



Worksheet 16.3

Is Switzerland Becoming a Feudal State?

Switzerland's large wealth gap has some economists wondering if the tiny European nation is becoming more like the feudal states of medieval Europe than the modern democracies of today: read the first three paragraphs of the article [‘Switzerland “could become a feudal state”’](#).

Kissling has nothing against wealth, he just thinks that if someone did not earn their wealth but inherited it instead, they should have to share a bit with the rest of society. Read from ‘I call for a tax’ to ‘the political world’ in the article linked to above.

He's most concerned that if the gap between rich and middle class continues to widen and the middle class of Switzerland don't start benefiting from the country's growing wealth, there could be a dangerous backlash against the free market system. Read from ‘the richest one tenth’ to the end of the article.

Questions:

1. Why does a growing gap between rich and middle class threaten social stability in Switzerland?
2. Is the gap described one in income or in wealth? What is the difference?
3. How would a tax on inheritance help reduce the inequalities that exist in Switzerland today? Is such a tax fair? Is it efficient?