

## **Thomas Jordan: Why a strong education system must be an important concern for the Swiss National Bank**

Summary of a speech by Mr Thomas Jordan, Chairman of the Governing Board of the Swiss National Bank, at the opening ceremony of the Faculty of Economics and Management at the University of Lucerne, Lucerne, 6 September 2016.

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*The complete speech can be found in German on the Swiss National Bank's website (<http://www.snb.ch/>).*

A strong education system is a cornerstone for a country's prosperity. Switzerland has a federally structured, flexible, high-quality education system. It stands out for its focus on the goal of employability, which is particularly reflected in the dual vocational training system that is closely aligned to the real needs of companies. The education system contributes to an innovative, flexible and robust Swiss economy which – given structural and technological changes – can continue to be successful in future. The labour market would not work nearly as well without solid education, and the culture of stability would be less well-anchored in society. These strengths allow the Swiss National Bank (SNB) to conduct a monetary policy geared toward long-term stability.

Attractive universities are an important component of a good education system. The SNB maintains an intensive exchange of information and ideas with academia, with the focus on topics relevant to central bank policy. For it can only fulfil its mandate optimally if the relevant research results flow adequately into the decision-making process. In addition, the SNB recruits and employs many economists itself. Maintaining close ties with the universities is a necessary prerequisite for SNB economists to remain on top of the latest economic knowledge and for the SNB to be an attractive employer. However, the SNB also considers itself a provider of research and teaching services. To the extent possible, it publishes its own research results and also makes available other economic expertise, e.g. in the area of statistics.

An academic education is a privilege for which society justifiably expects something in return. For graduates, this presupposes an especially large commitment to making a contribution to Switzerland's prosperity and success. The SNB also would like universities to make concrete and useful suggestions for Swiss economic policy, e.g. with regard to the pension system and healthcare. This is because convincing solutions in these areas make it possible for monetary policy to continue to take full effect.

In addition to the economic function, the strong education system also has an eminent civic one, namely by providing the glue that holds the whole society together. First, a good all-round education enables voters to form their own opinions about complex substantive issues. This is essential in order for the advantages of direct democracy to be fully realised. Second, an education system structured in a way to maximise labour market access for as many people as possible is a significant factor for integration. And third, owing to its high quality and flexibility, it prevents class mentality and elitism.