

# From the Board

## The Credit Crisis and Its Aftermath

With 'green shoots' in economic recovery<sup>1</sup> and stock market performance possibly indicating a rebound after the severest economic downturn since the Second World War, the credit crisis still fills the agenda of policymakers and entrepreneurs alike. The former discuss economic recovery plans and changes to financial sector regulation and the supervisory structure on both sides of the Atlantic. The latter look for new and sustainable business methods that also help reduce costs. The combined effect of the credit crisis and the challenge of climate change may induce companies to look for shorter supply chains and better products in terms of energy use and durability.<sup>2</sup> If the credit crunch has made entrepreneurs more susceptible to the profitability of 'green' production and durable service provision, it may have had beneficial effects, as well. Across the financial sector, however, the need for new ways of doing business does not yet seem to have convinced all. The furore about bonuses being paid, or planned to be paid, in financial institutions,<sup>3</sup> which have received large amounts of state aid, makes clear that society may not accept a prolonging of practices that were clearly unsustainable. Bonuses were paid for the introduction and sale of structured products that neither the buyer nor the supervisor fully understood or for reaching sales targets or profit results before the longer-term effects of the product (profitable to client and producer alike?) could be properly assessed. This fostered short-term thinking and emphasized private gain for bank employees instead of best service to their customers. Referring to the pivotal role of banks in the economy and of trust in the functioning of the economy and to the fact that some of the intellectual assumptions underlying the prevalent economic thinking had proven to be 'profoundly wrong', the author of a major review into the causes of the crisis and the possible remedies against a recurrence,<sup>4</sup> Adair Turner, warned against a

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<sup>1</sup> See Eurostat's News Release 117/2009 of 13 Aug. 2009 with the latest economic data for eurozone States, at: <[www.epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/2-13082009-AP/EN/2-13082009-AP-EN.PDF](http://www.epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-13082009-AP/EN/2-13082009-AP-EN.PDF)>.

<sup>2</sup> 'Crisis and climate force supply shift', *Financial Times*, 10 Aug. 2009.

<sup>3</sup> 'France's finance chief calls banks' new bonuses an "absolute disgrace"', *Financial Times*, 22 Jul. 2009. 'Diamond defends bonuses' on Bob Diamond, the head of Barclays Capital, confirming recruiting people on guaranteed bonuses, *Financial Times*, 4 Aug. 2009. See also, 'UK regulator in vow over bank bonuses', *Financial Times*, 13 Aug. 2009, on Financial Services Authority (FSA) Chief Executive Hector Sands promising a review of bonus regulation (contained in the FSA's Senior Management Arrangements, Systems and Controls (Remuneration Code) Instrument 2009, FSA 2009/48, at: <[www.fshandbook.info/FSA/handbook/LI/2009/2009\\_48.pdf](http://www.fshandbook.info/FSA/handbook/LI/2009/2009_48.pdf)>) if London's competitiveness as a global financial centre should so require.

<sup>4</sup> 'The Turner Review – A Regulatory Response to the Global Banking Crisis', at: <[www.fsa.gov.uk/pubs/other/turner\\_review.pdf](http://www.fsa.gov.uk/pubs/other/turner_review.pdf)>, March 2009.

return to normality. The Chairman of the Financial Services Authority (FSA), the British supervisor, said:<sup>5</sup>

It is therefore essential that we learn lessons and accept the need for radical change – change in the style of supervision, change in the regulations applied to banks, and changes in the banks themselves. We hope to return to more normal economic conditions: we must not allow a return to the ‘normality’ of the past financial system.

Indeed, a rethinking of the market fallacies of the past is necessary. The Thatcher/Reagan era is really over. New paradigms for economic thinking are needed. Perhaps, weaning the financial and political world from their addiction to Gross Domestic Product (GDP) growth data,<sup>6</sup> or a different approach to GDP definition,<sup>7</sup> is called for. Some thinkers have already put their ideas on paper.<sup>8</sup> Others have been paving the way for alternative approaches.<sup>9</sup> Those who would like to follow, and influence, new thinking may visit websites such as <[www.rethinkingfinance.org/home](http://www.rethinkingfinance.org/home)>.

