

TALLY-HO! BLITHELY HUNTING THE RICH

Switzerland has just voted again. It often does, and the issues are not always of overriding importance. A few years ago, for example, voters were presented with a petition for a referendum on horned cows. The right of initiative granted by the constitution naturally knows no limits in terms of content, and so every now and then, nonsense dictated by the zeitgeist makes its way to the ballot box. But for the most part, the people's common sense has prevailed so far, or let's say, at least no worse than some supposedly knowledgeable parliaments in foreign countries near and far.

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A week ago, a special tax for higher-income citizens was up for debate. A seductive political move, the so-called 99 per cent initiative, since the vast majority of the electorate was among the potential beneficiaries, while a raid on the incomes of those «who can afford it» was envisaged. The good news: the popular initiative from the far left was resoundingly rejected, namely with 65 per cent of the votes. Moreover, not a single canton voted in favour of the project. That is reassuring. Somehow the causal link between income, growth and prosperity seems to be well anchored in Switzerland.

The bad news: the next, comparable initiative is already in the wings. Now it will no longer be

about income taxation, but about large fortunes. Everything that amounts to more than 100 million per person is to be «socialised», in other words: expropriated. This proposal will also be rejected. That is not the problem.

What is more troubling is that only 30 years after the collapse of the Soviet Union, which was based on socialisation, expropriation and forced labour, anyone would even think of reaching into the mothballs of the Communist past. But somehow hunting the rich is in the zeitgeist. The French economics professor Thomas Piketty began it, and it is now being blithely continued, for example by three American economists who were permitted to present a paper at this year's central bank meeting in Jackson Hole that – to put it briefly – blames the rich for the sustained low interest rates. Because the richer save more than the poorer. How surprising, one might remark. But the fact that the rich have become so rich because, among other things, the central banks let asset prices skyrocket to unreasonable heights by lowering interest rates, is not mentioned. What is cause, what is effect, who is really «to blame»?

This academic paper will not have any direct impact either. But it is another beacon on the way to a rather uncomfortable world in which performance and risk-taking are little appreciated and alleged equality is held up as the ideal. In Switzerland, at least the people still have the last word and can resist the zeitgeist. In Anglo-Saxon countries, there has always been an inhibition against snatching property, in the UK even under the reddest of red Labour governments. In all other cases, I would not be so sure.

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