

Note: Kilchberg, November 2025

To: People interested in introducing the political right to vote on referendums 4x a year in Chile

From: Eduardo Schindler

Dear readers,

The purpose of this note is to share some analysis and reflections on the political right to vote on referendums - known as direct democracy - as the primordial source and beating heart of the processes that lead to the much higher levels of freedom, security, social cohesion and prosperity enjoyed by Switzerland. These levels of well-being are unachievable for all nations with representative democracies that deny their citizens the right to referendum on a regular basis.

The “story” is told with the help of eight charts that are in the appendix in A4 size.

Chart Nr. 1: the political right to vote on referendums on a regular basis



The political right to referendum is the right to vote YES or NO on whether an issue enacted by the authorities (or initiated by citizens) should come into force.

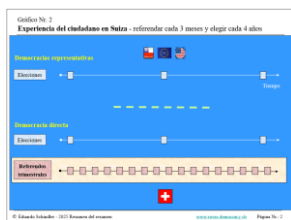
In Switzerland, the right to vote in mandatory referendums was introduced in 1848, in facultative referendums in 1874, and in popular initiatives in 1891. The right to vote in referendums 4x a year is considered as natural and inalienable as, and at par with, the right to elect authorities every 4 years. Voting is not mandatory, and in every session, we vote on issues of national, regional and municipal levels. A simple majority win, the decision is final, and this is how we exercise our role as sovereign of the country - that is, having our say and the final word.

Being an active sovereign, instead of a stand-by stooge of the political class, has crucial implications on the mentality and behavior of both the people and the politicians.

In **representative democracies**, people go by the rule: delegate, blame and complain about the political class. A comfortable role, but missing the all-important loop to learn from mistakes and become more mature civic agents - individually and collectively. And conveniently, keeping people from becoming more educated, responsible and self-secured citizens is the best way for a self-serving, self-perpetuating elite of professional politicians to preserve their centuries-old monopoly to mold, use and abuse the system as they please. In some countries more than others - but left/right, rich/poor, big/small, and in all 5 continents.

In **direct democracy**, citizens go by the opposite rule: we decide, we assume the consequences, and we are responsible for fixing what is wrong. The blame&complain game is gone. A valuable *by-product* of taking the decision-making monopoly away from politicians is that we do not need to change them to “change things” - eliminating the perennial government-opposition antagonism and the endless accusations/lies that characterize political life elsewhere.

Chart Nr. 2: the importance and educational impact of voting in referendums every 3 months



As in Chile, in Switzerland we vote every 4 years to elect the government and parliament. When voting, people are guided by their ideological leanings; the personality&experience of the candidates; their position on issues, track record in generating/accepting pragmatic and consensual solutions; genuine motivation for public service; recommendations from acquaintances; etc.

The crucial difference compared to representative democracies is that here **we are, in addition, also invited to vote YES or NO in 4 sessions of referendums every year**. Hence, between elections we get to vote on ca. 30 issues of national level, another 25+ of the respective (26) cantonal and 15+ issues of the given (2.170) municipality level.

To arrive at a YES/NO vote, each person uses reasoning to evaluate the pros/cons arguments put forward by the respective sides. Thus, the very “exercise” of **voting on a quarterly basis is a most powerful instrument for civic education** across the entire society. Over time, everyone learns to anticipate and assess the consequences of YES or NO. Referendum after referendum. And the learning applies to all kinds of topics - education, health, security, transportation, pensions, etc. Gradually, and without any explanations from elite scholars, everyone learns that: free-lunch ideas from populists are expensive boomerangs; in order to receive something you have to give something up; the state does not create wealth out of thin air; trying to make the rich pay more and more is a bad idea; and that higher public spending sooner or later translates into higher taxes/public debt/inflation.

