



Global Ethical Economy

Challenges and Chances of the current economic crisis

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1.1 Seven crises

- Financial Crisis: primary effects
 - Economic Crisis: secondary effects
 - Political Crisis: protectionism? Global shift of power to Asia
 - Ethical Crisis: values, virtues, trust
 - Spiritual Crisis: which spiritual roots?
 - Social Crisis: just distribution
 - Scientific Crisis: economics, political sciences, economic ethics
- System Crisis: complexe interaction of the seven



1.2 Seven Chances

- Finance: Finance sector serving the real economy
- Economy: re-structuring towards oiconomy, sufficiency oiconomy
- Politics: balance of market and state
- Ethics: balance of freedom and justice (moderation)
- Spirituality: spiritual oiconomy and politics
- Social: Community oriented behaviour
- Economics: human-centered, human science
- System: re-orientation to future (metanoia).



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
- Mill. Dev. Goals 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

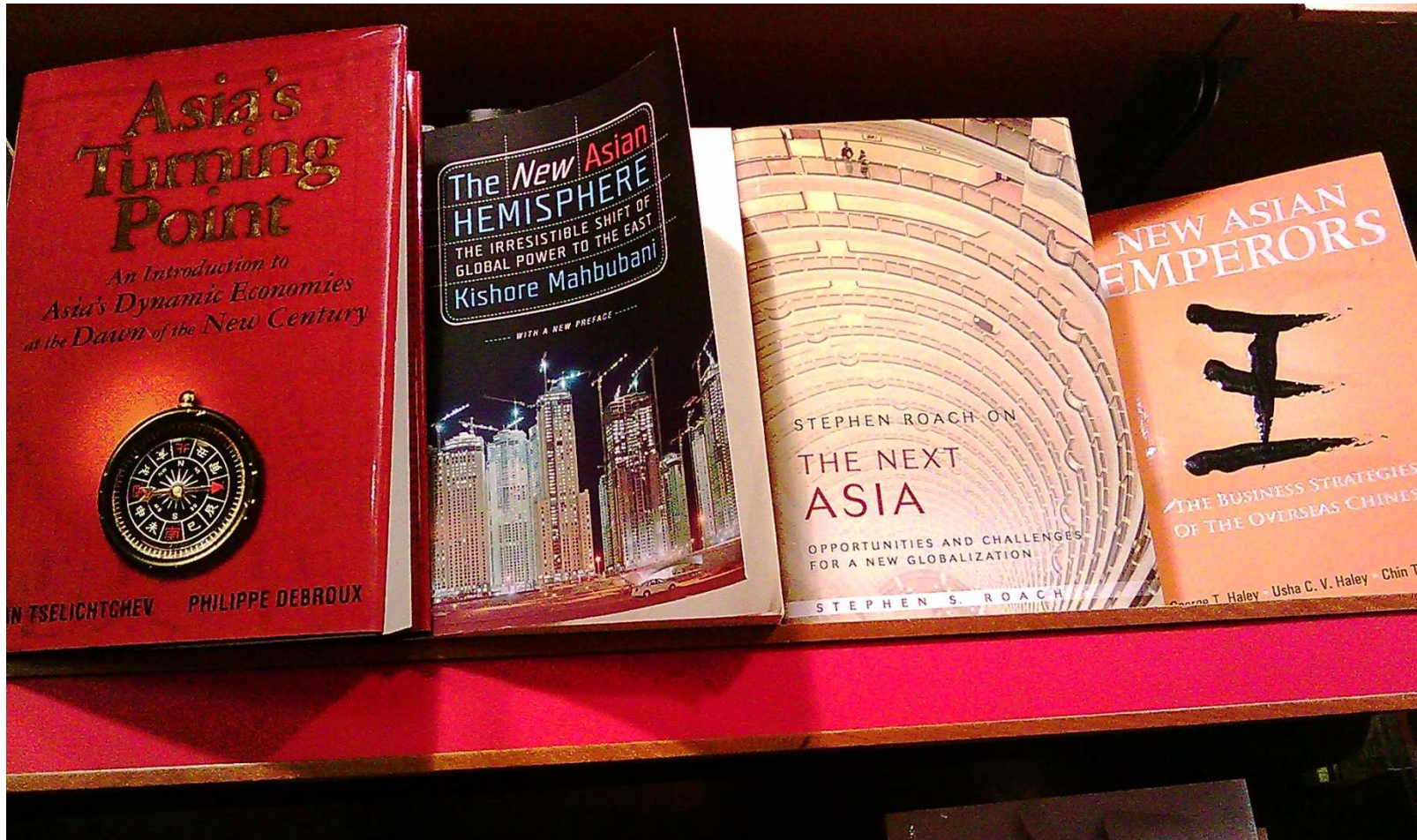
- + multilateralism strengthened for joint solutions
- + More openness for alternative models
- + new emphasis of personal virtues and integrity
- + new chance for environmental measures
(e.g. car industry)
- + chance for new models of political economics
- + impact on empires: weakened, strengthened,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

