Is Ethical, Profitable, Efficient and Sustainable Capitalism Possible?

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Invited Lecture by

University of Phoenix

Delivered at

The Biltmore Hotel, Santa Clara/Silicon Valley, California

December 1, 2009

(An edited version of this lecture was also presented under the title of

Promoting Globalization for the Common Good
at
San Jose State University, California
Monday, November 30, 2009)

Distinguished guests, colleagues, friends, ladies and gentlemen,
I am grateful for the invitation to address this distinguished gathering. I am also delighted to be here in California, this beautiful land of culture, civilisation, and dialogue, and to deliver my speech at the invitation of the University of Phoenix.

I wish to begin my speech with a word of appreciation and respect for the First Californians, the Miwok, the Maidu, the Hokun, the Yukians, the Modoc, and all the many other indigenous peoples of this state. The First Californians reverenced the Earth and the entire community of life. They valued sharing, possessed egalitarian instincts, and were motivated by the common good. It is in conjunction with and in appreciation of their spirit that it is now so essential to build a new economy that can tap the entrepreneurial talents, the innovative skills, and the creative energies of the people of this state, this nation, and the entire globe in a socially just manner consistent with respect for the Earth.

California has frequently been the first in fashion, in entertainment, even as it has often been at the cutting edge technological development and of innovation in green technology, bio-medicine, and sustainable agriculture. Climate Change, Global Poverty, Inequality, and Instability demand that we build upon the creativities and accomplishments in which Californians have always excelled. From the marvel of irrigation farming in the San Joaquin to the wonders of Silicon Valley, California has repeatedly harnessed the talents and energies of its people. With its vast wilderness areas and abundant parks and preserves Californians have demonstrated their love for nature.

With its exceptional multi-cultural mosaic of diversity California is a beacon of hope. But now the times in which we live call for far more. The times in which we live call for harnessing talents, ambitions, and dreams for success in a manner more fully consistent with the First Californians, and in conjunction with people the world over, so that we can learn to live in harmony with the earth, with other species, with ourselves, and in justice and equality with one another, where we seek first and foremost the common global good rather than mere private or national gain.

I also wish to give my thanks and appreciation to my host today: the University of Phoenix. I respect your commitment to provide access to higher education opportunities to many that enables your students to develop knowledge and skills, improving and empowering themselves, to be an asset to their organisations, to provide leadership and service to their communities and more.

Moreover, your "Go Green Initiative", in fulfilment of your high environmental commitment is indeed, a source of inspiration to many around the world. Your pioneering work in utilizing the technology and the internet for online education, as well as classroom based learning, has indeed become a transformative force in higher education.

I also very much wish to thank my good friend, Prof. Gerry Grudzen, for his love and support, as well as his skilful navigation in facilitating this meeting.

I also wish to thank my good friend, Prof. Jamshid Damooei, Co-director, Center for Leadership and Values, School of Business, California Lutheran University, for his continued support and inspiration. I thank Jamshid for accompanying me to Northern California and this lecture. Furthermore, I am grateful to him and the California Lutheran University for hosting the Ninth Annual International Conference of the Globalisation for the Common Good Initiative, which will be held in June 2010 in Thousand Oaks.

Ladies and Gentlemen, we live in a time of transition, a time when all is changing and being challenged – weather systems, ecosystems, our interaction with nature, our understanding of other beings. We now understand that we are all interconnected and interdependent. Somewhere along the line, our actions as human beings have created enormous instability to the planet and the millions of species who reside here.

Much of which is familiar to us and deemed the 'norm' is no longer working and is being challenged. Sometimes change brings with it destruction. Sometimes destruction is beneficial. It can alert us to practices that do not work. With destruction also comes new birth, and new avenues open wide to be explored. There are many choices as to which route to take; the issue is which route is the one that will provide life for all.

Given all is happening to us and around us, time has arrived to wisely realise that: We are All One, Life is Sacred and Love is All.

However, in order to heal ourselves, to heal our Mother Earth, we must learn, once again, The Art of Living in a loving and caring World. We cannot begin this journey, without, first and foremost, finding inner-peace and contentment ourselves first. We have to discover the Art of Happiness. Then, everything else becomes possible.

This is why I wish to begin my talk, by reciting this great poem.

This, I hope, will focus our minds on what is important, so that we maybe able to focus our attention on the “bigger” questions, the “bigger” pictures, on what matters most.

The poem I have in mind is the centuries-old wisdom from the Persian poet and sage, Sa’di:

Human beings are like parts of a body
Created from the same essence.
When one part is hurt and in pain,
the others cannot remain in peace and be quiet.
If the misery of others leaves you indifferent
and with no feelings of sorrow,
You cannot be called a human being.

