



New Economic World Order(s)

**Impact of financial and economic crisis
and proposals for positions of CLAI-CEC**

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1) Dimensions of the crisis

- Financial Crisis: primary effects
- Economic Crisis: secondary effects
- Political Crisis: protectionism, democracy, populism, fashism?
- Ethical Crisis: values and virtues
- Scientific Crisis: economics, political sciences, economic ethics



2. Impacts of the crises I

- Huge mass of (virtual and real) capital destroyed
- Damaged confidence in bankers and politicians
- Danger of protectionism and nationalism
- Increased number of jobless people
- Decreased money available for philanthropy
- MDG's in danger to be delayed
- +/- Geopolitical shifts to Asia and Islamic states
- +/- Need for fast regulations of financial markets because next bubbles are prepared now.



2. Impacts of the crises II

- + multilateralism strengthened for joint solutions
- + More openness for alternative models
- + new emphasis of personal virtues and integrity
- + new chance for environmental measures
(e.g. car industry)
- + chance for new models of political economics
- + impact on empires: weakened, strengthened,
shift of Empires

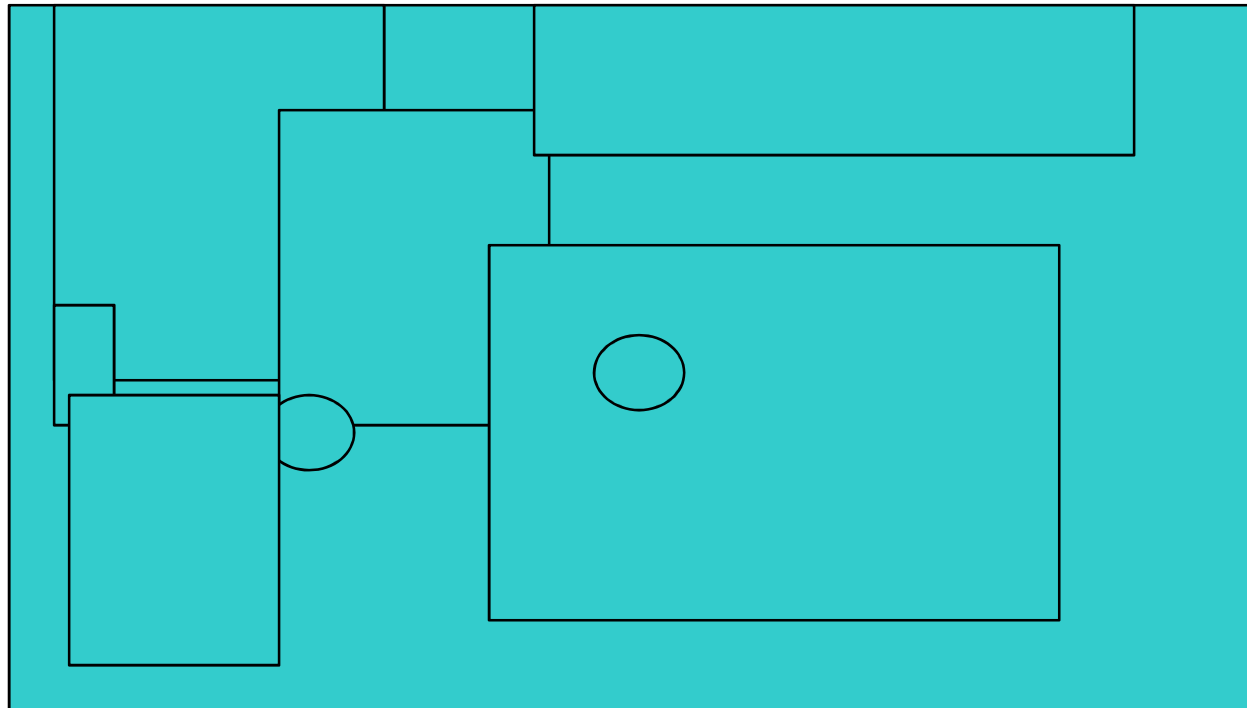


3) Raise and Fall of Empires

- Roman Empire
- Colonial Empires
- Neo-colonial Empires
- Roman Catholic Church as Empire
- Sowjet Empire
- Neo-liberal System as Empire
- USA Empire
- China as Empire
- BRIC Empire