A selection of important by-products of holding quarterly referendums

The first is a **powerful egalitarian effect** throughout society. Before God and the law, we are all equal. And when we vote in referendums, we are equal too: 1 person = 1 vote, without distinction of any kind. Everyone is as “sovereign” as everyone else. And since we vote 4x a year, it creates time and again a very strong sense of “all being equal” in our ability and responsibility to influence the future of the nation. No person, class or elite is above anyone else. By voting regularly, we build a society with great sense of self-respect and free from the inferiority/superiority complexes (and mutual disdain) among class-oriented, status-seeking people that prevail in other nations.

The second is a **demagogy and populism-free** society. A citizenry with higher levels of civic maturity and responsibility becomes immune to demagoguery, allergic to charlatans and resistant to ideological indoctrination. Populists on the left and right disappear as if by magic. And the press promoting them too.

The third is that **whoever is elected as authority is of secondary importance**. And the reason is simple. First, if politicians try to pass a “bad” law, we use a facultative referendum to stop it from coming into force. And secondly, if people want to change “something that is not right” (a law, an article of the constitution), anyone can launch a popular initiative to change what is “wrong”, with no need to change the authorities (and wait years) to achieve the goal. Ergo: lacking the monopoly to “change things” held by their peers elsewhere, then even the persons holding the highest offices in the Swiss government and parliament are of no critical importance for the citizens. We can still change them. But no rush.

And *the fourth* is that **political agendas reflect what matters most to the people**. As the respective agendas (nation, 26 cantons, 2.170 municipalities) are cleared of the issues being voted, then space is made to address the emerging issues that matter most to the people. Purely ideological/populist ideas rarely get to the top. Moreover, voting 4x a year prevents the formation of a tangle of ever-pending issues that are kept alive by the opposition and activist minorities just to destabilize the government in power.

Chart Nr. 3: the fundamental implication of NOT having vs. having the right to referendum



The cardinal difference between a country without and with the right to referendum is that if **without, all acts** (laws, taxes, expenditures) enacted by the political class **come into force - including those that are NOT-OK** for the people, which leads to the widespread discontent typical of representative democracies.

In contrast, in a country **with** the right to referendum, **only OK acts enter into force**. And the mechanism is as simple as it is powerful: the **facultative referendum is a most powerful and effective sieve in the hands of the citizenry**, and each&all of the 000s of acts enacted by the authorities must go through it before entering into force. In sharp contrast to the nations without, Swiss citizens are empowered to carry-out an “adequacy test” **to separate the OKs from the NOT-OKs**, at all times and for all issues of national, regional and local level.

The **OK given by the people** can be either explicit or implicit. It is **explicit** when a referendum is launched on the given issue, and the majority votes YES. It is **implicit** when the given act comes into force without being challenged by a facultative referendum. For a national issue, there are 100 days to collect 50.000 signatures (about 1% of the electorate) and submit it to a referendum vote. (The issue remains on-hold until the vote takes place.) For regional issues, it is sufficient, for example, to collect 3.000 signatures in 60 days in the canton of Zurich (the largest in the country).

The **NOT-OK acts are sent back to the authorities** for improvement. And this loop is of major importance: in restaurants in which clients can send back the plates that they do not like, then the cooks learn pretty quickly to understand, respect and satisfy the taste of their clients. The valuable result is that we actually do get much “better food” from the kitchen. Perhaps this explains the rather harmonious relationship that exist between Swiss people and our (non-professional, part-time) politicians, as compared to those observed in most other nations.

A selection of important by-products of having the WITH instrument

The first is to **avoid accumulating NOT-OK acts**, thereby leading to a society free of anger/frustration, no radicalization of positions, no repudiation of abusive authorities, and no cynical instrumentalization of (non-existing) discontent by opposition parties, activists and the press.

The second is that **no professional, self-perpetuating politicians are needed** or tolerated. They simply do not exist in Switzerland. As a result, it is much easier to avoid deficiencies like corruption, over-regulation, bureaucracy, ever-larger state, higher taxes, bad public services, etc. Moreover, letting the people take the “final decision” works as an effective deterrent that keeps arrogant, egomaniac and dominant personalities from even attempting to become public authorities. And with no adoring fans, then no popularity-seeking individuals run for office. Instead, very normal people with genuine public service inspiration do. Swiss politicians may not all be selfless angels, but the system forces them to behave this way.