Another of his poems is inscribed at the entrance of the Secretariat of the United Nations in New York:

The children of Adam
are limbs of one another;
in terms of creation
they’re of the self-same Essence.

Ladies and gentlemen, the golden opportunity presented by the current ongoing crises is to make the right choices that will affect the long term future for us, our descendants and our planet. There is no denying the fact that we are in a serious state of crises, a crises of our own making, all of us and not the bankers alone. They responded to what we wanted: cheap, available, unregulated money and loads of it.

They in turn were responding to the neo-liberal agenda of the so-called Washington Consensus: Privatisation, deregulation, market forces, liberalisation, low taxation, free trade, and one glove fits all policies and more. No regards, no respect for different cultures, civilisations, religions and history. What is good for America and the West, then, must also be good for everybody else, regardless of all other factors, we were told again and again.

The tragedy is that we have now discovered that what we were pushing on others which we thought was good for us- the so-called our market-forces driven Anglo-Saxon model of capitalism, was nothing but a huge cancerous cell which at the end brought the house of cards down. The emperor has no clothes, so to say.

And given our collective failure to discover, know and practice the true "bottom line", we forgot that in order to succeed we should harness and nurture the power of good business, assisting us to achieve our common good objectives. We forgot that the contributions of passionate and caring business, as well as being efficient, profitable, ethical and sustainable, has always been to empower, enable and envision others creating a new kind of capitalism, addressing the critical issues of our time, such as sustainability, poverty, global warming, peace and justice.

My friends, ladies and gentlemen, there is no denying the fact that we are in a big mess, a mess of our own creation. All this has broken us all down, morally, spiritually, and economically.

What to do now? Where to go now? This Economic Collapse is nothing but a collapse of Virtue, and thus Calls us to Grace and Wisdom and return to a more soul searching times, when we knew that wealth creation is important, but we also knew that more important than wealth creation is to know why wealth is created for, how is it created and when created to what use it is put to.

In the reminder of my talk, I will try to shed some light on these and other relevant issues, and will try to suggest a path of recovery and healing.

Ladies and gentlemen, the current global economic crisis is deeply complex and perplexing. Many world politicians, business people, academics, activists, and civil society representatives, as well as religious and spiritual leaders, have called for a new kind of "ethical capitalism", a moral, spiritual and virtuous economy. People everywhere are calling for an international framework of standards for an equitable and sustainable global economy to replace the current economic system of unbridled growth and increasing ecological degradation. While some look for quick short-term solutions that would perpetuate the current economic model, others see the need for more fundamental changes of the model itself. Our challenge is great. In a time of continuing crisis and polarizing viewpoints, can the world agree on an ethical approach to the global economy?

I propose a comprehensive examination of the major attempts to integrate economics with ethics and spirituality, along with an exploration of the theoretical underpinnings of these activities. In considering the need for bold economic initiatives, we must keep in mind the deeper questions that rarely find their way into political debate or public discourse.

We should explore the emerging economic issues as well matters that are deeply ethical and spiritual:

*What is the source of true happiness and well-being? What is the good life?
*What is the purpose of economic life? What does it mean to be a human being living on a spaceship with finite resources?
*How can the global financial system become more responsive and just?
*How can the world make the global trade system more equitable and sustainable?
*What paths can be recommended to shift the current destructive global political-economic order from one of unrestrained economic growth, profit maximisation and cost minimisation, to one that embraces material wealth creation, yet also preserves and enhances social and ecological well-being and increases human happiness and contentment?
*How can society overcome poverty and scarcity with limited natural resources?
*How should we deal with individual and institutionalized greed?
*What are the requirements of a virtuous economy?
*What religious or spiritual variables should be considered in economic/business ethics and economic behaviour?
*How are these components to be integrated with economic theories and decisions?
*What role should universities play in building an integrity-based model of business education?
*What should be the role of the youth?
*How might the training of young executives be directed with the intention of supplying insights into the nature of globalisation from its economic, technological and spiritual perspectives, to build supporting relationships among the participants that will lead toward action for the common good within their chosen careers?
*Indeed, is ethical, profitable, efficient and sustainable capitalism possible?

These questions and more need to be reflected upon, debated and ultimately answered and put into policy formation, guiding us to a more humane globalisation, enabling us all to live a fulfilling life.

Before I carry on further, I wish to make the following point abundantly clear:

While I might be seen and justifiably in my view, criticising many aspects of current model of capitalism that has brought us much bitter harvest, I am, if I may say so myself, a true and honest friend of the business people, the true wealth creators.

As an economist with a wide range of experience, I do appreciate the significance of economics, politics, trade, banking, insurance and commerce, and of globalisation. I understand the importance of wealth creation.

