

# Good Value

Reflections on  
money, morality and  
an uncertain world

Stephen  
Green

## Book Good Value

### Reflections on money, morality and an uncertain world

Stephen Green  
Allen Lane, 2009  
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## Recommendation

Depending on your perspective, HSBC Chairman Stephen Green's analysis of the global economy and the moral ambiguities that will inevitably shape society's evolution is either brilliant or convoluted. It may be both. Readers will applaud Green's intellect as he draws from fertile philosophical, literary and religious sources to frame his take on civilization's economic beginnings and development. The one drawback is that his obsession with detail and stylistic prose can sometimes obscure his fundamental points. Green ponders where society is headed in this age of globalization and economic uncertainty, and how people will adapt without compromising their humanity. *BooksInShort* finds that his hopeful prescription positions him more as a philosopher than as a major banking executive, though he willingly shoulders both roles.

## Take-Aways

- Economic globalization has spurred urban growth and fostered "cultural exchange."
- Only two countries in history – Britain and the United States – have exerted true world dominance.
- The balance of economic power is shifting from the West to the East with the emergence of China and India.
- The world has just undergone the worst financial crisis since the Great Depression.
- That will usher in a new capitalism with different dynamics that will demand social responsibility, ethics and concern for the environment.
- Businesses must accept this mandate. Profit can no longer be their sole motivation.
- Economic evolution in the 21st century necessarily involves morals and ethics.
- Finding satisfaction and purpose requires adhering to fundamental principles.
- Wealth and power never deliver on their promises of fulfillment.
- People must seek meaning in their work and meet their social responsibilities.

## Summary

### The Course of Change

As this century nears its second decade, the world is undergoing a sweeping economic, political and social evolution. As always, educated observers and experts are trying to identify emerging trends and patterns, but future events are impossible to predict. The worst financial crisis in decades has caused serious damage globally. Housing markets are in shambles, banks are struggling to remain viable, unemployment is rampant, prices continue to rise and money buys less. People have lost their sense of security. The foundation of trust is eroding.

“Globalization is not a concept or an ideology; it is a phenomenon. It is part of the sweep of human history.”

Individuals often become introspective during periods of extraordinary upheaval. They question their motivation as they struggle to find intrinsic value in their daily routines and the pursuit of financial stability and material possessions. Some decide to give their all, sacrificing the security of suburbia to rescue exploited children in India or educate youngsters in African nations. But most people quickly brush aside notions or impulses of social responsibility, choosing to maintain their comfortable – if not affluent – lifestyles.

“The urban transformation of the world is the most important social, political and cultural consequence of globalization.”

Why do some people rise to the occasion and respond to humanitarian challenges – whether in big ways or small ones – while others simply shrug their shoulders? What makes life purposeful in this age of great uncertainty? How do people maintain hope for a brighter future in the face of tsunamis, earthquakes, political corruption, religious extremism and nuclear threats? What role does spirituality play in the human experience?

## **Globalization: A Permanent Trend**

Globalization is not a new phenomenon. In fact, until the British Empire rose to dominance in 1815 – following France’s demise under Napoléon Bonaparte – no country had ever exerted singular global influence. In ancient times, the Romans and Chinese were tremendously powerful, but they existed independently and had little contact with each other. Britain maintained its superiority until 1871, when the German Empire emerged. By 1914, Germany was the world’s most formidable industrial state.

“The First World War may have ended in 1918; but the lights of progress, global integration and economic expansion remained out until at least the 1950s.”

After the end of the Cold War in 1989, the United States became the world’s second sole superpower, with unrivaled political, economic and military strength. But America’s dominance began to waver some 15 years later, as China flexed its economic muscles and the popularity of Western democracy declined in many corners of the globe. China’s growth as an economic superpower will likely continue for decades.

“Capitalism for the 21st century needs to rediscover a fundamentally renewed morality to underpin it.”