2. Impacts of the crises III



International Herald Tribune 28 Sept 2009

2. Impacts of the crises IV



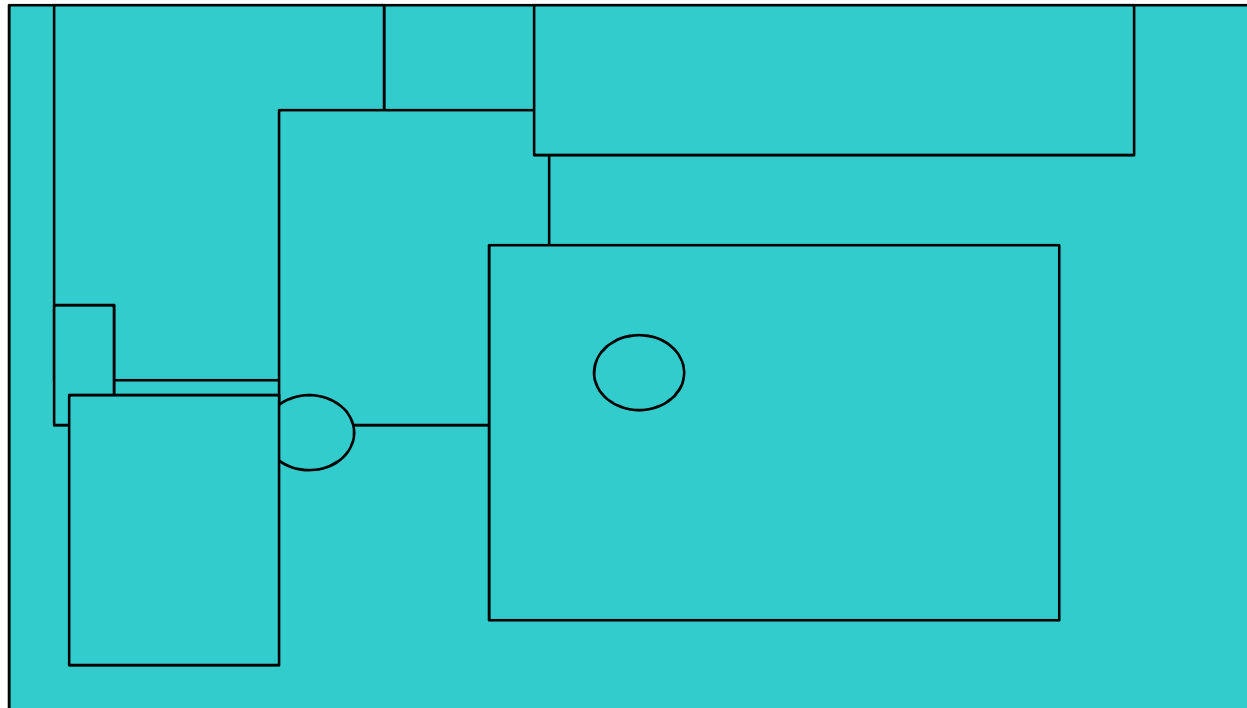


3. Raise and Fall of Empires

- 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 as Empire

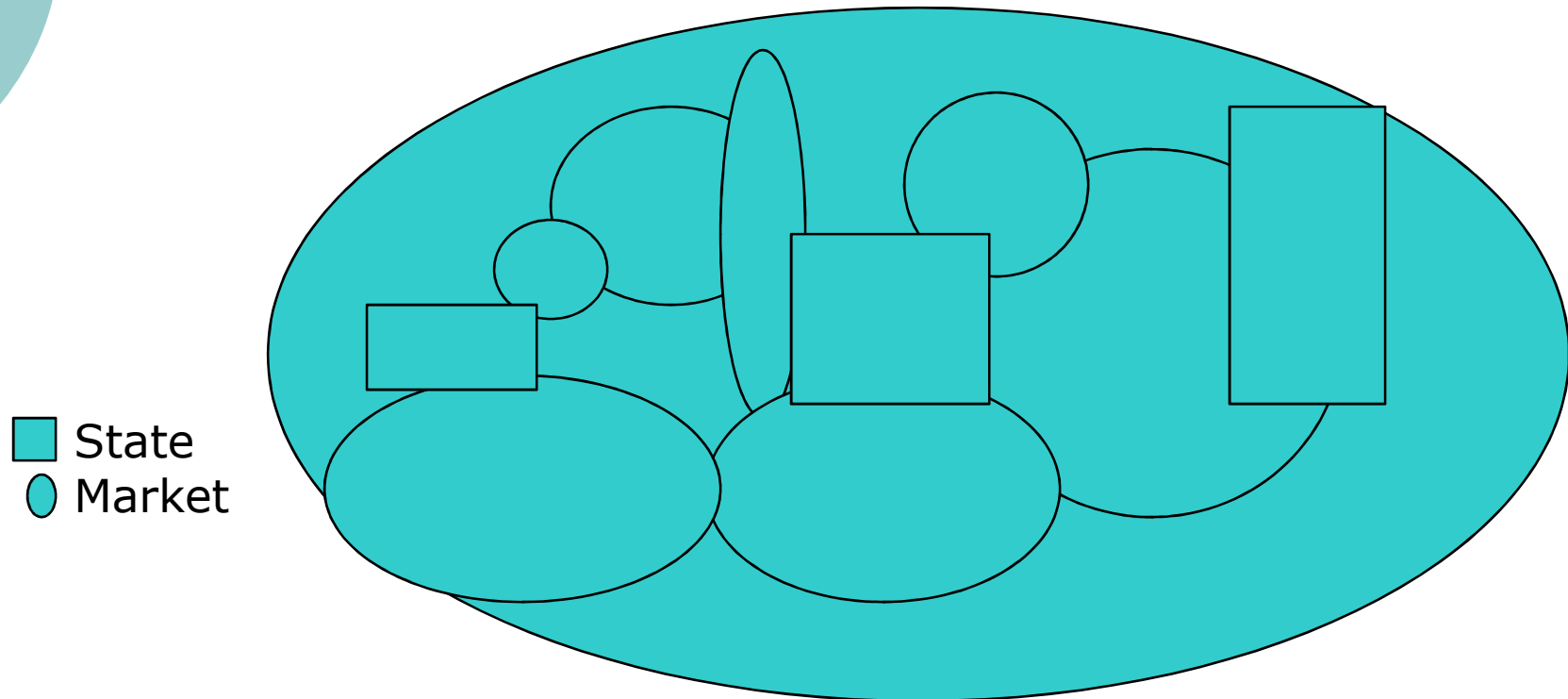
4 Failed Dictatorial Communism

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. Spiritual Orientation

Religious and philosophical ethics contribute spiritual and ethical benchmarks for re-orientation.

Theo-logy = the logic of the faith in God = to try to look at the world with the eyes of God through his revelation (in Christianity, Islam, Judaism):

God is creator/sustainer/liberator. He invites/enables us to be his guests in his guesthouse earth (oikos). Human beings respond to this invitation by being responsible (respond) to care for this oikos/creation.

Sustainable Economy (oiconomy/oicology) means good stewardship in using the oikos' resources.

Metanoia (NT), transformation by re-orientation: looking at the will of God and act accordingly.



7.1 Orientation: Christian Values

Core Christian Values

as benchmark to validate if political and economic measures correspond to the „life in fullness for all“ (John 10,10) and the economy serving people:

- Justice/equity
- Liberation/Freedom
- Participation/Empowerment
- Sharing/Caring (for the Community)
- Sustainability/Care for creation
- Peace/security



7.2 Orientation: Christian Virtues

Core Christian Virtues

- graceful: thankful for God's gifts
- modest: servants and friends of God
- transparent: honest, open, no double moral
- efficient: careful use of God's resources
- caring: caring for the other as oneself
- reliable: relations built on trust and control

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7.3 Orientation: Islamic Values/Virtues

Core Islamic Values

- Justice/equity
- Sharing/caring for the community
- Sustainability for the creation

and Virtues

- graceful: thankful for God's gifts
- modest: servants and friends of God
- efficient: careful use of God's resources
- caring: caring for the other as oneself
- reliable: relations built on trust and control



7.4 Orientation: Buddhist Values

Sufficiency Economy (Thailand)