I want to have a dialogue with the business community. Today's business leaders are in a unique position to influence what happens in society for years to come. With this power comes monumental responsibility. They can choose to ignore this responsibility, and thereby exacerbate problems such as economic inequality, environmental degradation and social justice, but this will compromise their ability to do business in the long run. The world of good business needs a peaceful and just world in which to operate and prosper.

I well understand that in order to succeed we must harness and nurture the power of socially responsible individuals from the business world, assisting us to achieve our common good objectives. I appreciate and celebrate the contributions of passionate and caring entrepreneurs and business firms to empower, enable and envision others to create a new kind of capitalism, addressing the critical issues of our time, such as sustainability, poverty, global warming, peace and justice.

Businesses and entrepreneurs must foster good relations, not only with their customers and shareholders, *but must also* foster *good relations with the larger community.* They must bear the responsibility for the impact of their activities on communities, societies, nations and the environment. I know that in order to succeed, we should do our utmost to connect the corporate good with the common good.

The business community can and must be a great partner with all other stakeholders to contribute to global prosperity and the well-being of all species. We should know that, we will only succeed when we rigorously promote our vision that it is our duty; it is our moral *imperative*, to improve the world in which we live as we engage *in* business, commerce, banking and insurance, to name but a few.

Today we have been presented with an unprecedented opportunity and responsibility- to ensure this possibility. *A* truly sustainable, ethical, and successful economic system is possible only by harmonizing economic, social and environmental factors.

In short, the Bottom line for me and for all those passionate good entrepreneurs consists of the following:

"Corporations, government policies, our educational, legal and health care practices, every institution, law, social policy and even our private behaviour should be judged 'rational', 'efficient', or 'productive' not only to the extent that they maximize money and power (The Old Bottom Line) but ALSO to the extent that they maximize love and caring, kindness and generosity, ethical and ecological behaviour, and contribute to our capacity to respond with awe, wonder and radical amazement at the grandeur and mystery of the universe and all being, serving the common good."

Moreover, we should all answer the call of Albert Einstein, when he challenged us by reminding us all that,

"A human being is a part of a whole, called by us 'universe', a part limited in time and space. He experiences himself, his thoughts and feelings as something separated from the rest… a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty."

I hope what I said above, clearly makes my engagement with you fully transparent, open and honest, as well as rewarding and fruitful.

My talk today will present a concrete framework for understanding what has gone wrong and possible remedies, including both broad perspectives on policies and specific recommendations, not only from an economic perspective, but also a spiritual, moral and ethical understanding.

I will highlight a possible path, steps we might take towards a sustainable economy and turn the current crisis of casino capitalism into an opportunity for a successful, sustainable and ever lasting change, where all people, wherever they may be, can live fulfilling, healthy, and yet more ecologically compatible lives.

I am sure you will agree with me that in these circumstances, a return to business as usual is not an option. Prosperity for the few, founded on ecological destruction and persistent social injustice, is no foundation for a civilised society. Economic recovery is vital. Protecting people's jobs—and creating new ones—is absolutely essential. But we also stand in urgent need of a renewed sense of shared prosperity, a commitment to fairness and creativity in a finite world, and this is where the Globalisation for the Common Good comes in, which I very much like to briefly introduce to you:

The Globalization for the Common Good Initiative (GCGI) first came into being at an international conference held in Oxford, United Kingdom in 2002. An extraordinarily diverse group of scholars, academics, policy experts, entrepreneurs, and activists, from multiple nations and faiths came together at that time to implement our vision to rekindle the human spirit in order to make globalization compassionate. We recognized the multitude of crises faced by humanity and the need to provide a multi-cultural/multi-ethnic and inter-faith framework to address the global issues raised by globalization- a framework to both analyze the problems and to propose solutions. Ever since, these annual conferences have been held in many countries on different continents providing a gathering place for those committed to our vision to build community, encourage dialogue and openness, while developing rewarding and fruitful relationships.

In our work and research, since the early days of 2002, we have offered a vision that positions the quest for economic and social justice, peace and ecological sustainability, ethical and corporate social responsibility within the framework of a spiritual consciousness grounded in the practice of open-heartedness, generosity, and caring for others. The GCGI concept is inclusive, mindful of environment and the human connection to nature. Our vision encourages us to believe that real, viable, sustainable, ethical, and profitable capitalism is possible. What is needed to realize our vision is a more inclusive holistic view of "the bottom line." Success needs to be redefined in a manner that leads to dramatic transformation of people and societies spiritually, economically, socially, and environmentally, if we desire to pass on a better world to our children and grand-children.

Now, before anything else, I wish to share with you a bit of my life story, my change from the economist that I was, to what I have become, which led me to establish the CGCI:

My Journey

My journey has been an intellectual, emotional and spiritual journey; it has involved wrestling with a diverse range of concepts, ideas concerning the relationship between economics, theology, spirituality, and a dialogue amongst civilizations, cultures and religions, as well as a dialogue between different academic disciplines and subjects.

