

“50 trillion dollars belonging to the wealthy was destroyed”

On the Philosophy of Money

“We undoubtedly need a new culture of generosity, a culture of giving, a culture of wealthibility, especially in the German-speaking countries”, says Prof. Thomas Druyen, a researcher into the culture of wealth, in an exclusive interview with the Börsen-Kurier.

Börsen-Kurier: Professor, has the crisis affected many wealthy people? And if so, has the decrease of this capital influenced their giving?

Druyen: According to a study of the Asian Development Bank the financial crisis destroyed assets worth 50 trillion dollars. Despite the relativity of figures for losses, the fact remains that many wealthy individuals were indeed hit hard. This profoundly negative impact had and continues to have consequences. The extent to which generosity and the level of giving will now decline, depends above all on what happens in the future. If the global economy recovers the gap will be closed, if the difficult economic situation continues, philanthropy as a whole will face huge challenges.

Börsen-Kurier: Ethical thinking and actions are currently very much in vogue. Will this trend continue? And how can ethical action be coupled to economic success?

Druyen: Good question. But ethical action shouldn't just be seen as nothing more than a trend; it is actually a basic prerequisite for social development. If businesses and banks cannot bring their desire for profit into a proper balance with their responsibility, such crises will not be exceptions, but the rule - a permanent state of affairs with unforeseeable consequences. The wealthy should therefore bring their influence to bear in those areas where they have scope for action, as owners, entrepreneurs, partners, supervisory board members, shareholders and as benefactors. In a nutshell, this means: Do we create ethics for the economy or will we stay with the dangerous economisation of ethics.

Börsen-Kurier: Popular anger is directed chiefly at the bankers. Moreover, financial institutions have received billions in financial aid which finance ministers say are supposed to help the real economy. Not every bank is fulfilling its obligations in this respect. The banks are still excessively cautious about lending. What impact could "excessive caution" on the part of the banks have?

Druyen: In the banking sector it is a question of evolution or revolution. Above all, we need to return to a situation that enables entrepreneurial activities. If the sole focus is on the end in itself, the indispensable function of the banks will become unhinged and that will have dreadful consequences. If you look closely, people's anger is not directed against legitimate profit but against the taking of undue advantage. In this respect, it is a question of common sense.

Börsen-Kurier: Would it be useful if the wealthy were to cooperate and – like Muhammad Yunus – were to use some of their wealth to set up a slightly different kind of social bank, one with extremely low interest rates for borrowers?

Druyen: That is also a good idea, but it is already being implemented. However, the idea of shouldering responsibility must gain acceptance among all those who are privileged; this is the only way to achieve sustainable change. The world's problems can't just be solved with micro-loans alone. The most important measure remains the creation of employment and jobs so that people can have a worthwhile task.

Börsen-Kurier: Politicians tell us we have to tighten our belts. We hear a lot about a wealth tax that many politicians would like to introduce. Wouldn't the introduction of such a tax ultimately harm the poorer sections of the population?

Druyen: Even in theoretical debates these entrenched positions have to be overcome. One measure alone will not suffice to resolve a crisis that developed over decades. Politicians, corporations, banks, companies, the wealthy and the public will achieve little without changing their previous stubborn behaviour. This applies to all milieus. In this connection, a just tax that is proportional to wealth, for example, is of course absolutely essential.

Börsen-Kurier: Dr. Druyen, you are not only one of the most important wealth researchers in Europe and the founder of the discipline of “wealth culture,” you are also a “foundation expert”. There are approximately 4,000 foundations in Austria. Are wealthy Austrians willing to set up foundations?

Druyen: In our conversations with the wealthy, willingness to give by setting up foundations certainly seems to be gaining ground. However, the small percentage of charitable foundations among Austria’s 4,000 private foundations leaves enormous scope for a philanthropic awakening.