

Toward Humanitarian Competition: A New Current in History

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The impact of the "once-in-a-century" financial meltdown, which started with defaults in the subprime mortgage market in the United States and the bankruptcy of the investment bank Lehman Brothers, has now spread to engulf the whole world.

The crisis inevitably provokes associations with the nightmare of the 1930s, when a severe economic depression set the stage for the violent conflagration of World War II. Even as policymakers struggle to find effective responses, there are growing signs that the current financial turmoil is undermining the real economy, bringing about a global recession and driving up unemployment. If we remember that the Great Depression only fully set in two years after the 1929 stock market crash, the gravity of the current situation becomes even more apparent.

People have the right to live in peace and humane conditions, and to that end, they exert themselves assiduously day after day. It is unacceptable that the foundations of people's livelihoods should be disrupted and devastated by the effects of "tsunami" that they could not foresee and which originated in realms far beyond their control.

I hope that, to prevent a further worsening of the situation, governments will strengthen coordination of fiscal and monetary policy, pooling their wisdom and taking prompt and appropriate action.

The main cause of the crisis can be traced to the rampant dominance of speculative financial assets, whose scale has been variously estimated at four times the cumulative value of world GDP. The financial markets, whose true function is to support and facilitate other economic activities, have thrust themselves to center stage; dealers and traders who single-mindedly pursue earnings and profit, often with no thought for the impact on others, have become celebrated stars of the era. The runaway avarice of present-day capitalism is a widely documented phenomenon.

As I have pointed out in these proposals on a number of occasions, the deepest root of the crisis is an unhealthy fixation on the abstract and ultimately insubstantial signifier of wealth--currency. This is the underlying pathology of contemporary civilization. It might be