"From 1980 until 2000, I taught economics in universities, enthusiastically demonstrating how economic theories provided answers to problems of all sorts. I got quite carried away by the beauty, the sophisticated elegance, of complicated mathematical models and theories. But gradually I started to have an empty feeling.

I began to ask fundamental questions of myself. Why did I never talk to my students about compassion, dignity, comradeship, solidarity, happiness, spirituality – about the meaning of life? We never debated the biggest questions. Who are we? Where have we come from? Where are we going to?

I told them to create wealth, but I did not tell them for what reason. I told them about scarcity and competition, but not about abundance and co-operation. I told them about free trade, but not about fair trade; about GNP – Gross National Product – but not about GNH – Gross National Happiness. I told them about profit maximisation and cost minimisation, about the highest returns to the shareholders, about targets and bonuses, about the rational expectations and efficient markets, but not about social consciousness, accountability to the community, sustainability, the Golden Rule and the common good, and respect for Creation and the Creator. I did not tell them that, without humanity, economics is a house of cards built on shifting sands.

These conflicts caused me much frustration and alienation, leading to heartache and despair. I needed to rediscover myself and a real-life economics. After a proud twenty-year or so academic career, I became a student all over again. I decided to study theology and philosophy, disciplines that nobody had taught me when I was a student of economics and I did not teach my own students when I became a teacher of economics.

It was at this difficult time in my life that I came to understand that I needed to bring spirituality, compassion, ethics and morality back into economics itself, to make this dismal science once again relevant to and concerned with the common good. It was now that I made the following discoveries, amongst others:

* 1- Living happily is "the desire of us all but our minds are blinded to a clear vision of just what it is that makes life happy". The root of happiness is ethical behaviour, and thus the ancient idea of moral education and cultivation is essential to ideal of joyfulness.

* 2- Economics, from the time of Plato right through to Adam Smith and John Stuart Mill, was as deeply concerned with issues of social justice, ethics and morality as it was with economic analysis. Most economics students today learn that Adam Smith was the 'father of modern economics' but not that he was also a moral philosopher. In 1759, sixteen years before his famous The Wealth of Nations, he published The Theory of Moral Sentiments, which explored the self-interested nature of man and his ability nevertheless to make moral decisions based on factors other than selfishness. In The Wealth of Nations, Smith laid the early groundwork for economic analysis, but he embedded it in a broader discussion of social justice and the role

of government. Students today know only of his analogy of the ‘invisible hand’ and refer to him as defending free markets. They ignore his insight that the pursuit of wealth should not take precedence over social and moral obligations, and his belief that a ‘Divine Being’ gives us ‘the greatest quantity of happiness’. They are taught that the free market as a ‘way of life’ appealed to Adam Smith, but not that he distrusted the morality of the market as a morality for society at large. He neither envisioned nor prescribed a capitalist society, but rather a ‘capitalist economy within society, a society held together by communities of non-capitalist and non-market morality’. As has been noted, morality for Smith included neighbourly love, an obligation to practice justice, a norm of financial support for the government ‘in proportion to [one’s] revenue’, and a tendency in human nature to derive pleasure from the good fortune and happiness of other people.

* 3- “An economist who is only an economist cannot be a good economist”. Therefore, the focus of economics should be on the benefit and bounty that the economy produces, on how to let this bounty increase, and how to share the benefits justly among the people for the common good, removing the obstacles that hinder this process. Moreover, economic investigation should be accompanied by research into subjects such as anthropology, philosophy, politics and most importantly, theology, to give insight into our own human mystery, as no economic theory or no economist can say who we are, where have we come from or where we are going to. Humankind must be respected as the centre of creation and not relegated to short term economic interests, as has been the case for the past few centuries.

*4- ‘Economic rationality’ and “Efficient markets” in the shape of neo-liberal globalisation is socially and politically suicidal. Justice and democracy are sacrificed on the altar of a mythical market as forces outside society rather than creations of it. However, free markets do not exist in a vacuum. They require a set of values such as impartiality in government and honesty, justice, and public spiritedness in business.

In all, Ladies and Gentlemen, we should appreciate that; the marketplace is not just an economic sphere, but ‘a region of the human spirit’. Profound economic questions are divine in nature; in contrast to what is assumed today, they should be concerned with the world of the heart and spirit. Although self-interest is an important source of human motivation, driving the decisions we make in the marketplace every day, those decisions nevertheless have a moral, ethical and spiritual content, because each decision we make affects not only ourselves but others too. We must combine the need for economic efficiency with the need for social justice and environmental sustainability.