On a more practical level, the crisis leads to a review of regulation of the financial sector<sup>10</sup> and of the supervisory structure. In the US, the Treasury issued wide-ranging reform proposals,<sup>11</sup> which have nevertheless been criticized as not going far enough or as possibly impinging on the independence of the American central bank. In the European Union, the De Larosière report came up with a thorough analysis of the crisis

<sup>5</sup> In an address to British Bankers' Association Annual International Banking Conference on 30 Jun. 2009, at: <[www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0630\\_at.shtml](http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2009/0630_at.shtml)>. The preceding paragraph reads as follows: ‘What we have been brutally reminded is how important and exceptional is the role which banks and bank-like institutions play in a market economy, how vital is confidence in banks and between banks, how potentially fragile that confidence is and how harmful if it is lost. And what we have learned also is that many of the intellectual assumptions of the years running up to the crisis – that markets are self equilibrating, that financial innovations which complete markets are definitionally valuable, and that market discipline is effective – were profoundly wrong.’

<sup>6</sup> Before the crisis, FT columnist Samuel Brittan wrote that the US and UK housing booms were doomed to end, which would result in a reduced obsession in the English speaking world with GDP league tables. He argued that income levels are ‘extremely loosely’ connected to reported life satisfaction and that GDP growth rates, rather than the absolute levels of GDP, get far too much focus. See his ‘Time to put away the league tables’, *Financial Times*, 24 Feb. 2006.

<sup>7</sup> The *Commission sur la Mesure de la Performance Économique et du Progrès Social*, established at the initiative of French President Nicolas Sarkozy, has come up with interim thoughts, available at its bilingual website (French and English): <[www.stiglitz-sen-fitoussi.fr/fr/index.htm](http://www.stiglitz-sen-fitoussi.fr/fr/index.htm)>. On Gross National Happiness (GNH), see, e.g.: Saugata Bandyopadhyay, *Microfinance in the Improvement of Living Standard and GNH*, at: <[www.bhutanstudies.org.bt/admin/pubFiles/GNH3/16.3rdGNH.pdf](http://www.bhutanstudies.org.bt/admin/pubFiles/GNH3/16.3rdGNH.pdf)>.

<sup>8</sup> George Cooper, *The Origin of Financial Crises, Central Banks, Credit Bubbles and the Efficient Market Fallacy*, 2008, summary by Michał Karasiewicz, at: <[www.jur.uva.nl/template/downloadAsset.cfm?objectid=CBFFDC35-1321-B0BE-6833F773187CF104](http://www.jur.uva.nl/template/downloadAsset.cfm?objectid=CBFFDC35-1321-B0BE-6833F773187CF104)>, and George Soros, *The New Paradigm for Financial Markets*, summary by Plamen Slavov at: <[www.jur.uva.nl/template/downloadAsset.cfm?objectid=D763E1A8-1321-B0BE-68CECA6821E06D8A](http://www.jur.uva.nl/template/downloadAsset.cfm?objectid=D763E1A8-1321-B0BE-68CECA6821E06D8A)>.

<sup>9</sup> For instance, Amartya Kumar Sen (‘Development as Freedom’, 1999) and Richard Layard (‘Happiness: Lessons from a New Science’, 2005, and, together with Judy Dunn arguing for more attention to children, ‘A Good Childhood – Searching for Values in a Competitive Age’, 2009). For an interesting dialogue (9 Feb. 2005) between Richard Layard and (then) IMF Chief Economist (now: Bank of Israel Governor) Stanley Fischer, moderated by Carol Graham, see: ‘A Brookings Briefing: Happiness: Lessons From A New Science’, at: <[www.brookings.edu/comm/events/20050209happiness.pdf](http://www.brookings.edu/comm/events/20050209happiness.pdf)>.

<sup>10</sup> Recently, amendments to the prudential supervision of financial institutions have been adopted. See the Council's Press Release of 27 Jul. 2009 (12380/09 (Presse 234)). It mentions the adoption of a regulation introducing a legal framework for credit rating agencies and a directive updating capital requirements for banks, amending the Consolidated Banking Directive (officially: Directive 2006/48/EC of the European Parliament and of the Council of 14 Jun. 2006 relating to the taking up and pursuit of the business of credit institutions (recast), OJ No. L 177/1, 30 Jun. 2006) and the Capital Requirements Directive (officially: Directive 2006/49/EC of the European Parliament and of the Council of 14 Jun. 2006 on the capital adequacy of investment firms and credit institutions OJ No. L 177/201, 30 Jun. 2006). The press release is available at: <[www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/misc/109349.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/misc/109349.pdf)>.