And *the third* is to enjoy the rare and most precious **privilege of living in a politics-free society**, instead of the omnipresent ideological antagonism, perennial personality-clashes and endless bombardment from the scandal-seeking press that spoil the daily lives of millions elsewhere.

Chart Nr. 4: right to referendum = the master key to access a “superior” social contract/rule of law



The main implication and result of the **with** is that Switzerland has been building a **body of laws that is increasingly superior** to those created by self-serving politicians in other countries. The notion of superior includes: (i) free from the burden of 000s of **NOT-OK acts**, and (ii) higher levels of: legitimacy, completeness, ease of use/understanding, effectiveness, stability, adequacy, contemporary, fairness, being respected, etc.

Thanks to the regular use of the right to referendum, Switzerland is the **only nation whose social contract has been 100% created**, adjusted and approved with the **active and direct participation of everyone**. Piece by piece. At all times. One generation after the other.

And since the body of law is the very fundament that governs the functioning of a rule-of-law based country, it follows that: the better this body, the better the conditions for accessing the freedom, security, justice, social cohesion, and prosperity to which everyone aspires. In this context, the Swiss example has a simple and powerful message: **nations that still deny their citizens the right to referendum simply lacks the “master key” to access superior levels of freedom and wellbeing.**

It should be noted that creating this superior body of law is not difficult for the people, nor does it require particular skills or effort from them. The system is based on the collective common sense of millions of common people from all walks of life. Whatever the level of civic culture at departure, over time everyone learns to improve the respective reasoning to assess arguments and to anticipate the consequences of a YES or NO vote. No one needs to be an expert on anything, and everyone is invited to vote on everything: education, defense, taxes, health care, immigration, modifying the constitution, infrastructure, etc. And each person is free to decide whether to participate or not in writing and re-writing the social contract. Topic by topic, one at a time, and one after the other. In this context, getting to a YES/NO in whatever topic is a much easier task than trying to pick a preferred candidate among people: of questionable character; that talk about dozens of topics, all at once; make all kinds of empty promises; keep repeating obsolete ideological slogans; and spend most of the time attacking each other than offering true solutions to current problems.

It is a **paradox**: it is **enough to have the right to referendums, and very few referendums are actually needed** at all. In fact, **we refer to referendum less than 2%** of all the 000s and 000s of acts prepared and enacted by the authorities. The other 98% comes into force without being questioned by the people, despite the right to do so in each case. And there is no challenge because this 98% is of such quality that it already reflects the will of the citizenry. What a difference compared to nations where authorities refuse to listen to the people, insist on imposing their own ideological whims and focus on eliminating and modifying the acts of the previous government.

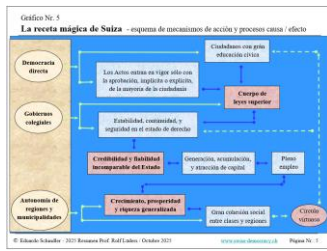
In this sense, the **great secret of direct democracy is not the tiny 2%** that is put to a referendum, appears in the news, and is known to everyone (*the visible/explicit part*). Instead, its **true magic lies in the quantity and quality of the 98%** of 000s of acts that come into force without being put to a referendum (*the invisible/implicit part*). Such distinctive quality is, in turn, a direct result of the powerful and effective pre-emptive influence exerted by the threat of a facultative referendum (i.e., the OK sieve) on how the politicians work already during the preparation of all these acts.

It can be said that **Switzerland** functions with a **blend of 2% direct and 98% representative democracy**. Direct democracy does not replace the representative one. Instead, they complement, perfect and potentiate each other. Without representative, direct democracy is not practicable. And without direct, representative democracy is unable to avoid/correct by itself its worst flaws and shortcomings. The right to referendum works marvels: **just 2% of “magic potion” is enough to make the remaining 98% work wonderfully**. This powerful combination cleanses the political system from its major imperfections, and makes it free from the abuses of a self-serving political elite shielded from the direct supervision and intervention of the citizenry. Some nations are worse than others - but left/right, rich/poor, big/small, and in all 5 continents.