In the reminder of my time tonight I wish to share with you a path of economic recovery, a path to heal ourselves, our communities and our economy, so that we maybe able to march towards an ethical, efficient, profitable and sustainable capitalism.

Here are the steps I suggest:

1-Begin a Journey to Wisdom
As I have tried to explain, for me, economics and business are all about human well-being in society and this cannot be separated from moral, ethical and spiritual considerations. The idea of an economics which is value-free is totally false. Nothing in life is morally neutral. In the end, economics cannot be separated from a vision of what it is to be a human being in society.

In order to arrive at such understanding, my first recommendation must surely be for us to begin a journey to wisdom, by embodying the core values of the Golden Rule (Ethic of Reciprocity): *"Do unto others as you would have them to do to you".* This in turn will prompt us on a journey of discovery, giving life to what many consider to be the most consistent moral teaching throughout history. It should be noted that the Golden Rule can be found in many religions, ethical systems, spiritual traditions, indigenous cultures and secular philosophies.

Applying this universal principle can provide an enabling mechanism for the dialogue and development essential to resolving the challenges we face globally, nationally, and locally.

Therefore, we call on the religious, political, and economic leaders of the world to draft and adopt resolutions for the implementation of the principle embodied in the Golden Rule; such resolutions to inform and guide the formation of political, social, economic and environmental policies within their spheres of influence.

Another necessary step in this journey of self-discovery, which is complimentary to the Golden Rule, is to discover, promote and live for the Common Good.

The Common Good

"In some sense the most benevolent, generous person in the world seeks his own happiness in doing good to others, because he places his happiness in their good. His mind is so enlarged as to take them, as it were, into himself. Thus when they are happy, he feels it; he partakes with them, and is happy in their happiness...Some, although they love their own happiness, do not place that happiness in their own confined good, or in the good which is limited to themselves, but more in the common good - in that which is the good of others"...**Jonathan Edwards, On Charity and its Fruits, 1852**

For our purpose and intend we can define the Common Good as "widely beneficial outcomes that are never preordained but instead arrived at through mindful leadership and active followership". These outcomes involve a "regime of mutual gain; a system of policies, programmes, laws, rules, and norms that yield widespread benefits at reasonable costs and taps people's deepest interest in their own well-being and that of others".

In short, the principle of the common good reminds us that we are all really responsible for each other – we are our brothers' and sisters' keepers - and must work for social conditions which ensure that every person and every group in society is able to meet their needs and realize their potential. It follows that every group in society must take into account the rights and aspirations of other groups, and the well being of the whole human family. Related to this is the principle of the universal destination of goods - God intended the goods of creation for the use of all, and so everyone has a right to access the goods of creation to meet their needs.

2- Now is the Time for a Revolution in Economic Thought

As I said before, and wish to repeat again, given its importance: "An economist who is only an economist cannot be a good economist". Therefore, the focus of economics should be on the benefit and bounty that the economy produces, on how to let this bounty increase, and how to share the benefits justly among the people for the common good, removing the obstacles that hinder this process. Moreover, economic investigation should be accompanied by research into subjects such as anthropology, philosophy, politics and most importantly, theology, to give insight into our own human mystery, as no economic theory or no economist can say who we are, where have we come from or where we are going to. Humankind must be respected as the centre of creation and not relegated to short term economic interests, as has been the case for the past few centuries.

We should firmly acknowledge that humankind is elevated above the rest of creation via one major difference: the possession of a critical mind. It is through this gift that we are honoured with a unique ability to influence the direction of our life and the world in which we live. In order to be able to do our utmost in life for the good of ourselves and others, to be for the common good, we must admit that, there is more to life than economics only, the so-called rational and efficient markets: markets know it all mentality, which has brought us all a bitter harvest. We must realise that we should do our utmost by uniting faith and knowledge, love and reason, heart and mind.

We must undertake the task of building a bridge between East and West. We must encourage a dialogue of civilisations, cultures and faiths. We must encourage a multi-disciplinary approach to problem solving. Above all, our paths must be to unite love and intellect. This, in my view, can be a great path of dialogue between East and West, which in turn will lead to a more relevant and true economic model, in harmony with our true human values.