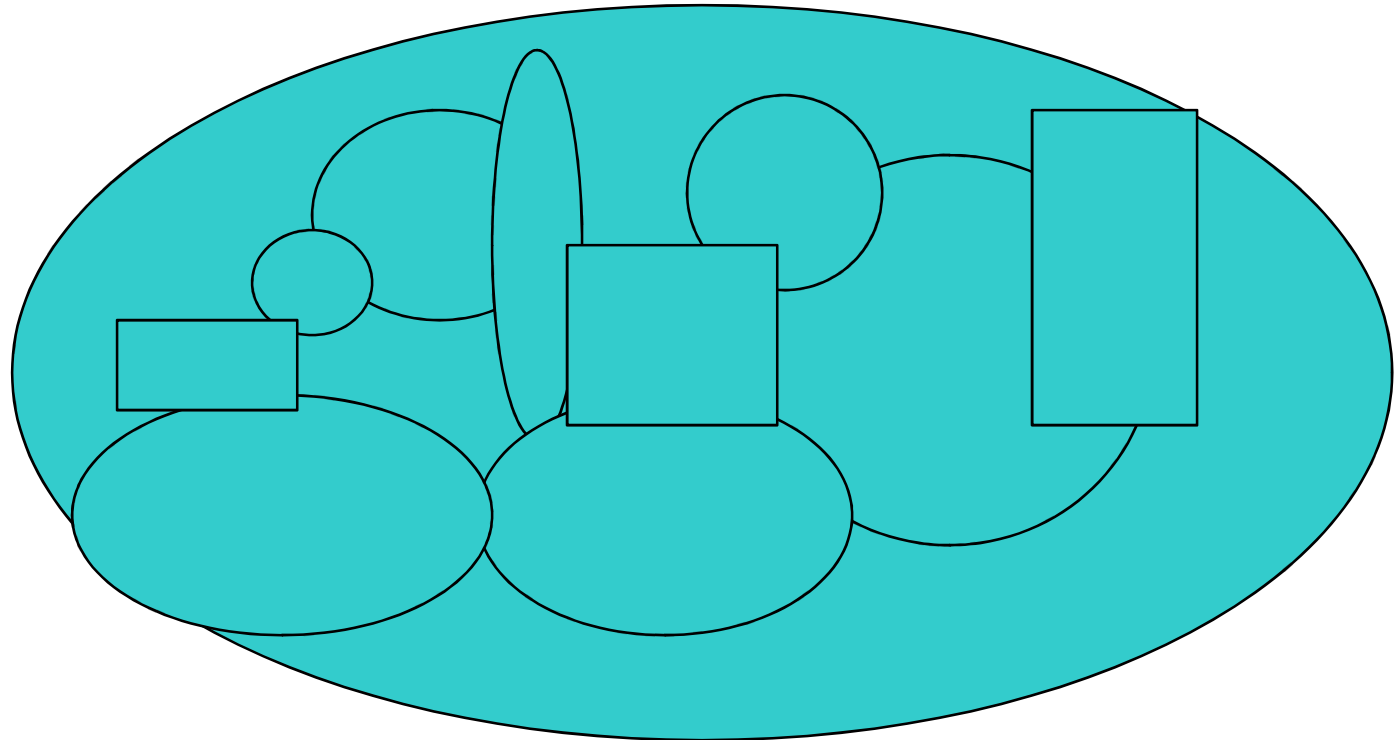
4) Failed Dictatorial Communism

Most areas of society are regulated and controlled by state, centralised, with little fields of free markets.



5) Failed Neoliberal Capitalism

Most areas of society are open to the free market. The goal is to have weak, only minimum regulations.





6.1 Common Ground CLAI-CEC

CLAI and CEC share common ground and they live in different contexts.

Common Ground:

- 1 The Gospel: faith and values
- 2 „No to neoliberal globalisation“ because it violates fundamental values
- 3 Yes to „another globalisation is possible“:
„Looking for positive globalization models“

Different Contexts

Cultural, historical (colonisation), economic (poverty/wealth), political (role of state and democracy), ecclesiological (minority churches)