<sup>11</sup> ‘Financial Regulatory Reform: A New Foundation’, at: <[www.financialstability.gov/docs/regs/FinalReport\\_web.pdf](http://www.financialstability.gov/docs/regs/FinalReport_web.pdf)>.

and innovative proposals for better functioning supervision, both in respect of systemic stability and of prudential supervision.<sup>12</sup> Its proposals have been endorsed by the European Council and are now taken as a basis for legislative proposals by the Commission.<sup>13</sup> The creation of a European Systemic Risk Council, consisting of the twenty-seven members of the European Central Bank's (ECB's) General Council plus, on a rotating basis, twenty-seven representatives from Member States' supervisory agencies, plus the chairs of the European Supervisory Agencies (ESAs), to be newly established, will provide a large debating club whose effectiveness remains in doubt. The aforementioned ESAs will form a European System of Financial Supervisors. Its task is to ensure effective prudential supervision of the finance industry. The Agencies will continue to be responsible for their own segment only (banking, insurance and occupational pensions, securities) as are their predecessors, the current so-called Lamfalussy committees for each area. One may have serious misgivings about the gaps in the De Larosière report,<sup>14</sup> such as the absence of a proposal on burden sharing among nations in case of bank failures and its timidity in respect of deposit insurance schemes. Moreover, the implementation of its main proposals may face legal hurdles as the current and prospective treaties do not seem to provide sufficient legal basis for empowering new agencies with decision-making responsibilities.

Not only in the area of regulation,<sup>15</sup> also from a competition point of view, the crisis holds challenges. A completely new financial landscape emerged after the storms of the credit crisis wiped off the investment banks in the United States, brought banks into public ownership across the world and saw public authorities guarantee the liabilities of financial institutions with several going under or being absorbed by players that were better cushioned against the turmoil. The influence of the State in the private sector turned upside down conventional wisdom about how to manage an advanced economy. It also raised a number of questions on competition in the sectors thus affected. As for the financial sector, competition concerns relate to banks competing, whilst relying on state support, with those that did not receive such support and include fears about publicity made to attract depositors fearful of entrusting money to financial institutions that are not backed by the State. Such concerns also relate to the independent management of financial institutions whose boards are filled with State-appointed members who may convene from time to time at the national treasuries to discuss matters of common concern. They further relate to the mispricing of assets due to distorting state support. The Commission and the ECB are to be lauded for their consistent and cooperative efforts

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<sup>12</sup> High Level Group chaired by Jacques de Larosière, Report, at: <[www.ec.europa.eu/internal\\_market/finances/docs/de\\_larosiere\\_report\\_en.pdf](http://www.ec.europa.eu/internal_market/finances/docs/de_larosiere_report_en.pdf)>, 25 Feb. 2009.

<sup>13</sup> See Commission Communication on Financial Supervision in Europe, COM(2009) 252 final., at: <[www.ec.europa.eu/internal\\_market/finances/docs/committees/supervision/communication\\_may2009/C-2009\\_715\\_en.pdf](http://www.ec.europa.eu/internal_market/finances/docs/committees/supervision/communication_may2009/C-2009_715_en.pdf)>, 27 May 2009.

<sup>14</sup> Laurens Jan Brinkhorst, Jean-Victor Louis and René Smits, 'De Larosière report fails to tackle main issues', at the Eur.activ website; see: <[www.euractiv.com/en/financial-services/larosiere-report-fails-tackle-main-issues/article-181014?\\_print](http://www.euractiv.com/en/financial-services/larosiere-report-fails-tackle-main-issues/article-181014?_print)>.