In the West we have mastered the sophisticated art of complicated, mathematical economic models. Our technological achievements of the last few decades and centuries are truly unbelievable to say the least. However, many critics, including myself, believe that in the process, as it appears, we have lost the art of living and loving, the meaning of what it means to be happy and content, and more. Here, is where the time-honoured Eastern philosophy, mysticism and spirituality may offer a solution to our western market-driven thinking. In the wise words of a Muslim philosopher and poet, Muhammad Iqbal:

In the West, Intellect is the source of life,
In the East, Love is the basis of life.
Through Love, Intellect grows acquainted
with Reality,
And Intellect gives stability to the work of
Love,
Arise and lay the foundations of a new world,
By wedding Intellect to Love

In a nut-shell, I believe that we should change our economic-only language, terminology and values, to a more inclusive one. For me, our crises are not necessarily economics or monetary only, so to say. If they were, now that we have collectively poured in over 20 trillions of Dollars, Pounds, euros and more, into our economies, then, we should have had the Heaven on Earth by now. We have not, because ours is crises of spirituality, crises of ethics, morality and love. Somehow we have lost our moral, spiritual and loving compass. Therefore, if any economic model, theories and prescription we may offer is going to be a good and useful one, then, it has to address these crises, thus, making the economics good as a subject, under our control and not the other way round.

In this context, I believe that, the people of the developing countries of the "South" including the Middle East, the Islamic World, for example, by reflecting on, and promoting their time-honoured true human values, such as : (العدل) Al-Adl, (الانسانيه) : Al-Insaneyyeh,(البشريه) : Al-Bashareyyeh, (الادب و الاخلاق) : Al-Adab va Al-Akhlagh, (الروحانيه) : Al-Rohaneyyeh, (المصلحه العامه): Almaslaha Al-Ammeh,(الزكات) : Al-Zakat,(الاخوه) : Al-Okhowwah, (الحب): Al-Hob, (الصفاء): Al-Safaa, (المحبه): Al-Mahabbah,(الضيافه) : Al-Dheyafah (justice, humanity, liberty, manners, spirituality, expediency, truthfulness, love, sincerity, friendship, hospitality), to name but a few, can show a path to a different process of economics, business and trade and globalisation, which is sustainable, efficent and equiable all the same time. It is time for East and West to begin a serious dialogue on economic-related matters, bringing their best values together to heal our broken world.

3- Don't Repair the Economy, Change It

The current financial meltdown is the result of under-regulated markets built on an ideology of free market capitalism and unlimited economic growth. The fundamental problem is that the underlying assumptions of this ideology are not consistent with what we now know about the real state of the world. The financial world is, in essence, a set of markers for goods, services, and risks in the real world and when those markers are allowed to deviate too far from reality, "adjustments" must ultimately follow and crisis and panic can ensue.

To solve this and future financial crises requires that we reconnect the markers with reality. What are our real assets and how valuable are they? To undertake this readjustment requires both a new vision of what the economy is and what it is for, proper and comprehensive accounting of real assets, and new institutions that use the market in its proper role as servant rather than master. We have to first remember that the goal of the economy is to sustain ably improve human well-being and quality of life, and not the promotion of materialism, consumerism and "shop till you drop" values, especially when they are done with borrowed money!

Ultimately we have to create a new model of the economy and development that acknowledges this holistic context and vision.

This new model of development would be based clearly on the goal of sustainable human well-being. It would use measures of progress that clearly acknowledge this goal. It would acknowledge the importance of ecological sustainability, social fairness and real economic efficiency. Ecological sustainability implies recognising that natural and social capital are not infinitely substitutable for built and human capital, and that real biophysical limits exist to the expansion of the market economy.

Social fairness implies recognising that the distribution of wealth is an important determinant of social capital and quality of life. The conventional model has bought into the assumption that the best way to improve welfare is through growth in marketed consumption as measured by GDP. This focus on growth has not improved overall societal welfare, which is why explicit attention to distribution issues is sorely needed.

4- Recognise that the economy is part of the biosphere

A comprehensive economic plan must be based on the scientific fact that the global economy is a subsidiary of the natural order. Economic policies should be attuned to the limited capacity of Earth's biosphere to provide for humans and other life and to assimilate their waste. Photosynthesis and sunlight are as essential to the framework for economic budgets and expenditures as the laws of supply and demand.

5- Acknowledge that we need new institutions

An economic renewal tailored to the 21st century would establish institutions committed to fitting the human economy to Earth's limited life-support capacity. We need something like the central reserve banks which will look after shares of the Earth's ecological capacity, not just interest rates and the money supply. Money should be recognised as a social licence for using part of Earth's life-support capacity. Some functions of governance will have to operate at a global level through a federation modelled perhaps on the European Union, with enforceable laws designed to assure that individual nations don't overrun Earth's limits. The rules for the developed countries that are responsible for the current ecological crisis should be different from those of developing ones.

6- Fairness Matters

A "right" human-Earth relationship would recognise humans as part of an interdependent web of life on a finite planet. The economy must recognise the rights of the human poor and of millions of other species to their place in the sun. In a world awash in money, addressing poverty only with growth reflects a tragic lack of moral imagination. Indeed, in pushing for more "free" trade as it is currently understood, we would entrench an ongoing addiction to consumption, pursued in a manner that often ravages the bio-productivity of developing countries.