The impact of globalization also manifests in urban growth – city populations are booming compared with 50 years ago – and “cultural exchange.” Chinese classical pianists play selections from German and Italian composers. Art exhibits throughout China reflect Japanese and Western influences. In 2009, a British art gallery displayed the works of up-and-coming Muslim artists expressing their vision of Arab culture in the context of contemporary urban existence. Many publishers are translating books and literary pieces from Asia, South America and Africa into English. Such cultural interchanges are byproducts of economic globalization. “Connected commerce” contributes to the expansion of larger, more vibrant cities and creates an atmosphere where individuals from diverse cultures can swap ideas.

## **Expanding Horizons**

The term “globalization” became popular around 1985, but people have ventured beyond their own geographic boundaries since the beginning of civilization. In biblical times, the Phoenicians, who had enormous vessels capable of transporting some 400 tons of cargo each, brought back goods from the coasts of Europe and Africa. During the Middle Ages, Europeans went to great lengths to procure exotic spices, such as nutmeg and cinnamon. The global economy’s growth exploded in the 1500s, when Spanish explorers such as Vasco Núñez de Balboa and Francisco Pizarro conquered territories in the New World and shipped home vast amounts of gold and silver.

“Government oversight, regulation and, in times of stress, intervention are essential.”

The modern-day global economy did not really take shape until after World War II, when the U.S. abandoned its isolationist philosophy and led a movement to lower the trade barriers that had effectively stifled commerce for the previous 100 years. U.S. tariff reform initiated in 1947 loosened trade restrictions worldwide, eventually leading to the most significant global trade occurrence since 1990: the emergence of China and India as major financial players.

“Markets cannot be relied on to be stable and self-regulating.”

Capitalism, consumerism and technology have opened the doors of opportunity and prosperity for millions of people. But economic expansion creates questions concerning the stability of the free enterprise system, the prospects for individuals and countries that can’t keep up, the planet’s resource capabilities, and the effect of progress on society’s moral values and responsibilities.

## **A Critical Juncture**

The global economic meltdown that began in 2007 has become the most severe crisis since the Great Depression. In fact, it may turn out to be a defining time in history, depending on its consequences. Although the crisis caught almost everyone by surprise, including former Federal Reserve Chairman Alan Greenspan, signs of trouble had started appearing on the horizon in 2005.

“We cannot fulfill ourselves in business through power or work or wealth.”

A fundamental change that will influence world economics for the next 50 years is emerging from beneath the surface of the crisis. Capitalism now demands responsibility, ethics and concern for the environment. This has yet to play out fully, but four axioms are undeniable:

1. **Capitalism is king** – The market is far from perfect, but it’s better than any other alternative. Capitalism has benefited many more economies than it’s damaged. Look no farther than China and India. However, capitalism’s future is not just about economic principles, variables and trends.

2. **Change is permanent** – Economic principles that worked in the past are history. Society can't go back. Denying the realities of a global economy is impossible. The focus should be on strengthening the capital market.
3. **Be ready to step in** – In a crisis, the market requires bold remedial action. People can't expect the market to correct severe imbalances automatically. World leaders must determine how to preserve the market's vitality while maintaining oversight.
4. **Balance is shifting** – The East, not the West, is becoming the center of economic power. Leaders must recognize the influence of emerging economies and give them input.

## Questions to Ponder

Society's attitudes have changed. People are more mistrustful of institutions. Their confidence has been shaken. In the race to accumulate material possessions, humankind has lost its moral compass. People realize that prosperity does not ensure happiness or contentment. Thus, any discussion of 21st century life must include ethical and behavioral considerations. Indeed, in this age of economic fluctuation and political unrest, people are pondering fundamental philosophical issues. They are asking if individuals are morally obligated to contribute to society's overall well-being? Are they responsible for how they leave the world for future generations?

"The value of our business is dependent on the values with which we do our business."