<sup>15</sup> A compilation of views on the future of EU financial regulation and supervision can also be read in the Report of the House of Lords' European Union Committee, vol. I: Report, vol. II: Evidence, with a wealth of answers by experts to oral questioning, and in the Written Evidence. See: <[www.publications.parliament.uk/pa/ld200809/ldselect/ldecom/106/10602.htm](http://www.publications.parliament.uk/pa/ld200809/ldselect/ldecom/106/10602.htm)>.

to maintain a measure of market discipline in the face of the storm. The Commission has been able to authorize (technically: not oppose) state aid measures at extremely short notice, often after hard bargaining with the authorities to bend the terms and conditions originally proposed to appease the Commission's misgivings from a competition point of view. The Commission has sought to steer the general process through consecutive communications, which have given insight into its thinking and have made the process more transparent while it was unfolding. A *Guidance Paper* of 13 October 2008 concerns state guarantees for bank liabilities.<sup>16</sup> A *Recapitalization Paper* of 5 December 2008 sets out principles for the assessment of recapitalization of banks.<sup>17</sup> The *Toxic Assets Paper* of 25 February 2009 concerns assets relief measures.<sup>18</sup> Lastly, a *Restructuring Aid Paper* of 22 July 2009 concerns assistance for the long-term return to 'normality' for financial institutions.<sup>19</sup> It requires that banks must be made viable in the long-term without further state support and that banks and shareholders must carry a fair part of the cost of restructuring while it insists that distortions of competition in the internal market should be limited. The Commission has also guided state aid to the real economy through a series of communications.<sup>20</sup> The role of the EU executive in guiding some EUR 3 trillion or 24% of the EU GDP of state aid, against a 'normal' percentage of 0.5% of EU GDP<sup>21</sup> has not only been innovative in terms of speed and size, but also by making use of Article 87 (3) (b) EC (on 'aid (...) to remedy a serious disturbance in the economy of a Member State') instead of, as usually, Article 87 (3) (c) EC ('aid to facilitate the development of certain economic activities or of certain economic areas'). The ECB played its part pursuant to its advisory role concerning regulations and measures taken by the Member States in its fields of competence.<sup>22</sup> This function enabled the euro zone central bank to play a role in trying to ensure a measure of market conformity. The ECB coordinated

<sup>16</sup> Communication from the Commission – The application of state aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis, *Official Journal of the European Union* (OJ) No. C 270/8, 25 Oct. 2008.

<sup>17</sup> Communication from the Commission – The recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition, OJ No. C 10/2, 15 Jan. 2009.

<sup>18</sup> Communication from the Commission on the treatment of impaired assets in the Community banking sector, OJ No. C 72/1, 26 Mar. 2009.

<sup>19</sup> Communication from the Commission – The return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the state aid rules; OJ No. C 195/9, 19 Aug. 2009.

<sup>20</sup> Communication from the Commission – Temporary Community framework for state aid measures to support access to finance in the current financial and economic crisis, OJ No. C 83/1, 7 Apr. 2009. This was a follow-up to the previous Communication with the same title, adopted on 17 Dec. 2008, OJ No. C 16/1, 22 Jan. 2009, which was amended on 25 Feb. 2009, see: <[www.ec.europa.eu/competition/state\\_aid/legislation/atf\\_en.pdf](http://www.ec.europa.eu/competition/state_aid/legislation/atf_en.pdf)>.

<sup>21</sup> Figures given by Duncan Liddell of Ashurst LLP during a seminar on Competition Law in the Financial Services Sector 2009, held in London (UK) on 23 Jun. 2009. DG Competition's review of guarantee and recapitalisation schemes in the financial sector in the current crisis of 7 Aug. 2009 states that 'The total volume of the approved guarantee measures amounts to € 2.9 trillion and the recapitalisation measures amount to € 313 billion.' The review calculates that this equals over 30% of EU GDP. The review is available at: <[www.ec.europa.eu/competition/state\\_aid/legislation/specific\\_rules.html](http://www.ec.europa.eu/competition/state_aid/legislation/specific_rules.html)>.

