attempt of 20 July 1944 shortly before the end of the war.

His name and his findings on the "Gulf War Syndrome" will remain in memory amongst others in the two movies "Der Arzt und die verstrahlten Kinder von Basra (The doctor and the contaminated children of Basra" and "Deadly Dust" (2004 and 2007). Spectacular and unforgotten is the action where he smuggled the remains of uranium ammunition from the Iraqi war zone to Berlin, whereupon he was prosecuted for the "dissemination of radioactive material". So much for the alleged and still claimed for safety of ammunition.

Professor Günther died in the night of 16 January in Husum. All of us who

knew him, bow in reference and awe to this straight-line and truth-seeking physician and scientist. In his spirit, we shall continue working in honouring commemoration.

(Translation *Current Concerns*)



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An admonisher against war

by Brigitte Queck for Mothers Against War, Berlin-Brandenburg

On 16 January 2015, Professor Siegwart-Horst Günther died at the age of 89 years in Husum, shortly before his 90th birthday on 24 February.

He dedicated his entire life in the spirit of his idol, *Albert Schweitzer*, to the service of a human society striving for peace and justice worldwide.

During the Second World War, as an officer on the Eastern Front, he had experienced the cruelties and crimes of the Nazi war firsthand. Not least these experiences made him join the resistance group led by *Claus Graf Schenk von Stauffenberg*. After the failure of the assassination attempt on *Hitler* he was arrested and taken to Buchenwald concentration camp. After the liberation of the German people from fascism, he studied and did his doctorate at the University of Jena. A tropical medicine training in London and Liverpool ensued. From 1963 to 1965 he worked in Lambarene (Gabon) together with his idol Albert Schweitzer. Occupation as a doctor in Egypt, Syria, Israel and Iraq ensued. From 1990 to 1995 he taught and worked at the University Hospital in Baghdad.

From 1991 until 2004 Professor Günther – together with Dr *Freimut Seidel* (former Ambassador of the GDR and Middle East expert) – organized and realized many SODI-relief supplies for Iraqi health institutions and refugee camps in Baghdad, Mosul and Basra.

On this occasion he examined Iraqi children who suffered from a hitherto unknown disease after the second Gulf War (1991–1995). His studies showed that these children had had skin contact while playing with uranium ammunition that the US forces had used in the Gulf War.

His suspicion that the Depleted Uranium weapons were highly radioactive, were confirmed by studies of three renowned German research institutes, including the Luise-Meitner-Institute.

Professor Günther was the first scientist worldwide who realized the link between the use of uranium munitions and cancer as well as immune deficiency diseases and who made the public aware of the devastating health consequences for civilians, soldiers in war zones, yes, their impact worldwide. He was also the first person who called for a ban on these weapons, which leading scientists of Switzerland had counted among the nuclear weapons of modern times several years ago, too.

Returning from a solidarity action with 160 peace activists from all over Germany during the NATO bombing campaign against Yugoslavia we got to know Professor Dr Günther on the occasion of a peace conference in Erfurt, where he and others had drawn attention on the use of Depleted Uranium weapons by NATO in Yugoslavia, including Kosovo.

A few days later he contacted us with the request for help when he – apparently because of his "dangerous knowledge" – should be taken to a psychiatric clinic by police detachment.

By informing all peace organizations that are active in Germany and worldwide we could prevent that.

The exemplary political and humanitarian engagement of the peace activist Professor Günther was appreciated, especially abroad, by awarding him numerous honors and awards: the Special Award 2000 for Peace and Humanity of the International Association of Education for World Peace, founded by former UN Secretary-General *Boutros-Ghali*, the peace Medal of the University of Nagasaki, Japan, the award for moral courage of Solbach-Freise Foundation in 2006, the Nuclear-Free Future Award, category Enlightenment, in 2007 the prize for science and art of the Austrian Albert Schweitzer society and others.

Throughout his life Professor Günther has been an admonisher against war, who during the fascist period belonged to few ones, who dared to fight, if necessary with their lives, against a brown dictator like Hitler and whose objective has always been the "reverence for life", following the example of his teacher Albert Schweitzer. Let us continue this work so that our globe will be a peaceful place.

(Translation *Current Concerns*)