Consumerism has spawned legions of status-hungry shoppers more concerned with "price, not value." And yet, people have an instinctive understanding that cost does not accurately reflect real worth. Men and women recognize that their families and friends are more important than their possessions, but uncertain times and world conditions have created a selfishness that compromises concern for the greater good. Despite having advanced technology that has fostered an unprecedented ability to communicate, society, in many ways, has lost its sense of community.

"How, in this individualized world, can we preserve a sense of obligation? What do we teach our children?"

Globally, the bridge dividing the "haves" and the "have-nots" remains formidable. Malnutrition, drought, homelessness, infant mortality and discrimination affect millions of people. In some countries, millions more are enslaved. In theory, the world has enough resources to eradicate poverty, but corruption and political dissension promise to hinder a solution for decades to come.

"We know for sure that we will stumble, but that remorse is always an option; atonement and renewal are always possible."

What about the societal obligation to protect the planet's resources and ensure a safe environment? Global warming, though controversial, is a major concern for many experts. Pollution is an issue for numerous emerging countries and the increased amount of greenhouse gases is undeniable.

## Businesses Must Share Responsibility

Global problems have no easy solutions, yet it's evident that businesses must play a meaningful role and accept "social responsibility." Companies need not cast aside their profit motives to embrace other goals as well, particularly social causes. Adhering to these guidelines will assure your organization's contribution to society:

- **Practice sustainability** – Organizations must try to maximize returns and maintain trust with investors while establishing realistic objectives and sensible competitive practices.
- **Be committed** – Seeking to improve customer service is a fundamental tenet, but businesses these days also should invest in their communities and in environmental concerns. Companies cannot afford to be passive members of society.
- **Engage your workforce** – Community involvement energizes your employees and boosts their sense of self-worth. Prioritize projects that are outside the workplace. Be creative and innovative.

"If we want to see life as more than just 'one damn thing after another,' we have to begin by seeing we are part of what makes it what it is."

Corporate scandals and the collapse of various financial institutions have severely damaged the public trust, putting the onus on companies to operate now with unshakeable integrity and sincerity. Profit as the sole motivator is no longer an acceptable business practice. The public expects firms to be sensitive to broad social issues and respond accordingly.

## The Individual Road to Fulfillment

No one attains fulfillment through wealth or power alone. Many people spend years amassing possessions or scaling the corporate ladder only to discover that their lives ultimately lack purpose. Even those with a firm grip on reality and no delusions of grandeur often search for meaning within the daily corporate struggle. Such fulfillment is in reach if you follow these guiding principles:

- **Practice integrity** – The importance of honesty and fair play cuts across cultural boundaries. People may argue about issues such as abortion or the use of the death penalty, but everyone agrees about the role of integrity in business.
- **Treat people well** – Frame your relationships with decency and kindness. Manipulating or abusing others never works in the long run.
- **Have healthy ambition** – The desire to achieve is commendable as long as you're not driven by selfishness. Always keep the common good in mind.
- **Seek balance** – Acknowledge the importance of work, play and relationships, and devote sufficient time to each.
- **Be a guiding light** – Leadership doesn't come just from executives. Personal leadership means taking your responsibilities seriously, inspiring others and fostering camaraderie.
- **Find your purpose** – Every individual needs to determine the extent of his or her contribution to humanity. If self-examination reveals that your daily pursuits lack value, then a larger question looms: "Why exactly am I doing this?"

## A Message of Hope

While it is enormously important, no amount of self-realization can provide all the answers. Life is complicated, ambiguous and uncertain. It is tragic and exhilarating. Despite individual noble intentions, mistakes and disappointment are inevitable, yet hope and optimism always remain within reach. The human spirit has prevailed throughout the march of time. Mighty civilizations rise and fall. Heroes and villains share the same stage. War, plague and famine have claimed countless victims. Great societies have ignored the lessons of history and imploded. But you can make your society better. Tomorrow is a new day and the possibilities are endless.

## About the Author

**Stephen Green**, current chairman and former CEO of HSBC, is also chairman of the British Bankers' Association and chair of the Prime Minister's Business Council for Britain.

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