<sup>22</sup> Except in respect of the United Kingdom to which, pursuant to paras 5 and 8 of its Opt-out Protocol, the relevant provision of the EC Treaty (Art. 105 (4)) and its equivalent in the ESCB Statute (Art. 4) do not apply. This exclusion would continue to apply in respect of the relevant provision of the Treaty on the Functioning of the European Union (Art. 127) and the slightly amended ESCB Statute if the Lisbon Treaty enters into force. See paras 4 and 7 of Protocol (No 15) on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland, attached to this Treaty; see OJ No. C 115/284, 9 May 2008.

with the Commission, for example, by adopting guidance to technical aspects of state aid, such as the pricing of guarantees<sup>23</sup> and recapitalizations,<sup>24</sup> and by insisting that internal market rules be upheld in the context of the guarantees and other support schemes for the financial sector.<sup>25</sup> In spite of these efforts, the European response to the crisis was state-centered. The feeble attempt at coordination<sup>26</sup> and the umbrella of the European Economic Recovery Plan<sup>27</sup> cannot hide the fact that there was no EU stimulus package and that coordination, if it took place at all, was haphazard and *ex post*. A multinational bank was repatriated because three small states could not oversee it properly together.

The crisis has thus revealed a lack of ‘Europe’, rather than ‘too much Europe’, as quite a number of voters in the recent European Parliament elections (those that turned up, that is) seemed to think. It is deeply concerning that Europe’s politicians are unable to bring the message ‘why Europe matters’. The resurgence of nationalistic and anti-EU sentiment does not bode well for a continent deeply integrated economically, socially, and culturally but without a common European public domain. It is this lack of a ‘European people’ which seems to be at the heart of the decision by the German Constitutional Court on the Lisbon Treaty.<sup>28</sup> Further analysis needs to be made, but at first sight the judges in Karlsruhe are seen to think that national economic policy cannot be *communautarisé* without prejudicing national statehood and national democracy. This is precisely the area where Europe, with its single currency and internal market, needs stronger federal authority. FT columnist Wolfgang Munchau was right when he remarked<sup>29</sup> that the Court came to a ‘wrong conclusion by anchoring the responsibility for fiscal policy exclusively at the national level’. Europeans need to rethink their political future, even if the Lisbon Treaty is ratified by the Irish electorate. This is not ‘institutional navel-gazing’ but an essential requirement for the organized living together by half a billion people. The crisis has shown that severe blows lead to nationalist impulses which undermine the unity of the market and the achievements of the EU, such as peace, economic development, a single trade policy and a single currency, consumer welfare and environmental and other standards which other nations follow because of the importance of the EU export market.

Talking about the global economy, the amounts of state aid handed out stand in sharp contrast with the limited increase in funding to overcome one of the world’s major

<sup>23</sup> Recommendations of the Governing Council of the ECB on government guarantees for bank debt, at: <[www.ecb.int/pub/pdf/other/recommendations\\_on\\_guaranteesen.pdf](http://www.ecb.int/pub/pdf/other/recommendations_on_guaranteesen.pdf)>, 20 Oct. 2008.

<sup>24</sup> Recommendations of the Governing Council of the ECB on the pricing of recapitalisations, at: <[www.ecb.int/pub/pdf/other/recommendations\\_on\\_pricing\\_for\\_recapitalisationsen.pdf](http://www.ecb.int/pub/pdf/other/recommendations_on_pricing_for_recapitalisationsen.pdf)>, 20 Nov. 2008.

<sup>25</sup> In its Opinions, available at: <[www.ecb.int/ecb/legal/opinions/html/index.en.html](http://www.ecb.int/ecb/legal/opinions/html/index.en.html)>.

<sup>26</sup> Such as Ecofin Council conclusions of 7 Oct. 2008, conclusions of the Eurozone States’ Summit of 12 Oct. 2008 and European Council conclusions of 15–16 Oct. 2008. Available at: <[www.consilium.europa.eu/](http://www.consilium.europa.eu/)>.

<sup>27</sup> Communication from the Commission, A European Economic Recovery Plan, COM(2008) 800 final, at: <[www.ec.europa.eu/economy\\_finance/thematic\\_articles/article13502\\_en.htm](http://www.ec.europa.eu/economy_finance/thematic_articles/article13502_en.htm)>, 26 Nov. 2008.

<sup>28</sup> *BVerfG (Bundesverfassungsgericht, German Constitutional Court)*, 2 *BvE 2/08*, decision of 30 Jun. 2009, at: <[www.bundesverfassungsgericht.de/entscheidungen/es20090630\\_2bve000208en.html](http://www.bundesverfassungsgericht.de/entscheidungen/es20090630_2bve000208en.html)>.