A final remark: does 2% sound too little to make such a big difference/improvement? Ask those whose entire genetic code is still only 98% like ours.

The Swiss “story” becomes even more interesting now, and this because **weaving a social contract of “superior” quality is just an intermediate step** that triggers and drives a cascade of nation-building processes that together form the country’s magic recipe - the subject of the next chart.

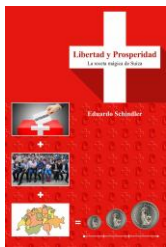
Chart Nr. 5: Switzerland's magic recipe for greater freedom, security, and prosperity



Switzerland's magic recipe is a virtuous, self-sustaining spiral with no limits of duration or progression. It has **3 main ingredients**, and consists of various interdependent socio-political-economic processes that nourish and reinforce each other. In its current form, the recipe is already ca. 150 years old and has served the nation continuously and successfully through all kinds of events.

Surprisingly, the recipe is **not a master plan**: (i) designed *ex-ante* by a small elite of Harvard-like professors, over a short time, and with predefined objectives; and (ii) implemented top-down by a powerful central state towards a submissive and obedient society.

Instead, it is **the unintended and spontaneous result** emerging (*ex-post*) from 00s of decisions made over time by millions of ordinary people, reluctant toward elites of any kind, using their common sense, and implemented mainly by the 26 cantons and 2.000+ municipalities. Unlike other countries, Switzerland is a nation built primarily bottom-up (the cantons delegate upwards only the minimum necessary to the central state), following the reasoning of very pragmatic people, and applying a recipe that has been completed, perfected and modernized by each generation. Referendum after referendum.



The first book (2021) explains that the **political right to hold referendums every 3 months is the main ingredient** of the recipe - the starting point and true beating heart of the entire system. Once this first ingredient is in place, it is easier for a nation to “manufacture” the other two.

As already described, the country uses its powerful **2% : 98% combination to weave a social contract** that is progressively superior to its previous versions (and that of other nations). This leads, in turn, to a cascade of causes/effects as follows:

- greater stability, continuity, and credibility in the functioning of the rule of law; which translates into greater effectiveness/reliability in the management/functioning of the state and its institutions; thus,
- obtain the lowest country-risk rates on the planet for decades; which, in turn, contributes to, facilitates, and promotes greater creation, accumulation, usage and preservation of wealth and capital (obviously, the Swiss were already rich before foreign capital began to arrive seeking political refuge, otherwise it would have ended up elsewhere); which, over time,
- leads to growing industrialization, full employment, and the import of more people; that gradually translates into better wages and working conditions, as well as a permanent effort by companies to educate and retain their employees; which, in turn,
- shapes a society composed of progressively better educated, responsible, financially independent and self-confident citizens; and this powerful virtuous circle closes back on itself, so that
- each generation of people who are freer, more prosperous and self-sufficient than the previous one, contributes both (i) to improve their capabilities as “judges” when using the OK sieve, and (ii) learning to accept, appreciate, respect, and enforce a rule of law formulated 100% with the participation of all.

The second ingredient is that the executive power (government) is not in the hands of one person, but rather a council of 5 or 7 members - usually representing the 3-4 main parties and 60-80% of the electorate. Besides avoiding falling into the dangerous hands of people with autocratic tendencies, a

council contributes in a fundamental manner to enhancing the effectiveness, stability, continuity and fiability of state policies, and the management of public institutions, as well as to the exemplary performance of the Swiss political system in general. The impact and contributions of collegial governments on the functioning of the recipe is the subject of the second chapter.

