



# **Global Values in Financial Ethics after the Crisis**

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- 1 The Crisis: Systemic
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- 3 The Values: Global incl. Asian
- 4 The Instruments: Regulations



# 1 Seven Crises Build a System Crisis

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- 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



## 2 Financial Ethics: Dimensions

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- Definition: Financial Ethics deals with the production, trade, distribution, accumulation, consumption and recycling of money/capital.
- It includes many subthemes: ethics of stockmarket, accounting ethics, investment ethics, banking ethics, tax ethics etc.
- It is linked to and influences almost all main domains of ethics: Economic ethics, trade ethics, political ethics, environmental ethics, family ethics (household economy), community ethics/ intergenerational ethics etc.

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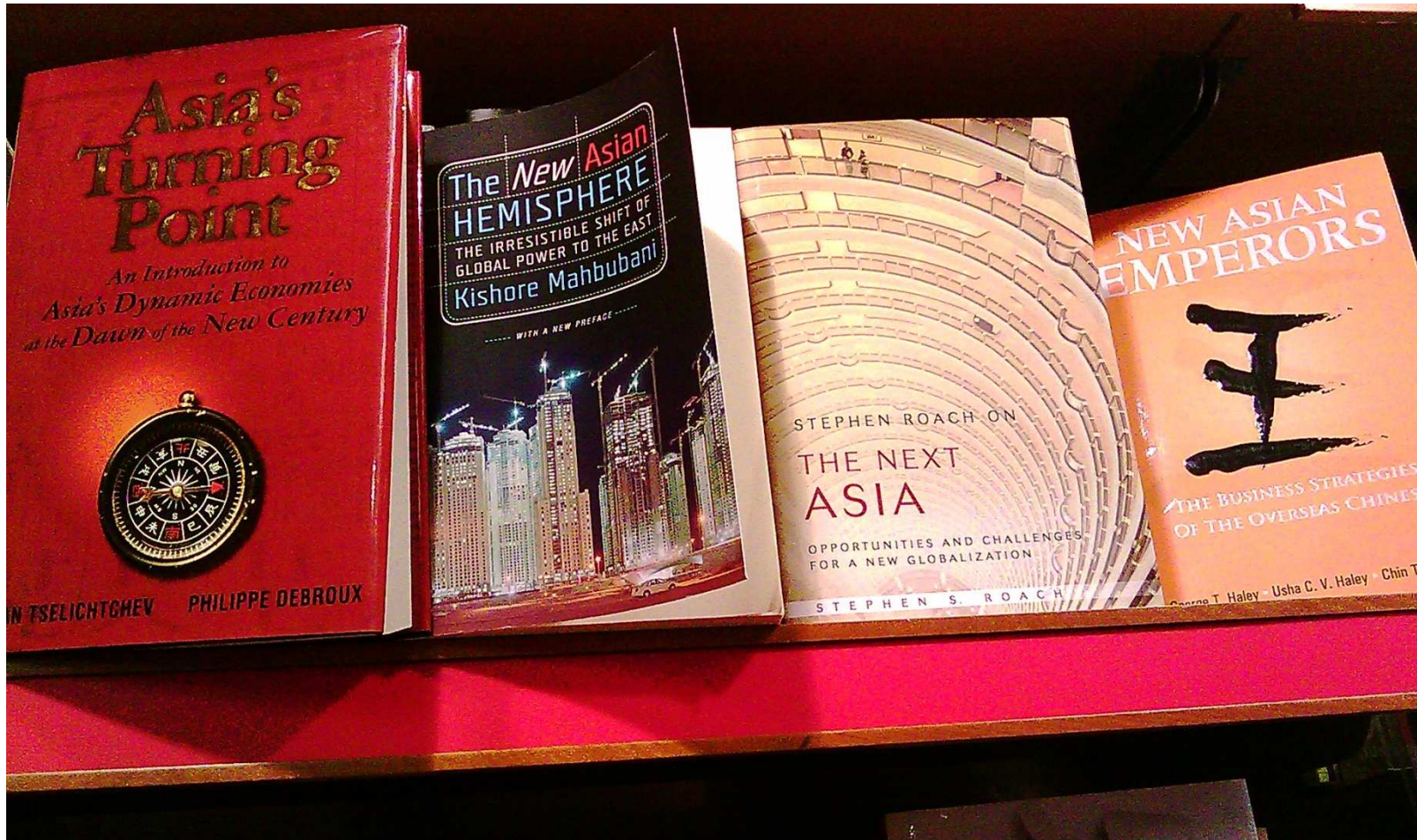
# 3 The Values: Global incl. Asian (1/5)



**Power Shift to Asia? With same economic model or different values?**

International Herald Tribune 28 Sept 2009

## 3 The Values: Global incl. Asian (2/5)





## 3 The Values: Christian Values (3/5)

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### **Core Christian Values**

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

- **Justice/equity** (fair access and distribution)
- **Liberation/Freedom** to act self-responsibly
- **Empowerment/Participation** (in decisions)
- **Sharing/Caring** (for the Community)
- **Sustainability/Care for creation** (environment)
- **Peace/security** (secure life and community)



## 3 The Values: Islamic Values (4/5)

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### **Core Islamic Values**

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

### **and Virtues** (similar to Christian 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





## 3 The Values: Buddhist Values (5/5)

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### **Sufficiency Economy**

Concept of the King of Thailand that economy

- has first to serve the needs of all
- respects natural limits
- Is based on the virtue of modesty

**Happyness Economy** as a new school in economic research (Bruno Frey, Switzerland) and world happyness indicator. „What makes people happy?“ is a broader economic concept than „How to increase material wealth“. For happy-ness, relations/ family is for most people more decisive than salary/material wealth.



## 4. The Instruments: Regulations (1/2)

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Selected proposals for balanced regulations of financial markets on global, regional, national and lokal level:

### 4.1 Financial markets: Investments, ratings

- Increase minimum equity capital of banks for investments (freedom/responsibility)
- Enlarge „Financial Stability Forum“ by members from Global South (participation)
- Strengthen national and international bank surveillance authorities (transparency)
- Create global or supranational database of financial transactions beyond a certain amount (transparency)
- Create Governmental Rating Agencies (nat. and internat.) replacing today`s role of private ratings.



## 4 The Instruments: Regulations (2/2)

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

- Approve new financial products by government (as in traffic: permission for new types of cars)
- Increase transparency and reduce complexity of financial products
- Develop new global world currency order („Bretton Woods II“)
- Support Regional integration with same currency (e.g. Euro)
- Strengthen currencies of developing countries
- Strengthen accounting and accountability ethics.




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danke

asante sana

merci

gracias

terima kasi

grazie

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