<sup>29</sup> ‘Berlin has dealt a blow to European unity’, *Financial Times*, at: <[www.ft.com/cms/s/0/48bbec78-6f10-11de-9109-00144feabdc0.html?nclink\\_check=1](http://www.ft.com/cms/s/0/48bbec78-6f10-11de-9109-00144feabdc0.html?nclink_check=1)>, 12 Jul. 2009.

challenges: the huge and increasing<sup>30</sup> gap between the wealthy and the destitute. It will be difficult to keep the promises contained in the Millennium Development Goals.<sup>31</sup> The economic slump, or decline in economic growth in the emerging markets, will increase human suffering as witnessed by estimates of the Asian Development Bank.<sup>32</sup> What is a severe recession here, with all the unpleasant consequences of unemployment, foreclosures, and bankruptcies, may mean the difference between life and death for those at the bottom of the pyramid. The reduction of the development gap remains the major challenge the world faces after the crisis, together with the issues of sustainability (including climate change) and of living together with so many faiths and cultures in a global village. We should learn from the crisis and refocus on issues that relate to the long-term viability of this planet and its inhabitants. Measures to end the economic crisis, if they also foster sustainable economic activity, may contribute to a better environment instead of prolonging old, resource-depleting and polluting ways of doing business. Thus, the credit crisis may help us make the change-over to a carbon-neutral economy and sustainable production. The law may have a lot to contribute but will only do so when its practitioners have learned from the lessons of the crises and have the right intentions. The Earth Charter<sup>33</sup> and the Charter for Compassion<sup>34</sup> are good starting points. The first contains a holistic approach to socioeconomic and environmental challenges. It speaks of 'a change of mind and heart' and 'a new sense of global interdependence and universal responsibility' when mapping the way out of current problems, doing so in a spirit of wonder at the beauty of the earth in all its diversity. The second offers an inclusive perspective on what unites people from different religious and cultural backgrounds. It seeks to change the tenor of the dialogue, if dialogue there is, between people from different spiritual traditions. Both documents appeal to other faculties than thinking and, thereby, offer inspiration beyond mere reason. When so inspired, the law may be helpful in the transition we, as a global society, are called to make.

RS, August 2009

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<sup>30</sup> See the World Bank's press release of 26 Aug. 2008 which highlights new data that show that more people were poor than previously thought. On the basis of a revised poverty line of living on USD 1.25 a day, 40% of the world's population are extremely poor. See: <[www.web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21881954~pagePK:64257043~piPK:437376~theSitePK:4607,00.html](http://www.web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21881954~pagePK:64257043~piPK:437376~theSitePK:4607,00.html)>.

<sup>31</sup> See: <[www.un.org/millenniumgoals/](http://www.un.org/millenniumgoals/)>.

<sup>32</sup> In a report on the crisis, the ADB predicted that 'a 3 percentage point drop in the region's GDP growth rate in 2009 will translate into 10 million more undernourished people; 56,000 more deaths of children under 5 years; and 2,000 more mothers dying at childbirth. It also translates into an additional 1-year delay in achieving MDG targets relating to infant mortality and hunger'. See: <[www.adb.org/Economic-Crisis/default.asp](http://www.adb.org/Economic-Crisis/default.asp)>.

<sup>33</sup> A declaration on ecology, development, democracy and spirituality, adopted as a civil society initiative in 2000. See: <[www.earthcharterinaction.org/content/](http://www.earthcharterinaction.org/content/)>. See Ruud Lubbers, Willem van Genugten and Tineke Lambooy, 'Inspiration for Global Governance – The Universal Declaration of Human Rights and the Earth Charter', 2008.

<sup>34</sup> A text based on the tenet that 'while all faiths are not the same, they all share the core principle of compassion and the Golden Rule'. It is currently being drafted and is expected to be launched on 9 Nov. 2009. See: <[www.charterforcompassion.com/](http://www.charterforcompassion.com/)> and <[www.youtube.com/user/CharterforCompassion](http://www.youtube.com/user/CharterforCompassion)>.