*The **third ingredient** is the total political and financial autonomy of the 26 cantons from the central government, and of the 2.170 municipalities from the respective cantonal government. This ingredient contributes decisively to a very homogeneous development among all regions and social strata, leading to Switzerland's unparalleled levels of social cohesion. The impact and contributions of this ingredient on the exemplary functioning of the recipe is the subject of the third chapter of the book.*

The website www.swiss-democracy.ch features explanatory videos on each of the three ingredients. The two books, presentations, articles, and all the accumulated material are available free of charge.

Chart Nr. 6: greater civil liberty precedes, catalyzes and sustains greater prosperity



This chart sends a **clear and powerful message** about Switzerland's highly successful development over **150 years of consistently applying its recipe**, namely: **greater freedom precedes and catalyzes greater prosperity**, and it is also a necessary condition for making it last.

As said, all the instruments of direct democracy were put in place between 1848 and 1892. The magic recipe was complete and self-contained, it started to give the first impetus to this virtuous circle, and began to generate its many benefits along a spiral bound for greater freedom and prosperity. In a permanent and self-sustaining manner.

The Swiss people transformed the **greater freedom/emancipation** they received as *homo civicus* into **greater wealth/liberation** as *homo economicus*. For generations, these two elements have been “pushing and supporting” each other in a reciprocal and iterative manner toward progressively higher levels of both.

Over time, the virtuous spiral of the magic recipe has been doing its job in every loop of history. For example, in less than 20 years, the country went from being an exporter of mercenary soldiers (the origin of the Pope's Swiss Guard since 1506) and poor people (including my grandparents who emigrated to Chile in 1892) to being an importer of labor to enable rapid industrialization. By 1920, the foreign population was already around 12% of the total - and it is almost 27% now.

The virtues of the magic recipe as a source of security and well-being are also reflected in the history of the CHF against the currencies of other major nations. For example, since the collapse of the fixed exchange rate system in the early 1970s to date, the US\$ has lost almost 80% of its value against the CHF, and the UK £ lost 89%. This phenomenon is not new and has been experienced by many generations. Between 1913 and 1935, the US\$ lost 41% and the UK £ 43% of their value against the CHF.

In fact, the CHF has been a permanent and enduring safe haven through: World War I; the hyperinflation of the 1920s; the collapse of the gold standard and the US “corralito” in 1933 (which expropriated 68% of people's gold savings); World War II; decades of Cold War; the collapse of the fixed exchange rate system in 1971 (a second US “corralito” for all those with assets in US dollars who believed in the promise made to the whole world in 1944 to convert their currency into gold at a fixed price of US\$35 per ounce); regional conflicts; oil shocks; currency and banking crises; episodes of high inflation; globalization of trade and financial markets; the arrival of the Euro - which has already lost 48% of its value; etc.

As the saying goes “seeing is believing”:



This is a photo of a CHF 20-cent coin, and it was **issued way back in 1884** - the year the Pacific War in Chile ended, and construction of the Liberty Statue started in NY. What makes it special is that I **received it as change in a supermarket** just a few years ago. This means that **this coin has been in circulation every day for the last 141 years**, and therefore it has also fulfilled, at all times, all of the 10+ necessary conditions for it to function and be accepted as “money” throughout this incredibly long period of time.

No other nation in the world can boast a currency as reliable as the CHF in terms of maintaining its value and serving as a means of payment since 1850 to the present day - and this, without interruption or major restrictions. Thanks to having the **safest and strongest currency on the planet**, Swiss people have become significantly wealthier relative to the rest of the world. And they are not alone. Also those who have chosen to invest in Switzerland (among dozens of destinations) to diversify and protect part of their wealth. This practice began more than 100 years ago, is a lesson passed down through generations of industrial families, and attracts the attention of all those who are beginning to accumulate great wealth for the first time on any of the 5 continents.

The questions are: **how is it possible** that such a **tiny country**, lacking any political power and natural resources, manages to **have a currency that is so much more reliable (thus valuable) than all the major powers?** How did Switzerland manage to generate and maintain unmatched levels of credibility in a sustainable manner? For more than 170 years, and counting?