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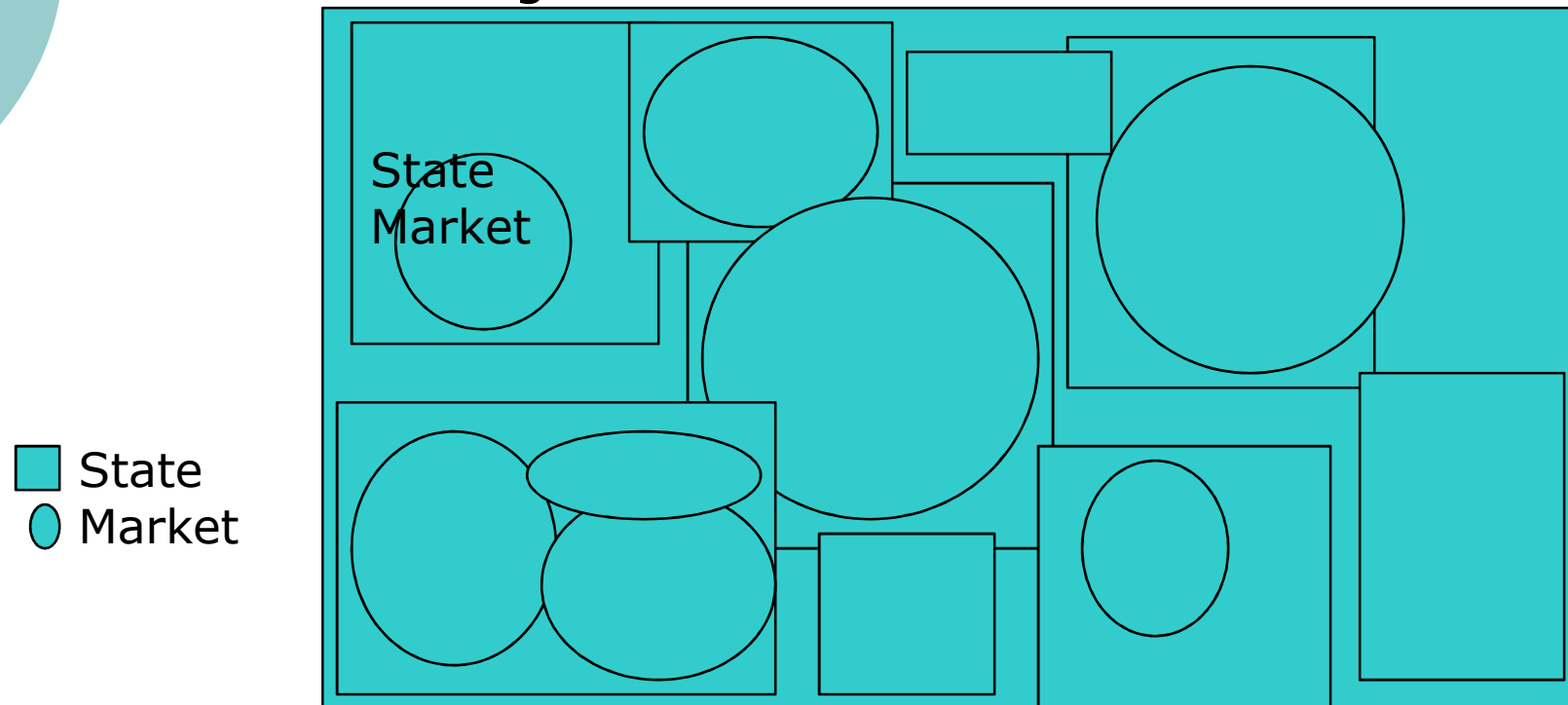
7.4 Orientation: Happyness Economy

Happyness Economy as a new school in economic research (Bruno Frey, Switzerland) and world happyness indicator (replacing GNP).

„What makes people happy?“ is a broader economic concept than „How to increase material wealth“. For happyness, relations/family is for most people more decisive than salary/material wealth.

8.1 Global Ethical Economy with Globalance of States-Markets-relation

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





8.2 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. Balanced global market regulations I

Selected proposals for balanced global market regulations:

1. Financial markets (Investments, ratings)

- Increased minimum equity capital of banks for investments (8% as in 1990ieth 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“



9. Balanced global market 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
- Develop new global world currency order („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



9. Balanced Global Market Regulations III

3. Labor markets

- Adequate participation of the labor market in the success (and failure?) of the capital market
- Decrease the gap between lowest and highest salaries (issue of social justice and social peace)



9. Balanced Global Market Regulations IV

4. Other market sectors:

- 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



10. Raise the Ethical Voice

- Make business ethics compulsory in business schools and economic faculties
- Increase research on business ethics, political ethics and environmental ethics
- South East and South Asia as the new global economic motor and driver needs to take an increased responsibility in economic ethics
- Personal, professional ethics as future leaders.



„God, with your spirit,
transform the world.“

(World Council of Churches,
Theme of the General Assembly
2006 in Porto Alegre/Brazil)