7- Expand the discussion

The new knowledge that will forever mark this period in human history is the overwhelming scientific evidence that we are over-consuming the planet and accelerating toward ecological catastrophe. The short-term approaches of most ministers of finance and professional economists don't account for how the planet works, or even that the economy exists on a finite planet. Scientists morally committed to protecting the global commons and researching ecological limits to the global economy need more funding and influence in policy-making.

8- Look beyond neo-liberal education and short-term fixes

We must begin a serious debate on the role of education and what education is all about. We must greatly increase investment in educational and civic institutions that teach that we are not "consumers," but citizens of the Earth and guardians of life's prospects on a small, beautiful and finite planet. In today's largely decadent, money-driven world, the teaching of virtue and building of character is no longer part of the curriculum at many of our universities around the world. The pursuit of virtue has been replaced by moral neutrality- the idea that anything goes. For centuries it had been considered that universities were responsible for the moral and social development of students and for bringing together diverse groups for the common good.

Given the above, it is clear that we need a new economic model, enabling us to deal with new challenges, rather that rescuing and bailing out a discredited and bankrupt model, philosophy and theory.

The long-term solution to the financial crisis is therefore to move beyond the "growth at all costs" economic model to a model that recognises the real costs and benefits of growth. We can break our addiction to fossil fuels, over-consumption, and the current economic model and create a more sustainable and desirable future that focuses on quality of life rather than merely quantity of consumption.

It will not be easy; it will require a new vision, new measures, and new institutions. It will require a redesign of our entire society. But it is not a sacrifice of quality of life to break this addiction. Quite the contrary, it is a sacrifice not to.

And now my suggestion on how we might get there:

<u>My Suggested Proposal</u>

The economic and financial crisis has brought education sharply into a global focus. Education is a lifetime pursuit and an investment for the future. Education is essential for instilling values necessary to bring about stability, conflict resolution, and replacing violence, fear and ignorance with hope and purpose. Humanity's best hope is always served best with access to quality and affordable education.

Today, education is truly global. We now must try to combine our national and global interests, bringing ideas and resources together for the common good.

Globalisation is affecting all aspects of our lives. We should understand how globalisation is changing education systems today, and how best to prepare our young people to learn and succeed in a globalised world. It is vital to understand the issues associated with education's response to globalisation.

The sharing of knowledge, ideas and values is the noblest way to transcend barriers. As such, global education is potentially an immensely powerful tool, helping people from all nations develop dynamic societies, open to dialogue and innovative solutions for tomorrow. The foremost challenges are to work together towards greater mutual respect and understanding, promote increased access and equality throughout the world and prepare students for their role as global citizens. In response to these challenges, we should aim to address several major concerns: for example, inclusiveness, respect for gender equity and cultural diversity, and the internationalisation of content and delivery to prepare students for a global economy and society.

We must all realize that there must be another way in conducting the world's affairs, moving away from poverty, hopelessness, anger, fear, terrorism and wars to peace, harmony, hope and purpose.

Here I am reminded by the wise words of President Obama remarks at the United Nations General Assembly this fall. The President most eloquently stated one of his core beliefs that while too often peace remains a distant dream:

"*We can either accept that outcome as inevitable, and tolerate constant and crippling conflict, or we can recognize that the yearning for peace is universal, and reassert our resolve to end conflicts around the world ... For the most powerful weapon in our arsenal is the hope of human beings - the belief that the future belongs to those who would build and not destroy; the confidence that conflicts can end and a new day can begin".*

I salute the President and I share his belief. For me, the most rewarding path to achieve the said objectives is through the path of education: education, education and education.

What we need now, what the world is crying loud for, after decades of war, terrorism, death and destruction, financial crises, and more is surely a new strategy calling for “The Humanitarian and Development Surge”, highlighting a new path, a new direction with a new moral, ethical and spiritual compass.

Therefore, in order to enable us to create a better world, securing democracy, freedom and prosperity for all, I propose the establishment of the **Education Fund for Action on the Global Common Good**. A Fund to bring the people of the world together to do something extraordinary, so that we all become stakeholders, rising to the challenges facing all of us, tackling conflict, disease, global warming, terrorism and poverty. By working together on a shared cause, we will be part of a larger movement to build trust, understanding and respect between the world’s civilizations and peoples, without which, it will be impossible to heal our world. The Fund will allow us to implement our mission by coordinating our efforts to influence policies, practices, research, and interventions in a manner to bring about a more socially just and ecologically balanced world for our children and grandchildren. We strongly believe that Education is our pathway to equal dignity and global peace.