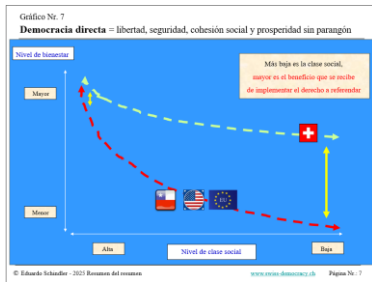
The answer is **not**: thanks to a better *economic policy than other nations*. Instead, this enduring excellence is due to a *political economy* that is **far superior** to that of any&all other nations, precisely because of the use of direct democracy. Thanks to the right to hold referendums every 3 months, in Switzerland the political **leadership of the nation is de-facto permanently in the hands of the citizens** and not the government of the day. Ergo:

- the highly valuable stability, continuity, and solidity that lead to the unparalleled reliability of the Swiss state - and by extension, its currency - is a reflection of the more coherent, gradual, linear, prudent, definitive, and long-term-oriented evolution that society is undergoing, which, thanks to the referendum mechanisms, is transmitted to the leadership and conduct of the nation; in comparison with
- the costly instability and damaging loss of credibility suffered by countries that are subject to ideological dirigisme and the contradictory, erratic, opportunistic, cynical, unpredictable, and short-term behavior of authorities that change every four years.

In this sense, the fact that all the currencies of the most powerful nations lose between 60-90% of their value against the CHF illustrates the **enormous superiority of direct vs. representative democracy** in generating the greater freedom, security, and affluence that everyone desires.

We conclude this point by referring to how much higher is the prosperity indicated on the vertical axis of Chart 6. Switzerland is the country with the highest average monthly net salary in the world - around US\$ 6.200. This figure is 50% higher than in the US (second place) and 100% bigger than in the vast majority of European countries. Question: assuming that salaries stop growing in Switzerland, how long would it take for the average real salary in Germany to reach Switzerland's current level? Answer: no less than 60 years, and that is assuming there are no “bumps” along the way. Starting well behind all major nations prior to 1900, in just 130 years of magic recipe, **Switzerland has managed to overtake and gain a lead of 50+ years over all other nations** in the quest towards greater freedom and well-being.

Chart Nr. 7: the poorest people benefit the most from the use of the right to referendum



One last chart about direct democracy before moving on to Chile.

This chart conveys a powerful and important message about the **virtues of the political right to referendum**. Comparing Switzerland with other nations, it is clear that: (i) everyone benefits and enjoys greater well-being thanks to the use of direct democracy, but (ii) **the lower the social class, the greater the absolute and relative benefit that they receive**.

To appreciate this point, it suffices to observe how the rich and less rich live here, and contrast it with their counterparts in any other nation. The difference between the richest 20% in Switzerland and elsewhere is minimal - except for intangible aspects like no need: for gated communities, 3-meter electric fences; to avoid dangerous places and late-hours; to close one's eyes to the difficulties, injustices, and misery suffered by the poorest; to live in constant fear of carjacking, assault or robbery; to worry about flaunting/obeying the prejudices of a status-seeking society; and to pay much attention to what the political class does/says.

As one moves to lower quintiles, the greater and more evident becomes the **gap in favor of people in Switzerland**. And when we reach **the lowest 20%, the gap in material and emotional well-being, security, self-esteem, and human dignity experienced by this segment reaches dimensions that are simply abysmal** - whether compared to nations such as the US, England, or Italy; or Chile and Portugal; or the favelas of Brazil and the slums of India and Africa.

“Seeing is believing” once again:

This is urban “poverty” in Zürich ...



... and in 000s of places elsewhere on the planet.



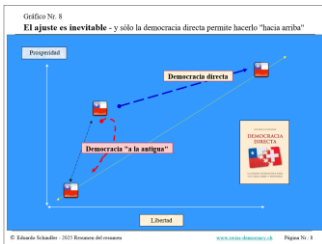
In addition to aspects such as: having the safest/strongest currency on the planet; getting the best public services in exchange of the lowest tax burden (28% of GDP); and being the only nation with 4 among the top 15 cities with the best quality of life in the world, it is difficult to imagine a more direct manner to reveal and illustrate **the indisputable and immense superiority of direct vs. representative democracy** as the only **system capable of delivering the greater equality being promised everywhere** - but that only the Swiss political system has managed to create even among the most humble social segments and in the most remote corners of the nation.

