

Conference Chairman's welcome address

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Ladies and Gentlemen,

The present crisis is planetary and its causes, in the era of free access to information are easy to describe:

- The abandonment of traditional industries at the benefit of services
- The worship and omnipotence of ever faster computers
- The rise of the financial industry
- The domination of finance by complex mathematical models
- The mishandling of dangerous financial products, namely the subprime mortgages awarded to poor and uneducated people.

On the eve of the 20th century, when industrialization prevailed as the leading economic force, socio-economic models tried to integrate the largest possible number of people into the consumer dynamics.

In similar tentatives, communism and national-socialism imposed oppressive non-democratic regimes and failed pitifully where liberal capitalism based on free initiative showed its undisputed advantages.

The more informal, more flexible and free initiative capitalist model has proved the most flexible and resilient but with one weakness: every time the system was manipulated and pushed to speculative levels, we saw the emergence of a class of robber barons who enjoy a free license to steal and brought the financial system to the brink of destruction.

So, are there lessons to be learned from the past?

For my part, I see the following ones:

- That the neo-liberal financial practices have shown the limits of free capitalism
- That economic models, so called “paradigms”, are historically repeatable and verifiable and that since 1000 AD export led growth economies have been the rule
- That regulation is a necessary evil to avoid speculative excesses and “moral hazard” which endanger social cohesion and the global economy
- That greed is an irrepressible human disease that obeys no rules of morality or education

- That personal honor does not constitute an engagement in terms of moral behavior for high ranking executives in state or private entities
- That logic of selfish and personal choices in markets destroys social stability and

restraint

- That a free society requires a high degree of social awareness to reduce the supervisory burden and control.
- That social trust requires integrated norms of honesty, morality and respect as exposed already in the XVII century by Lord Shaftesbury in his “Theory of Moral Sense”.

In the coming days through the seven panel discussions, these points will be analysed and discussed in detail by highly qualified academics and professionals. I hope this will bring you some sound responses and original opinions and will allow CIFA to continue it’s fight against professional misbehavior and help it unite professional organizations which scope is to combat misconduct and conflict of interest.

To conclude, I would like to cite the following precepts formulated by Cicero in 55 BC:

THE BUDGET SHOULD BE BALANCED, THE PUBLIC FINANCES REDRESSED, AND PUBLIC DEBT REDUCED

THE ADMINISTRATION’S ARROGANCE SHOULD BE CURBED AND CONTROLLED, AND ASSISTANCE TO FOREIGN COUNTRIES SHOULD BE REDUCED FOR FEAR OF SEEING ROME GO BANKRUPT

MOREOVER, PEOPLE SHOULD LEARN TO WORK INSTEAD OF LIVING ON STATE SUBSIDIES