In order to achieve our objectives, it is important that The Fund for Action on the Common Good be located in a Centre with a mandate to carry out the policies of the Fund. Therefore, I propose the establishment of the **Centre for the Study of Globalisation for the Common Good**. The proposed Centre with its motto, "Living and working together for the common good", will be a beacon of hope to all the people of the world, tired of wars, violence, terrorism, insecurity and hopelessness. The Centre will be a true manifestation of and a testimony to our vision that we will succeed only, when all people, regardless of race, religion or culture, will one day harmoniously live and work together thereby cultivating a future filled with hope, respect, contentment and inner peace.

Sadly, the status quo of existing institutions, structures, and mindsets have created many imbalances in our world today which hinder the achievements required by the principle of the common good. Addressing these imbalances and their root causes is the ongoing mission of the proposed Centre. The Centre will maintain a global focus in actives pursuit of its mission.

The persistent and worsening environmental crisis calls for changing the way we live and think. Creating sustainable and ecologically ethical communities, is now more important than ever before. The next generation of citizens and leaders needs to have a clear understanding of the challenges faced *and the tools needed* to develop effective solutions. To further this understanding, the proposed Centre will launch the **Sustainable Education Initiative**. This Initiative will cultivate a balance between education and action so that students will better understand the festering crises their generation will face while also understanding their roles in creating and implementing solutions. On an institutional scale, our goal will be to develop modules, courses, and projects in conjunction with universities and businesses, as well as e-learning opportunities.

We understand that in order to succeed we must harness and nurture the power of socially responsible individuals from the business world, assisting us to achieve our common good objectives. We appreciate and celebrate the contributions of passionate and caring entrepreneurs and business firms to empower, enable and envision others to create a new kind of capitalism, addressing the critical issues of our time, such as sustainability, poverty, global warming, peace and justice.

Businesses and entrepreneurs must foster good relations, not only with their customers and shareholders, *but must also* foster *good relations with the larger community.* They must bear the responsibility for the impact of their activities on communities, societies, nations and the environment. To further this understanding, to harness the power of business to do well by doing good, to ensure that a truly ethical, efficient, profitable and sustainable business *culture and* capitalism is possible, the proposed Centre will launch the **Business Education Initiative**: to connect the corporate good with the common good.

The business community can and must be a great partner with all other stakeholders to contribute to global prosperity and the well-being of all species. *The* Centre will rigorously promote our vision that it is our duty; it is our moral *imperative*, to improve the world in which we live as we engage *in* business, commerce, banking and insurance. Today we have been presented with an unprecedented opportunity and responsibility- to ensure this possibility. *A* truly sustainable, ethical, and successful economic system is possible only by harmonizing economic, social and environmental factors.

Given the continued gravity of the financial crises, the proposed Centre will commit itself to the establishment of the globalization **Integrity Council on Global Business.** We will establish partnerships with educational institutions and business corporations to create a Global Integrity Network, addressing pressing global ethical issues in an ecumenical, global, and non-partisan fashion. In the process, we expect to develop a cross-cultural dialogue and educational activities, enabling us to take on a deeper and richer debate, with greater and more rewarding outcomes.

We seek your support in contributing to this Fund, enabling us to institutionalize these efforts. We will thus be able, together, to create the foundation for a continuing contribution *of* our understanding of globalization and the common good, showing how we can- all of us- effectively participate in the transformation of our societies toward a more just and peaceful world community.

The Fund and the *proposed* Centre will build on the achievements of the Globalization for the Common Good Initiative and the work made possible by the grant toward a permanent presence in the global intellectual, business and spiritual communities.

Thank you ladies and gentlemen.

Kamran Mofid is the Founder of the *Globalisation for the Common Good Initiative* (Oxford, 2002) and Co- founder/Editor, *Journal of Globalisation for the Common Good*, member of the International Coordinating Committee of the World Public Forum, Dialogue of Civilisations. In 1986 he was awarded his doctorate in economics from the University of Birmingham, UK. In 2001 he received a Certificate in Education in Pastoral Studies at Plater College, Oxford. From 1980 to 2000 he was Economic Tutor, Lecturer and Senior Lecturer at Universities of Windsor (Canada), Birmingham, Bristol, Wolverhampton, and Coventry (UK). Dr. Mofid's work is highly interdisciplinary, drawing on Economics, Politics, International Relations, Theology, Culture, Ecology, Ethics and Spirituality. Dr. Mofid's writings have appeared in leading scholarly journals, popular magazines and newspapers. His books include *Development Planning in Iran: From Monarchy to Islamic Republic* , *The Economic Consequences of the Gulf war*, *Globalisation for the Common Good*, *Business Ethics, Corporate Social Responsibility and Globalisation for the Common Good* , *Promoting the Common Good* (with Rev. Marcus Braybrooke, 2005), and *A non-Violent Path to Conflict Resolution and Peace Building* (Co-authored).