A very important aspect in relation to this chart needs to be mentioned: **widespread and homogeneous prosperity is not the result of a redistributive state**. In fact, the transfers of re-distributive public funds from (8) rich to (18) “poor” cantons account for as little as 0.8% of GDP only. The wonderful social cohesion that exists is not the result of the generosity of the rich towards the poor - the gigantic and enduring self-deception in nations with their: (i) endless chimera of philanthropy, donations and charities from “selfless”, status-seeking people; and (ii) never-ending array of redistributive taxes/subsidies imposed

by generations of popularity-seeking politicians. **Instead**, as explained in the 3rd. chapter of the 2021 book, in Switzerland **this is due to** the imperative that even those “behind” must get ahead by their own means, and more importantly, they are actually able to do it thanks to developing&applying the respective **26 regional and 2.170 municipal mini-magic recipes** specific to each location.

Now let us move on to Chile.

Chart Nr. 8: Chile in imbalance, only the right to referendum allows for “upward” adjustment



Whether times are good or bad, implementing the right to referendum is a very positive step for any nation. In Chile's case, the current times are not the best. In this context, this chart illustrates why it is of crucial importance and highly beneficial to implement the political right to vote on quarterly referendums. The earlier, the better.

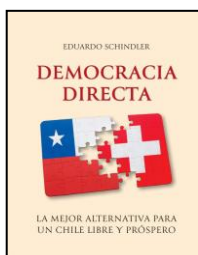
Thanks to the **multiple structural changes introduced well before 1990**, Chile became the richest nation on the continent in less than 15 years. By far. It was enough to **liberate the homo-economicus**, and millions of Chileans transformed this new freedom into **prosperity like never before in the nation's history**.

In 1990, the supposed democracy returned, and the **political class** (left and right) became blinded once again by ideological fights and the quest for power. And they committed the **cardinal error of not granting the homo-civics freedoms** equivalent to those already achieved in the economic sphere. Instead, and reflecting values from colonial times, the **partitocracy** uses the citizenry - once again - as mere stand-by stooges of the system. The less they speak up, the better for everyone.

This critical and growing **inconsistency between high economic vs. low civic emancipation** has been affecting millions across the Chilean society for years. And it is as harmful as it is unsustainable. Also, it is the primary catalyst for the deep/widespread discontent that has been growing among people of all walks of life - old/young, left/right, rich/poor, urban/rural. In addition, the endless waiting for more civic freedom is a major source of the mistrust, aversion or indifference that people have been accumulating toward the political class - and by extension, toward the state and the democratic system.

In this context, it was no surprise that after 29 years of supposed democracy (of which 24 under left-wing governments), Chile experienced a social uprising of historic proportions in October of 2019. This was a traumatic event for everyone. What happened? How is it possible that while the country is becoming the star of the continent, so many people of all sorts have been accumulating so much hatred and frustration for so long? And no one saw it coming?

After decades of **growing disparity between economic and civic freedom**, it is **inevitable that the Chilean society will adjust towards a certain equivalence between them**.



In the second book (2023), I express/explain the view that if the country **does not introduce the right to referendum**, and persists with its “old fashion” way of conducting politics, then the **adjustment will be reverting towards lower economic emancipation** so as to match the low civic freedom inherited from colonial times - which is the process Chile has been undergoing for some 15 years now.

Conversely, **if it is with the introduction of the political right to referendum**, then the **adjustment will be “upwards”** as the *homo-civicus* finally receives the liberty it needs to become as emancipated and self-sufficient as it already is as *homo-economicus*.

An upwards adjustment will bring great benefits to our country. Quickly and irreversibly. And regardless of whether future governments are right- or left-wing. For a start, it is the only way to stop and reverse the current “falling backwards” trend and to avoid further destabilizing outbreaks like in October 2019.