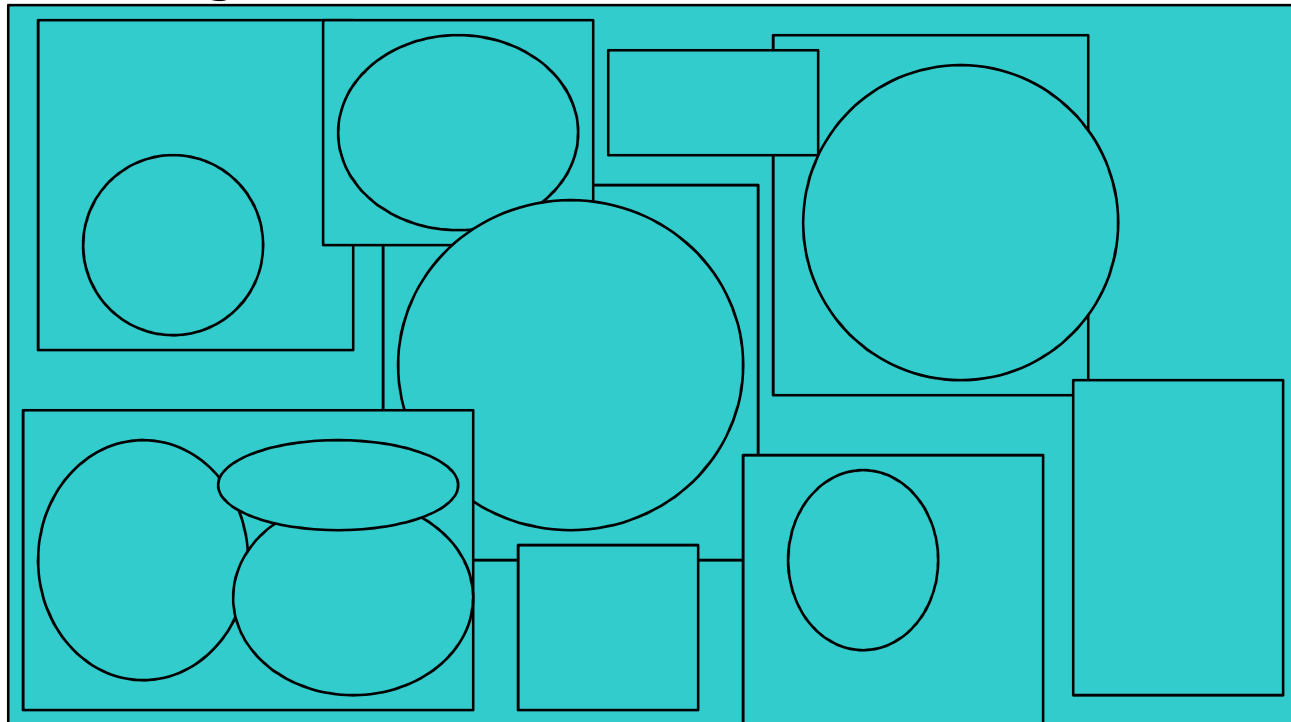
6.2) Christian Values as Benchmarks

Core Christian Values serve as benchmark to validate if political and economic measures correspond to the „life in fullness for all“ and the economy serving people:

- Justice/equality
- Liberation/Freedom
- Participation/Empowerment
- Community
- Sustainability/Care for creation
- Peace/security
- Transparency

7) Goal: New World Order with Globalance of States-Markets-relation

Strong regulations by global and national governmental actors give the frame for sustainable markets.





8) 10 Areas of State-Market Balance

1. Financial markets (Investments)
2. Financial markets (currencies, exchange rates)
3. Raw material (minerals, agricultural prod.)
4. Trade (goods and services)
5. State revenues/tax systems
6. Debt policies (private and state)
7. Research (public versus private research)
8. Education (public versus private education)
9. Health (public versus private health services)
10. Social Security (pension funds, insurances)



9) Proposals for balanced regulations I

Selected proposals to be supported by CLAI/CEC churches as an answer to the crises:

1. Financial markets (Investments, ratings)

- Increased minimum equity capital of banks for investments (8% as in 1990ies instead of 2-3%?)
- Enlarge „Financial Stability Forum“ by members from Global South
- Strengthen national and international bank surveillance authorities
- Global or supranational database of financial transactions beyond a certain amount
- Governmental Rating Agencies (nat. and internat.) replacing today`s role of private ratings by „journalist“



Proposals for balanced regulations II

2. Financial markets (products, currencies, exchange rates, salaries/boni)

- Governmental permission for new financial products (as in traffic: permission for new types of cars)
- Increase of transparency and reduction of complexity of financial products
- New global world currency order is urgent („Bretton Woods II“). Relate currency to basic needs of a population, not to a lead currency (USD, Euro, RMB)
- Support Regional integration with same currency (e.g. Euro)
- Strengthen currencies of developing countries



Proposals for balanced regulations III

Concrete points have to be agreed for

- Raw material (minerals, agricultural prod.)
- Trade (goods and services)
- State revenues/tax systems
- Debt policies (private and state)
- Research (public versus private research)
- Education (public versus private education)
- Health (public versus private health services)
- Social Security (pension funds, insurances)
- Intellectual Property/Copyright/Open Access movement