Even more importantly, and **this is the central message of the book**, the **Chilean society will also be able to access the virtuous, self-sustaining spiral that leads to levels of freedom, security, justice, social cohesion and prosperity unknown to all previous generations**. Just as Switzerland, and only Switzerland, began to do it some 130 years ago.

Can the political right to referendum be implemented in Chile? Are the people ready?



Of course it can. Right now.

A first reaction of most everyone when considering direct democracy is - in Chile and elsewhere - that “the Swiss are the Swiss”, whereas local folks are still ignorant and incapable of responsibly voting YES or NO on anything. Better not to ask them at all.

The response to this objection is that **we should not compare ourselves to the Switzerland of today**, but rather **to the one at the time when the magic recipe was completed**, and began to deliver its fruits of greater freedom and prosperity on a regular basis. And for the many, not just for the few.

At that time, around 1890, the people eligible to vote were persons like in these pictures:



About 85% of the electorate were farmers living in precarious self-sufficient conditions, with minimal education (8th. grade, 40% illiteracy) and fully exposed to the consequences of bad decisions: those who did not work 12 hours a day, 6 days a week gathering cheese, firewood and grass in the summer, would leave their families and cattle suffering hungry&cold during the long winter. They were very pragmatic, self-reliable and cautious people who had to cope with a situation of great vulnerability. There was (and there still is) no room for demagogues, bureaucrats or parasites abusing the system.

Incredibly as it may seem, it is the collective common sense of these very modest and simple people (not an elite of Harvard-like professors, nor professional politicians) that shaped, completed and perfected both direct democracy and the smooth functioning of the magic recipe that we have inherited.



So, the question is: are the 15 million Chileans eligible to vote in 2025 ready and able to take on such a responsible role?

Without a doubt, they are. In fact, they have always been ready. And they will always be.

And this is for a very simple reason: **direct democracy works on the basis of the collective common sense of millions of ordinary people.** The example of Switzerland is the proof that: collective common sense **will always deliver “superior” decisions than those of** any allegedly more intelligent, better-prepared **elite of professional politicians** of “irreproachable” devotion and moral integrity. And it also shows that what matters most for any country is to get started, and not from where it starts. Whatever the level of civic culture in the community at the starting point, over time everyone will enrich and improve their common sense - individually and collectively. **Using and “training” the faculty of reasoning every 3 months to weigh pros/cons to arrive at a YES or NO vote is the best instrument of civic education and emancipation that exists.** And it is also free, and accessible to everyone.

Will the elites be able to take advantage of and abuse people's current “ignorance”?

Much less than in the present system, and only for a short while. We all make mistakes, and many of us are taken advantage of from time to time. But: a majority of 15+ million Chileans who continue to make mistakes and/or are taken advantage of 4x a year? on 20+ different issues? every year? Current abusive and manipulative practices of public opinion will disappear fairly rapidly.

The book offers a proposal on how to implement the right to referendum - i.e., best is to start at the municipality level. In this way, and only in this way, Chile can put an end to being governed according to the whims of a self-serving, self-perpetuating elite of professional politicians that are dragging the country back to its less glorious past.

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Dear readers,

Thank you for your attention to these pages. I hope that this information will allow you, as it did to me at the time, to understand how the greater civic freedom provided by the right to referendum translates into levels of wellbeing that are unmatched by, and unattainable for, representative democracies.

It is not through leaps in economic growth, nor does it require major changes, and even less a revolution. Instead, it is enough to **let the 2% : 98% combination do its magic work.** It will take a little time, but higher liberty, justice, security, social cohesion and prosperity will then come along gradually, steadily, cumulatively and resiliently. And in a manner that will be basically impossible to stop or reverse - not even by a mass of incompetent politicians and other parasites of the current system that will fight to keep their privileges. It will be their negative attitude to modernize Chile's democracy to reveal who they are and their true, selfish interest to hold public office.

It is simple, feasible and worthwhile doing it. Good luck !